

Seven Steps to Finding the Right Financial Advisor

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As a physician with substantial income (or income potential), you will most likely be contacted by a number of individuals offering various types of financial products and services throughout your career. If you are in the market for an advisor, you will want to know the qualifications and experience level of each one you are considering. Unlike medicine, which has a standardized path that physicians must take to gain the education, training, and experience necessary to obtain board certification, the insurance and financial services industry does not. While advisors must pass certain tests to earn a license in securities or insurance, for the most part, anyone can call himself or herself a financial advisor.

Credentials and Certifications

Finding the right financial advisor to help you build your financial future can be as challenging as choosing the right doctor to care for your health, so it is important to look for several key credentials. Following is a brief summary of some of the most recognizable designations or certifications that you might see among financial service professionals and what it takes to earn them.

Certified Public Accountant (CPA): CPAs provide you with advice on tax matters and help you prepare and

submit your income tax returns to the Internal Revenue Service. To be a CPA, candidates must pass a 14-hour computer-based test with 4 sections: auditing and attestation; financial accounting and reporting; regulation; and business environment and concepts. There are also work experience requirements that must be met. Not all accountants are CPAs. CPAs must meet stringent continuing education requirements and are regulated by states as well as their profession's code of ethics.

Personal Financial Specialist (CPA/PFS): A PFS is a CPA who has demonstrated both knowledge and significant practical experience in the area of personal financial planning. Only CPAs who are members of the American Institute of Certified Public Accountants can earn this designation.

Certified Financial Planner (CFP): The CFP certification is one of the most recognized and prestigious credentials in the financial services industry. CFPs have completed a series of courses in investments, insurance, income taxes, estate, and retirement planning. They have also passed a comprehensive 10-hour certification exam. Additionally, CFPs must have at least 3 years of planning experience and meet stringent continuing education requirements as well as have a bachelor's degree. While an estimated 700,000 people currently call themselves financial planners, only 1 in 10 holds the CFP designation. If you need help with more than 1 issue in your financial life or if you are targeting long-term goals like retirement or college, make sure a CFP is on your list.

Chartered Financial Consultant (ChFC): ChFCs have credentials similar to CFPs. ChFCs have completed a series of courses and exams

covering financial, insurance, and estate planning subjects. The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

Chartered Life Underwriter (CLU): CLUs are insurance agents who have completed comprehensive educational courses and demonstrated expertise in different areas of estate and insurance planning. This designation is specifically designed to enhance the knowledge of people employed in the life insurance industry. CLUs must also have at least 3 years of professional experience.

Chartered Financial Analyst (CFA): CFAs have expertise in investing and portfolio management. They have passed 3 exams based on investment principles, applied financial analysis, and investment management. Each exam is approximately 6 hours in length. Additionally, CFAs must have at least 3 years of experience in the investment decision-making process. Generally, the CFA designation is recognized as the definitive standard for measuring competence and integrity in the fields of portfolio management and investment analysis.

The Steps

Financial planning takes the guesswork out of managing your finances and helps you understand the implications of each financial decision you make. Everyone has different goals, so it is important to have a unique plan that works for you and your financial situation, both now and in the future. The following 7 steps will help you find an advisor who understands and meets your unique goals and needs.

1 Make a Well-Founded List of Prospective Advisors

Begin your research by conducting an Internet search using the terms “physician financial advisor” or “physician financial planner.” Look for signs of expertise such as published articles, a book, or maybe even a blog. A search outside of your community means you increase the odds of finding the best-qualified advice for the price you may pay. A search inside of your state means that the advisors you find are more likely to understand your financial environment, including your state’s tax laws, economy, job market, unique investment opportunities, and other factors that may impact the success of your financial plan. If you are concerned about the advisor’s location, keep in mind that today many financial advisors work with clients by telephone, e-mail, and video conference on a regular basis.

Next, it is important to search a few specific organizations. CFP Board (www.cfp.net) is a nonprofit organization acting in the public interest by fostering professional standards in personal financial planning through its setting and enforcement of the education, examination, experience, ethics, and other requirements for CFP certification. The National Association of Personal Financial Advisors (www.napfa.org) is the country’s leading professional association of fee-only financial advisors. Finally, the Financial Planning Association (www.plannersearch.org) is the largest membership organization for CFP professionals in the United States and also includes members who support the financial planning process.

To round out your list of prospective advisors, ask your colleagues, your accountant, and your attorney who they recommend. Ask them why they believe this advisor is the best one for you. If their reason sounds valid, add the advisor to your list.

2 Select for Quality

Every prospective financial advisor on your list should have at least 1 real credential. Beware of generic pseudocredentials like *financial advisor*, *financial consultant*, and *wealth manager*. These titles merely signify that an advisor is in the business and may hold a license. Whereas most licenses require an advisor to pay a fee and pass an exam, these may be easily acquired with a minimal commitment of time and effort.

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In contrast, certifications usually require a higher level of commitment and dedication. Formal training, rigorous examination, continuing education, years of experience, and oversight by a board or governing body are part of attaining and keeping a certificate, so certification is an outward indicator of the quality of advice you may receive. Narrow your list by crossing advisors off your list if they do not have at least 1 of the previously listed credentials.

3 Do Your Homework

Learn more about the advisors who remain on your list. Visit their websites, and search for answers to questions such as the following:

- How long have you been in business?
- What type of clients do you work with?
- What services do you provide?
- What is your specialty?
- What is your approach to financial planning?

4 Conduct an Interview

Every advisor on your newly trimmed list warrants a preliminary phone call. This is an interview, and you are the interviewer, not the interviewee, so make sure that you get the answers you need.

First and foremost, ask the candidate how he or she is paid. Planners can be paid in several ways: through fees, commissions, or a combination of both. Your financial planner should clearly state how he or she will be paid for the services to be provided. Although there is no single method of paying for financial services that is inherently better than another, you will nevertheless want to consider, and discuss with your planner, how the method of compensation could affect the advice you receive or the way you work with the advisor. You and your financial planner should discuss these issues, including any conflicts of interest that may be created by the method of compensation.

Then ask whether the advisor has ever been publicly disciplined for any unlawful or unethical actions in his or her professional career. Several government and professional regulatory organizations, such as the Financial Industry Regulatory Authority, your state insurance and securities departments, and the CFP Board keep records on the disciplinary history of financial planners and advisors. If a CFP professional violates any of the CFP Board’s standards, he is subject to disciplinary action up to permanent revocation of certification. Ask which organizations the planner is regulated by and contact these groups to conduct a background check. You can also visit <http://brokercheck.finra.org>.

Make appointments to visit advisors who remain on your list after this screening round.

5 Speak with at Least 3 Prospective Advisors

Now you are ready to make the biggest mistake that most people

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events, serious adverse events, death, and changes in vital signs. Objective response rates, durations of response, and progression-free survival will also be measured to determine antitumor activity. This study is expected to enroll 160 patients at multiple locations throughout the United States. For more information, contact Bristol-Myers Squibb at clinical.trials@bms.com. The NLM Identifier is NCT01621490.

9 Trametinib for Patients with Uveal Melanoma

This phase 2, randomized, open-label study will examine the efficacy of trametinib with or without

GSK2141795 (a protein kinase B inhibitor) in treating patients with metastatic uveal melanoma. Patients aged ≥ 18 years with a life expectancy of > 3 months, an ECOG performance status of ≤ 1 , and no history of interstitial lung disease or pneumonitis may enroll if other criteria are met.

On days 1 to 28, patients in the first arm of the study will receive oral trametinib daily, and patients in the second arm will receive oral trametinib and oral GSK2141795 daily. Courses are repeated every 4 weeks for both treatment arms in the absence of toxicity or disease progression. Patients in the first treatment arm who experience objective dis-

ease progression may cross over to the second treatment arm. The primary outcome is time to progression, measured from the date of randomization to death or the date of documented progression according to RECIST criteria. Secondary outcome measures include incidence of toxicity and response rate and overall survival per RECIST criteria.

This study is expected to enroll 80 patients at multiple locations throughout the United States and internationally. For more information, contact Paul B. Chapman, MD, at 646-888-4162 or chapmanp@mskcc.org. The NLM Identifier is NCT01979523. ●

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make when selecting an advisor: engaging the very first advisor you meet. While this may solve your immediate problem, it may lead to less-than-stellar results over the long haul. Why? Almost all advisors hold up well during the first interview. They have been interviewed hundreds of times and are ready to sign you up today. Resist the temptation to sign up for services at the first meeting. Instead, collect information and get a feel for how you and the advisor might work together over the longer haul.

6 Consider What You Have Learned

Think about your interview with each advisor. Ask yourself these last few questions before making your final decision:

- How well did each financial advisor listen to me? The hallmark of a good relationship with your financial advisor will be your ability to communicate your needs. This means that he or she must do an excellent job of listening to you in order to understand how he or she can help.

- How clearly did each financial advisor express himself or herself? Even if you receive the very best financial advice from your new advisor, you might not follow the advice unless you fully understand it. Consider whether the advisor “speaks your language.”
- What promises did each financial advisor make? Consider how each advisor attempted to win you as a client. The best advisors attempt to set clear, realistic expectations about your work with them during the very first meeting. They know the foundation for a great, long-term advisor–client relationship is their ability to make promises and deliver on them.

7 Select a Financial Advisor Who Suits You

When you finally decide which advisor to hire, you may realize something that good financial advisors already know: the financial advisor you choose may be a lot like you. People have a natural tendency to trust others who are much like themselves, so the advisor you choose will likely share your inter-

ests, your outlook, and even some of the same financial goals you hold.

Summary

No matter which financial advisor you choose, make sure the one thing that you have in common is an uncompromised interest in your financial health. Start your search for a competent financial advisor today and begin enjoying better financial health tomorrow. ●

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