



## How to Choose a Financial Advisor

Financial planning involves thinking about all areas of your finances and building a plan to reach your financial goals. Financial planning can help you live the life you want as you plan for the future. However, it is difficult to know everything about budgeting, saving, credit, managing debt, insurance, investing, and other financial topics. To help learn more about these topics, you can talk with a financial advisor.

If you want financial advice, you will need to choose a financial advisor based on the type of financial guidance you want. Financial advisors don't need to complete the same education or license requirements, and different financial advisors are experts on different topics. For these reasons, it is helpful to choose an advisor who is an expert on the topics most important to you. Financial designations, certifications, and licenses indicate expertise in specific topics. There are many designations, certifications, and licenses you may want to look for when searching for a financial advisor. Here are a few:

Designation/License	Expertise/Specialty
Accredited Financial Counselor (AFC)	Financial coaching & counseling
Enrolled Agent (EA)	Tax filing
Certified Public Accountant (CPA)	Tax planning, filing, and more
Registered Investment Advisor Representative	Advises on investments such as <a href="#">stocks &amp; bonds</a>
Registered Representative	Sells investments such as <a href="#">mutual funds</a>
Certified Financial Planner (CFP)	Retirement, investments, insurance, cash flow, etc.
Insurance Agent	Sells insurance policies such as property, life, etc.

Source: [FINRA](#)

Regardless of the topics you want to talk about with a financial advisor, it is important to know if they are a **fiduciary**—a person with a legal or ethical responsibility to act in your best interest at all times. Many financial advisors are not fiduciaries, so it is important to ask, “do you have a fiduciary responsibility to me at all times?”

Also, it is important to know how you will pay for financial advice. The fees for financial advice can vary greatly and advisors collect fees based on different tasks. For example, fees may be charged by the hour (ex: \$75 per hour), by the project (ex: a flat fee for a financial plan), by commission based on investment products sold to you, by a percentage of the money the financial advisor manages for you, or a combination of these options.



To start your search for a financial advisor, it may help to first consider free resources such as:

- National Foundation for Credit Counseling (NFCC), <https://www.nfcc.org/>
- GreenPath, Inc., <https://www.greenpath.com/>

You can search for financial advisors in your area and learn more about advisors you are considering by using the following resources:

- <https://www.investor.gov>
- <https://www.letsmakeaplan.org/>
- <https://brokercheck.finra.org/>

Talk about how a financial advisor can help you—and other financial topics—with your county's financial educator. Visit <https://counties.extension.wisc.edu/> for more information.