



HOW TO HIRE A RETIREMENT ADVISOR



Retirement, also called the golden years of life, can be blissful only if they are planned well. As per recent statistics, Americans between the ages of 55 and 64 years have only saved 12% of what is required for an adequately-funded retirement. A major reason for this gap in savings is the inadequacy of their retirement plans. The everyday stress, of too much work and too little time, makes it harder to focus on this critical aspect of life. A retirement advisor can be your support system on this essential journey. These professionals can help you achieve your goals, identify opportunities, maximize profits, minimize risks, and secure and grow your wealth.

Here are some easy tricks, to help you hire the best retirement advisor for your needs:

1. DETERMINE YOUR NEEDS

The world of finance can be overwhelming. When it comes to retirement, the common notion is that the process is too complicated. Though that is partially true, it still remains a necessary task. Hence, it is best to engage in this process as soon as possible. Assess your requirements before hiring a retirement expert. Understand the current worth of your assets, complexity of investments, size of your portfolio, duration of your goals, expected working years, etc., and then determine your needs accordingly. You may also need to gain a deeper understanding

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of your finances. This can include mortgages, liabilities, loans, credit card bills, etc. Try to plan your future strategy, such as, when do you wish to retire? What are your plans for that phase? What do you prefer: semi-retirement or full-retirement? When do you expect to start withdrawing Social Security benefits?

If your needs are manageable with some infrequent but expert guidance, an hourly arrangement might work the best for you. However, if the worth of your estate is too large or if you have a significant gap in your retirement savings, comprehensive support or long-term asset management can be more helpful.

2. FIND THE ADVISORS

The next step towards hiring a retirement advisor is to create a list of potential candidates. It is advisable to understand your needs and be well-versed with the type of support that you require. You can create a list of professionals to consider for consultation. Seek referrals from friends and family who are working with a financial planner or have in the past hired a retirement advisor to seek help. Moreover, you can also consider contacting your colleagues and getting recommendations from them. Since these people may be in the same financial position as you, their suggestions could be useful. Seniors who have already retired can also be a good source of information.

Alternatively, online databases and advisors' directories can help provide relevant and pre-screened suggestions. WiserAdvisor's Advisor Match Tool can help match you with a suitable advisor with the expertise to support you in your retirement journey. It is generally recommended to create a list of at least 4-5 candidates who can be screened. If you wish to find an advisor with special expertise, such as in Social Security benefits or estate planning, be sure to add it in your selection criteria. You can also call all selected candidates and let them know your requirements, and schedule a time for further introspection.

3. ASK THE RIGHT QUESTIONS

It is important to conduct a comprehensive assessment of the candidate by asking the right questions. Some things that you can ask while hiring a retirement advisor include:

- **Experience:** Knowing the years of experience, special expertise, number of clients, etc. can be essential. Ideally, it is good to select advisors that have considerable experience, such as 5 years or more, to be sure that they understand the market cycles and pulse. Be cautious while hiring a professional with too many clients. In such cases, you might not get the desired attention, and your goals may be compromised.

- **Credentials:** Checking the credentials of the retirement advisor can help assess their suitability to your needs. As a professional advisor, they should have certain certifications, like CFP (Certified Financial Planner) or PFS (Personal Financial Specialist), etc. to offer you the required services. It is also good to know their governing regulations, such as FINRA (Financial Industry Regulatory Authority) or the SEC (Securities and Exchange Commission).
- **Fee structure:** It is recommended to understand the payment structure of the advisor. The fee reflects greatly on the advice rendered. For cases where the planner works on a commission-only basis, there is a higher risk of prejudice since they may advise investments into units that provide them with a higher return. That said, each structure has its benefits and drawbacks. However, try to ensure that the fee is worth the value added.
- **References:** A good professional can easily provide names of three or more clients that have benefited from their services. Hence, it is beneficial to ask for references of past or existing clients, whom you can contact. It may be good to reach out to these clients and gain first-hand information.

- **Relationship structure:** Try to understand the type of structure the relationship will have. Such as the frequency of meetings – semi-annually, bi-annually, quarterly, etc. This will help set expectations and targets. It also helps to understand the process for feedback and grievance redressal, and what happens in case of conflict of interest.
- **Network and information:** It is important to understand the network of the advisor. Does the advisor employ the services of a CPA (Certified Public Accountants), attorney, insurance agent, etc. for better results? Moreover, try to assess the reliability of the network.
- **Governing philosophy:** Another question to ask the retirement planner is about their guiding philosophy. It is advisable to enter into a fiduciary relationship. Professionals that have a fiduciary duty are obligated by law to place the interest of their client ahead of theirs. Hence, you can be certain that their recommendations have been made in good faith. You can also consider conducting a check on their criminal convictions or legal action/scrutiny by a legal authority.

- **Assess your suitability:** After you have gained the required information about the retirement advisor, the final step is to assess their suitability to your needs. A selection based on the potential value they can add can be one way to narrow down your list. You can also keep in mind factors such as their experience, suitability to your goals, expertise, etc. Further, it is essential to choose a person you are comfortable with and can trust. Once you have made your choice, you can speak to the selected individual and enter into a formal agreement as per your terms.

Summary

Hiring a retirement advisor at the right stage of your life can help you meet your retirement goals. These professionals can bridge the gap in your current financial status and your future expectations with expert guidance. However, it is essential to be patient while making the selection. It helps to hire someone only after you have gained confidence of their qualifications and caliber. Remember that an experienced and trusted Financial Advisor can help you live a retirement that you always wanted.

About RetirementPlanning.net

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We realize that our users belong to a select group that prefers to take control and make informed decisions. To give our users choice, we have built an independent network of vetted financial advisors nationwide. We are not affiliated with any specific financial firm and are truly independent. Additionally, each advisor in our network has to meet our strict quality standards.

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