

CHOOSING A FINANCIAL COACH

SEEK A PROFESSIONAL THAT WILL TAILOR ADVICE TO YOUR NEEDS

By Kristen D'Andrea

From investment advisers and wealth managers to financial planners and financial advisers, there is no lack of titles for professionals available to help people manage their money. In fact, the variety of titles can be confusing, experts agree.

Wealthy people, with \$2 million sitting in the bank, for instance, may not need a financial planner, said Craig Ferrantino, founder and president of Craig James Financial Services in Melville.

"They might say, 'What am I planning?'" he said, noting, however, that members of this population might opt for the counsel of a financial adviser, who could help with estate planning and ensuring the safety of their money.

Similarly, a wealth manager can assist clients with advance planning, maximizing cash flows, proper titling of their portfolio and checking that individual retirement account designations are set up accurately, said Peter Klein, partner and managing director of HighTower's Klein Wealth Management in Melville.

While titles may give some indication of the type of services the professional provides, the main criteria individuals should look for is whether the professional can serve as their financial coach, Ferrantino said.

"I'm not an attorney," he said, adding, "I don't do wills."

While meeting with clients, however, if Ferrantino notices they don't have a will, he will recommend they get one.

"As an investment professional, I want to make sure people have a will and a healthcare proxy and power of attorney," he said.

While taking a snapshot of a client's entire financial life, Ferrantino asks clients to run a credit report at one of their initial meetings.

"I tell them to let me know if anything is being misreported," he said. Other concerns he raises: "If they have kids, how are they planning to save for college? How much are they paying in taxes? How are things titled? Who are the beneficiaries for their IRA?"

"Structure is very important," he added.

In addition to preferring a comprehensive approach, Ferrantino understands that if he is managing a



Peter Klein

Photo by Bob Giglione

client's assets, he could be held liable for not recommending long-term care insurance. Aggressive legal threats related to long-term care planning are a concern for financial advisers, insurance agents and elder law attorneys across the country.

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"Financial planning is multifaceted," Klein said. "It's no longer just, 'Hey, what stock should I buy?'"

Today's advisers "have to look at investment consulting and advance planning and the concept of being proactively empathetic," he said. "We're watching over our clients' portfolios, to keep them on the path to success."

Most clients are inundated with information from their wealth manager,

insurance agent, attorney and banker, Klein said.

"It gets to a point where it's information overload and they may end up doing nothing," he said. "We act as the financial quarterback and coordinate with all of the other advisers."

When choosing a financial professional, prospective clients should ask a lot of questions, such as how long the staff has been in place, who will handle day-to-day questions and accessibility to resources, and whether or not statements can be viewed on a daily basis, Ferrantino said. In turn, the financial professional should offer a picture of what it's like to be a client, he said.

Klein recommends clients ask prospective professionals exactly what they do to determine if their approach will be boilerplate or customized. For instance, his firm publishes an investment policy statement – a customized document a client uses to make sure he or she and the adviser are on the same page toward reaching the same goals.

- 1 Select a professional who can serve as your coach for all things financial.
- 2 Ask how long the staff has been in place, who will handle day-to-day questions and accessibility to resources and whether or not statements can be viewed on a daily basis.
- 3 Inquire whether the professional has a Master of Business Administration or professional credentials such as a CFA (chartered financial analyst) or CFP (certified financial planner).
- 4 Finding professionals that are fiduciaries and are legally mandated to put clients first, before their employer, is recommended.

Rather than focusing on advisers who may brag about beating the market, Klein would prefer an adviser who says, "Yes, I'm in tune with the markets, but I'm your steward and I'm more interested in making sure you get to your objectives," he said.

While Klein stresses the importance of inquiring about advisers' education – such as whether they have Master of Business Administration or professional credentials such as a CFA (chartered financial analyst) or CFP (certified financial planner), which are "very respectful and critical" – Ferrantino said certifications should not be the sole reason for selecting a particular professional. Rather, the interview process should reveal whether or not the relationship will be a good fit, he said.

Finding professionals who are fiduciaries and are legally mandated to put clients first, before their employer, is advisable, Klein said, noting clients should find out where the adviser's incentives lie.