



Financial Planner Interview F

How to Choose a Financial Planner

Tough Questions to Ask

This form was created by the National Association of Personal Financial Advisors (NAPFA) to assist consumers in selecting a personal financial planner. It can be used as a checklist during an interview or sent to prospective planners as a part of a preliminary screening. NAPFA recommends that individuals from at least two different firms be interviewed.

BACKGROUND & EXPERIENCE

The backgrounds of financial planners can vary as much as the services offered. The planner's education and experience should demonstrate a solid foundation in financial planning and a commitment to keeping current. In addition to the following questions, ask the planner to describe his or her specific financial planning work experience.

1. What is your educational background?

- College degree
 Area of study: _____
 Graduate degree
 Area of study: _____

Financial planning education & designations:

- Certified Financial Planner (CFP)
 Chartered Financial Consultant (ChFC)
 CPA/PFS
 Other _____

2. How long have you been offering financial planning services?

- Less than 2 years
 2-5 years
 More than 5 years

3. What continuing education in financial planning do you pursue?

- 1 - 14 hours of professional education each year
 15 - 30 hours of professional education each year
 At least 30 hours of professional education each year

4. Are you a member of any professional financial planning associations?

- Institute of Certified Financial Planners (ICFP)
 National Association of Personal Financial Advisors (NAPFA)
 International Association for Financial Planning (IAFP)
 Other: _____

5. Will you provide me with references from clients?

- Yes
 No

6. Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?

Yes
 No

7. Will you, or an associate work for me?

8. If an associate will work with me or assist you, please complete questions 1-6 for the associate as well.

SERVICES

Financial planners provide a range of services. It is important to match client needs with services provided.

1. Does your financial planning service include:

A review of my goals.

Advice on:

Cash management & budgeting

Tax Planning

Investment review & planning

Estate planning

Insurance needs in the area of life, disability, health and property/casualty

Retirement planning

Other

2. Do you provide a written analysis of my financial situation and recommendations?

Yes

No

Is the analysis tailored to my personal needs and goals?

Yes

No

3. Does your financial planning service include recommendations for specific investments or investment products?

Yes

No

Do you offer assistance with implementation?

Yes

No

4. Do you offer continuous, on-going advice regarding my financial affairs, including advice on non-investment financial issues?

Yes

No

5. Do you take possession of, or have access to my assets?

Yes

No

COMPENSATION

Financial planning costs include what a consumer pays in fees and commissions. Comparison between planners requires full information about potential total costs. It is important to have this information before entering into any agreement.

1. How is your firm compensated?

- Fee Only
- Commission only
- Fee and Commissions
- Fee offset

How is your compensation calculated?

Fee only (as calculated below)

Based on hourly rate \$ _____
 Flat fee or fee range of _____
 Percentage (____%) of _____
 Are fees capped? Yes No

Commission only (from securities, insurance, etc.) that clients buy from a firm with which you are associated.

- Fee and commission ("Fee based")
- Fee offset. You charge a flat fee against which commissions are offset.
 If the commissions exceed the fee, is the balance credited to me? Yes No

(Note: the Securities and Exchange Commission (SEC) requires that this information be disclosed.)

2. If you earn commissions, approximately what percentage of your firm's commission income comes from:

- % Insurance products
 - % Annuities
 - % Mutual funds
 - % Limited Partnerships
 - % Stocks and bonds
 - % Coins, tangibles, collectibles
 - % Other (explain) _____
- 100%

3. Does any member of your firm act as a general partner, participate in or receive compensation from investments you may recommend to me?

- Yes
- No

REGULATORY COMPLIANCE

The SEC requires if an individual or firm hold out to the public as providing financial planning services, that under most circumstances, they are required to be registered with either the SEC or the state in which the individual practices.

1. Are you or your firm registered as an Investment Advisor with the U.S. Securities and Exchange Commission and/or with the appropriate regulatory authorities in this state?

- Yes
- No

If NO, please indicate the allowable reason for non-registration:

Please provide a copy of your registration with the Securities and Exchange Commission (Form ADV Part II) and/or your state, as required by the SEC under the Investment Advisors Act of 1940 and subsequent changes.

Signature of Planner

Firm Name

Date

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