

List of things to consider when selecting or working with a financial advisor

It's an early Monday morning, I just sat down at my desk and started work for the day. My phone rings, when I read the caller ID, I notice that it's one of my old clients from when I worked for a different financial firm. This client always had her money managed in different locations, I managed a portion, her bank managed some, and she also had some of her money in a few annuities with a third financial institution. Her call was out of the blue as I had not talked to her in over 2 years. She asked me a lot of questions because she was having concerns about her new advisor and some of the recommendations that he was recently making; "Why does he want me to convert money to a life insurance policy?", "Why does my bank want to sell me another annuity?", "Do they get incentivized to sell me different products?". I listened to her vent and say all that she had to say before I offered any kind of response. This is a topic that I am extremely passionate about, so I needed to take a second to calm down and gather my thoughts.

Conversations like the one I just described is the reason why I decided to start my own business. I was tired of feeling like I wasn't encouraged to offer my clients exactly what I felt was in their best interest. I gave her some advice on what she needed to do, but after getting off the phone, I realized that I could have worded it differently. I was not sure I adequately made all the points that I wanted to make. As soon as I put the phone down, I decided that I needed to go and write an article about this to pass on some insight to other people. If this person was feeling this way, I am sure a lot of other people feel the same.

Here is my list of things to consider, questions to ask yourself, and questions to ask your financial advisor.

First, do some research on the firm and the advisor you plan to use. You want to know what kind of advisor and business that you are working with. Go to brokercheck.finra.org. Here you can look up the name of the advisor you are considering to see what licenses they have and if they have any complaints. Also, go to their firm's website. Almost anyone can call themselves a Financial Advisor. You want to know what kind of advice they really give. Sadly, a lot of advisors are only capable of selling certain products, like annuities or life insurance, so those are the products they recommend. It's not always based on what is in the best interest of the client.

Second, ask the advisor how they get paid and if they get paid differently for different products. A lot of advisors use a fee-for-service model, usually charging a fee of 1%-3% on the assets they manage for you. Some advisors charge a commission on the products they offer. For financial advice, the advisor may charge an hourly or set fee for a financial plan, or they may charge a monthly subscription service. The basic thing to understand is, there are lots of different ways that advisors can charge you. You need to ask and understand what you are being charged.

Lastly, ask the advisor about their investment philosophy. If you and your advisor don't see eye to eye on anything and they aren't willing to take your thoughts or beliefs into consideration, they are probably not a great fit. Here are a couple of examples: What if there are things that you don't want to be invested in, like tobacco or fossil fuels? You have the right to tell your advisor that you don't want your money invested in those kinds of businesses. What if you are extremely conservative with your money, but the advisor wants to put you in all speculative and risky investments? Once again, that's probably not a great fit.

If you are going to have someone manage your life savings, you need to make sure you know, like, and trust them. It doesn't take a lot of time, but it is important to do your due diligence making sure you have the right person for the job.



Garner Wealth Management seeks to create a human connection to help better understand and build the proper ways to obtain a successful and secure financial future.

Call or email to set up your free consult!

(941) 518-9957

alex@garnerwealthmgt.com



Alex Garner is a Financial Advisor, but do not take the information in this article as financial advice.

Registered Representative, Securities offered through Cambridge Investment Research, Inc. a Broker/Dealer, member FINRA/SIPC.

Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Garner Wealth Management LLC and Cambridge are not affiliated.

The information in this article is not financial advice. Diversification and asset allocation strategies do not assure profit or protect against loss. Past performance is no guarantee of future results. Investing involves risk. Depending on the types of investments, there may be varying degrees of risk. Investors should be prepared to bear loss, including loss of principal.