



## Frequently Asked Questions

### **Q1: What does an investment/financial advisor do versus a financial planner/wealth manager?**

An investment advisor primarily focuses on investing on behalf of clients according to a given person's risk profile.

A financial planner helps you organize, grow, and protect your finances through budgeting, investing, retirement planning, and tax strategies.

Wealth managers provide a more comprehensive, high-touch service, often including investment management, estate planning, and tax optimization.

There is some overlap between the wealth manager's role and a financial planner's role.

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### **Q2: Who should work with a financial planner?**

A. Anyone looking to improve financial decision-making can benefit from young professionals to retirees. Advisors are especially helpful during life transitions or when managing significant assets.

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### **Q3: When is the right time to hire an advisor?**

The best time is as early as possible. Key moments include starting a career, receiving a large sum of money, preparing for retirement, or going through major life changes. However, financial planning and wealth management is a full-time job, and many people do not have the bandwidth and experience to efficiently coordinate all the moving parts of their particular situation.

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### **Q4: How are you compensated?**

- Fee-only (client-paid)
- Commission-based (product sales)
- Fee-based (a combination) Transparency ensures you understand costs and potential conflicts
- Monthly subscription
- Hourly rate

We give our clients a choice as to how fees are paid and with which method they are most comfortable.

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### **Q5: What is a fiduciary, and are you one?**

A fiduciary is legally required to act in your best interest at all times, putting your financial well-being above their own compensation.

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## **Q6: What does it cost to work with an advisor?**

Costs vary depending on services. Common structures include:

- A percentage of assets (e.g., 0.5%–1%)
- Flat annual fees
- Hourly consulting
- Monthly subscription
- Hourly rate

At Flynn Financial, we give our clients the choice on how they pay for the services they desire.

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## **Q7: How much money do I need to start investing?**

Many platforms allow you to start with a modest amount of money, though some advisors or firms may have minimum dollar commitments.

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## **Q8: What is the best investment strategy?**

The best strategy is personalized based on your goals, time horizon, and risk tolerance. Most plans emphasize diversification and long-term growth.

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## **Q9: What is asset allocation?**

Asset allocation is how your investments are divided among stocks, bonds, cash, and alternative investments. It plays a major role in balancing risk and expected return.

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## **Q10: What is diversification?**

Diversification spreads your money across different investments, industries and asset types across different asset types and sectors to reduce risk and improve stability.

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## **Q11: How do you determine my risk tolerance?**

Through questionnaires and conversations about your goals, financial situation, and comfort with market fluctuations.

Note: This drives your personalized investment strategy, and re-evaluations should be conducted over time as one's needs change.

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## **Q12: How often should my portfolio be reviewed?**

Historical analysis suggests at least once a year, though quarterly or semi-annual reviews are common, especially during major market or life changes.

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## **Q13: What is rebalancing?**

Rebalancing involves adjusting the types of investments in one's portfolio to maintain your target asset allocation, helping to manage risk over time.

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## **Q14: What happens during market downturns?**

Market volatility is normal. A long-term strategy helps you stay disciplined and may create opportunities to buy investments at lower prices when markets are lower, while locking in profits when markets are higher.

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## **Q15: How much do I need to retire?**

This depends on your goals, lifestyle, location, and expected expenses. Historical studies indicate that you will need 70–90% of your pre-retirement income annually.

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## **Q16: How do you help with retirement planning?**

We:

- Estimate current and future income needs
  - Optimize savings contributions
  - Build sustainable withdrawal strategies
  - Discuss tax minimization strategies
  - Coordinate Social Security and pensions
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## **Q17: When should I start saving for retirement?**

As early as possible. Starting early allows for compound growth to work in your favor and reduces the amount you need to save later.

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## **Q18: How do taxes affect investment returns?**

Taxes can reduce returns, but strategies like tax-efficient investing, tax-loss harvesting, and asset location can help minimize the tax impact.

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## **Q19: What is tax-efficient investing?**

It involves structuring your portfolio to reduce tax liability, such as coordinating one's asset allocation (based on a person's risk profile and goals) with asset location in accounts with different tax rates.

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## **Q20: Do I need an estate plan?**

Yes. An estate plan ensures your assets are distributed according to your wishes and can help reduce taxes and legal complications.

We want to help our clients and their loved ones avoid having the courts determine how assets are distributed, especially to unintended beneficiaries.

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## **Q21: What documents should an estate plan include?**

Common elements include:

- A will or trust
  - Power of attorney
  - Healthcare directive
  - Medical directive
  - Trusts (in some cases)
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## **Q22: How often will we meet?**

Meeting frequency varies but is typically quarterly, semi-annually or annually, with additional check-ins during major life or market changes.

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## **Q23: How do I get started?**

- Schedule an initial consultation to discuss goals, current finances, and priorities.
- From there, receive a personalized financial plan with clear milestones and a transparent roadmap.