

## Thinking About A Financial Advisor

### Why People Hire Financial Advisors

Hiring a financial professional to manage investments, or provide investment advice, can be an incredibly beneficial decision for a person who is looking to grow their wealth. These professionals are specially trained and experienced in the financial industry, so they are well-equipped to identify and facilitate investment opportunities that offer high returns with low risk.

Financial professionals also have access to a wide range of trading tools, software and market data that allow them to analyze current market trends and develop plans tailored specifically to the individual's needs.

### Remove Your Mental Side Of Investing

Financial professionals are also able to provide objective advice that is free from personal bias or emotion. They will work with the individual investor to establish measurable goals for the portfolio, such as long-term capital growth or steady income growth over time, and develop strategies in order to reach those goals. This helps reduce the potential for making emotional decisions which can often lead to significant losses.

In addition, financial professionals have an intimate understanding of tax rules and regulations that can help investors maximize their tax savings by taking advantage of deductions or credits available in different areas. They are also aware of upcoming changes in regulations which can alert investors ahead of time so they can take actions accordingly before any change comes into effect.

Finally, having a knowledgeable guide who understands an individual's investment goals can give them the confidence they need when it comes time for making decisions about their finances. Financial professionals will explain complex topics in layman's terms so individuals understand what their options are and what kind of risks they may face in any given situation. This allows them to make informed decisions based on sound logic rather than on speculation or fear-mongering tactics from sources without expertise.

### The Importance Of Finance Licenses & Certifications

Licensing, certifications, education and experience are all key criteria when selecting a financial professional for investment management or advice. Choosing the right professional is essential since their expertise will help guide an individual's decisions on how to invest and manage their finances.

Licensing is important because it ensures that the financial advisor has met specified standards set by regulatory bodies and has been approved to legally provide financial services. Financial professionals usually obtain licenses from FINRA, the National Association of Securities Dealers (NASD), or the Securities Exchange Commission (SEC).

Certifications such as Chartered Financial Analyst (CFA) or Certified Financial Planner (CFP) also indicate that a financial professional is well-versed in investments and other aspects of personal finance. The requirements for these certifications include passing rigorous exams demonstrating proficiency in areas such as economics, portfolio management, taxation, retirement planning and estate planning. A CFA requires four years of experience in addition to passing the CFA exams.

Education is another important criterion for evaluating a potential financial professional. Generally, a bachelor's degree in finance or economics is required with additional degrees such as master's degrees or doctorates preferred by many firms. In some cases, work experience could also be considered instead of educational credentials if the person can demonstrate sufficient knowledge and skills related to personal finance management and investments.

Experience should also be taken into account when selecting a financial advisor. Ideally, they should have at least several years of experience in providing investment advice and managing portfolios so they can competently assist clients with their own goals and objectives. It's wise to look at the types of clients they have serviced previously as well as any organizations they may have worked for to ensure that their track record is solid and trusted within the industry.

### **How To Find Qualified Financial Advisors**

Finding qualified financial professionals can be a daunting task. It is important to do research and ask questions to ensure you find someone who is the right fit for your needs.

The first place to look when searching for qualified financial professionals is in your local community. Networking with friends, family, and colleagues may help you uncover valuable resources that can provide insight as to who has experience and knowledge in the field. You may also want to contact local organizations such as chambers of commerce or finance-related associations for referrals. Additionally, researching online reviews and resources can be a great way to discover which services are available in your area.

When interviewing potential professionals, it is essential to inquire about their credentials, qualifications, certifications, and specialty areas of expertise. For example, if you are seeking assistance with planning for retirement or estate planning, then it is important that the professional has a solid understanding of these topics. It would also be beneficial if they have experience dealing with tax regulations that could affect your finances.

It is also helpful to ask any potential advisors about their fees and payment structure. While there are some professionals who will charge an hourly rate or a flat fee per project completed, other advisors may charge an annual retainer fee or commission-based fees based on performance or investments made by the client. It is essential to understand what type of fees will be applicable before agreeing to work with any particular advisor.

Finally, it is critical that you trust your instincts when evaluating any potential advisors; if something does not feel right or if the advisor seems too pushy or aggressive in their sales

tactics then it might be best to move on and look elsewhere for suitable advice and assistance. Taking time upfront to do research into various options can save considerable time down the road by ensuring that you select an advisor who has experience in delivering on promises made during initial consultations along with providing clear communication regarding expectations and results going forward.

**STANDARDS:** 4.12.14a, 4.12.14b, 4.12.14c