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IN SIGHT for Oregon Lawyers and Judges

IMPROVING THE QUALITY OF YOUR PERSONAL AND PROFESSIONAL LIFE

DO YOU NEED A FINANCIAL PROFESSIONAL?

If being a do-it-yourselfer isn't getting you to meet your financial goals, consider a relationship with a financial professional. A professional can help you set realistic financial goals, develop a realistic plan to meet these financial goals, put your plan into action, and help you stay on track.

For many people, seeking professional help is "event-driven." Common events or needs that might motivate you to seek financial guidance include rolling over your retirement plan's lump sum, receiving an inheritance, preparing for marriage or divorce, planning for the birth or adoption of a child, caring for aging parents, planning for a special-needs child, or buying or selling a business.

How Do You Find the Right Financial Professional for You?

The Securities and Exchange Commission (SEC) suggests you start by asking these important questions when interviewing a financial professional:

- What training and experience do you have? How long have you been in business?
- What is your investment philosophy? Do you take a lot of risks, or are you more concerned about the safety of my money?
- Describe your typical client. Can you provide me with references, the names of people who have invested with you for a long time?
- How much will it cost me in total to do business with you?

Money and financial decisions are often emotional and frequently difficult. An objective, third-party perspective can help you follow through with plans for your financial goals.

How Is a Financial Professional Paid?

- **Fee Only.** The planner is compensated entirely from fees paid directly by the client for purposes of consultation, plan development, or investment management. These fees may be charged on an hourly or project basis, depending on your needs, or on a percentage of assets under management.

- **Commission Only.** There is no charge to the client for the planner's advice or preparation of a financial plan. Compensation is received solely from commissions for the sale of financial products you agree to purchase in order to implement financial planning recommendations.

- **Combination Fee/Commission.** A fee is charged for consultation, advice, and financial plan preparation on an hourly, project, or percentage basis. In addition, the planner may receive commissions from the sale of recommended products used to implement your plan.

- **Salary.** Some planners work on a salary and bonus basis for financial services firms.

However the planner is paid, you should request information on any real or potential conflicts of interest. In addition to commissions received from any financial product sales, ask whether there

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are outside incentives or bonuses to be gained by the planner for certain recommendations.

Sources: Securities and Exchange Commission (www.sec.gov); Financial Planning Association (www.FPAforFinancialPlanning.org). Used with permission.

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