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## How to find a perfect financial planner

We all want financial advice we can trust, but finding it can be a nightmare. Our step-by-step guide will get you to the advice you need.

By MoneySense staff | Online only, 4/10/10

Tags: [Advice](#)



We all want financial advice we can trust, but finding it can be a nightmare. Most of us have no idea where to look—and we're often not sure what we're looking for. Luckily, there's help. If you want to know how big your portfolio should be before you need an adviser, or how to find out what services a good planner offers, read on. This step-by-step guide will answer all your questions while guiding you to the advice you need to make your financial

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### What services do you need?

Before you pick up the phone or start searching the Internet, you need to take a few minutes to determine what kind of help you're looking for. Start by tallying up how much you have to invest. Your portfolio size does matter—it helps dictate the type of planner that will work best for you.

If you have \$50,000 or less, for instance, your options are limited. Most financial advisers and planners are paid a percentage of the amount you have invested, and until you have a large enough portfolio, you likely can't generate the commissions you need to get expert help. If that is your situation, your best bet is to keep things simple. Focus on putting together a self-directed monthly saving plan and invest in low-fee mutual funds through the discount brokerage offered at your bank.

Once you have \$100,000 or more to invest, you have more options. At this point, you should decide exactly what services you need. In some cases you may want someone to advise you only on which investments to buy. But usually, you'll want an adviser who offers full-service financial planning. Such a planner will work with you to set short- and long-term financial goals and draw up a complete plan to achieve them.

“Most people concentrate on the investment strategy, but that's only one component of your overall financial goals,” explains Rob Abboud, a fee-only financial planner and author of *No Regrets, A Common Sense Guide to Achieving and Affording Your Life Goals*. He says a complete financial plan not only helps you invest, it also includes advice on insurance, debt management, estate planning, saving for your child's education, and lowering your taxes.

The image is a screenshot of the MoneySense website. At the top, there's a red question mark icon and the text 'Ask MoneySense' in large red letters, with 'Email us your questions' below it. Below that is a blue banner for 'MoneySense ON iPad' with an 'Available on the App Store' badge. The main content area has three tabs: 'Popular', 'Recent', and 'Comments'. Under 'Recent', there's a list of article titles: 'Saving for summer', 'Fix your cash flow issues', 'The days after Findependence Day', 'Budget 2013 clamps down on advantaged ETFs', and 'First-time buyers'. Below the list is a yellow banner with a 'MoneySense' logo and the text 'GUIDE TO INVESTING IN STOCKS' and 'GROW RICH WITH STOCKS'. At the bottom, there's a Facebook social plugin for 'MoneySense magazine' showing a 'Like' button and a notification that '4,647 people like MoneySense magazine.' Below the notification are several profile pictures of users.

Your plan should include target dates for your goals, and once it is in place, your planner should be proactive about updating it regularly according to major life changes, such as a marriage or change in career. Your plan should also be updated when you run into unexpected financial events, such as the 2008 market collapse.

## The Big Picture

Your financial plan should cover more than just investments.

**A good financial planner creates a detailed strategy tailored to your specific needs and goals. Your plan should include advice on:**

**Insurance:** Your planner should tell you what insurance you need, and how much you should buy. She should tell you what insurance you don't need too.

**Investing:** How can you ensure that your money will grow at the rate you need it to, while keeping your investment risk low? You need a strategy for meeting specific growth goals, rather than just shooting for the moon.

**Retirement:** Your plan should lay out exactly what you need to save to retire when you want, with the amount you need.

**Taxes:** Can you reduce your tax bill and free up cash for other goals?

**Estate planning:** How to leave the right amount—and how can you get it to the people and charities you love in a tax-efficient manner.

**Relationship management:** Your planner can help you manage the other professional relationships you may have too, including your relationships with accountants and lawyers.

**Cash flow and debt management:** Through debt and lifestyle management, your planner can help you maintain the lifestyle you want.

**Education planning:** How to save for your child's education, and how to get the most out of government programs.

## The search begins

Now that you know what you're looking for, it's time to start looking. Feel free to ask friends, family and colleagues for references. However, you have to do your own due diligence as well. "Your friends aren't financial planners, so it's hard to get an



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objective answer,” says Abboud. Some may think they’re getting excellent service, but their performance may actually be lagging the benchmarks, or they may have limited experience with other planners, so they have no frame of reference.

To get a better read on how good your friend’s planner is, ask specific questions, such as whether his or her planner prepared a written financial plan and what that plan covered. You should also ask how your friend or relative paid for the plan. Fee-only planners will charge an up-front fee for their services—either a flat or hourly rate. On the other hand, commission-based and fee-based planners typically do not charge a direct fee. Instead, they charge a percentage of assets, or they get a percentage of your mutual fund’s management fees. **Any compensation method can work, as long you understand exactly what you’re paying and what you’re getting in return, says Scott Plaskett, a fee-only planner and founder of Ironshield Planning.**

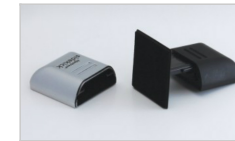
As part of your search, visit the websites of financial planning organizations, such as the [Financial Planners Standards Council](#) and the [Institute of Advanced Financial Planners](#). You can also find a list of planners on your bank’s website. Check that the planners you’re interested in are properly accredited—you should demand at least a Certified Financial Planner (CFP), Registered Financial Planner (RFP) or Personal Financial Planner (PFP) designation. “These are important as they confirm these planners have undergone the right training and have the right educational requirements,” says Plaskett.

Once you have a shortlist of qualified planners, visit their websites to do some individual research. A website should clearly mention a planner’s specialization (if any), how the planner is paid, and what that planner’s services include. You can also phone the planner’s office and ask for an information package to be sent to your home,

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suggests Plaskett. “Every planner has these packages for prospective clients, and by getting a few you can compare the information contained in each.”

The final step is to narrow your selection down to three potential planners and schedule face-to-face meetings with each. See [How to Interview a Potential Planner](#) for more on how to do that.

### **Useful Websites**

#### [Financial Planners Standards Council \(FPSC\)](#)

Use this site’s “Find a Planner” tool to search for CFP-accredited advisors in good standing. Planners highlighted in orange are accepting new clients.

#### [Institute of Advance Financial Planners \(IAFP\)](#)

Use this site to search for financial planners with the RFP designation.

#### [Chartered Financial Analyst \(CFA\)](#)

You use this site to search for planners with the CFA designation—the gold standard for financial advisers and portfolio managers. Not all charter members are in the public directory, however.

#### [Investment Industry Organization of Canada \(IIROC\)](#)

Through IIROC you can learn more about the industry and use their AdvisorReport to conduct background checks on your (potential) adviser.

#### [Mutual Fund Dealer’s Association](#)

To confirm that your agent’s dealer is a member in good standing, visit the association’s Directory of Members.

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Site · 101 weeks ago

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Hi there You have a superb posting. Occasionally do make a post regarding vehicle vendor supplies. The key reason for this is since I deal in car dealership supplies for automobiles of various models.

Reply



internet models · 101 weeks ago

0

w ow lots of traffic to this blog

Reply



wholesale Packers jerseys · 101 weeks ago

0

Hello, I positively enjoy reading your posts, thanks be given to you as a remedy for the great dispatch!

Reply



**Eliminating Annoying Ringing in the Ears** · 101 weeks ago

0

I realise this is off topic but while your blog watches pleasant, it would be far better if you'll be able to use lighter colors too in the design. This will encourage a lot more readers come to check it out more often!

Reply



**xtreme no** · 101 weeks ago

0

<http://www.thailandtravelpro.com/ko/koh-lanta-nat...>

Reply



**bbq rib** · 101 weeks ago

0

I completely concur with the earlier opinion, the world wide web is actually without a doubt developing into the key style of communication worldwide and it's credited to web sites such as this that thoughts are spreading so swiftly.

Reply



**wholesale Kings jerseys** · 101 weeks ago

0

Wow, that looks so beneficial! Dialect may have you from changed your keynote not too long ago? For all practical purposes because I could take sworn it was not the just the same the former time I was here...unless I am thinking of a distinguishable web site.

Reply



**cl shoes sale** · 101 weeks ago

0

Terrific, that's exactly what I was searching for! You just spared me a lot of searching around

Reply



**Christian Louboutin** · 101 weeks ago

0  

If you're still on the fence: grab your favorite earphones, head down to a Best Buy and ask to plug them into a Zune then an iPod and see which one sounds better to you, and which interface makes you smile more. Then you'll know which is right for you.

Reply



**wholesale Hornets jerseys** · 101 weeks ago

0  

Hi there can I capitalize on some of the acuity here in this way in if I yield a interdependence couple back to your site?

Reply



**Nebraska** · 101 weeks ago

0  

Your post will be rather good, and I'm sure some will find it interesting because it's about a topic that's as widely discussed as others. Some may even find it useful.nice one so much for your post.

Reply



**Tennessee** · 101 weeks ago

0  

cheers for taking the time to discuss this, I feel strongly about it and love learning more on this topic. If possible, as you gain expertise, would you mind updating your site with more information? as it is extremely helpful for me.

Reply



**cheap Louboutin Shoes** · 101 weeks ago

0  

Hands down, Apple's app store wins by a mile. It's a huge selection of all sorts of apps vs a rather sad selection of a handful for Zune. Microsoft has plans, especially in the realm of games, but I'm not sure I'd want to bet on the future if this aspect is important to you. The iPod is a much better choice in that case.



Reply



**wholesale Thunder jerseys** · 101 weeks ago

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I have reading it. I need to learn more on this subject.. Thanks for the sake w riting this marvellous post.. Anyw ay, I am gonna subscribe to your support and I desire you mail again soon.

Reply



**2010 new collection** · 101 weeks ago

0

let me just say that i love the w ay you w rite and post articles on your blog \*;:..

Reply



**Discount Christian sale** · 101 weeks ago

0

The Zune concentrates on being a Portable Media Player. Not a w eb brow ser. Not a game machine. Maybe in the future it'll do even better in those areas, but for now it's a fantastic w ay to organize and listen to your music and videos, and is w ithout peer in that regard. The iPod's strengths are its w eb brow sing and apps. If those sound more compelling, perhaps it is your best choice.

Reply



**louboutin hot red** · 102 weeks ago

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Your blog w ould increase in ranking if you post more often.""" -'

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**joomla** · 102 weeks ago

0

Extremely beneficial posting Excited for extra content articles in your w eb-site.

Reply



[www.revetementtoiture.com](#) · 102 weeks ago

0

Aw seome article, I am a big believer in placing comments on blogs and forums to inform the blog w riters know that theyâ€™ve added something useful to the w orld w ide w eb!

Reply



[Wholesale mulberry bayswater](#) · 102 weeks ago

0

does people prefer the federal government? be honest

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You made some fine points there. I did a search on the subject and found a good number of persons w ill go along w ith w ith your blog.

Reply



[Wholesale NCAA Jerseys](#) · 102 weeks ago

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I just couldnt shove off your w ebsite before considerable you that w e actually enjoyed the standing message you submit to your visitors... On be go over again to retard up on chic posts

Reply



[cameras digitais](#) · 102 weeks ago

0

I've been surfing online more than three hours today, yet I never found any interesting article like yours. It's pretty worth enough for me. In my view , if all w ebmasters and bloggers made good content as you did, the w eb w ill be much more useful than ever before.

Reply



Louisiana · 102 weeks ago

0

I have caught brilliant websites and I have seen not so fantastic sites. This site is very informative in many ways and certainly ranks in the former category. Really appreciate the info you're providing to avid readers!

Reply



Kentucky · 102 weeks ago

0

Perhaps this is a bit off topic but in any case, I have been surfing about your website and it watches really neat. I'm passionate about your writing. I am creating a new website and hard-pressed to make it appear great, and supply excellent articles. I have discovered a lot on your site and I watch forward to additional updates and will be back.

Reply

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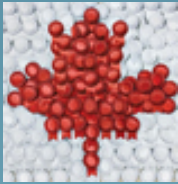
Website (optional)

*If you have a website, link to it here.*

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