

Important Factors to Consider Before Hiring a Personal Financial Adviser

My Comments: It's natural for some people to think investing money is relatively simple. But as someone who has spent decades helping others, the range of success leading up to my involvement with them is very mixed.

Here are some ideas to think about for yourself if you now want to find someone to help you.

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If your personal budget is feeling a bit out of whack, you may need the assistance of a personal financial adviser to help get you in check. While they are willing to take you on as a client and work to make a systematic plan of your finances, you need to consider carefully who you are trusting with your personal money matters.

Just like anyone you would hire, you need to ask a few questions before you go blindly into a relationship with a personal finance adviser. Finding out their background, experience and education can help you establish a trust level with them and ensure you are more forthcoming about your financial situation so they can help you get your money in order.

Below, eight members of [Forbes Finance Council](#) discuss the most important thing individuals should consider before hiring a personal finance adviser. Here is what they had to say:

1. Fiduciary Status

A large number of financial services professionals hold themselves out as "financial advisers." So, why is working with an independent adviser who acts as a fiduciary so important? A fiduciary has the legal obligation to put their clients' interest ahead of their own. They should be more fair, balanced and transparent. Additionally, they will be held to the highest ethical standard. - [Matthew Petrozelli, Valley National Financial Advisors](#)

2. Longevity and Fees

When someone is young and beginning to accumulate wealth for retirement, they need to focus on working with an experienced financial adviser or a new

adviser working under a strong mentor. The other side of the equation is the fee structure the adviser charges. You'll almost always find that seasoned advisers have a very simple fee structure that makes doing business easy. - [Drew Gurley, Redbird Advisors](#)

3. Education and Transparency

Is your financial adviser going to dedicate themselves to educating you on the decisions they'll be making in order to meet your investment objectives? Will they be transparent about their intentions and responsive when you need them? The ability to educate and the willingness to be transparent are two of the most genuine characteristics of a trustworthy adviser. - [Ross Garcia, PREI Capital Group & Divorce Mortgage Advisors](#)

4. Experience with Your Asset Level

When choosing a financial adviser, you should look for someone who has experience working for those with your asset level. The mindset of someone who is managing \$2 million is different from someone managing \$20 million. While any good adviser is fiscally responsible, there's a psychological aspect to this, and you really want your adviser to understand your needs so as to help you reach your goals. - [Jared Weitz, United Capital Source](#)

5. Trust

Credentials and reputation are important, but trustworthiness is most critical. The right adviser is someone who listens to the client, speaks clearly to them and shows a solid grasp of their needs. But it is not only about pleasing the client. A good adviser will provide candid advice and will speak up if the client is in danger of going down a path that could undercut financial security. - [Paul Blanco, Barnum Financial Group](#)

6. Alignment of Goals

It is important to align financial goals with the goals of the adviser. If the adviser gets better commission on certain products, then they are more likely to sell those products, which may or may not be aligned to your financial needs. Getting an unbiased adviser who believes in long term-investment and steady returns works out better than an adviser who believes in quick unsustainable gains. - [Deepak Kedia, Motorola Solutions Inc](#)

7. Personal Stake

Whether your adviser is a fund, a private bank or even a friend, you should make sure that the entity you choose is "eating his own cooking." In other words, they should be personally invested in the exact same assets they are advising you to put your money in. If that is not the case (and it rarely is), then you have a massive red flag in front of you. - [Gabriel Grego, Quintessential Capital](#)

8. Consistency

Ask for of a recommendation from a respected friend or family member. Look for longevity and consistency in their employ. Make a list of your goals for the adviser well in advance with help from your lawyer and accountant. Know that it is all too common for many investment advisers to emphasize profitable insurance products to sell you when your wish was for help with budgeting or investment advice. - [Perry D'Alessio, D'Alessio Tocci & Pell, LLP](#)