



FINANCIAL PLANNING  
ASSOCIATION *of* AUSTRALIA

ALL YOU NEED TO KNOW ABOUT

# CHOOSING A FINANCIAL PLANNER

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## **CHOOSING THE RIGHT FINANCIAL ADVICE**

Making the right decisions about your financial situation has never been more important. Knowing who to turn to for financial advice is essential.

When you choose a financial planner who is a member of the Financial Planning Association (FPA), you will be working with a professional who puts your interests first. FPA members are committed to a code of ethics and higher standards than required by law.

To find an FPA member visit [fpa.com.au](http://fpa.com.au)

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# WHAT CAN A FINANCIAL PLANNER DO FOR ME?

When it comes to understanding the intricacies of investment, taxation and ever-changing rules and regulations, you might need help from a professional.

A professional financial planner can make a positive difference to your financial future. They will help you understand your financial situation, develop a strategy and give you guidance on things such as funding your children's education, helping with budgeting and tax planning, having enough money to live comfortably in your retirement, insurance, estate planning and so on.

It's all about helping you set your goals and devising a plan to give you the confidence that your financial future is secure. A financial planner can give you the peace of mind and security that comes with being prepared for the future.





# WHEN CAN FINANCIAL ADVICE HELP YOU?

No two financial plans are the same, especially when you consider different life stages.

## **YOUNG TO MID-LIFE (20 TO 39)**

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You are establishing and building your career, launching a business or perhaps starting a family.

You may be looking at:

- Getting married
- First home
- Having children
- Income protection
- Debt management
- Family healthcare
- Business planning

## **MID-LIFE (40 TO 49)**

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This is your consolidation stage – achieving a comfortable lifestyle and thinking about managing your long-term future.

You're likely to focus on:

- Maintaining your lifestyle
- Healthcare
- Investments
- Tax management
- Inheritance
- Retirement planning
- Long-term care planning

## **PRE-RETIREMENT (50 TO 64)**

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With 20 or more years of retirement ahead of you, your priorities will depend on how well you've prepared.

Your main concerns may be:

- Protection of assets
- Debt elimination
- Family healthcare
- Helping your children
- Retirement planning
- Wills and trusts
- Business exit strategy

## **RETIREMENT (65+)**

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This is the time to indulge in hobbies or travel, enjoy your family and prepare for transferring your wealth.

You may be thinking of:

- Protection of assets
- Healthcare
- Aged care planning
- Inheritance tax mitigation
- Gifting to family
- Preserving your capital
- Estate planning



# WHAT TO EXPECT FROM A FINANCIAL PLANNER

It's important to ensure that your financial planner has taken the time to understand your needs, goals and preferences before they make any recommendations.

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## DEFINING THE RELATIONSHIP

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The financial planner should explain the process they'll follow, find out what your needs are and make sure they can meet them. You can ask them about their background, how they work and how they charge.

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## IDENTIFYING YOUR GOALS

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You work with the financial planner to identify your short and long term financial goals – this stage serves as a foundation for developing your plan.

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## ASSESSING YOUR FINANCIAL SITUATION

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The financial planner will take a good look at your position – your assets, liabilities, insurance coverage and investment or tax strategies.

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#### **PREPARING YOUR FINANCIAL PLAN**

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The financial planner recommends suitable strategies, products and services, and answers any questions you have.

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#### **IMPLEMENTING THE RECOMMENDATIONS**

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Once you're ready to go ahead, your financial plan will be put into action; where appropriate, the financial planner may work with specialist professionals, such as a solicitor or an accountant.


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#### **REVIEWING THE PLAN**

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Your circumstances, lifestyle and financial goals are likely to change over time, so it's important your financial plan is regularly reviewed, to make sure you keep on track.







# WHAT TO LOOK FOR IN A FINANCIAL PLANNER

Always look for a financial planner who works for a firm that holds an Australian Financial Services (AFS) Licence issued by the Australian Securities and Investments Commission (ASIC). You should ask for a copy of their Financial Services Guide.

Look for a financial planner who is a member of the Financial Planning Association (FPA), Australia's leading professional community of financial planners. Members of the FPA must meet stricter criteria and higher standards than required by law.

A good rapport is essential. Your financial planner is going to know more about you than your accountant or doctor, as he or she will have details of your finances, medical history and family situation. If you can't establish a good bond early on in your first meeting with a financial planner, keep looking.



Financial planning is a relationship business and not just a one-off meeting. Ask plenty of questions about the financial planner's qualifications and experience. Remember that good advice is concise and easy to understand.

**FINANCIAL PLANNER CHECKLIST:**

- ✓ AFS Licence
- ✓ FPA membership
- ✓ Good rapport
- ✓ Highly qualified
- ✓ Experienced



# WHAT SHOULD I ASK AT THE FIRST MEETING?

The introductory meeting with a financial planner is your opportunity to make sure that you feel comfortable with the planner's professional credentials and that you get along well.

A sure sign of a good financial planner is that they don't rush you, carefully listen to you and clearly explain where they can add value and where they can't.

## **What qualifications do you have?**

When choosing a financial planner, make sure they have the necessary qualifications. You should feel comfortable with their level of education and expertise in financial planning.

## **What is your speciality?**

Different financial planners have specific expertise in different areas, for example superannuation or retirement planning. Some are only able to advise on limited areas, so you need to make sure that your financial planner is qualified in the areas that are relevant to you.



## **How do you charge for your services?**

Legally, financial planners must disclose all forms of payment and fees. The cost to you will depend on the complexity of your financial situation and plan, as well as the fee method the planner uses.

There are various ways to structure fees, and it typically starts with an initial fee to cover identifying your needs, developing a strategy and implementing the recommendations. There could also be administration and ongoing service fees for regular reviews of your plan.

## **Getting started**

To find an FPA member visit [fpa.com.au](http://fpa.com.au)







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