



LYNCH FINANCIAL GROUP LLC
— Retirement Wealth Management —

7

Questions Retirees Must Ask A Financial Advisor



Hi, I'm Doug Lynch, President of Lynch Financial Group LLC. I have worked with retirees for over 30 years to help them achieve their financial goals.

We do this through our LFG Wealth Management System which uses a holistic approach to address the broad range of essential investment and financial decisions faced by today's retirees.



This guide, the 7 Questions Retirees Must Ask A Financial Advisor, covers the most important questions a retiree should ask a potential financial advisor before hiring them. Without answers to these questions, you won't know if an advisor is both right for you and is looking out for your best interests instead of their own. With it, you will have confidence that you will receive answers to these essential questions – or learn that an advisors inability to provide good answers raise important red flags with that advisor. Please read through this guide, use it and let me know about the results.

1) Are You A Fiduciary?

There are many definitions of fiduciary, but as it relates to financial advice: A fiduciary is a person or organization that acts on behalf of another person or persons, putting their clients' interest ahead of their own, with a duty to preserve good faith and trust. Being a fiduciary thus requires being bound both legally and ethically to act in the other's best interests. You want someone who is working in your best interest and doesn't just pay lip service, but is bound by legal and professional ethics to do so.



2) What Are Your Qualifications?

Anyone can hang out a shingle and call themselves a financial advisor. You want to find someone who has undergone a rigorous financial planning training process, not someone who has just been trained to sell you something you might not need. We believe a financial advisor should be a CERTIFIED FINANCIAL PLANNER™ (CFP®). CFP® professionals have met extensive training and experience requirements, and commit to the CFP® Board's ethical standards that require them to put their clients' interests first. A CFP® is considered the "gold standard" of certifications for financial planning. There are many other designations (see https://www.investopedia.com/articles/financialcareers/07/different_designations.asp for a good list), including Chartered Financial Analyst (CFA), which is considered the top designation for investment professionals.

A financial advisor should have broad training, but it's also a good idea to find one who specializes in clients like you. A knee surgeon can be the best in town, but that doesn't mean you should go to him if you need heart surgery.

Since taxes are one of largest (and in many cases the largest) expense for retirees, you should find an advisor with extensive tax knowledge and the ability to provide tax planning advice.



3) *How Do You Get Paid?*

Some advisors charge commissions for products sold, some charge a percentage of assets under management, and some charge a flat fee. There is no “perfect” method, but you might question the potential conflicts of interest related to how an advisor gets paid. At a minimum, you should clearly understand all the ways your advisor will get paid.

Many people we speak with seem to either have no idea how their financial advisor gets paid or think they are not being charged any fees. (Hint: financial advisors are not charitable organizations.)

4) *What Services Will I Receive?*

You should clearly understand how an ongoing relationship with your advisor will work. An advisor who sells products may not call you until he has something else to peddle. If you were 25 years old, you might only need a one-time plan and run with it for many years (or even decades). For retirees, however, we believe financial advice is an ongoing need, since different life circumstances arise — so you should have an advisor who works in that manner. There are too many financial decisions involved during retirement years and the cost of making a major mistake might not be something you can recover as easily from as you might if you were decades away from retirement.





5) *What Investment Approach Do You Use?*

There are many ways to invest, so you should understand how an advisor invests client funds before hiring them. Some invest in individual stocks and bonds, some use mutual funds and ETFs, and some use complex derivative or alternative securities. Your level of investment knowledge may vary from very little to moderate or better, but regardless, you should ask for a clear explanation of how your assets will be invested. You should always remember this adaptation of an old adage: "if it seems too good to be true, stay away."

It has been shown that the fees related to investment products used are one of the largest contributors to long-term returns. Therefore, we believe using a core of low-cost index funds and ETFs to gain broad exposure to financial markets makes sense.

Some advisors use a form of "market timing," where they get into and out of markets on a large scale. You should understand the possibility of a permanent loss of capital related to this type of approach if it doesn't work.

6) *Who Will I Work With?*

You should understand who you will be talking and meeting with on an ongoing basis. Meeting with an owner of a firm who is highly qualified is great during an initial sales meeting, but if you will be working with someone much less experienced in the future, you should understand that.



7) *What Type of Performance Reporting Will I Receive?*

Many investors know how this stock or that fund has done this year (usually the best performers), but have no idea how their overall portfolio has performed. We believe you should receive regular performance reporting. This should be in an easy-to-understand format and not simply an account statement from the custodian (which in many cases might as well be written in another language).

ACCELERATE YOUR RESULTS

You are in possession of a tool that can get you answers to essential questions in your search for a financial advisor. As an advisor who welcomes questions from current and potential clients, I will email you a document summarizes answers to these questions for our firm.

If you'd like to use this tool at its fullest potential, I want to GIFT you a one hour free assessment where you can ask me for additional details regarding these questions AND I will ask you about your financial goals and provide a follow-up free assessment of your financial situation.

Click here to schedule this assessment absolutely free → <http://lynchfinancialgroup.com/freeassessment>

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