

**HOW TO HIRE  
AN ADVISOR  
NOT ADOPT  
ONE**

 **REFINE** YOUR **PLAN**



# ADOPT YOUR ADVISOR?

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If you pay more to your financial advisor over your lifetime than what each child of yours inherits, and all your advisor does is “trade in your accounts” then congratulations, you’ve adopted your advisor.

A couple with \$1 million dollar portfolio paying 1.5% in advisor fees equates to \$15,000 a year. They live off growth and income and preserve their \$1 million portfolio balance over 30 years. They've paid \$450,000 in advisor fees over their lifetime. If they have 3 or more children, their advisor received more than their children.

# CASE STUDY

# WHAT ARE THE ODDS?

If your advisor puts their value on outperforming the market, they are selling what they can't consistently deliver on. Is it possible? Sure. Likely? No, not net of fees. According to S&P Global, 92% of all Large-Cap funds underperformed the S&P 500 over the last 15 years.

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An advisor IS worth their weight in gold if they instead focus on the things they can control such as risk mitigation, tax optimization, estate planning, and regular reviews. Here are 7 things to look for when hiring an advisor.

# HOW TO HIRE AN ADVISOR

# FIDUCIARY

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A fiduciary is legally obligated to look after your best interest. Some advisors fall under a “suitability” standard that as long as they can justify being in the ball park of what you need, they can look after their commission and not your best interest. You can search disciplinary history through [FINRA Broker Check](#).

## **REFINE** YOUR **PLAN**

Unlike attorneys or CPAs with state protected titles, anyone can call themselves a financial advisor. Look for a CERTIFIED FINANCIAL PLANNER™ (CFP® Professional) as the bare minimum proof of your advisors expertise, commitment to continuing education, and that they're held to an ethical standard.

# CREDENTIALLED



# 3 CURIOUS

Your advisor should listen more than they talk and diagnose thoroughly before prescribing anything. A curious advisor asks questions to learn about you, why this money is important, and what you're trying to accomplish. A curious advisor is actively engaged in a professional membership and likely has a specialty designation on top of the CFP® marks.

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Your advisor should be just as good at the feelings as they are at the math. You deserve an advisor that listens to understand in a judgement-free zone. This is the uniquely human component that can't be outsourced to technology.

# 4 EMPATHY

# TRANSPARENT

# 5

You should know exactly how much you are paying and what services to expect and when. You want an advisor positioned as an educator, not a salesman. One that doesn't have any other financial incentive behind their advice to avoid conflicts of interest.

# PROACTIVE

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The best advisors have a service calendar to routinely stay on top of the areas where they can add value such as tax planning, estate planning, and risk management. If you only hear from your advisor when you initiate the contact, you're leaving opportunity on the table. An ounce of prevention is worth a pound of cure.



# ELEGANTLY SIMPLE

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You don't want a simplistic advisor, rather, one that navigates you through complexity to land at elegant simplicity. No more 3 inch notebooks where you have to decipher what is relevant. Look for a One Page Plan that you can clearly understand and follow.