


2023 Behavioral Interviewing Guide for Selecting a Wealth Advisor



THOROUGH UNDERSTANDING OF TAXATION AND HOW IT IMPACTS WEALTH

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Taxes are the biggest source of leakage of your wealth, so having an advisor who understands taxes will help you minimize your tax bill, enabling you to keep more of your wealth. | Does your firm provide tax guidance, analysis, and advice?  | <ul style="list-style-type: none"> Tell me about how you provide tax guidance? Do you do that for every client? Would my advisor give tax advice? If not, how often will I talk with the tax professional? Can you give me an example of how the tax professional proactively reached out to a client with a tax strategy? Do you produce tax projections? Do you complete written projections for every client? Can I see an example of a tax projection? <ul style="list-style-type: none"> At what times of the year do you do that? Would you do that for me at those times? If you don't complete a tax projection, how are you able to understand one's tax situation well enough to provide personalized advice? Is every action that may have tax implications (selling stocks, exercising options, refinancing a mortgage, etc.) passed by the tax professional before advice is given to me? What is the turnaround time on that? What are the credentials of the tax professional? |




WELL-DIVERSIFIED INVESTMENT SELECTION

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Diversification is the key to maintaining one's wealth because it helps to counterbalance periodic "swings" in the stock market (the primary category of investments for many). | Do you help build diversified portfolios for clients? Do you offer alternative investments?  | <ul style="list-style-type: none"> Tell me how you diversify portfolios? Do you have investments outside of equities and fixed income securities? Do you offer alternative investments that are not correlated to the stock market? Can you share some of those with me? How did these alternatives perform in 2022 when the stock markets were down 20%? Do you offer private equity or venture capital investments? <ul style="list-style-type: none"> How many offerings do you have in the PE/VC asset category? How many of those have no investments by your clients? Can you share some examples of your PE/VC offerings? What percentage of your clients have you invested in this asset category? Do you offer institutional real estate holdings? Can you share some examples of those? What percentage of a typical client's portfolio is comprised of institutional real estate? |




PERSONALIZED INVESTMENT GUIDANCE

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Each individual and family has a unique financial situation and needs. For advisory to be most effective, it needs to be customized to a family's specific circumstances. | Do you offer personalized investment service?  | <ul style="list-style-type: none"> How do you select the investments you offer clients? How many other clients will have a similar portfolio to mine? <ul style="list-style-type: none"> What factors do you consider when making investment recommendations to me? Please provide an example of how you categorize and document those factors for one of your clients. |




COMPREHENSIVE, TIMELY SERVICE

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| A wealth advisor with a smaller client-to-employee ratio can provide you more time, attention and customized service. They have the capacity to review with and guide you on your complete financial picture. | Do you provide customized financial planning and service?  | <ul style="list-style-type: none"> Describe the role you will play if I decide to get a mortgage to purchase a house. What is your client-to-employee ratio? Who will I interact with at your firm and how often? What is their role? |



FINANCIAL PLANNING

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Integrated financial planning helps you plan for your fundamental needs, helping you meet your obligations and objectives. | Do you offer financial planning?  | <ul style="list-style-type: none"> If not, how often will I meet with the financial planner? If the advisor is not guiding me, how is financial planning integrated into the advice I receive? Is my advisor credentialed to provide financial planning? Is every piece of advice passed by the financial planner? What does financial planning cover? |




ESTATE PLANNING GUIDANCE

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Estate planning ensures your assets are accounted for accurately and will be distributed according to your wishes. | Do you review estate plans?  | <ul style="list-style-type: none"> How do you review estate plans? Can you explain your process? Can you show me the outcome / deliverables of how you reviewed a client's estate plan? Flow charts? Summary? |



EQUITY COMPENSATION EXPERIENCE

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Equity compensation is complex; understanding the tax implications of exercising and selling shares can greatly impact your position. | Does your firm help with stocks / equity compensation?  | <ul style="list-style-type: none"> What are the key tax implications of exercising and selling ISOs / NSOs / RSUs / PSUs / and ESPPs? What kind of analysis do you perform to optimize cash outlay while being mindful of AMT? |




ADVISOR CREDENTIALS

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Credentials are the basic building blocks of providing financial guidance and help ensure a standard level of expertise. | Are your advisors qualified?  | <ul style="list-style-type: none"> How many CPAs, CFPs, CFAs or MBAs do you have on staff? Which of these credentialed advisors will work with me and in what capacity? |



FEE STRUCTURE

| WHY IT'S IMPORTANT | INTERVIEW QUESTION | BEHAVIORAL BASED INTERVIEW QUESTIONS |
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| Fee-only advisors earn revenue exclusively through the fee that their clients pay them directly. Clients know the amount they are paying with full transparency. And, many fee-only advisors are fiduciaries – legally bound to act in the client's best interest. | How do you charge fees? Do you provide fee transparency?  | <ul style="list-style-type: none"> Are you a fee-only advisor operating under the fiduciary model? If not, are your advisors compensated via product commissions or other revenue streams? Are your advisors legally bound to act in my best interest? |