

Checklist: 6 Things to Look for in a Wealth Advisor



Much of your life is spent in pursuit of wealth—for you, for your family, for your future. Once you've attained some level of wealth, it can be difficult to know how to best protect and invest it so that it continues to perform for you throughout your working life and into retirement.

The answer for many is a wealth advisor—an individual or team of gurus who understand the benefits and challenges of the wide world of options open to you, and how to help manage them to fit your specific goals.

What value does a wealth advisor provide?

Not only can a wealth advisor give you a boost in hard numbers—professional financial advice can yield an additional [1.5-4.0 percent](#) in the life of your portfolio—but there are larger, holistic benefits as well. Here are just a few of the roles a wealth advisor could play in your life:

- **Guide:** The ideal advisor leads you along the sometimes treacherous path toward financial prosperity. Stops along the way may include buying a house, legacy planning, charitable giving, healthcare, family support, and retirement.
- **Disciplinarian:** Key to a healthy financial plan is discipline, and your advisor should be prepared to crack that whip and keep you on target. Regular check-ins where you review your portfolio, assess current risk tolerance, and make necessary adjustments will be essential to your overall success.



- **Sounding board:** Your advisor can offer useful guidance on when and how to enter the market for the first time, a decision faced by millennials [who often avoid it](#) and risk huge financial consequences in the years and decades to come.
- **Reality check:** When a bad market strikes (and, eventually, it always does), it can be tempting to cut and run. Likewise, when a boom market rises, you might want to unstrap the seat belt and zoom down the highway. An advisor can be a steady hand on your shoulder that keeps you focused and grounded in your decisions.
- **Your financial brain:** While some financial decisions may be well within your wheelhouse, ask yourself if you look forward to decoding annuities or comparing solvencies of long-term healthcare providers. An advisor can manage the heavy lifting for you.
- **Conscience:** A trusted advisor will make sure you have the tough conversations needed for healthy planning, such as the financial realities faced by your elderly parents as they contemplate whether they can afford that assisted living facility.

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When should you consider a wealth advisor?

As the information age continues to explode, the sheer amount of financial advice out there—blogs, apps, books, robo-investors—is at an all-time high. Are [actual human advisors](#) still even necessary? The overwhelming consensus seems to be yes.

A quarterback has a whole world of plays available to them, provided they have the right coach. Living without a financial planner is like being a rookie who knows only how to throw a forward pass.

Consider these milestones where it might be advantageous to bring on a wealth advisor:

- Engagement, marriage, or baby. An advisor can help you figure out interruptions in salary, affordable childcare, and college planning, as well as manage your estate planning documents.
- Significant upward change in financial situation, such as a new job, major promotion, or sizeable inheritance. Every dollar should have a purpose (taxes, debt, investments, savings), and an advisor can help you think through this allocation.
- Retirement. No matter how impressive your portfolio, it is a completely different challenge to manage a nest egg so that it shares your longevity. Ironically, the healthier you are, the more complicated this can be. An advisor can make sure you have an honest conversation that ensures you don't overestimate your resources or your ability to work in later years.

Qualities in an ideal advisor should include:

- Someone who will give straight answers when asked about their experience, certification, and compensation
- A fiduciary who pledges to work in your interest and offer low-cost solutions, when appropriate
- A partner who goes [beyond investments](#) and consults on all aspects of your financial life, including taxes, insurance, college, estate, and retirement

Six things to look for in a wealth advisor:

1 Qualifications

Among the many qualities you want in an advisor, the most crucial is that they are a certified financial planner (CFP). CFPs carry licenses, [are regulated](#), and must meet mandatory continuing education requirements on finance and ethics. They also pass intense exams by the Certified Financial Planner Board of Standards.

One key difference to note is that CFPs are not stockbrokers, Realtors, insurance agents, or accountants, many of whom will claim a position of financial knowledge. Be rigorous in your screening of potential advisors and make sure you're getting what you need.

2 Reputation of Trust

Without trust, your financial planning relationship is a house built on sand.

More than just an expert you occasionally call when you have a problem, an advisor is someone with whom you likely will spend many hours, poring over finances and communing about hopes, dreams, worries, and opportunities. A trustworthy advisor demonstrates transparency, humility, and a genuine warmth that implies they have a shared interest in your success that goes beyond the numbers.

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3 Personal Relationship

The number of clients in an advisor's stable is far less important than how available they are to serve you and how excited they seem about doing it. Are they actively listening to you? Are alerts going off for phone calls, texts, emails, and so on? Or do they take the simple step of shutting them off for the duration of your conversation?

Have they taken the time to get to know you and tailor their advice to your specific goals (say, retiring at age 55)? Do they present an issue that may appear complex to inexperienced investors, such as [compound interest](#), with visuals that demonstrate its importance?

4 Proven Success

Success is always subjective and open to interpretation. What constitutes success for one investor may look like failure to another. Beware advisors who pile on hollow metrics or stories of grand financial conquests. Instead, consider an advisor who explains the [tools and technology](#) they use to accomplish their clients' goals.

5 Experience

Another key question to ask a potential advisor is their strategy for working in teams. Sure, your advisor may be a rock star, but who's their backup? What is the long-term strategy for managing your portfolio that goes beyond any one employee? People come and go, age out of the field, and take ill unexpectedly, and a consistent team can ensure a broad base of support while maintaining a personal approach.

6 Intent

For a financial cooperative like TDECU, your membership is the foundation of our shared success. Unlike many other firms, we answer to clients first and foremost, not shareholders or third-party investors.

We process the myriad of financial information sources coming your way and distill them down to their essence, providing clarity and peace of mind. We help you understand your finances and set up achievable goals based on a mindful evaluation of available opportunities.

We use a data-driven approach but also look beyond facts and figures to connect you to what you want to achieve.

Don't try to do this alone.

Managing your money on your own is certainly an option that many people choose. So is fixing your own car. But more often than not, most people eventually realize that a professional might be helpful in both of these ventures. Just as you might not want to drive that '57 Chevy in which Dad installed his own brakes, you also might avoid navigating the complex road to financial success without a guide.

In the end, a financial advisor is useful only if you trust their experience, instinct, and intent and share a mutual responsibility toward your life goals.

If you would like to join the thousands whom TDECU has assisted in building a prosperous financial future, [we'd love to talk](#) about what we can do for you.

