Welcome

The Webinar Will Begin at 12:00 EST

Where to Turn for Financial Advice

Cooperative Extension

• Nationwide educational network.
• Each state and territory
  – Land-grant university and a network of local and regional offices.
• Reaching out
  – Extends the education and research from the university into the local community
  – Solve public needs with university resources through non-formal programs

University Florida/IFAS Extension in Florida

• Partnership between University of Florida & County Governments
  – Main website www.SolutionsForYourLife.com

Webinar Team

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Where To Turn for Financial Advice
UF/IFAS Extension Webinar - 2/25/2015

Please complete the SHORT evaluation that will be sent following the webinar

Where to Turn for Financial Advice

What is your goal?

• Purchase an investment product
• Develop a financial plan(s) to reach a financial goal(s)
• Make a will
• Establish a plan to transfer assets to heirs
• Manage debts

Examples

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Financial Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Management</td>
<td>Credit Counselor</td>
</tr>
<tr>
<td>Buying and Selling Securities (stocks, bonds)</td>
<td>Broker</td>
</tr>
<tr>
<td>Purchasing Insurance</td>
<td>Insurance Agent</td>
</tr>
<tr>
<td>Comprehensive Financial Plan</td>
<td>Certified Financial Planner® (CFP)</td>
</tr>
<tr>
<td>Estate Planning</td>
<td>Attorney, CFP</td>
</tr>
<tr>
<td>Tax Management Strategies</td>
<td>Certified Public Accountant® (CPA), CFP</td>
</tr>
<tr>
<td>Tax Preparation</td>
<td>CPA, Enrolled Agent (EA)</td>
</tr>
</tbody>
</table>

Just examples, not a complete list. There are many types of designations.

Considerations

• Credentials
• Experience
• Products offered
• Areas of specialization
• Method of compensation
• Properly registered with governing authority or issuing organization

Fiduciary Responsibility

• Fiduciary responsibility means that a professional must legally put your interest first (even ahead of their own profit) and recommend investments that they believe are the best choice for your particular situation.

Source: University of Illinois Extension – “Who is a Fiduciary?”
http://web.extension.illinois.edu/financialpro/fiduciary.cfm

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The Challenge

- Many different designations
  - Different requirements
  - Different issuing organizations
- Different levels of training
- Different responsibilities to clients
- Some terms are not “credentialed”

What do these designations mean?

- Chartered Retirement Planning Counselor
- Accredited Retirement Advisor
- Report by Consumer Financial Protection Bureau
  - 50 designations
  - Many signified little

Source: Consumer Financial Protection Bureau, "Senior Designations for Financial Advisors"

Financial Credentials

- Agencies and professional associations grant different certifications
- Many different professional associations and titles
- Different levels of
  - Experience
  - Education
  - Examinations
  - Disciplinary procedures

Compare Terms

- Financial Industry Regulatory Authority (FINRA) Designation Look Up
- Comparison Example:
  - Accredited Investment Fiduciary
  - Accredited Retirement Plan Consultant

Purchasing Investments

- Investment products such as stocks can be purchased or sold through brokers
- Brokers can be generally categorized as full service or discount brokers
- Some companies offer both types of services

Brokers

- Pass an exam
- Series 6
  - Mutual funds, variable annuities, and variable life insurance products
- Series 7 Exam
  - All types of securities products
- Series 63, 65, or 66 Exam can be required by state. Covers state laws.
- Licensed to sell financial securities
- Do not have fiduciary responsibility

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Investment Advisor

• Register with state or Securities & Exchange Commission (SEC)
• Many complete Form ADV
  – Info about their business & any problems
  – Service, fees, & strategies
• Ask to see their ADV
• Do have fiduciary responsibility

FINRA Broker Check

• http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/index.htm

Federal Income Tax Preparation Help

• IRS Directory
• Directory of Federal Tax Return Preparers with Credentials and Select Qualifications
  • http://irs.treasury.gov/rpo/rpo.jsf

University of Illinois

• Choosing a Financial Professional
  • http://web.extension.illinois.edu/financialpro/index.cfm

Financial planning

• Financial Planners
  – Plan to reach a specific goal
  – Comprehensive financial plan
• Examples of their titles
  – Certified Financial Planner®
  – Personal Financial Specialist – must also be a licensed Certified Public Accountant (CPA®)
  – Chartered Financial Consultant ®
  – National Association of Personal Financial Advisors (NAPFA)Registered Financial Adviser

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Financial Planning:
Certified Financial Planner (CFP®)
• Certified Financial Planner Board of Standards
  – Grants the CFP® designation
• Information on financial planning
• Search for a financial planner
• http://www.cfp.net

Certified Financial Planner’s Pyramid of Knowledge

Debt Management
• Credit Counselors
  – Debt and budgeting
  – Financial management classes
• Certification
  – Accredited Financial Counselor (AFC)
    • Issued by Association for Financial Counseling, Planning, and Education (AFCPE)
• Credit Counseling Agencies

What is your goal?
• Purchase an investment product?
• Get investment advice and purchase a product?
• Develop a plan to reach a financial goal?

How will they be compensated?
• Fee only
  – Hourly
  – Flat fee
• Percent of assets being managed
• Commission
  – Based on what investment products you buy
• Fee + commission
  – May be called:
    • “Fee – based”
    • Fee plus commission
    • Fee offset

Questions to Ask
• Compare at least a couple of professionals
• Verify their background
• Conduct an interview
  – Years of experience
  – Experience in specific areas
  – The status of their licenses and certifications
  – Method of compensation
  – Type of written agreement
• Interview question guide developed by the University of Illinois Extension
  http://web.extension.illinois.edu/financialpro/interview.cfm

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Questions to Ask a Financial Planner
(Source: CFP-board)

• What services do you offer?
• What experience do you have?
• What are your qualifications?
• What is your approach to financial planning?
• Will you be the only person working with me?

Questions to Ask a Financial Planner
(Source: NAPFA)

• Describe how you are compensated
• Will I be working with you or an associate?
• What happens when you retire?
• Who other than you receives compensation from me working with you?

Evaluate Credentials

• Don’t be fooled by fancy sounding titles
• Who is the certifying agency?
• Do they have fiduciary responsibility?
• Are they licensed in the state of Florida?
• Do they carry a special designation from a reputable association or agency?
• How are they compensated?

Sources for Help

• Your company or organization
• Extension.org — http://www.extension.org/personal_finance
• Ask the Expert

Evaluate

• Source of Information
• Reliability
• Agenda
• How are they compensated?

Saves Week

• Evaluation
• Personal Finance Questions, Realities & Myths, February 26, 12:00 to 1:00 p.m.

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Questions or Comments

Sources:

- Consumer Financial Protection Bureau

References:

- University of Illinois Extension, “Choosing a Financial Professional” – http://web.extension.illinois.edu/financialpro/consumer.cfm
- Kansas State University Agricultural Experiment Station and Cooperative Extension Service. (2006). “Starting Your Investment Program With $1 to $1000.”
- Internal Revenue Service www.irs.gov

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