

Finding a Financial Advisor

By Thomas A. Haunty

Are you getting the most out of your money? Is it time to seek professional help to manage your finances? Or, should you continue to go it alone and commit more time to money management? The following key questions will help answer these questions and explain how to choose the right financial advisor.

Do you need a financial advisor?

No. You made it through law school, are building a successful career, and daily steer through complex legal issues. You should be able to navigate the do-it-yourself wealth management approaches available online, regularly read about and apply financial strategies, and use software programs to help you chart your own course, right? Maybe, but if you are short on free time and procrastinate managing your personal budget and studying investment opportunities, you may benefit from some help. It may be the kick start you need to start accumulating money rather than spending it.

What do financial advisors do?

Besides saving you time, a trusted financial advisor should be objective and help you realistically face your current situation and how to achieve your future goals. Like a personal trainer that builds your health, financial advisors can provide the accountability to help you stick with the appropriate savings and investment habits to build your wealth. They should also allow you to have fun with your money today as well as develop a strategy that addresses key financial issues in your future.

What and how do they charge?

Financial advisors charge for their services in three basic ways: fees (hourly, flat, or a percentage of assets managed), commissions built into the products they sell you, or a combination of fees and commission. For example, if you are just starting to invest and need help selecting your first investment type, your financial advisor will select one and will receive a commission based on your deposit. A combination of a flat fee for the initial planning and commissions to actually implement the plan is another way to develop a long-term relationship with an advisor. Over time, the cost of the advice should be recovered by the benefits provided, whether it is in higher returns, tax or expense reductions, or an increased sense of security.

How do I choose one?

Ask your friends or colleagues who they recommend and do your own research. Consider these characteristics in a financial advisor:

- Experience: Have they practiced for a number of years or are they learning on your money?
- Expertise: Do they specialize in working with lawyers' finances? Do they have the appropriate licenses in your state? Do they have credentials, such as being a certified financial planner™ professional (CFP®)?
- Empathy: Are they relationship focused? Do they coach and encourage? How do they stay in touch?
- Energy: Are they able to keep up with your busy and changing life? In what ways are they proactive and not just reactive? Are they disciplined enough to help you get things done?
- Independence: Are they strategy driven and not product directed? Are they tied to one company's products or strategy?

NEXTSTEPS

[The Lawyer's Retirement Planning Guide](#). 2009. PC # 1620417. ABA Book Publishing.

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