

## **It Takes Three: Are You in the Right Relationship**

### **Kathleen Longo**

A Studies show that [70 percent of women will leave their financial advisor](#) after a major life change, such as the death of a spouse or divorce. Major life transitions bring enough stress and emotion without adding the need to find a new financial advisor or to master your finances. As women also generally outlive men, this longer life expectancy means you will at some point likely require financial counsel.

If your needs are not being met, then it might be time to reconsider your relationship with your financial advisor now, before it's a decision you have to make amid a major life upheaval. Here are some steps you can take to help ensure that your relationship with your advisor is fruitful and fulfilling, along with some key attributes to seek in a potential replacement.

### **Steps to take now**

Most marriages incorporate some division of duties. Often one spouse or the other will take the lead on various responsibilities, like bill-paying, household tasks or family scheduling. But both spouses need a certain level of awareness surrounding their finances. It is also important for each spouse to be involved in all major financial decisions. As couples, we need to have conversations about our goals and thoughts for the future.

Many of us (and I am guilty of this too) get so caught up in the daily tasks of work and family that we don't take the time to have these important money conversations. This is where a financial advisor can be incredibly helpful, facilitating a dialogue and an understanding of our finances by giving us time to come together. The ability to foster these conversations is an important indicator that you have a good match in your current financial advisor.

### **Get clarity on the state of your current finances**

Once you have established an initial foundation for the roles that each spouse will own when it comes to your wealth, the next step is to learn the fundamentals, that is, Finance 101. I have experienced far too many situations where couples are not able to have effective conversations about their financial future because they don't share a strong understanding of these important data points:

- Assets and Liabilities: You should know all of your assets and liabilities, and where everything falls on the family balance sheet.
- Income and Expenses: Know how much you are saving and why.
- Investment Strategy: Understand your basic investment strategy. Start to learn the lingo.
- Death and Disability: Know the plan should one of you die or become disabled.

Both spouses should be involved in all major financial purchases, and understand the consequences of all major purchases.

### **Take control of your financial planning meeting**

First, show up. Ideally, both spouses should attend meetings with your financial planner, especially in the early stages.

Second, be present and have a role in the financial planning meeting. What should this look like? You should be heard and have time to share your thoughts and perspectives. The communication should be in a conversational, jargon-free format.

Third, know what to look for in a financial planner who will address your needs. Does the advisor understand your goals and ask your opinion during the meeting? Do they look at you when talking? Are your questions being answered? Come with a list or send questions ahead of time, especially the ones that keep you up at night. Ask them, and make sure you understand the answers.

Lastly, your advisor should have an understanding of your goals, your values, your family, interests and background. This means they should be asking you a lot of questions along the way. It's generally a bad sign when a large portion of a meeting with your financial planner isn't a dialogue.

If you cannot get a word in edgewise or want to learn the basics, take the initiative to set up a separate meeting without your spouse. This can be helpful to educate yourself and give you space to learn and ask questions.

Some other key things to look for during the meeting include whether or not you have a comfortable space to be heard. Will you feel comfortable reaching out to your financial advisor after the meeting with follow-up questions? Do you have a better understanding of the risks associated with your financial plan? Also, make sure you know how much you are paying the advisor. Fees should be transparent and cover the entire planning service and investment management strategy.

You should leave the meeting with an overview of your finances. You should have clarity and confidence in your future. You should feel on the same page as your spouse.

In the end, if the financial advisor relationship is not working out for you, have a conversation with your spouse about finding a better fit for you as a couple. Conversations about your financial future can be incredibly valuable. It's a time to come together as a couple and become comfortable about what your future may look like. It is also important to remember that the next decision about your financial advisor most likely rests with you.

## About Kathleen Longo, President & Founder, Flourish Wealth Management, Minneapolis, MN

Kathy Longo brings over 20 years of expertise and experience to Flourish Wealth Management. After earning a degree in Financial Planning and Counseling from Purdue University, she began her career at a small firm in Palatine, Illinois where she worked directly with clients while learning to build a viable, client-centric business. Over the years, she gained extensive knowledge and wisdom working as a wealth manager, financial planner, firm manager and business owner at notable, various sized companies in both Chicago and Minneapolis.

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