



## LESSON 15:

## Hiring financial help

[+ Money 101 mainpage](#)
[SUBSCRIBE TO MONEY](#)
**Top Stories**
[When booms go bust...](#)
[Stocks rise ahead of Fed](#)
[Internet deals: A tangled Web](#)
[Fed mum ... so hike to come](#)
[Crude prices sink](#)

— ADVERTISEMENT —

## Top things to remember

### 1. Anyone can call himself a planner.

To avoid amateurs, hire a planner who's earned special credentials (such as a Certified Financial Planner or Personal Financial Specialist designation), by meeting training standards or having a certain level of experience.

### 2. Planning is more than investing.

Not all planners offer comprehensive services. Some just give investment advice or focus on one aspect of planning, such as insurance or taxes.

### 3. Expand your choices.

When hiring a planner, interview at least three pros to find the one that can deliver the services you need and who's compatible with your style.

### 4. Personal references are a good place to start -- but not the last stop.

A reference from a friend or family member is a great way to search for a financial planner. But make sure you've got similar needs as the person who's giving the referral. Go to groups like the Certified Financial Planner Board of Standards and the Financial Planning Association for additional references.

### 5. Understand how your planner is getting paid.

The three most common set-ups are: Fee-only, fee-based, and commission-based. Fee-*only* planners don't get commissions for the products they sell -- fees are for the advice they give. Fee-*based* planners may receive commission on some products they sell, but most of their money comes from a fee you pay them. Commission-based planners are paid by the companies whose products they sell.

### 6. Check credentials.

Check to see if a planner's record is tarnished by disciplinary problems or complaints. Groups that award credentials or state agencies keep tabs on planners and can provide help.

### 7. Get references.

#### In Lesson 15


[Glossary](#)

[Take the test](#)

- [Top things to know](#)
- [Need Help? Here are your options.](#)
- [How to find a planner](#)
- [8 Questions to Ask](#)
- [What should it cost?](#)

#### Money 101 Lessons

[Setting priorities](#)
[Making a budget](#)
[Basics of banking and saving](#)
[Basics of investing](#)
[Investing in stocks](#)
[Investing in mutual funds](#)
[Investing in bonds](#)
[Buying a home](#)
[Controlling debt](#)
[Employee stock options](#)
[Saving for college](#)
[Kids and money](#)
[Planning for retirement](#)
[Asset allocation](#)
[Hiring financial help](#)
[Health insurance](#)
[Buying a car](#)

Ask a planner for two or more of his clients -- then follow up and call to find out how a planner performs in specific circumstances, such as during a financial crisis.

**8. Express yourself.**

The quality of a planner's advice is correlated to how well he or she knows you. Make sure a planner asks questions about your finances, goals, risk tolerance and philosophy. If they don't ask, they probably aren't paying adequate attention.

**9. Know what they're selling.**

Find out what financial products a planner sells and how much he or his firm earns for making a sale. Be wary of planners who push one product -- say, one family of mutual funds or one kind of insurance -- as they may not give you the unbiased or comprehensive advice you need.

**10. Know yourself.**

The best planner will take his cues from you. Before you hire someone, identify the financial goals you want to meet, your assets and liabilities, your risk tolerance, and investment style. Are you self-directed or do you want specialized help? ■

[Taxes](#)

[Home insurance](#)

[Life insurance](#)

[Estate planning](#)

[Auto insurance](#)

[401\(k\)s](#)

**[Next: Need Help? Here are your options.](#)**



[Glossary](#)



[Take the test](#)



[More Money 101 lessons](#)

**The Hot List**

[Real estate: When booms go bust...](#)

[Lost bags? Delays? Best, worst airlines](#)

[Slowdown? Real estate still going strong](#)

**More Personal Finance**

[Best places to vacation this winter](#)

[Real estate: When booms go bust...](#)

[Who's making what in New York City](#)

**Money** TRY AN ISSUE OF MONEY MAGAZINE FREE

[Privacy Policy](#)

[contact us](#) | [magazine customer service](#) | [site map](#) | [glossary](#) | [RSS](#) | [press room](#)

OTHER NEWS: [CNN](#) | [SI](#) | [Fortune](#) | [Business2.0](#)

\* - Time reflects local markets trading time.

† - Intraday data is at least 15-minutes delayed.

[Disclaimer](#)

© 2005 Cable News Network LP, LLLP. A Time Warner Company ALL RIGHTS RESERVED.

[Terms](#) under which this service is provided to you. [privacy policy](#) [Reprints](#) of site stories are available.