

Questions to ask a prospective financial advisor

May 2009 – When the financial markets are in turmoil, a reshaping of the financial and investment advisory industry isn't far behind. Some banks, brokers or advisory firms may go out of business; bankers, brokers or advisors may decide to change employers; or unhappy clients simply may conclude that it's time for a change. There's no hard data on how much "money is in motion" as a consequence of the current economic downturn, but, speaking anecdotally, it seems significant.

When considering a new financial planner, there are a number of questions that you should ask. Here are a few of the most important:

- ***How many years of experience do you have, and what is your background?*** The more complicated your situation, the more seasoned your planner should be.
- ***What does your typical client look like and how do you get new clients?*** It's a good idea to have a planner who is experienced with your circumstances. (e.g., self-employed, medical doctor, high-net-worth individual, etc.)
- ***How do you stay on top of the changes in your field?*** With changes to regulations and the tax code, it is critical that your advisor take action to stay current and protect your situation.
- ***How often should I expect to hear from you?*** You need to know how the advisor will communicate with you and how often.
- ***How do you get compensated for your work?*** Understanding whether your advisor gets commissions for sales, shares in mutual fund fees or is paid an hourly or flat fee for advice can help you identify conflicts of interest and how much you will be charged.

If you are considering a change of advisors, and you are not already working with us, please consider putting us on your short list. We will be pleased to meet with you and present our qualifications.

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A Division of Salisbury Bank and Trust Company

19 Bissell Street
Post Office Box 1868

Lakeville, Connecticut
06039-1868

t: 860.435.9801
t: 800.222.9801

f: 860.435.5224
www.salisburybank.com

trust@salisburybank.com