

## How to Find a Financial Adviser



When it comes to money, math, and household spending plans, some people find money management easier than others. Once you account for retirement accounts, investments, and taxes, what was a simple monthly spending plan can become a lot more complicated. That's where a financial adviser can help. If you need guidance on how best to reach your long-term financial goals, a financial adviser can do a status check, help you get organized, and make a plan.

Currently, anyone can call themselves a financial adviser – there are no education or experience standards required by law. So how do you find a financial adviser suitable for your financial and personal circumstances, and one whom you can trust is acting in your best interests? Here are four questions that can help you choose the right person for the job.

### **1. Is the adviser a fiduciary?**

There are two industry standards that regulate financial advisers: fiduciary and suitability.

Fiduciary standards state that an adviser must act in the best interest of their clients and place their clients' interests ahead of their own. Any advice must be accurate and complete, and resulting trades must be done as efficiently and inexpensively as possible with no benefit to the adviser.

Suitability standards state that an adviser must provide suitable recommendations for their client, though these recommendations may not be solely in the best interest of the client; for example, trade recommendations may fit the client's needs but also benefit the adviser through commissions.

### **2. What are their credentials?**

There is not one uniform designation for financial advisers. In fact, one doesn't have to have a credential at all to call themselves an "adviser." If you want to ensure that your financial adviser has the education to back up their title, pay attention to their credentials. Consider the following:



- A Certified Financial Planner (CFP) specializes in personal finances, which includes being knowledgeable about taxes, insurance, estate planning, and retirement. CFPs must act according to fiduciary standards, meaning that they must make decisions with their clients' best interests in mind.
- A Certified Public Accountant (CPA) is well versed in accounting and is typically known for offering tax preparation services. A CPA who offers financial planning services will also have the designation of Personal Financial Specialist (PFS).
- A Chartered Financial Consultant (ChFC) is similar to a CFP, though the credentialing process requires more formal education. ChFCs specialize in financial planning, investing, insurance, and retirement.
- A Chartered Financial Analyst (CFA) specializes in investment strategy and wealth management. CFAs often work at the corporate level.
- A Chartered Life Underwriter (CLU) specializes in life insurance and estate planning and can help their clients attain financial security during retirement and maximize the size of their estate through the purchase of life insurance and related products.

Many financial advisers hold multiple credentials. The Financial Industry Regulatory Authority (FINRA) oversees over 600,000 brokers across the country and protects investors by ensuring that the broker-dealer industry operates honestly. You can use their free [Broker Check service](#) to check the credentials of anyone who is presenting themselves as a financial adviser to see whether they have had any disciplinary actions brought against them.

### **3. What is their fee structure?**

Financial services aren't free, so it's important when you are looking to hire an adviser that you understand how you will pay for their services. There are three different fee structures to be aware of:

- Fee-only financial advisers charge an annual, monthly, or hourly fee for their services. This fee may be charged as a percentage of your total investable assets. They may also charge a service-based flat fee; for example, charging a one-time fee of \$2,500 for a particular service. To adhere to fiduciary standards, a financial adviser must maintain a fee-only structure.
- Commission-based financial advisers are paid through the investments you choose, which could mean that your best interests are not their top priority, as the adviser may want to push you toward an investment that pays them a higher commission.
- Fee-based financial advisers charge a fee for their services *and* earn commissions based on what investments you choose.

### **4. Do they have any specialized training?**

Your financial circumstances and your goals are unique. A teacher with a pension has different considerations than someone who inherited wealth from a family member and doesn't know how to invest it. When considering who you would like to hire as your financial adviser, ask whether they have any training that is specific to your circumstances. If you are an active duty servicemember, someone who is familiar with SGLI, TSP, military retirements, and deployment entitlements may be a better fit than someone with no prior experience working with military families.

Navy Mutual's Education and Veterans Services team provides education opportunities to active duty servicemembers, veterans, and their families on matters of financial literacy at no cost and



with no obligation. Our highly trained and accredited financial counselors discuss topics ranging from the Survivor Benefit Plan and the Thrift Savings Plan to casualty assistance, savings, estate planning, and more. You can contact our Education team [here](#).