

Individual Investor — Financial Advisory Firm Selection Criteria

Before interviewing potential financial advisory firms, it would be wise to establish your financial advisory firm selection criteria. As interviewing financial advisory firms before clarifying your needs and wants would be inefficient, you may find it helpful to spend some time determining your unique requirements. Try investing some planning time to define your specific needs, wants, and “nice to haves” so you can narrow down the list of firms you will eventually include in your interview process. You can share this list of quantitative criteria with your significant other to identify financial firms that meet your shared requirements. You may use these quantitative financial advisory firm selection criteria to execute a “process of elimination” to reduce the number of interviews that you will need to schedule.

Our Needs — We NEED the financial advisory firm to have these traits:

1	RIA Firm: Registered Investment Advisor (RIA) with the Securities and Exchange Commission (SEC)
2	Retirement Planning Experience: Years of experience in developing retirement income plans
3	Retirement Planning Expertise: Specialized knowledge with developing retirement income plans
4	Fiduciary Oath: Willing to acknowledge a fiduciary relationship in writing
5	Comprehensive Performance Evaluation Reporting: Monthly and quarterly reports
6	Reasonable Fees & Transparency: Competitive compensation with full disclosure
7	CERTIFIED FINANCIAL PLANNER™: A team with professional financial planning expertise.
8	Personnel Size: Staff has at least ten employees and five professionals

Our Wants — We WANT the financial advisory firm to have these traits:

1	Independent Advice: Independent of banks, brokerage firms & insurance companies
2	Comprehensive Advice: Balance sheet, taxation, insurance, cash flow, financial planning, risk management
3	Disciplined Advice: Firm follows the Global Fiduciary Standards of Excellence (Broadridge/Fi360)
4	CEFEX Certification: Firm certification from the Centre for Fiduciary Excellence (CEFEX)
5	Quality Fiduciary Advice: Comprised of professionally trained Accredited Investment Fiduciary® (AIF®) staff
6	Investment Philosophy: Evidence-based investment approach using low-cost index funds
7	Investment Policy: Assistance with developing our investment policy statement
8	Investment Strategy: Asset allocation and periodic portfolio rebalancing to manage investment risk
9	Investment Management: Discretionary investment portfolio management service
10	Tax Expertise: Familiarity with tax compliance for individual investors
11	NAPFA Membership: Firm is a member of the National Association of Financial Planners (NAFPA)
12	Good Fit: Firm has at least three accounts of similar or greater size

Our “Nice to Haves” — It would be “NICE” for the financial advisory firm to have these traits:

1	Local Office: Provides for more frequent in person (face to face) meetings
2	Size of Firm: A financial advisory firm that is AT LEAST 10 times bigger than our current investment portfolio
3	Trust Management: Experience helping with a special needs trust
4	Organizational Assistance: Help to organize financial documents
5	Family Education: Assistance in educating clients about investing, including younger family members
6	Personalized Service: Customized service plan
7	Socially Responsible Investing: Assistance with ESG factors and responsible investment strategies
8	Estate Planning: Collaboration with our estate planning attorney to implement the estate plan
9	Collaboration: Coordination with our professional advisors (accounting, legal, banking, insurance, etc.)
10	Estate Settlement: Assistance in settling the estate of a family member
11	Philanthropic Planning: Helping our family to clarify our charitable giving strategies