

Financial Advisor Interview Checklist

A little homework now can save you a lot of headaches later. After all, when it comes to your money it's important to find someone you can trust, right?

Track your progress by filling out this interactive checklist as you go

In the First Interview



What is your firm's philosophy?

It's important to find an advisor who understands your goals, aspirations, risks, and fears before making any recommendations.



How do you get compensated?

If you want to find out how people are most likely going to behave, you need to understand their incentives.



Are you associated with any broker-dealer?

The incentives of independent advisors, who have no association with large broker houses, are more aligned with the interests of their clients.



What financial planning services do you offer?

Your ideal advisor is one whose expertise lies in the areas in which you need the most help.



What is your approach to investment planning?

The most important thing you want your advisor to have is a well-thought-out, evidence-based process.



Based on what you know about me, why do you think I am a suitable client?

Their answer should not only show that they have a good understanding of your situation, but also how they can help improve it.



Can you give me an example of a time when you helped a similar client make progress?

A good indicator of a financial advisor's expertise is whether they have past experience helping other, similar clients.



How often will we review our plan to make sure we're making the right kind of progress?

Knowing where you stand financially is important, and you want an advisor who keeps you in the loop along the way.

In the Second Interview



Do you have a sample financial plan you can send over?

By looking over a sample, you create an idea of what to expect from the plan the financial planner or financial advisor creates.



What exactly makes you a fiduciary advisor?

While you should have covered this during your first meeting, it's a question you don't want to have any doubts about. A true fiduciary financial advisor is solely focused on your best interests.



Who is your custodian?

A big red flag here is if the advisor is his or her own custodian. If your financial advisor is independent, they are likely to work with a large reputable custodian such as Schwab, Fidelity, TD Ameritrade, or Pershing.



If I hire you and another economic crash happens, what's your plan?

If during your interviews the financial advisor hasn't made it clear that they are positioning you for time in the market instead of timing the market, they're not it!



If I hire you, will I have to sell my current investments?

What you are looking for is the extent of the effect and cost in making a transition to the advisor managing your assets.



What would the process look like if I decide to hire you?

Look for a very well thought out process for onboarding you as a client. If they talk in circles, it's clear they're trying to "close" you instead of entering into a fruitful relationship.



If I hire you, will I be working with you or somebody else?

In some cases, a financial advisor may work with a team or another advisor. If they are, you'll want to get to know who else will have a hand in your finances.



What happens to our relationship if you retire or leave the firm?

Once you've found the right financial advisor for you, they're usually for the long haul. That means it's important you feel comfortable.



Will there be tax implications from transitioning my assets to you?

If you own investments outside of an IRA or other tax-qualified account, ask if the advisor requires you to sell everything and purchase selected investments. If so, you should understand if there are tax implications.



What other types of professional services do you have as part of your network? (i.e. accountants, estate attorneys, insurance representatives, etc)

If they're unable to provide examples of other potential experts for you to refer to, you may find yourself grappling with finding another expert should the situation arise.



If I hire you, what are my all-in costs?

In addition to paying the advisor an "advisory fee," you will want to know what the underlying "investment expenses." These are the fees you will pay for the financial products that the advisor picks on your behalf.