

Get A Handle On Your Finances With A Financial Planner

■ By **TIFFANY RIDER**
Staff Writer

As industries continue to recover at a sluggish pace from what's been called the Great Recession, business owners and consumers may be revisiting the status of their finances to not only deal with the now but prepare for the future.

In an effort to further educate our readers on incorporating financial planning as a part of their lifestyle, the Business Journal begins its first quarterly finance feature with a guide to financial planning and how to choose a financial planner.

A financial planner can be anyone, but a professional has been designated a certified financial planner (CFP), has some experience in the industry, knowledge of the type of people he or she is planning for and what their needs are, according to Lisa Petrie, senior vice president of investments and a CFP with UBS Financial Services in Long Beach.

CFP is a designation that is earned through the College of Financial Planning. According to Petrie, a student must attain a certain amount of experience before earning the designation, and then go through a series of modules on everything from the basics of investing to tax returns, putting together an actual financial plan and projections for people.

There are three main focus areas during the CFP designation process: competency, ethics and standards. Those are defined by education, which has 101 topical areas to be obtained through a university setting or other establishment; three years of experience actually practicing financial planning; testing your ability to know the information and how to apply it in real-life settings; and developing an ethical stan-

dard that puts the client's interest first.

Individuals who may need a financial planner, according to Petrie, include anyone from a family just starting out looking for the basics for setting up regular savings needs to a senior executive who has been with a corporation for a long time and is looking at retirement options. Consider using a financial planner as trusting that individual to advise you on some of the most critical parts of life, from your child's education to retirement and everything in between.

There are plenty of resources out there for people looking to organize their financial life, some of which are good places to start, Petrie says. There are guides available on the Web, but the majority of those guides suggest speaking with a professional. Although anyone could develop a financial plan, Petrie says it is beneficial to have someone there to bounce ideas off of, to think of questions you may not have thought of, and to let you know if your plans are reasonable and within your financial means.

In choosing a financial planner, qualifications should include whether he or she is certified, has experience, provides the services you need and is within your price range. Financial planning can cost anywhere between a couple hundred dollars to a couple thousand dollars, depending on the type of service offered and the CFP's experience. Some planners charge by the hour, while others offer a variety of plans at flat rates. Financial planning services may be offered for free in return for the opportunity to manage an individual's investments.

Initial discussions with a financial planner should touch on the professional's approach to financial planning, payment options and whether or not the planner has ever been publicly disciplined for any

unlawful or unethical actions. "Not all financial planners hold the same ethical standard or have the client's best interest," Petrie says. For personal security reasons, it doesn't hurt to ask for the answers to these topics in writing.

Once someone has selected a planner, Petrie suggests a client should bring a couple of years worth of tax returns, a good idea of what their goals are in retirement, a good understanding of their liabilities, credit cards, debts and their mortgage statements to the initial meeting. A planner would then walk the client through each one of those areas to get a good picture of their current situation and compare it to the client's vision for their own future.

"They may need to be really contentious of what their long-term care program might look like, if there is nobody else in the family that is going to potentially look after them when they are elderly," Petrie says. "They need to have a good advocate in place for them somewhere down the line, whether that's using a long-term care insurance plan, a custodian or a good friend. They're going to have to have some kind of contingency plans to take care of them in the event something happens."

Once a plan is established, Petrie advises it be revisited every couple of years, just to make sure it's on track based on the initial projections, or anytime the client endures a life-changing event.

However you develop a financial plan, it's a good idea to have some money socked away in case of emergency, since personal circumstances can change unexpectedly and cause financial stress. Most planners suggest having funds in liquid assets to cover about six months' living expenses. ■