



# Who's the Right Advisor for Me?



# The Different Types of Financial Advisors & Which One is Best for You

Before we dig into the details of the types of advisors and which one is best for you, we suggest you take a quick Advisor suitability self-test. The test will ask about your confidence to manage your financial decisions for retirement in a number of different areas.

## Advisor Suitability Test

- 1) How confident are you in your current financial plan?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 2) How confident are you in your retirement plan (savings & investments, taxes, insurance, home equity, healthcare, estate planning)?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 3) How confident are you in the amount of savings and investments you have for retirement?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 4) How confident are you in determining your retirement income distribution strategy (while minimizing taxes)?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 5) How confident are you in making your own short term and long term investment decisions (and not making knee jerk reactions) in market downturns?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 6) How confident are you in your portfolio allocations to balance growth and protection (right ratio to protect against short term and long term volatility)?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 7) How confident are you in determining the right Social Security claiming strategy to maximize your benefit in light of all your other income sources?  
1-Confident 2-Somewhat Confident 3-Not Confident
- 8) How confident are you in understanding how your home equity can be used in retirement?  
1-Confident 2-Somewhat Confident 3-Not Confident

Total Score \_\_\_\_\_. If you score anywhere from 16-24, it's likely that a financial/retirement advisor will be able to improve your retirement outcome.

Studies show that working with an advisor is proven to boost confidence, reduce stress and improve overall financial outcome. A qualified retirement advisor can help you determine an efficient and sustainable income distribution strategy when in retirement. The right advisor can also incorporate tax planning into your overall strategy. Advisors can help you determine the right strategies for saving and investing for retirement, and proper growth/protection as you approach retirement. A retirement advisor can address all of your financial and lifestyle concerns as you prepare for transition and live in retirement.

**“The research is unequivocal that a competent financial guide can both help you achieve the returns necessary to arrive at your financial destination while simultaneously improving the quality of your journey.”**

-Behavioral Alpha: The True Power of Financial Advice, Daniel Crosby, Ph.D., Nocturne Capital, 2016

### **Finding the Right Advisor in a Sea of 300,000**

There are more than 300,000 “financial advisors and planners” in the U.S. 80% of them are men and their average age is 60. The title financial planner or financial advisor is used to describe anyone from an insurance agent to a stockbroker to an investment advisor to a Certified Financial Planner (CFP). And there is no shortage of certifications and acronyms on advisor business cards. No wonder people are confused when trying to decipher who they should get financial or retirement advice from. Many investors assume that any professional who refers to himself or herself as a “financial planner” has received some kind of certification. Unfortunately, there’s no rule governing who can go by the title of financial planner. Anyone can set up shop using that title, whether or not they know anything about finance or have any experience. You’re better off sticking with financial planners who have an actual certification by a governing agency, be it state or federal.

Financial advisors used to be hired predominantly by people with upwards of several hundred thousand dollars. No matter if you have \$1 million or \$1,000 to invest, you still have many options. That’s changed over the last decade as the financial landscape has changed. Among other changes are the self-funding of retirement plans vs. pensions. People are also living longer and the financial decisions that accompany long life are more complicated. The financial industry and products are also much more complex with many more offerings. Not to mention the complexities around retirement, which are myriad.

### **Here’s a quick overview of the types of advisors and planners and their certifications:**

**Registered Investment Advisor (RIA):** A person or firm who advises individuals on investments and manages their portfolios. RIAs have a fiduciary duty to their clients, which means they have a fundamental obligation to provide investment advice that always acts in their clients' best interests. As the first word of their title indicates, RIAs are required to register either with the Securities and Exchange Commission (SEC) or state securities administrators.

Registered investment advisors seek to offer more holistic financial plans and investing services. They offer very different fee schedules and are typically fee-based by assets under management.

**Registered Representatives:** Work for a brokerage company and are well versed in investment products including stocks, bonds, and mutual funds. Registered representatives are required to have passed their Series 6 and/or Series 7 exams. They must register with the Financial Industry Regulatory Authority (FINRA) and are governed by suitability standards (which means they ensure an investment is suitable given an investor's investment profile). Registered representatives, also known as stockbrokers work on commission. Since reps are regulated by FINRA, you can check an advisor's background on FINRA's Central Registration Depository at [www.finra.org](http://www.finra.org).

Many financial advisors or planners attain other certifications (some of which are listed below). So, for example, you may meet with someone who is both an RIA and a CFP or an RIA and an insurance agent.

**Certified financial planner (CFP):** The CFP certification is offered by the CFP Board and is generally considered the gold-standard certification for financial planners. CFPs are always fiduciaries, meaning they are legally required to put their clients' interests ahead of their own at all times.

**Chartered financial analyst (CFA):** The CFA designation is granted only by the CFA Institute. To gain this certification, advisors must meet significant education and work experience requirements and pass a series of three exams. CFAs have expertise in investment analysis and portfolio management.

**Chartered financial consultant (ChFC):** A chartered financial consultant (ChFC) studies college-level insurance, estate planning, retirement funding, investments and others subjects in financial planning.

**Retirement Income Certifications:** There are three major retirement income planning certifications that many financial advisors choose to attain to demonstrate their expertise in retirement planning. These include: Retirement Income Certified Professional (RICP), Retirement Management Analyst (RMA), and Certified Retirement Counselor (CRC). While these don't guarantee your retirement advisor will have a full command of retirement planning, they do indicate a level of education beyond the certifications above. What's more important than certifications, however, is the process and planning that a retirement advisor offers you. See page 4 for details on finding the right retirement advisor.

### **In-Person Advisors vs. Online/Virtual Advisors vs. Robo Advisors**

Independent of certifications, you'll find advice in a few different service delivery models. While most of the advisors today offer their services face-to-face or in-person, serving their local community, there is a new breed of online or virtual advisors as well as what is referred to as "robo" advisors.

In-person advisors typically meet with clients once a year to help plan and organize personal and small business finances. They serve individuals, couples, families and small businesses. Many traditional in-person advisors focus on investing and investment advice.

The whole world is going online...why not financial advice?

An online or virtual advisor is not limited to working with people within his/her local community. They work with you through video chat, phone, email and texting. The benefit of an online advisor is that you can meet with them from the convenience of your couch and you're not limited to the local advisor talent pool. You may find online advisor's fees are less than "local to you" advisors. They typically offer the same full set of services as a local advisor.

Robo (as in "robot")-advisors are a relatively new option for those who want low-cost investing help, want to invest for the long term and don't need help with other financial decisions. Robo advisors are technology focused companies serving clients online primarily relying on investment software. The investments are either low or no-minimum amounts, are 100% online and offer little to no human interaction. They aim to charge even less than virtual advisors, typically 0.25% to 0.35% of your assets under management each year. The typical process to open an investment account involves you logging on to the company's site and filling in a questionnaire on your investment tolerances. You then receive suggestions based on robo's algorithms.

*Other advisors you may have on your team:*

**Insurance agents:** Insurance agents are licensed to sell life insurance and annuity products, within their state. They are typically paid by commission based on the products they sell. Insurance agents are monitored by state insurance commissioners. In comparison to investment advisers, the standards are significantly lower. There are consumer protection standards in place which protect you from deceptive practices and misrepresentation of product. However, there is no requirement for agents to act in their client's best interest. And remember, that some insurance agents call themselves financial planners leading some consumers to be misled on the full capabilities of the agents. Some financial advisers/planners are also insurance licensed, which we feel is a benefit to you when working with someone on your retirement plan since he/she will be able to offer a potentially balanced view between the two.

**Certified public accountant (CPA):** While certified public accountants (CPAs) are most often associated with taxes, they can also act as trusted financial advisers.

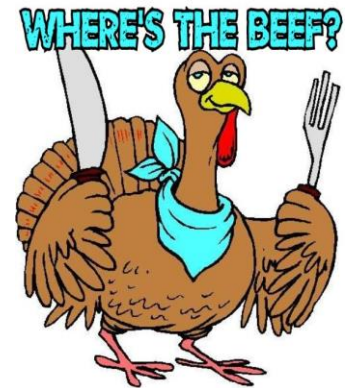
**Personal financial specialist (PFS):** Offered by the American Institute of Certified Public Accountants (AICPA), the PFS designation is an "add-on" certification for CPAs. It's intended for CPAs who want to branch out into financial planning and requires that the CPA in question have at least two years of personal financial planning experience, either in business or teaching.

**Estate Planning Attorney:** There is more to estate planning advice than the preparation of a last will and testament. Attorneys help you prepare for the possibility of mental or physical incapacitation and the need for long-term care. They can also advise clients on ways to ensure that their life's savings and assets are safe from beneficiaries and creditors after your death.

## Trading a Turkey for Some Beef...Finding Real Retirement Advisors

I'm sure this fella would agree...it might be time to trade a turkey for some beef.

There's a whole flock of so-called financial advisors out there professing to provide "retirement advice." After all, it's a giant market of 78 million baby boomers just waiting to be gobbled up. Why not take a shot at gathering more assets and just call yourself a retirement advisor? The problem with this, for you the person preparing for retirement, is myriad. Thankfully, Her Retirement is here to ruffle some feathers and help you trade a turkey for some beef.



While there are many good advisors out there, some of these thinly veiled, self-proclaimed "retirement" advisors are little more than data gatherers who meet with you a couple times: first, inputting your data into a planning software program and letting it do its thing, and then second, giving you the software's lengthy printout of numbers and projections in a nice leather folder, without the full array of retirement services you truly need. The cost of this glorified retirement plan can be pretty steep as well. The average advisor, according to Michael Kitces is charging 1.65% on a portfolio of \$500,000!<sup>1</sup>

There's not a lot of difference between these traditional advisors and the new flock of robo-advisors...which are online software companies doing similar data gathering and investing over the Internet. While robo-advisors are undercutting the traditional advisor fees for data output, they truly must be on cloud nine to think that the average baby boomer just needs a cheap investment strategy for a retirement plan.

What we've found after working with baby boomers over the last 30 years, and more recently with a focus on helping our clients plan their retirement, is that people need more than an investment strategy. Retiring right requires an advisor to be knowledgeable on a myriad of strategies.

The challenge remains, in an industry run amok with myths and misinformation, extreme biases and so many choices when it comes to advice...how do you know who to trust and who to partner with?

We suggest you stay away from the fox in the henhouse and rely on an education company such as Her Retirement. Our mission is to offer unbiased, research-backed guidance while connecting you to the people, content and resources that can help you create and implement a financial and retirement plan you not only understand, but have 100% confidence in.



## **How do you stay away from the fox in the henhouse and find a retirement expert who can truly help you?**


At Her Retirement we believe knowledge is power so in order to find reliable advice, we believe you must first you must educate yourself. Find a source or sources who consistently deliver objective information. We follow a myriad of retirement academics who are truly objective in their recommendations. Next, make sure to seek out the mathematical proof...every sound retirement strategy has research and data that proves it out. Demand this proof. Do not accept hearsay or conjecture. We call this Retirement based on Research.

Next, be really picky about choosing who you work with for advice. Ask how much time he/she is going to commit to doing your planning... working collaboratively to plan your retirement, not just behind the scenes running software programs in his/her comfy office. Retirement planning is hard work and requires a BIG time commitment on both parties to be done right. Demand this time. Don't settle for less.

Next, ask tough questions to be sure he/she isn't a thinly veiled "retirement" advisor. You wouldn't hire just anyone to take care of your kids or to work in your company...the same time and care should be taken to find the right retirement planning advocate. Aside from asking about his/her background and experience, and getting to know their firm, these are the questions a retirement advisor must answer for you:

- What's their approach to retirement planning and their process? Is it well defined and disciplined?
- Do they educate you in the planning process? How?
- Do they follow the retirement researchers? Can they name them and quote some of their research?
- Do they help organize you financially and help clarify your retirement objectives and timeline?

- How much time do they commit to working collaboratively you?
- Are they knowledgeable beyond growing a portfolio? What do they know about distribution planning in retirement?
- Are they licensed to offer annuities and do they educate you on how they work to offer guarantees and protect your portfolio from loss? Or, are they simply an investment advisor who doesn't understand the importance of de-risking a retirement portfolio?
- Do they understand how wills and trusts work, and work with you to develop a proper plan to protect your assets from a potential healthcare event?
- What other value added services do they offer you? Are they comprehensive in nature?
- Do you like them as a person? Do they challenge you? Are they personable, passionate and excited about your retirement? Can you trust them to act in your best interests...always?



**“Most advisors concentrate solely on management investments. They don’t incorporate all the intricate retirement strategies that must be utilized to dramatically increase the probability of a retiree’s success.” –Dr. Wade Phau, Phd, Retirement Researcher**

## **Does Your Retirement Advisor Offer These Services?**

If you really want to find out what their stuffing is made of, ask if him/her if they offer these services, critical to a potentially better retirement outcome. In fact, bring this list to him/her and review and understand the responses.

- Market Volatility Stress Testing (MVST)** - a stress test of your current retirement against many different market environments utilizing sophisticated technology. If necessary, proper adjustments should be discussed to increase the probability of a better retirement outcome.
- Tax Efficiency Assessment** - a tax efficient income distribution strategy to reduce taxes and ultimately increase the probability of portfolio survival. Will he/she advise you on how much you should convert annually to Roth? Does he/she have technology to



assess the proper amount annually to get the best outcome? Will he/she meet with you annually in retirement to develop a tax optimized withdrawal?

- Social Security Timing Strategy** - assessment of multiple Social Security filing strategies to determine the most efficient strategy to maximize this benefit. Does he/she understand how timing can significantly impact your total benefit amount? Has he/she included Social Security in a complete retirement income projection analysis? Has he/she analyzed the impact of taxes on your Social Security?
- Portfolio Analysis and Management** - a high quality, low-cost, optimized portfolio that combines the growth potential of stocks with guarantees provided by Fixed Index Annuities (FIAs). Can he/she show you how to integrate stocks, bonds, FIAs, and guaranteed income annuities to get the best retirement outcome possible based upon many different market conditions? What is his/her thoughts on using annuities in retirement to reduce risk? What academic research has he/she done to support the opinion? Has he/she done a portfolio review to show the impact of this retirement optimized portfolio vs. a traditional 60/40 portfolio? Has he/she conducted a complete review of your portfolio vs. the appropriate benchmarks?
- Home Equity** - a reverse mortgage or HECM loan has been academically proven to improve a retirement outcome. It's been called the Swiss Army Knife of retirement planning since it can be used a number of different ways in retirement. Has he/she discussed how to use the equity in your home through a reverse mortgage to increase the effectiveness of your retirement plan? Can he/she properly assess the value of using a HECM reserve account vs. a tenure offer to get the best possible outcome?
- Risk Management** - a life insurance and long-term care needs analysis to assess and then minimize potential risks. The right advisor should be licensed to advise you on both investments and insurance. Has he/she discussed the cost of long-term care and incorporated this cost into your retirement income projection? Many people are over-insured when it comes to life insurance, has he/she considered the appropriate amount (if any) of life insurance that you need?
- Medicare Planning** - a Medicare assessment to help you analyze your options to select and file the best plan. Is your advisor able to help you navigate the Medicare maze to make the right decisions at the right time, and to make sure you're protected against unexpected costs such as prescriptions?
- Estate Planning** – a plan for your estate is critical. Estate planning is more than a will and is also integrated with long term care planning. Do you have a will? Do you have a trust? Has your advisor met with you and your estate planning attorney to make sure everything is properly planned and integrated?

# Helpful Questions to Ask an Advisor About Their Fees

## Fee Transparency Worksheet

Finally, get FULL DISCLOSURE of "all" fees you'll pay your advisor and find out if he/she offers a hybrid fee model, which is designed around your needs, not his sales goals. Understanding the services and fees will help you gauge the value they bring to your planning process and your retirement outcome. Note: if you're paying more than .9%-1.5% (depending on your amount of assets) in an assets under management fee structure and not getting all the services above, you're paying too much.

The number one question to ask an advisor: What are the "total" fees to work with you? (it's critical to receive full disclosure from anyone that is going to provide you financial advice and products). Use this form to uncover your TOTAL fees, and have your advisor sign it.

- What is your custodial fee? \$ \_\_\_\_\_ OR \_\_\_\_\_%
- What are your trading costs? \$ \_\_\_\_\_ OR \_\_\_\_\_%
- What is the advisory fee? (this is the fee that does to the registered investment advisor to manage your portfolio) \$ \_\_\_\_\_ OR \_\_\_\_\_%
- What are the internal mutual fund, ETF, money manager fees? \$ \_\_\_\_\_ OR \_\_\_\_\_%
- Are there any other fees such as statement fees, technology fees, etc? \$ \_\_\_\_\_ OR \_\_\_\_\_%
- What do your fees include for additional services; i.e. Retirement Planning (make sure you get specifics)? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Advisor Signature X \_\_\_\_\_

## **At Her Retirement we offer a myriad of free and paid services to help you stop worrying and wondering about retirement...for good.**

Our fresh take on helping you get this whole retirement thing right, and making the right financial decisions, is simple. We've assembled the four pieces you need. We call them Resources. They give you access to sophisticated assessment tools, research-backed education, academically proven strategies, vetted solutions and balanced advice you can trust. Through the power of technology and reach of the internet we're making Her Retirement easily accessible to anyone, anywhere. See how we're delivering these benefits to you.

### **Research-Backed & Technology-Powered Retirement Resources for You**

You can use our Resources on your own or better yet, be guided by one of our RetireMentors.™ He/she is 100% committed (no strings attached) to making sure you end up with a retirement plan you not only understand, but one that will get you more of what you want in retirement. After all, that's what our mantra, Know More & Have More, is all about.

#### **Assess Your Retirement Readiness & Get Smart**

Use our Education and Planning software platform to find out if you're ready for retirement and identify your blind spots. The tool will highlight your deficiencies and gaps in your retirement finances, as well as your retirement knowledge.

[Try the software now](#)

#### **Build the Right Plan in Place With the Right Planner**

In the planning step, you'll collaborate with an affiliated Hybrid Retirement Advisor. He/she has the experience and expertise to turn your deficiencies into efficiencies. Retirement planning is complex.

We make it easier and less stressful to get the right retirement plan in place whether you live in Boston or Boulder.

[Talk to a RetireMentor to Get Connected with a Planner](#)

**“So, do financial advisors add value? The research strongly supports that they do, both in terms of improving means and quality of life. But they only add value when we know what to look for when selecting the appropriate partner. Our natural tendencies will be toward excess and complexity and flashy marketing, seeking out those who lead with bold claims of esoteric knowledge. What will add much greater richness is a partner who balances deep knowledge with deep rapport. Someone we will listen to when we are scared and who will save us from ourselves; a simple solution to a complex problem.”**

-Behavioral Alpha: The True Power of Financial Advice, Daniel Crosby, Ph.D., Nocturne Capital, 2016



We're not a company. We're a movement. And we have a mission to improve retirement literacy and outcomes for women everywhere. We're a breath of fresh air in an industry that's outdated and out of touch with the unique and specific needs of women approaching retirement. We're a team of "RetireMentors" assembled to help women like you retire right and retire better. Forget everything you thought about old school financial advice. We're NOT that. We are RetireMentors, not financial advisors. We're unconventional, effective and unbiased. We're good listeners. Motivators. Organizers. We're teachers. Coaches. Sherpas. We're RetireMentors and we're ready to help you know more & have more...now and in retirement!

Our technology-powered, human enabled Her Retirement® approach helps you know more & have more...now and in retirement. The approach connects you with people, process, information and advice to take your retirement worries off the table for good while answering your most pressing questions: "When can I retire?" and "Will my money last a lifetime?" Are you ready to join us?

While getting your finances right in retirement can feel like a fight (and a little intimidating), the entire Her Retirement team, with our one-of-kind RetireMentors, are here for you. You can go it alone and be strong or rely on a team and be successful. We hope you choose the team! We're determined to make retirement better. Our only question is...will it be yours? Her Retirement is offered to anyone, anywhere.

[Talk to a RetireMentor](#)