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Finding The Right Retirement Advisor For You



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Finding a retirement advisor is not as easy as it sounds. The sheer amount of advisors out there can be overwhelming, let alone the different types of platforms, devices, services, and other technology that are available all trying to vie for you and your hard earned dollars.

Here's the problem. You can find thousands of people claiming outlandish returns in the market, but how did they do in the fourth quarter of 2018? More importantly, what did they do in a quarter that tested one's conviction of strategy? Then there is the myriad of other retirement aspects to be concerned with. Do they have a tax strategy for the great year I had? Can they advise on everything from college planning to Medicare? Can they optimize my social security and insurance strategy as I prepare for retirement? What are they selling?

There's a lot that goes into retirement planning. Finding a retirement advisor is a methodical process that shouldn't be taken lightly. Here are some helpful questions and tips to guide you through this journey:

1. Due Diligence: Are they legitimate?

When you start interviewing advisors, make sure that you research the advisor before and after your meeting. During the meeting, take meticulous notes and research any claims, strategy, or other advice your advisor makes following the meeting. Be objective in this phase of your research. An advisor with a strong personality and smooth sales pitch can be a big headache down the road.

2. Credentials: Do they know what they are talking about?

Expertise is absolutely necessary in retirement planning, but complex jargon can make anyone seem like an expert. Find out if your advisor has any rigorous industry certifications like a Certified Financial Planner (CFP) or a Certified Retirement Planning Counselor (CRPC). Also, check if they have advanced degrees in the field or have been in the industry for an extended period of time. Competence is a big factor when choosing your advisor, so make sure they have dedicated the time and effort to hone their craft.

3. Conflicts of Interest: Are they looking out for me?

You want to ask your advisor if they are a fiduciary. A fiduciary is someone who operates in good faith to

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operate in the best interest of their client. You would think that the fiduciary standard should be set for everyone in the industry, but unfortunately, that's not the case. Advisors from large wirehouses such as JPMorgan, Wells Fargo, and others only adhere to a suitability standard, which means these types of advisors can give recommendations that are 'suitable' to their client at that time, but not necessarily in the client's best interest and may increase the advisor's compensation. Registered Investment Advisors (RIAs) on the other hand, are held to the much more stringent fiduciary standard and are required to disclose potential conflicts of interests to their client.

4. Cost: What's in it for them?

A simple question for your advisor should be, 'How do you get paid?'. If it's not a clear and concise fee structure, that is a huge red flag. For an RIA, that can come in the form of an hourly rate, flat fee, and percentage of assets under management. However, some advisors may make a commission off of a certain product or security that they sell a client. That's another red flag that was touched on briefly in the conflicts of interest. When you are finished interviewing advisors, make sure you compare each advisors' services and corresponding fee schedule, it could factor into your final decision.

5. Core Values: Who are they?

Here's the part that separates the decent advisors from the great advisors. Does the advisor have the traits needed to handle the money you've built up over a lifetime of hard work? They should work well under stress, have integrity, competence, organizational abilities, experience, and most importantly, an ethical practice. Try not to fall for the gleaming smile and attractive sales pitch when you head into these meetings. You want to be as objective as possible when you finally choose your retirement advisor.

This may sound like a lot, but it should be. It's your hard earned dollars. If you follow these steps and do your research before and after your interview, you should have some quality choices to pick from.