



## 20 Tough Questions to Ask your Financial Advisor

Here are our criteria for knowing you have chosen the best financial advisor for you.

Currently many people have no idea what they are paying for financial services or how it is helping or hurting them. You can put a value on not worrying about money and living the life you desire. The first step is to know what you are paying for and getting now. If you are 'doing it' yourself, ask yourself if you are qualified. If you are qualified, then be honest with yourself as to how much time, training and tools it really requires, and if or if not, you are using your time in its highest and best use.

Ask the questions below and listen carefully to how your current or prospective advisor answers. How and why they run their business the way they do will be a significant factor in the success of your achieving the best possible outcomes of your planning experience. By the end of your interview you will know if you should stay or go.

1. Why are you an advisor and why do you work *here*?
2. Please show me an example of how I will be charge charged on regular account statements and invoices. How can I know what my "all-in" costs i.e. internal fund fees, advisory and ancillary charges such as trading costs, will be?
3. Who owns the firm?
4. What percent of your clients earn income and have asset levels similar to me? How many are in my line of work and level of responsibility?
5. What are your business goals?
6. How are employees paid? Salary, Commission, Bonus or hourly?
7. Who prepares the plans, provides the investment advice, and meets with me?
8. How many clients do you have? **The average advisor to client ratio is 1:300. If a client has over 50 clients and works 2,000 hours per year, then they are able to spend 40 hours on your planning. An advisor with 300 clients must spend less than seven hours on you and your plan. Or if they are taking care of larger clients, even less time on you and your planning.**
9. What is the scope of your responsibility to me and my planning and investing?
10. What do you need from me for me to benefit the most from our relationship?
11. What is your investing philosophy?
12. Would you define it as active, passive or evidenced-based?
13. What are the pros and cons of your approach?
14. Have you even filed a bankruptcy?
15. Do you work with a financial advisor and do you have a written financial plan?
16. What was a recent process improvement you implemented that will benefit your clients?
17. Please describe any key partnerships or strategic relationships involved in the delivery of your financial services?
18. May I have a copy of your most recent ADV?

19. Do you have a written and audited data security plan?

20. Do you have a written succession plan? What would happen if you could not work anymore as of now?

After interviewing an advisor, please share your [feedback](#) with us. We would like to know if and how the 20 Questions interview was helpful to you.