



GUIDE TO CHOOSING A FINANCIAL PLANNER

Choosing a professional to help with your personal financial affairs can be an intimidating task. There are many types of professionals that may provide financial guidance, such as stockbrokers, financial planners, insurance agents, and others. When selecting a financial advisor some key areas you should focus on include fees, background/education, and areas of expertise.

Fees – One of the most important questions you should ask your financial advisor is how they are compensated.

- Some may be paid a flat fee for performing a service or compensated hourly based on the amount of time that they spend with you. Typically, fee-only advisors will not sell any financial products, and simply provide broad based financial guidance in an objective manner, focusing on helping you meet your financial goals.
- Other advisors may work on a commission-only basis, and receive compensation based on the financial products they sell you such as mutual funds or insurance contracts. They may even be paid a percentage of the assets they manage.
- Some advisors are compensated by a combination of a flat fee and commission.

You should recognize the potential conflict of interest when working with a commission-only or commission-based planner. Due to the nature of how they are compensated, they may be putting their own financial interests ahead of yours.

Background/Education and Areas of Expertise – Financial professionals come from many different industries and have skill sets that may or may not be best suited to meet your needs. A stockbroker may focus on recommending investments, whereas an insurance agent may be highly skilled in helping you determine appropriate life insurance coverage. While these areas are important aspects of a person's financial well being, they are just small pieces of a much larger puzzle. A financial planner can help you look at the big picture when it comes to getting your finances in order, including referring you to another financial professional should you need an estate or insurance expert.

- When seeking help from a financial professional you should know how long they have been in the financial industry, the professional credentials and designations they hold, and the type of education they have.

Finding help from a qualified professional at no cost – The Florida Retirement System (FRS) provides you with free telephone access to unbiased and qualified financial planners from Ernst & Young who have received extensive training on FRS benefits, as well as a broad range of financial planning topics. The financial planners have an average of 7 years experience, a minimum of a 4-year degree, and many hold advanced certifications such as CFP®, CFA, and CPA. It's important to note that these planners are similar to the fee-only planners mentioned previously, since they do not have any products to sell and they are not paid based on recommendations they make to you (Ernst & Young is paid solely by a small administration and education contribution paid by your employer). The only goal of the planners is to help you make informed decisions to better your financial life; including planning for your retirement. Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711), to speak to a financial planner and see how they can help you accomplish your financial goals.