

Questions to Ask a Financial Advisor

These are questions to keep in mind when speaking with your financial advisor. If you do not already know the answer, ask. Or, if you are looking for a new advisor, these may help spark conversation while you find the right fit.

1

"How Do You Get Paid?"

Fee-Only advisors get paid a portion of the advisory fee charged. Other advisors get paid commissions based on what they sell, or which products you purchase.

2

"What Are My All-In Costs?"

You may have heard that the industry-average advisory fee is 1%. But have you considered the 12b-1 mutual fund fees, expense ratio on exchange-traded funds (ETFs), or sub-advisor fees assessed for third-party managers? Make sure you know the ALL-IN cost to get a true apples-to-apples comparison.

3

"How Many Clients Do You Have?"

Will your advisor know your name, or will you just be a number? Some advisors have 50 clients and know all of them by name. Others have a few hundred clients and rarely interact with them personally.

4

"Which Investment Options Do I Have Access To?"

As a client, will you have access to a variety of investment options? Or are you limited to 10 proprietary models built by your advisor?

5

"What Kind Of Service Can I Expect While Working With You?"

How often will you reach out? Will you respond to emails or answer my calls? How often will you review my account to make sure it is properly invested? When do you plan on retiring?

Make sure your costs are equitable for the services provided.

- You get what you pay for! Think of services provided at a Ritz-Carlton, Holiday Inn, or a Motel 6.
- They all provide a place to sleep, but which one best suits your needs and lifestyle?

Your advisor is partially in business to help employees provide for their families and loved ones.

- Typically, the total advisory fee does not go directly to your advisor.
- A portion may go to support staff or to keeping the lights on at the office.

Find someone you trust and also enjoy working with!

- All good relationships are built on trust, which may take time to build.
- You don't want to dread seeing your financial advisor. Find someone who makes visits enjoyable for you and your family.