

NAPFA: CONSUMER TOOLS

Being armed with the right questions is vital in understanding an advisor's motivations and whether or not they are going to work in your best interests.

Here are some questions to get you started!



Tough Questions To Ask Your Advisor

What is your educational background?

College Degree: BA - Economics (UMass-Lowell)

Graduate Degree: MS - Finance (Bentley College)
Personal Finance Focus

What are your financial planning credentials/designations and affiliations?

NAPFA-Registered Financial Advisor

Certified Financial Planner (CFP)

Chartered Financial Consultant (ChFC)

Certified Public Accountant/Personal Financial

Specialist (CPA/PFS)

Accredited Estate Planner

How long have you been offering financial planning services? Since 1999

_____ years and _____ months

Do you have clients who might be willing to speak with me about your services?

Yes No

Will you provide me with references from other professionals?

Yes No

Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?

Yes No

What more can you tell me about your experience in providing financial planning services?

How many clients do you work with?

Number of clients: 112+/-

Are you currently engaged in any other business, either as a sole proprietor, partner, officer, employee, trustee, agent or otherwise?

Yes No

Will you or an associate of yours work with me?

You will Associate Team

Will you sign a Fiduciary Oath?

Yes No

How is your firm compensated and how is your compensation calculated?

Fee-Only

Commissions Only

Fee and Commissions (Fee-Based)

Fee-Offset

Do you have an agreement describing your compensation and services that will be provided in advance of the engagement?

Yes No

Tough Questions To Ask Your Advisor

Do you have a minimum fee? 3 hr min or \$600

Yes No

If you earn commissions, approximately what percentage of firm's commissions comes from: N/A

- Insurance Products
- Annuities
- Mutual Funds
- Limited Partnerships
- Stock and Bonds
- Coins, Tangibles, Collectibles
- Other

Does any member of your firm act as a general partner, participate in, or receive compensation from investments you may recommend to me?

Yes No

Do you receive referral fees from attorney, accountants, insurance professionals, mortgage brokers, or others?

Yes No

Do you receive on-going income from any mutual funds that you recommend in the form of 12b(1) fees, trailing commissions, or other continuing payouts?

Yes No

Are there financial incentives for you to recommend certain financial products?

Yes No

Do you offer advice on:

- Goal setting
- Cash management and budgeting
- Tax planning
- Investment review and planning
- Estate planning
- Insurance needs
- Education funding
- Retirement planning
- Other - Divorce

Do you provide a comprehensive written analysis of my financial situation and recommendations?

Yes No

Does your financial planning service include recommendations for specific investments or investment products?

Yes No

Do you offer assistance with implementation of the recommendations?

Yes No

Do you offer continuous, on-going advice regarding my financial affairs, including advice on non-investment related financial issues?

Yes No

Do you take custody of, or have access to my assets? if you were to provide me on-going investment advisory services, do you require "discretionary" trading authority over my investment account?

Yes No

For additional tools to help you properly review the qualifications of a financial advisor, visit www.NAPFA.org and click on "Tips and Tools".

