Getting Financial Help

• Saves time
• Saves money
• Reviews strategies you’ve chosen
• Gets you started on financial tasks
• Helps you through major life changes
Your Financial Professional Team

- Banker
- Real estate agent
- Lawyer
- Accountant
- Insurance agent(s)
- Estate planner
- Investment adviser
- Stock broker
- Financial planner
What is a Financial Planner?

• Most financial planners are investment advisers, but not all investment advisers are financial planners.

• Some financial planners assess every aspect of finances and help clients develop a detailed plan to meet financial goals (ongoing relationship).

• Other financial planners provide services on an as-needed basis.

• Major designations include CFP®, ChFC, and CPA/PFS.
What is an Investment Adviser?

• An investment adviser is an individual or a firm that is in the business of giving advice about securities to clients.

• For instance, individuals or firms that receive compensation for giving advice on investing in stocks, bonds, mutual funds, or exchange traded funds are investment advisers.

• Some investment advisers manage portfolios of securities.
What is a Financial Adviser?

• The title "financial adviser" is not regulated

• No government body dictates who can call themselves one

• So, anyone can print up business cards and call himself or herself a financial adviser
Costs of Financial Advice

- Salaries
- Fees
- Commissions
- Combination of fees and commissions
Fee Only Planners

• Only get paid for giving advice

• Does not matter if client follows the advice and buys financial products...or not

• May be hourly fee, flat fee, or retainer fee (% of assets under management or net worth)

• Often target upper-income clients
Commission Only

- Commission paid for buying or selling securities, insurance, etc.
- Commission decreases your total investment
- Financial planners can get commissions if they are associated with a brokerage firm
Fees and Commissions

- Planner receives both forms of payment
  - a fee for developing financial plan and commissions to sell insurance and investment products recommended in the financial plan

- Also called “fee based” or “fee offset”

Choosing Your Financial Team

• Get referrals from friends or other professionals
• Call at least three professionals for each category
• Check out references
• Set up face-to-face meetings
• Ask “Do I trust this person?”
• Make the decision
Some Questions for Financial Planners

• How long have you been a financial planner?

• What related experience do you have?

• What are your professional credentials and affiliations?

• What is your investment philosophy?

• How will we work together?
More Questions for Financial Planners

• What services do you offer?
• What can I expect from you?
• What will it cost and how are you paid?
• Who will work with me?
• May I see a sample financial plan?
• Are you registered with state or federal regulators?
Get Help When Needed

• CPA when receiving lump sum distribution

• Financial planners:
  – www.napfa.org (Find an Advisor)
  – www.fpanet.org (Find your Financial Planner)
  – www.cfp-board.org (Find a CFP® Professional)

• Go prepared to reduce time and fees
  – Bring financial statements, list of goals
RCE Money and Investing Site

http://njaes.rutgers.edu/money/

Personal Finance

Programs:
- The Financial Aspects of Health
- The High School Financial Planning Program (HSFPP)
- Investing For Your Future (home study course)
- Money 2000 and Beyond
- Rutgers University Financial Independence Training (RU-FIT)

Assessment Tools:
- Financial Fitness Quiz
- Identity Theft Risk Assessment Quiz
- Investment Risk Tolerance Quiz
- Personal Resiliency Resources Assessment Quiz
- Wise Credit Management Quiz

Microsoft Excel Financial Templates:
- Asset Allocation Spreadsheet
- Asset Allocation Spreadsheet With Pie Chart
- Net Worth Calculation Spreadsheet
- Spending Plan Worksheet

Resources:
- America Saves Enrollment Form (171k PDF)
- Ask the CFPs
- ATM/Credit Card/Cash Tracker (98k PDF)
- Beneficiary and Personal Representative Designations Worksheet (15k PDF)
- Credit File Request Form (41k PDF)
- Financial Fitness Calendar
- Financial Goal-Setting Worksheet (7k PDF)
- Financial Literacy Task Force Resources for Families and Communities