

Simplify Your Finances. How to Choose a Financial Expert.

Finding a competent, objective financial expert may seem as demanding as actually self-directing your investment portfolio. Brokerage firms, credit unions, banks, accountants, certified financial experts, and mutual fund companies are happy to offer advice and guidance.

It will require time and effort to choose a qualified expert that you're comfortable with and that you are confident will look out for your interests.

Often individuals and families make the mistake of not consulting a professional adviser. However, the wealth management arena is becoming increasingly complex. There is a wide variety of financial products from which to choose. When it comes to selecting the right ones to help reach financial goals, most of us need some sort of professional advice. Regardless of our income or expenditures, we all benefit from having a financial plan.

Today, a large portion of Canadian investors fall into what is referred to as the "mass affluent" market. These are individuals or families whose financial resources do not require the dedication of a full-service brokerage but have needs that go beyond the basic mutual fund or GIC sale.

What is a Financial Expert?

There is a plethora of accreditations and designations associated with financial experts. Two you may hear are Certified Financial Planner (CFP) and Personal Financial Planner (PFP). These qualifications are important, and should be well understood, but so too is work experience. How long the expert has been in practice, and the number and types of companies with which he or she has been associated, are important criteria. Look for a financial expert who has proven experience in counseling individuals on their financial needs.

A good expert should look at the big picture, taking into consideration accounting, investing, tax, and insurance issues. You should be told exactly what services you will receive from your expert. If you are not told, ask. It's your money and both you and your family's future.

To create your personalized financial plan your expert should work step-by-step through the financial planning process and address topics such as your debt, goals, and retirement needs. He or she will need to discuss your net worth, your budget, life insurance, disability insurance, education savings, risk tolerance, retirement planning, and estate planning.

After completing his other assessment your expert will assess your circumstances and design a plan to help you meet your financial goals. He or she should detail any plans and compensation expectations in writing.

Who Should You Work With?

So how do you find the expert that best meets your needs? One of the best ways is to ask family, friends, or colleagues for recommendations. Then again, don't hire a professional just because he or she happens to be a friend or relative. You may also get referrals from professional organizations

Narrow down your list and talk to several top candidates. Ask each about their education and experience and for references and their credentials. Research and understand what is required to earn their respective credentials.

Make an appointment for an initial meeting to consider each on your short list. Make sure up front that this initial consultation will be free of charge. Before you meet, determine your financial goals. In order to provide the expert with the tools needed to help you meet your goals you should be able to provide as much information as possible. Prepare yourself with as much knowledge as possible and organize a list of questions. That way you'll be able to ask more detailed questions and make the most of the expert's advice. Lastly, comfort level is extremely important. You should ensure his or her investment philosophy and outlook on risk tolerance matches your own. Can you endure the fluctuations in the stock market or do you prefer guaranteed investments?

You can elect to interview the candidates over the phone, but a face-to-face meeting generally gives a better feel for the person with whom you will be dealing. Be sure to note whether the expert listens to your description of your goals, is responsive, seems knowledgeable, and appears to be forthright about the advantages and downsides of various types of investments.

You have much to gain, or lose. Once you've found a qualified expert who will work well with you, keep informed and be aware of what is taking place with your financial affairs.

How Much Will It Cost?

Consultation fees vary, but can total hundreds of dollars for a comprehensive financial plan. Much will depend on the complexity of your investments and financial situation. Commissions are standard on the funds selected for investment. However, there are some companies, such as OMISTA Credit Union, that provide consultations at no additional charge.

Think seriously about taking this step. A financial professional is a great resource. They know the best products and strategies for your situation and can bring your plan to life. You'll have the support you need to get started and the advice and guidance you need to evaluate your plan regularly, to be disciplined and, most of all, to stay focused on your targets.

If you would like to find out more about a comprehensive plan that will help you attain your financial goals please contact Ozzie MacKay at OMISTA Credit Union.