

Financial Focus: Choosing a financial professional

Written by Davy Moseley
Monday, 24 January 2011 11:55 -

Jan 20, 2011 - As you navigate the financial world, you'll most likely deal with a wide array of investment choices, constantly changing tax laws, estate-planning issues and other areas. And then, to make things even more complex, you'll have to consider your own risk tolerance, time horizon and individual goals. If you're like most people, you don't have the time and expertise to create, monitor and adjust your investment strategy by yourself, so you'll need to get some help. But how can you choose a financial professional who is right for you? You'll need to do some research, possibly by interviewing a few candidates. Here are a few questions you may want to ask:

Do you have experience working with people like me? Ideally, you'd like to work with someone who has experience in helping people like you -- that is, people with similar income and asset levels, family situations, goals and so on. The more familiar a financial professional is with people like you, the better that person will be at helping you identify the appropriate investment moves.

Do you have a particular investment philosophy? Look for someone with a thoughtful, reasoned philosophy on investing. As a general rule, be suspicious of anyone promising you big, quick gains. The best financial professionals seek to help their clients achieve positive long-term results through disciplined, persistent and sensible investment moves.

How often will you communicate with me? If you're going to entrust your hard-earned financial resources with someone, you'll want that person to communicate with you regularly as to how you're doing and what changes you may need to make. How often will you receive investment statements? How many times a year will you meet to review your progress? Can you have face-to-face consultations whenever you need them? These are the types of questions you'll want to ask any prospective financial advisor.

Will you be my primary contact? If you seek a one-on-one relationship with a financial professional, you'll want that person to be your main contact, if not your exclusive one. You deserve the attention and expertise of a financial professional, so if you're interviewing someone who seems as if he or she might try to "pass you along" to subordinates in the office, keep looking.

What services do you offer? If you want your financial professional to help you create a unified

Financial Focus: Choosing a financial professional

Written by Davy Moseley

Monday, 24 January 2011 11:55 -

investment strategy, you'll also want that person to help you implement it -- which means he or she needs access to a full range of investment and money management products and services.

How are you paid? Financial professionals are compensated in any of a number of ways. They may work on a fee-only basis, with the fee either agreed upon in advance or based on the level of assets under management. And some financial professionals work in a combined fee-and-commission arrangement. From an investor's point of view, one method of compensation may not be "better" than the others; nonetheless, it's important for you to fully understand how your financial advisor will be paid.

By doing your homework in advance, you can develop a solid relationship with a qualified financial professional -- someone who will be with you far into the future.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.