

QUESTIONS TO ASK YOUR FINANCIAL ADVISOR... AND ANSWERS!

Host: One of the reasons you might be tuning in to (Advisor's) program is because you're trying to find a financial advisor yourself. But if you're not an expert in Financial Planning topics, how do you know which questions to ask them? Well that's exactly what we're going to do here right now. (Advisor) Are you ready for "Questions to ask a Financial Advisor?"

ADVISOR (Yes, I do this all the time! I'm excited to share these ideas etc. etc.)

Q1. I think the first question that people think to ask is 'What are your Credentials?' Does this provide the kind of information that helps someone understand what you really do?

A1. (Not really, The alphabet soup letters behind someone's name can be confusing. Are you a Fiduciary, a CFP, are you independent (explain what that means). To re-direct, ask What are you Licensed to practice? You can explain there are difference practices so expand and highlight what YOU do).

Q2. I think it's important to know who you 'normally' work with. So I would ask you, Do you Specialize in certain types of clients? I mean, a break mechanic isn't going to excel at doing transmission replacements on Ferraris, right?

A2. (Here you can mention how you focus on planning for retirement, retirees, complete plans, women, tax efficiency, strategic income planning etc. etc. Also Advisor, you can describe types of advising that wouldn't be a good match.)

Q3. So that leads me to a real area of confusion, what exactly will you do for me? Specifically, I'd ask, what services do you provide? Do you just manage my investments because I'm doing some of that on my own.

A3. (That's exactly what you should ask. What does your firm do, and just as important, what don't they not do. For instance, this is what my practice is like....Expand, tax planning, college planning, estate planning, investment management, life insurance, Medicare, LTC....I look at your current needs and future needs)

Q4. Okay, this is a biggie. If you're about to interview an advisor, I'd like to know this...How are you compensated? This can be very confusing for outsiders to the industry.

A4. (Great question to ask! Here you can describe the differences between fee-based on AUM, flat fee, hourly rates, even RoboAdvice, commissions et. al. Next, describe how your firm is compensated and why this works for you and your clients.)





Q5. Well this is extremely important to me, the next question I would ask is, What is your Investment Philosophy?

A5. (Just like you want a good match with a Counselor or Partner, you want to make sure the investment strategies used are a good fit with your real-life goals, objectives. Stocks, mutual funds, Annuities, Life Insurance, ETFs, rebalancing...and why you choose this approach!)

Q6. (Follow up) Did your investment strategies change during the Dot Com bubble in 2000, or the Housing and Credit crash of 2008 or the Pandemic in 2020?

A6. (that's what having a mapped out strategy is all about, not reacting to market occurrences but anticipating negative events and being prepared for them. Expand)(Long term strategy isn't about market timing. My clients felt relaxed/at ease/calm because we had a plan in place. And there will be more market mayhem in the future..that's what I'm here for)

Q7. I think this would be important for both parties to know in our segment Interview Questions for a Financial Advisor is How do you Measure Success for your clients? If someone is following the news, they're watching the ups and downs of the market. Can you talk a bit on performance?

A7. It is normal to want to know how your investments performed, and we will do that. But those aren't the only measuring sticks. Goal based, long-term, Income needs, life expectancy, lifestyle, ability to withstand volatility, YOU/WE together Define the success parameters). Expand, client story!

Q8. Nearing the end here of questions to interview a financial advisor with...If I'm asking you to manage my life's savings, my future, the future of my family's well-being...Do you give the advice you give me to yourself, your own family?

A8. (I believe in our firm because I am a client myself, Or Personal Example, or tell them how you 'eat your own cooking', or why you got into financial planning, or why you enjoy seeing your clients once a year enjoying their retirement)

Q9. Thank you so much (advisor) for letting me put you through the ringer. I have one last question though...you're so good at retirement planning but what happens when you want to retire?? :D

A9. (Expand continuation strategy)

****Consumer Question if time available**

