APOLLO
Wealth Management Ltd.

678 Massachusetts Ave #4 | Boston, MA 02118
610.715.2881 | 815.572.0043 Fax
apollowealth.com

How to Ensure You Get Financial Planning Advice

The government does not regulate financial planners as financial planners. Instead, it regulates planners by the services they provide. For example, a planner who also provides securities transactions or advice is regulated as a stockbroker or investment advisor. As a result, the term "financial planner" may be used inaccurately by some financial advisors – sometimes intentionally to blur the line between objective and biased advice.

To add to the confusion, many financial advisors (e.g. CPAs, insurance advisors, stockbrokers, etc.) can also offer financial planning services. To be sure you are getting financial planning advice, ask if the advisor adheres to the following six steps:

1. Establishing and Defining the Client-Planner Relationship

    - The financial planner should clearly explain or document the services to be provided to you and define both his/her and your responsibilities. The planner should explain fully how s/he will be paid and by whom. You and the planner should agree on how long the professional relationship should last and on how decisions will be made.

2. Gathering Client Data (including Goal Setting)

    - The financial planner should ask for information about your financial situation. You and the planner should mutually define your personal and financial goals, understand your time frame for results and discuss how you feel about risk. The financial planner should gather all necessary documents and information before giving you advice.

3. Analyzing and Evaluating Your Financial Status

    - The financial planner should analyze your information to assess your current situation and determine what you must do to meet your goals. Depending on what services you have asked for, this could include analyzing your assets and liabilities, cash flow, current insurance coverage, investments, tax strategies, estate plan, company benefit programs, etc.

4. Developing and Presenting Financial Planning Recommendations

    - The financial planner should offer financial planning recommendations that address your goals based on the information you provide. The planner should review the recommendations with you to help you understand them so that you can make informed decisions. The planner should also listen to your concerns and revise the recommendations as appropriate.

5. Implementing the Financial Planning Recommendations

- You and the planner should agree on how the recommendations will be carried out. The planner may carry out the recommendations or serve as coordinator of the process.

6. Monitoring the Financial Planning Recommendations

- You and the planner should agree on who will monitor your progress towards your goals. If the planner is in charge, s/he should report to you periodically to review your situation and adjust the recommendations, if needed, as your life changes.

Another way of ensuring you get the type of advice you seek is to understand these sample questions offered by The Certified Financial Planner Board of Standards:

Q: Who can use the term “Financial Planner”?
A: The government regulates financial planners by the services they offer. As such, anyone can “hang out a shingle” and call himself/herself a financial planner. It is important that you rigorously question a potential advisor to determine that you get what you will pay for.

Q: Why should I choose a financial planner over another type of financial advisor?
A: A financial planner focuses on your needs before recommending a course of action. Most planners have been trained to take a broad look at your financial situation while accountants, investment advisors, stockbrokers and insurance agents may focus on a particular area of your financial life. Always ask a financial advisor what qualifies him/her to offer financial planning services.