

Making a financial plan for your journey to retirement and sticking to it are challenging tasks. AARP's online Retirement Roadmap and Retirement Calculator, at www.aarp.org/money, can start you on the path. But you may also decide at some point that you need professional help to make sure you reach your goals.

There are various reasons you might want to work with a financial professional:

- To create a detailed, realistic financial plan, with specific dates, goals and strategies;
- To monitor your progress toward meeting your goals;
- To advise you on responding to financial events or changes in your life, such as a birth of a child, buying a home, divorce, illness, or receiving an inheritance;
- To develop an investment strategy; or
- Attend to specific financial tasks such as tax preparation or estate planning.

Some financial professionals use titles that sound official but do not require any special certification or training and are not subject to any specific ethics, standards or laws. If you are considering working with someone who has one or more of these titles, be sure to ask which, if any, formal licenses and/or credentials they have.

- Financial Adviser (or Advisor)
- Financial Analyst
- Financial Consultant
- Financial Planner
- Investment Consultant
- Wealth Manager

Source: "Understanding Professional Designations," FINRA, which regulates the national securities industry.

But before you select one, it's important to understand the different types of professionals, their credentials, how they get paid and how much they'll charge for their services. To get this information and find the best one for you, you should interview at least two or three professionals before making a decision.

Types of Financial Professionals

Do you know the difference between a financial planner, investment adviser, a broker, and an estate planning attorney? As you're looking for assistance with financial tasks, these are only a few of the professionals you might come across. Here are some basic facts about some of the different types of financial professionals:

- **Financial Planners**—These professionals generally take a broad view of your financial affairs. They can function in the role of your personal chief investment officer or advise you periodically on financial matters. The most comprehensive financial planners assess every aspect of your financial life. In many cases, these planners also manage your investment portfolio.
- **Investment Advisers**—Investment advisers generally focus more on managing your investments, and the majority are compensated on an annual basis by a percentage of the assets they manage for you.
- **Stockbrokers**—These professionals traditionally buy and sell stocks and bonds, and are compensated by commissions. However, today there are brokers who also provide financial planning services.
- **Insurance Agents**—An insurance agent can help you with your insurance needs, from property

and casualty insurance to health, long-term care and life insurance, and annuities.

- **CPA/Accountants**—A CPA is a professional licensed by a state to offer a variety of accounting services such as simple tax preparation, financial audits, business valuations and succession planning for small businesses.
- **Estate Planning Attorneys**—These lawyers can draft your will, durable powers of attorneys, and health care proxies, or develop wealth transfer strategies to ensure your estate passes to your heirs in the most tax-efficient manner.

Finding a Financial Professional

The financial professional you choose will be entrusted with your personal financial information and could also have a major impact on your financial future. So you should take the time to find one who will meet your needs and with whom you can work comfortably.

There are several ways to search and check the backgrounds of financial professionals. You may ask for referrals from people you know, or contact two or three financial services companies. Below are some websites that can also help.

Professional	Website
CPA/Accountant	www.nasba.org www.aicpa.org www.cpadirectory.com
Financial Planner	www.fpanet.org www.cfp.net/search www.napfa.org
Stockbroker	www.finra.org www.nasaa.org www.adviserinfo.sec.gov
Insurance Agent	www.naic.org www.iiaba.org
Estate Planning Attorney	www.abanet.org www.naela.org www.actec.org
Investment Advisers	www.nasaa.org www.adviserinfo.sec.gov

Once you have the names of some professionals to consider, request appointments to interview them about their services. If they do not offer you a preliminary, free opportunity to meet them, then cross the name off your list. In the interview, ask these key questions and any others you might have:

- What services do you offer? Examples might be developing a financial plan, monitoring the plan and meeting with you regularly, or investing your money.
- What licenses do you hold? Are you licensed by an organization or a government agency and if so, which one(s)?
- What type of clients do you usually work with? Financial professionals may have a particular interest, specialty or clientele.
- How do you charge for your services? Financial professionals can charge for their services in a variety of ways including flat fees, percent of assets managed, or on a commission basis.

After the interviews, compare the answers you received. Think about each professional's approach to their clients. Did he or she discuss financial issues in common words that you could understand? Do

What do all the letters mean?

The surprising truth is that anyone can call himself or herself a financial adviser without meeting any educational and experience requirements. One thing to check in your search for professional financial help might be to learn what those letters mean after a candidate's name to see if they really are licensed or have earned professional designations. Here are some common designations:

CFP	Certified Financial Planner
CPA/PFS	Certified Public Accountant/Personal Financial Specialist
CFA	Chartered Financial Analyst
ChFC	Chartered Financial Consultant
CLU	Chartered Life Underwriters
CFG	Certified Financial Gerontologist
AEP	Accredited Estate Planner

While these credentials set the advisers who earned them apart, you should never judge a financial professional by a designation alone. Learn more about what these designations mean at www.aarp.org/money.

you think that person understands your situation well enough to be entrusted with your personal information and your future?

Fees and Commissions

Financial professionals charge for their services in numerous ways. Before you hire any financial professional, make sure you understand how that person gets paid, and, make sure that it matches how you want to pay. Below are some of the ways many financial professionals are paid:

- A percentage of the value of the assets they manage for you.
- An hourly fee for the time they spend working for you.
- A fixed or retainer fee.
- A commission on the products they sell.
- Salary.
- Some combination of the above.

Each compensation method has potential benefits

and possible drawbacks, depending on your needs. Be aware that some people who make money based on commissions for selling products may not always have your best interests in mind.

Working Together

When you choose a financial professional to work with, set the terms of your relationship—how often you'll meet or talk on the phone, exactly what work you want done, and what the fees will be. No matter their title or training, any financial professional should be able to guarantee you these things:

- Open communication with the client, including responses to your questions about your financial situation and decisions.
- Confidentiality of your personal information.
- A commitment to work in the best interest of the client—not just to earn the most fees from you.

Your To-Do List

- Think about what you want from a financial professional and look for someone with that expertise. For a list of questions to ask when you interview a person you may want to work with, see “What Questions Should You Ask,” on AARP’s website, www.aarp.org/nofreelunch.
- Learn about what brokers (also known as investment advisers) do and how they are regulated by the Securities and Exchange Commission. Go to the SEC’s website, www.sec.gov/investor/brokers.htm.
- Get a list of questions you should ask a financial professional at www.aarp.org/money.
- For details on the credentials of dozens of different types of financial professionals, go to www.finra.org/investors.

This and other tip sheets provide general financial information; it is not meant to substitute for, or to supersede, professional or legal advice.

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