

10 Toughest Questions to Ask an Advisor

(Glenn Frank, Lexington Wealth Management, timemoneyandjoy.com)

- 1 – How do they get paid? If AUM based – which assets are included? What is their business plan? Firm resources? Affiliations? What services do they outsource?
- 2 – What conflicts of interest do they have? Many are subtle. What is best for the advisor may not be best for you!
- 3 – What are all of the costs you will incur directly and indirectly? Advisor fees, custodial, transactional, fund managers....
- 4 – What taxes are you likely to incur and how will they mitigate those taxes?
- 5 – How will they help you with all of the non-portfolio financial issues that surface?
- 6 – Who will be on your service team? Frequency of contact?
- 7 - Current clients – how many do they serve? How are they like you? Retention history?
- 8 – What happens to you when they retire? How do they plan to get value for the business they created?
- 9 – How did they navigate/communicate market drops -March 2020, 2008, 2000...?
- 10 – What are their investment beliefs? How long have they had these beliefs? How does the portfolio they suggest for you compare to their own portfolio?

Keys are to find someone who possesses the 3 Cs – *Concern, Calm, Conviction* and if you are willing to pay for – *Comprehensiveness!*

Or Don't Hire an Advisor - Do It Yourself

Like most decisions – the answer lies in your personal tradeoffs between Time, Money and Joy! TRUST is HUGE – Trust them? Trust yourself? Trust your partner?

- Will you spend the time to do what an advisor would do?
- What are the financial implications? Would an advisor's value exceed their cost?
- How do these efforts impact your happiness, stress levels?

For more information, take ***Do It Yourself or Hire an Advisor*** workshop – which has a focus on your ***“Work Optional Number”*** – *sign up at timemoneyandjoy.com.*

Disclosing all conflicts is key – I am paid for new clients by my employer.