

5 Ways to Know If a Financial Advisor Puts Your Goals First



The decision to trust someone with your hard-earned money is very personal. And since you're basically hiring someone to provide expertise that you don't have, it can be tough to sort the good expertise from the fluff.

Whether you're looking for a financial advisor on your own, or are referred by your loving uncle, consider these five criteria before you begin your relationship.

1 CUSTOMIZATION

Your needs are unique—and your investment strategy should be too. Make sure your advisor takes the time to understand your personal goals in order to recommend a customized plan that aligns with your risk tolerance. For example, your advisor may select investments that earn less in your portfolio yet make you feel more comfortable.

2 COMPENSATION

Consider an advisor who charges a fee for services rather than commission-only from sales of stocks, insurance or other types of investments. This can be an hourly fee, or a percentage of your portfolio. But it helps ensure that he or she is working to grow your investments, not profiting primarily from sales.

3 EXPERIENCE

While it's a good rule of thumb to look for at least three years of experience working as a financial advisor, be sure

to ask what type of investing with which your advisor is most experienced. If they answer "active trading in equities" and you're looking for a conservative financial plan (or are about to retire), it may not be a good match.

4 INVESTMENT APPROACH

Every investor is unique. So make sure your advisor's investing philosophy isn't too conservative or aggressive for your investing style. And be sure to check their assumptions when projecting rates of return—if they seem particularly rosy (e.g., 15% with an inflation rate of 2%) it's not very realistic—it might not be very realistic and/or attainable for the long-term.

5 ACCESSIBILITY

Regardless of how much you have to invest, your Financial Advisor should be working with your best interests in mind. And even if you prefer to meet only quarterly, or even yearly to discuss your portfolio, if you have questions your Advisor should always be available to give you answers. If they don't return your calls, it may be time for a change.

Find an LPL financial advisor today.

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