

Finding a Good Financial Advisor

My September column at Physician's Money Digest was all about [finding a good financial advisor](#).



I am often accused of being “anti-financial advisors.” That’s not true in the least. I recognize that the vast majority of high-income professionals, including physicians, would benefit from using the services of a financial planner and investment manager who offers good advice at a fair price.

Unfortunately, most self-styled “advisors” do not meet those 2 criteria. When searching for an advisor, there are several things you can do to maximize the chances of getting lined up with a competent, fairly-priced advisor right from the beginning.

Most physicians looking for an advisor just want a “money guy” who will take care of everything for them (and hopefully earn them returns high enough that they can retire in their 30s while saving only a tiny percentage of their income!). If they really wanted to learn about finance and investing, and had time to take care of all this “financial stuff” they wouldn’t need an advisor at all. However, even if you choose to use a

good advisor, you're still going to need to learn enough to recognize what a good advisor looks like. I suggest you follow these steps when searching for a competent advisor.

Decide if Local is Important

There are thousands of advisors in this country. Unfortunately, the odds that the best ones live in your city are not very high. There is a very good chance that if you are willing to work with someone living in another part of the country that you will get better advice at a better price. However, this relationship is important, and if you are the type that needs to sit down across the table from someone, rather than interacting via email, phone, or videoconference, then you will have fewer options.



The Big Cuts

You can eliminate most self-styled advisors right off the bat if you throw out all those who are commissioned salesmen with little training. That means choosing a fee-only advisor (not one paid a commission when he sells an insurance-based investing product or a "load" when he sells you a mutual fund) who has at least one of the following designations: CFP, CFA, ChFC, or CPA/PFS.

[Read the other steps](#) and then come back and leave a comment. Do you use an advisor? Are you getting good advice at a fair

price? Comment below!