

# Choosing a financial professional

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## Decide the type of help you need

### Money and debt management

A credit counselor or money coach can help you set up a budget, review your expenses and track your spending so you can achieve your goals. These service providers usually do not provide investment advice or do comprehensive financial planning.

Free assistance may be available through your installation family support center, Reserve or Guard center, a local non-profit consumer credit counseling service ([nfcc.org](https://nfcc.org)), or online at Military OneSource ([militaryonesource.mil](https://militaryonesource.mil)).

### Financial planning

Financial planners can help you with a single issue or map out a comprehensive financial plan to meet your goals. They can also help you plan for retirement, college saving, tax planning, insurance, and estate planning.

A financial planner should have an advanced educational degree and experience. You may want to look for a financial planner with a certification that is accredited, as well as one from an organization that subjects its members to strict ethical and disciplinary standards. This will allow you to research the financial planner's history and determine whether he or she has ever been subject to a disciplinary action. This is important because financial planners generally don't have to register with state or federal regulators, unless they are also investment advisers or broker-dealers, or also sell insurance products. Financial planners may charge an hourly or fixed

fee, a percentage of the assets they manage, a commission on products they sell, or a combination of these, depending on how they are registered.

### Investment advice and trades

Discount brokers, full-service brokers, broker-dealers and investment advisers provide investment services that range from do-it-yourself on line trading to full-scale investment advice and money management. Fees and commissions vary depending on the types of services you want. Generally, investment advisers and broker-dealers must be registered with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and/or state regulators, depending on the business they conduct.

### Check your adviser's background

The SEC recommends asking these questions to check an adviser's background:

- How will I be charged and how much will I be charged?
- What experience do you have, especially with people in my circumstances?
- Where did you go to school? What is your recent employment history?
- What licenses do you hold? Are you registered with the SEC, a state, or FINRA?

- Are the firm, the clearing firm, and any other related companies that will do business with me members of Securities Investor Protection Corporation (SIPC)? (SIPC protects customers of broker-dealers as long as the broker-dealer is a SIPC member.) What products and services do you offer?
- Can you recommend only a limited number of products or services to me? If so, why?
- Have you ever been disciplined by any government regulator or certifying organization for unethical or improper conduct or been sued by a client who was not happy with the work you did?

## Proceed with caution

Avoid enticing offers and too good to be true claims about low risk investment opportunities.

## Watch out for

### FREE SEMINARS

Any time you see a financial seminar advertised as “educational” or as a “workshop,” exercise caution. The true goal may be to sell investment, insurance, or financial products at the seminar or in follow-up calls. Also, don’t assume military expertise just because they say they are military experts. The claim may be nothing more than a marketing pitch.

### FREEBIES

Financial salespeople may use freebies like lunch and dinner invitations, golf trips and country club outings to get you to come to marketing and sales events. They give you something knowing you’ll be more likely to give them something in return.

### HIGH-PRESSURE SALES TACTICS

You may be asked to make a quick investment decision, or be warned that “opportunities are limited.” Don’t fall for these techniques. Good

financial advisers won’t rush you. They know it takes time to make good investment decisions.

## EXAGGERATED CLAIMS

If you are told about investments that make a lot of money without much risk, don’t believe it. If you think an adviser made exaggerated or unrealistic claims about investment risk or returns, report this to your state securities or insurance regulator. Like all other consumer issues, if it sounds too good to be true, it probably is.

## Resources

If an adviser is regulated by state or federal government, you can check the status of their license and find information about their professional history using these online resources:

**SEC Investment Adviser Public Disclosure Database**  
[adviserinfo.sec.gov](https://adviserinfo.sec.gov)

**Your state insurance regulator**  
[naic.org](https://naic.org)

**Your state securities regulator**  
[nasaa.org](https://nasaa.org)

**FINRA Broker Check**  
[brokercheck.finra.org/Search/Search.aspx](https://brokercheck.finra.org/Search/Search.aspx)

**For helpful tools and good information on investing** [investor.gov](https://investor.gov)

CFPB has over 1,000 questions and answers for consumers, some specifically for servicemembers. Check out “Ask CFPB” at [consumerfinance.gov/askcfpb](https://consumerfinance.gov/askcfpb) For additional information for servicemembers, email us at [military@cfpb.gov](mailto:military@cfpb.gov).