DAILY NEWS

NEW YORK'S HOMETOWN NEWSPAPER

CHOOSING MONEY COACH. Define your financial goals, screen advisers' background and performance

BYLINE: BY **PHYLLIS FURMAN** DAILY NEWS BUSINESS WRITER

Soon after her mother died a decade ago, Susan Martin realized it was time to rethink her own finances.

"I was shocked to see she was invested in things inappropriate for her," said Martin, 56, who lives in Park Slope, Brooklyn, and owns a business coaching and consulting firm called Business Sanity. "That got me thinking."

By chance, at a networking event, Martin met Galia Gichon, who runs Down to Earth Finance, a fee-only firm in the Flatiron District.

What Gichon said to Martin struck a chord.

"Her motto is unbiased financial advice," Martin said. "That hit the mark."

Martin liked that Gichon charges an hourly fee ($175 to $225), but does not charge commissions or collect a fee based on the amount of money a client wants managed.

"One of the things that attracted me to Galia is she doesn't do trading," said Martin, who hired Gichon eight years ago. "In the past, I had experiences where the financial adviser suggested I purchase stocks or mutual funds because there was a financial advantage for them."

Gichon urged Martin to move her investment accounts to a discount broker from a full-service brokerage firm, saving her hundreds of dollars annually in commissions. Gichon also recommended a more diversified portfolio that better matched her goals.

"I am very happy with how things have worked out," Martin said.

Countless New Yorkers whether they're concerned about their retirement, managing an inheritance or starting a college fund may find they'd benefit by consulting with a financial adviser.

Choices abound which means making the right one isn't easy. No license or certification is required, so nearly anyone can call themselves a financial adviser regardless of their education or experience.

Among those selling their services are stock brokers and insurance agents, as well as independent investment advisers.

How should you choose? First, define your goals. As you search, be sure to ask about credentials, areas of expertise and fees, said Sheryl Garrett, founder of the Garrett Planning Network, a network of fee-only financial advisers and planners, and author of "Personal Finance Workbook for Dummies."

"Think of yourself as an employer trying to hire the right employee," Garrett said.

You want to hire a money pro with whom you have a comfortable rapport and who can give you the level of attention you need.

"You want someone you trust. You want someone to hold your hand," Gichon said.

Use the following questions as an initial check list before choosing a financial coach:

How does an adviser get paid?

How they make money will tell you something about the kind of services they provide and whether they have your best interests at heart.

Financial advisers get paid in two ways, or a combination. They might charge an hourly rate, a flat fee per project, a commission on the products they sell, or a percentage of assets under management.

Brokers, who are registered representatives, generally get paid commissions, while investment advisers generally charge fees.

Either one, or neither, might be right for you, depending on your needs and budget.

"If you trade a lot, it may be best for you to consider someone who charges a percentage of assets under management," said John Gannon, senior vice president, investor education, at the Financial Industry Regulatory Authority, an independent industry watchdog. "If you are a buy-and-hold investor, it might be less expensive to seek the advice of a registered rep," Gannon said.

If your adviser gets paid commissions, you should be aware of any potential conflicts of interest. It is important to understand that brokers get paid more to recommend certain products.

"Ask the adviser, 'How much will you be paid if I purchase these investments?'" Garrett said.

Can a money pro be trusted?

Before you hire anyone, make sure they have not had run-ins with regulators or investors.

Look up a stock broker's record at finra.org/brokercheck. You'll find tools for investigating investment advisers at sec.gov.

Check to see if an adviser has faced investor complaints or worse enforcement actions. Those are major reasons to walk away. Also, if someone has jumped around from firm to firm over a short period of time, that could be another red flag.

How strong is an adviser's investment report card?

Investment goals vary depending on an individual's risk tolerance and stage of life. But it's more than fair to question an adviser on how his clients' investments have fared.

"Ask, 'How have their investments performed compared with leading indices? What kind of asset allocation would you recommend for me?' " Gichon said.

As if the experience of the past decade wasn't lesson enough, always be wary of anyone who promises unrealistic performance.

What are others saying about an adviser?

Garrett recommends going beyond an advisers' clients for references.

"Get character references," Garrett said. "Ask, 'Would you trust your family member to this financial planner?' "

Will you get the white-glove treatment?

You want to know the nature and scope of the services your financial planner will be providing.

"Get it in writing," said certified financial planner Kevin Kautzmann, president of EBNY, a fee-based financial adviser in Union Square in Manhattan.

"The biggest question to ask is, 'How often will you look at my investments?' " Kautzmann added.

Be sure to ask if an adviser has a minimum requirement for assets. You don't want to waste your time with someone who's not interested in you.

"Does your adviser know your six-month, five-year and retirement goals? The investments they pick should match these goals accordingly, so this is very important," Gichon said.

"Do not forget that you are the client and it is your money."