

Members of a Financial Professional Team

Managing your finances can be like putting together a puzzle; all of the pieces need to fit together to produce the “big picture.” Financial professionals can help put the pieces together. Depending on your personal financial situation, and how much knowledge you have, your financial professional team can be as large as 10 people. Here are the possibilities:

Bankers (or their counterparts at credit unions) can help you choose appropriate accounts for your cash and emergency funds.

Real estate agents can help you make housing purchase decisions and help you make contact with mortgage lenders. (Note: You can often negotiate a lower sale price by employing a buyer’s broker who works for you, not the seller. If the buyer’s broker or the broker’s firm also lists properties, there may be a conflict of interest, so ask them to tell you if a property is one of their listings.)

Lawyers can help you with certain legal implications of your investments, such as real estate or partnerships. They also may provide financial advice because some are certified financial planners. Choose a lawyer that has the expertise you need (e.g., real estate, family law, estate planning).

Certified public accountants and accountants (and some highly qualified tax preparers) can answer questions about the income tax consequences of your investments and help you submit your tax return to the Internal Revenue Service. Like lawyers, they also may offer comprehensive financial advice. Many CPAs have a personal finance specialization, designated by the letters PFS. Another recommended tax preparation professional is an enrolled agent.

Employee benefit counselors at your place of work can help you with decisions related to retirement accounts, if any, available through your employer.

Life insurance agents can sell you insurance products (e.g., annuities, whole life insurance, universal life), which have an investment component. Most life insurance agents are trained by the company whose products they sell and may not be knowledgeable about all investment options available to you. Some also may have additional training through the insurance industry and have earned the CLU (Chartered Life Underwriter) designation.

Estate planners can help with a strategy for management of your assets at the time of your death. Many estate planners hold the AEP (Accredited Estate Planner) designation, but they are not qualified to prepare legal documents, such as wills, trusts, and powers of attorney. Only a lawyer is qualified for that.


Investment advisers (a.k.a., financial consultants) can give you advice on securities (e.g., stocks, bonds) and must be registered with the Securities and Exchange Commission or a state securities agency. The registry designation is RIA (Registered Investment Adviser). Investment

advisers cannot sell securities products without a securities license, but being registered does not guarantee competence.

Stock brokers may sell you a wide variety of investment products. Large national or regional firms may have special programs for the beginning investor. Brokers may either be full-service or discount. Full-service brokers can provide good financial advice. Discount brokers, who get their name because sales commissions are discounted, sometimes as much as 70%, are useful if you know what you want to purchase. They generally do not offer advice. Stock brokers are licensed by the state(s) in which they buy and sell securities, and they must be registered with a company that is a member of the Financial Industry Regulatory Authority (FINRA) and pass FINRA-administered securities exams. FINRA maintains the Central Registration Depository (CRD), also known as BrokerCheck where you can check to see if your broker is registered to sell securities.

Financial planners consider your total financial situation to develop a comprehensive plan. This involves taking a "snapshot" of where you are now via a net worth statement, identifying where you want to be financially (e.g., buying a house, financing a child's college education, living comfortably in retirement) and developing recommendations to help close the gap between what you have now and what you need to meet your life's goals. Financial planners look at meeting short- and long-term financial goals and managing risk with insurance, investments, tax planning, retirement planning and estate planning. Making decisions about one area, such as saving for retirement, has implications for other areas, such as tax planning and investment choices. Working with someone who can give you the complete picture, and can call on specialized experts (e.g., lawyers, accountants) when needed, has its advantages for some people.

Though credentialing for financial planners is not required by federal or state law, it is recommended you seek someone who has met certain standards set by well-recognized organizations. The best known credential is CFP (certified financial planner), which is administered by the Certified Financial Planner Board of Standards in Denver (www.cfp-board.org). A chartered financial consultant (ChFC) has successfully completed courses from the American College in Bryn Mawr, Pennsylvania. For financial planners who sell or manage assets, being registered with the SEC or the state where they practice is required.

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This material was made possible by a grant from the FINRA Investor Education Foundation	