

Ten Questions to Ask Your Financial Advisor

Congratulations! You are on the right path to finding a financial advisor who will work with you as a trusted partner to help you meet your financial goals.

Below are issues you will want to explore before you hire someone to be your financial advisor. You can ask these questions at your first meeting or send them in advance so the advisor is ready to address them when you meet. You might also find some of this information on the advisor's website.

Choosing an advisor is one of the most important financial decisions you will make. It will take some work on your part, but partnering with the right financial advisor will help reduce your financial stress and give you confidence and security today and in the future.

Whether you've been referred to a financial advisor by a friend or family member or have found one here, be sure to interview the advisors you are considering to find the one who is the best fit for you.

1. What are your qualifications and credentials?

Ask about the credentials your advisor holds, and learn how he or she stays up to date with current changes and developments in the financial planning field. As part of their certification, CFP® professionals commit to acting as a [fiduciary](#) when providing financial advice to a client, and they expand their knowledge and stay informed through mandatory continuing education.

2. What experience do you have?

Ask for a brief description of the advisor's work experience and how it relates to his or her current practice. CFP® professionals have at least two years of personal financial planning experience.

3. What services do you offer?

Credentials, licenses, and areas of expertise are all factors that determine the services an advisor can offer. Ask your advisor what products, services and advice he or she can offer.

4. What is your approach to financial planning?

Ask the advisor if he or she will create a comprehensive [financial plan](#) for you. Learn how he or she will implement the plan and recommendations and/or work with other professionals.

5. What types of clients do you typically work with?

Some financial advisors prefer to work with clients whose assets fall within a particular range, so it's important to make sure the advisor is a good fit for your individual financial situation. When you [search](#) for a CFP® professional on this site, you can specify your investable asset range to find an advisor who has indicated that he or she accepts new clients with your level of assets. You can also [search](#) by focus area or language(s) spoken. If you have any unique financial circumstances, make sure you ask the advisor if he or she works with clients like you.

6. Will you be the only advisor working with me?

Some financial advisors work with clients directly, and others have a team of people that work with them. Ask who will handle your account, and ask whether the advisor works with professionals outside his/her own practice. If yes, ask for a list of names, roles and backgrounds.

7. How will I pay for your services?

You can pay for financial advice in several ways: through [fees](#) based on a percentage of the [investable assets](#) the financial advisor manages for you, [commissions](#) on the products the advisor sells, or a combination of both. Some advisors charge annual or monthly [fees](#) for clients who don't have assets to manage. Your advisor should clarify how he or she expects to be paid for services rendered.

8. How much do you typically charge?

How much you pay will depend on your particular needs. The advisor should provide you with an estimate of possible charges based on the services that will be utilized and any products that will be used to implement your plan.

9. Do others stand to gain from the financial advice you give me?

Ask the advisor to describe any potential [conflicts of interest](#). For example, advisors who sell insurance policies, securities, or mutual funds may have a business relationship with the companies that provide these products. As part of their certification, CFP® professionals make a commitment to CFP Board to abide by CFP Board's Code of Ethics and Standards of Conduct and place your interest first when providing financial advice.

10. Have you ever been publicly disciplined for any unlawful or unethical actions in your career?

Ask your advisor if he/she has ever been publicly disciplined by any organization that regulates his or her conduct. You may find information about financial advisors through [FINRA's BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure](#) databases. CFP Board disciplinary history of a CFP® professional can be found through our [Verify tool](#).

Commissions

Compensation that a financial advisor earns when purchasing a product or executing a securities trade on behalf of their client

Conflicts of Interest

When an advisor's interests (including the interests of their firm) are adverse to the advisor's duty to the client, or when an advisor has duties to one client that are adverse to another client.

Fees

There are different types of fees that a financial advisor might charge.

- Percentage of Assets Under Management: A percent of the total assets in your account; this percent may vary based on the amount of assets under management.
- Hourly charges: A rate charged per hour, typically for a special project or consulting.
- Fixed fees: A set amount paid for a service, such as the creation of a financial plan.

Fiduciary

A fiduciary financial advisor is an advisor that has a duty of good faith and is ethically bound to act in their client's best interest.

Financial Plan

The output of a collaborative process between client and advisor that helps maximize a client's potential for meeting their individual life goals. The plan provides financial advice that integrates relevant elements of the client's personal and financial circumstances.

Investable Assets

Liquid and near-liquid assets that include cash, checking and savings accounts, stocks, bonds and mutual funds and retirement accounts and trust. Some advisors earn fees based on a percentage of the investable assets they manage for you.