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Financial advisor or say an investment advisor is a professional, who helps his clients in maintaining proper balance of investment, income, capital gains etc. to do this, he makes use of bonds, real estate investment, stocks, mutual funds as well as insurance policies.

It is important for you to have knowledge about the way in which they are to be paid. After a brief description about the role of a financial advisor, let us categorize them according to their salary. They can broadly be classified as commission based, fee based and fee only advisors.

Firstly, who are commission based advisors? Answer to this question goes - They deal with products like insurance, annuities as well as loaded mutual funds. Their share of commission is made while the transaction is being processed and there are chances for you to not be aware about their share. They make big money out of every transaction.

Second category includes fee based advisors. As their income is generated from the fees that we pay them, hence fee based consultants provide us with honest, unbiased plus ethical advice for investing our money. These people earn money from the fee as well as from commission earned on clientâ€™s property.

Last in this group come fee only financial advisors. A Fee-only advisor cannot accept commissions in any form. They are solely dependent on the money provided by their clients in the form of hourly compensation.

It is important to look for a financial advisor whose main aim is to serve you rather than working for your money or financial status. Therefore, one must be really careful while selecting investment consultant. Make sure that the person being hired is RIA (Registered Investment Advisor) certified.

He or she must maintain a fiduciary standard that is a position of special trust and confidence with an adequate knowledge in the field of law. While appointing a person if a disclaimer arises, then make sure about the category to which this advisor belongs as that person is responsible for decisions that are made regarding your current as well as future financial condition.

Efficient financial advisors will guide their client through all rules and regulations in right direction thereby making investment decisions easy plus profitable. To find some of the best advisors in this industry, one must do proper research on internet or interact with the earlier client to get proper feedback of the advisor being appointed.

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