

What You Should Tell Your Financial Advisor

You get the most out of a relationship with a financial advisor when you're open about all of your money issues, from goals to mistakes.



BARBARA MARQUAND

May 8, 2018



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You found a good financial planner to help you manage money and achieve your goals. Congratulations, that's a big step.

Now comes a leap — opening up about money. There's a reason it's called *personal* finance. Almost everything about your life can influence your financial decisions, so get ready to talk about more than dollars and cents.

"The more open our clients can be, the better the planning we can do for them," says Emilie Schaffer, a certified financial planner and associate wealth advisor with Buckingham Strategic Wealth in St. Louis, Missouri.

Working with an advisor goes beyond handing off financial documents. Here's what you can and should share when meeting with a financial advisor.

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The facts — all of them

Your financial advisor will request documents as you start working together. That can include anything from account statements and tax returns to how much you make and how much you owe. The list might be broader than you expect. Be prepared to share more than your 401(k) statement even if you think you only need retirement advice.

The best result is when a client is willing to share all the relevant information.

CARL GOODIN, CERTIFIED FINANCIAL PLANNER

"The best result is when a client is willing to share all the relevant information," says Carl Goodin, a certified financial planner and president of Financial Planning Associates Inc. in Ellisville, Missouri.

That includes even those investment accounts the planner won't manage, Goodin says. Knowing the full scope will help an advisor create a properly diversified plan.

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Your goals and values

This goes deeper than generalities such as "I want to save more" or "I want to have a comfortable retirement."

"It's not just looking at numbers," says Therese Nicklas, a certified financial planner and owner of The Wealth Coach for Women in Rockland, Massachusetts. "You want to know what those numbers are for."

Be prepared to think through such questions as:
What and who is most important to you? What do you want to do with the rest of your life?

Be prepared to think through such questions as: What and who is most important to you? What do you want to do with the rest of your life? What keeps you up at night?

Clients often pause when asked these questions, Schaffer says. "They often come in thinking they're just going to talk about retirement goals and planning."

Your values give a financial picture color and shape. "The purpose is to get to know clients as individuals, as human beings," Schaffer says. "There's nothing off the table."

Your experiences with money

Attitudes about money get established early, so don't be surprised if a planner asks about your earliest money memories. Knowing about your background can help your planner understand your perspective — and can also bring biases to the surface.

"A client will say, 'Don't talk to me about real estate. I bought a rental property one time, and I took a big loss.' Or 'Don't talk to me about stocks. I bought a stock one time, and it went down and I took a

loss.' Or 'Don't talk to me about bonds ...'" Goodin says. "This allows me to address misunderstandings that may occur. My job is largely one of education."

Even the mistakes

Don't shy away from sharing embarrassing details, such as neglecting to save for retirement or running up [credit card debt](#). Financial planners have seen it all before. Schaffer tells of one client who needlessly kept \$50,000 of credit card debt secret for years. "Our role is not to look backwards, but to set realistic expectations going forward and to plan for the best outcomes possible."

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THERESE NICKLAS, CERTIFIED FINANCIAL PLANNER

Says Nicklas: "Bad news doesn't get better with age. When you hang onto guilt, the only one who is paying for that is you."

Decisions, big and small

Some things are out of a financial advisor's scope. Typically they're not therapists or attorneys, so they can't treat emotional issues or give legal advice. And they don't need to hear every grisly detail of your divorce or whom you voted for in the last election.

But almost no financial matter is too big or small to discuss, says Angela Furubotten-LaRosee, a certified financial planner with Avea Financial Planning in Richland, Washington. Should I buy or lease a car? Should I loan money to my adult child? How should I plan for retirement if I fear getting Alzheimer's disease?

"I hope to have the kind of relationship with clients they feel they can trust and share almost anything with me," Furubotten-LaRosee says. "I don't think there's a danger in oversharing. Your life and finances are intertwined."

This article was written by NerdWallet and was originally published by The Associated Press.

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About the author



Barbara Marquand

Barbara is a personal finance writer at NerdWallet. Her work has been featured by the Associated Press, Forbes, USA Today and others.[Read more](#)
