

# Meeting your financial advisor for the first time



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Starting a relationship with a financial advisor could be one of the best decisions you ever make. Between our jobs, families, and social obligations, few of us have the time to become experts in managing our personal finances — or even to stay on top of everything we know we should be managing.

But, like any relationship, it takes a little work. For a financial advisor to work effectively, he or she needs information, honesty, and direction. Here are some things to keep in mind as you start to set up that connection.

## **Outlining goals**

It helps to have a clear idea of what you want the financial advisor to address in your first meeting.

A financial advisor can help you do everything from creating a monthly budget to setting short- and long-term financial goals and developing a plan to achieve them. An advisor can help you navigate the financial impact of life's major events, such as marriage, divorce, birth, and death.

They can also help you when you decide to take action on a financial plan, such as getting the life insurance you need to protect your family or developing and managing a diversified investment portfolio to reach retirement. An advisor can also help you formulate tax strategies to protect your wealth and advise you on putting together estate documents that will be indispensable in the event of your incapacitation or death.

Or perhaps you don't have a clear idea of what you need to be doing financially at your point in life or exactly what it is you want your advisor to help you with. That's fine too. Just let your advisor know that.

### **Selection**

Of course, having some sense of goals probably came into play when you selected your financial advisor. Financial advisors and professionals can fulfill different roles and charge differently for their services. You should investigate which kind is right for you before setting up a meeting.

Also, some financial advisors specialize in certain areas, like sports professionals or small businesses, or particular communities, like the LGBTQ or Latino communities.

### **Preliminaries**

Different financial advisors and professionals may take different approaches to bringing in new clients.

Some may set up a full meeting from the outset or have a prospective client fill out a questionnaire ahead of time. This can save time in terms of setting up strategies and putting plans into effect. This may be particularly important in cases where prospective clients are seeking an advisor's help because of financial pressure or distress.

"Most of the time when people approach a financial advisor, they are seeking help because not everything in their financial life is providing peace of mind," said Kyle Winkfield, managing partner of [OWRS Firm](#) in Washington, DC. "There's some angst somewhere—right? Why else would they be in the advisor's office?"

Others may adopt more of a "go-slow" approach.

For instance Marguerita Cheng, CFP®, RICP®, and chief executive officer of [Blue Ocean Global Wealth](#) near Washington, D.C., said she schedules a 15- to 30-minute phone conversation to learn more about a prospective client, answer their questions, and learn about their approach to finances. This conversation doesn't require any sensitive information: "no DOB, SSN, no address, not even any assets," she said.

After Cheng has established a relationship she sends them a client profile to ask about assets, liabilities, policies, income, and expenses. She asks them to assemble the data at their own pace, then bring it in if they decide they want to work with her.

“I tell them that the exercise will be helpful for them regardless of whether they decide to work with us,” she said.

“If they come in, we do tell them that the more the can prepare, they better,” Cheng continued. “We won’t tell them to leave if they don’t bring all of their data.” But the financial data does facilitate the conversation.

### **Records and information for your first financial advisor meeting**

Once you’ve found a financial advisor you’re comfortable sharing your financial information with, he or she will probably provide you with an outline of the records they will need to see at your first formal meeting.

This will likely include documentation of your assets, liabilities, and taxes for most cases. Depending on the complexity of your financial situation, your advisor may also need paperwork related to any property holdings, trusts, life insurance, or investments you control.

For assets, an advisor will most likely want to see your latest bank statements, retirement account holdings, health savings or college savings account holdings, and brokerage statements.

Winkfield said he asks clients for their investment statements from the most recent quarter.

“This provides me with enough insight into the holdings so that I can run a full analysis and report breaking down costs: not just the cost the broker is charging, but uncovering any underlying expenses to provide the prospective client with a total cost of ownership versus broker fee,” he said. “I also want to look at any lost opportunity costs because of high fees and tax inefficiency.” In addition, he seeks out potential portfolio overlap, where the client unknowingly owns the same positions in more than one account.

On the liability side, an advisor will most likely want to see your credit card bills and the paperwork for any outstanding debt you have, like student or auto loans and mortgages. If you have any medical debts or personal loans, your advisor will likely want to view that paperwork as well.

The most important things to verify are interest rate, loan balance, term, and loan start date, Winkfield said in an interview. “When creating a viable financial plan for a client, it is important to include a plan that eliminates consumer debt in an efficient manner.”

For loans that are amortized, such as mortgages, Winkfield said he may ask the client to ask the lender for an amortization schedule.

Of course, tax returns will be a focal point for your advisor.

“The front of the 1040, to a trained eye, tells a tax story of efficiency or inefficiency,” Winkfield said. Tax efficiency also becomes important when deciding which accounts to draw down first in retirement.

In addition, pay and benefit information from your employment will be needed, along with any life insurance plans or estate planning documents you’ve drawn up.

If you're missing any key estate planning documents, your advisor may be able to help you how to get and organize them.

Finally, don't forget to bring your government-issued personal identification, such as your driver's license, Social Security card, state ID card, or passport if the advisor will be opening any accounts for you. Financial institutions have to verify their clients' identities under government requirements to help combat terrorism and money laundering.

### **Security**

Advisors say it's important to allow clients to provide data in the way that's most comfortable for them while maintaining security. To transmit documents to your advisor, any of the following are acceptable: uploading documents to a secure client vault or portal; sending documents via secure email; bringing paper documents to your meeting; or sending paper documents, a thumb drive, or even a CD via FedEx or another method with tracking and proof of delivery. Once electronic documents are in the advisor's system, they should be password protected.