



Finding a Retirement Advisor*

If you have a heart problem, you're likely going to see a cardiologist. Your heart's important enough to warrant a specialist.

Although not as critical as your heart, your retirement money is rather important too. It needs to last the rest of your life. It also ought to be managed with you and your family in mind.

There are new risks as you anticipate the transition from the savings phase to retirement income. Each investment and risk management decision matters and mistakes are not easily overcome. This is a time where all your available assets will need to work together toward a common goal of creating life-long income that suits your life-style and individual situation. A specialist can help. Here are five things to look for when seeking a retirement advisor.

Household View

As you accumulate assets your investments, taxes, Social Security, pension decisions and career decisions are often viewed independently of one another. As you near retirement, this must change.

A household view that incorporates all aspects that affect your retirement success is critical. Ask a potential retirement advisor if they can provide advice on your entire financial picture, including assets and liabilities, rather than just advising on an account or providing a product.

Can they help you decide when to begin your pension, when to start Social Security, how long you might need to work, if you should pay off your mortgage and most importantly, can they show you how these decisions affect one another, and which decisions will have the biggest impact on your financial success? The answer must be yes.

Experience

Ask any potential advisor how long they have been practicing, and in particular, how long they have been specializing in retirement planning. You want an advisor who has worked with clients like you. To see if they are comfortable with retirement related topics ask



them if they give advice on when you should claim your Social Security, and ask them to share with you a bit about Medicare and other healthcare costs in retirement. If they aren't fluent in these topics, they aren't the right retirement advisor for you.

Also ask about the focus of their practice. Some advisors specialize in managing investments; some in planning, and some offer both. You need an advisor who offers planning and then helps align your investment decisions to that plan.

Credentials

It takes time and effort to establish credentials. An advisor who has gone through this process has made a commitment to their profession.

For a retirement planning specialist, you can be assured that an advisor who holds the Retirement Management Analyst® (RMA®) designation has spent time studying the retirement income phase and the decisions that affect your level of retirement security. They have the specialized knowledge that you need as you anticipate retirement.

Compensation

Advisors may be compensated in different ways. Some are compensated from the sale of investment or insurance products, some on an hourly or project rate, and others may charge a percentage of assets they manage.

The key to a successful relationship with your advisor is transparency. You should always feel comfortable asking about fees. An ethical advisor will disclose their compensation structure up front, and will be forthright about discussing any fee-related matters.

Communication

Many retirement decisions are irrevocable. You need to work with someone who understands how important these decisions are, and is willing to answer all your questions. Two-way communication is a must. Make sure you feel comfortable asking a potential retirement advisor any and all questions that you have; even ones you think might be silly.

* Please note: RIIA® does not endorse a particular RMA® certificate holder.