

2008 Firm Meeting Concluding Remarks

Presented by
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Thank you all for joining us today. CFP Board values the support your firms provide to the CFP® certificants you employ and contract with. We hope today's meeting provided you with a useful update on CFP Board's plans for the coming year, as well as some ideas for ways you can work with CFP Board for the benefit of your firm's clients.

We know these are difficult times for everyone involved in financial planning. The rate of change within the economy and the financial services industry seems to just grow faster. There has been no shortage of proposals for reforming aspects of the financial industry in recent years. But with economic problems growing in scope, we're seeing a heightened sense of urgency for changes in regulation and oversight. That sense of urgency is only likely to grow.

Today's consumers are more aware and less tolerant. They expect honesty. They expect integrity. They expect transparency. And they deserve those things.

We all know the landscape is going to look very different even a few months from now. We don't know exactly what it will look like, but I think we all have a sense of what will be in the best interest of the public.

CFP Board believes that adhering to the highest, client-centered standards is the key for financial professionals to remain relevant. CFP Board has long worked to set and enforce high standards that benefit the public. And we are one of the few private certification bodies with a rigorous enforcement process that upholds those standards. We regularly update our standards to keep them rigorous and relevant to the current environment. I'm pleased to share with you that work is being noticed.

Prominent consumer media representatives recognize the strength of the CFP® certification. They understand that the public is served by standards that involve much more than completion of an educational program. They recognize the importance of high ethical standards that require financial services professionals to put the interests of their clients ahead of their own. They recognize that it is essential that ethical standards be accompanied with a rigorous enforcement process. And they don't hesitate to share that with the millions who read their publications.

We've also found that recognition as we've met with policy makers and regulators. They recognize the benefits the CFP® certification provides to the public that seeks financial planning services. They understand that the public benefits from a certification that goes beyond education to include experience, examinations, ethics and



ongoing enforcement. And they appreciate that a private organization like CFP Board has taken up responsibility for setting and enforcing standards that might otherwise fall to the government.

The media, policy makers and the public are increasingly understanding the difference between the CFP® certification and other financial designations. They're seeing that it's similar to the difference between holding a CPA license and holding an accounting degree. They're understanding that the breadth, rigor and ongoing requirements for the CFP® certification prepares financial planners to work in the public's interest in ways that training alone cannot. And they're increasingly looking for the CFP® certification when seeking financial services.

We still have work to do to increase public awareness of the value of financial planning and the CFP® certification. But the rigor of the CFP® certification standards and the benefits of those high standards for the public make it an easy sell.

All of us at CFP Board know that the revised ethical *Standards* for CFP® certificants have been a topic of debate for many of you here today. We've discussed concerns as broad as speculation that the revised *Standards* will increase civil liability for those who hold CFP® certification. We've discussed concerns as specific as the difference between the definition of "fiduciary" within the revised *Standards* and the ways "fiduciary" is defined in other contexts. We've worked to help CFP® certificants and their firms understand how CFP Board interprets the revised *Standards* – through meetings, webinar presentations and written documentation. We've prepared documents and guides to help CFP® certificants and their firms implement the revised *Standards* in their practices. We've taken great efforts to be responsive to the CFP® certificant community as they work to implement the revised *Standards*.

We also took the step of polling firms that employ large numbers of CFP® certificants to evaluate their readiness to implement procedures aligned with the revised *Standards*. We introduced the revised *Standards* more than a year before their effective date. But we accommodated some concerns about implementation by establishing a 6-month grace period before enforcement will begin. We have worked to be responsive and transparent as we introduced change to the requirements for CFP® certification.

One thing we will not do is apologize for the strength of the revised *Standards*. The American public deserves nothing less than services that put their interests first. They deserve to receive information that allows them to make informed decisions about their finances. They deserve to work with financial planning professionals who are not only educated in their field, but who also are held to high ethical standards. We believe the CFP® certification provides that to consumers and that the revised *Standards* represent the best of the standards that have been adopted in the different segments of the financial services industry related to financial planning.

We know that the CFP® professionals associated with your firms are some of your most talented and dedicated professionals. We know they're also likely to be your best and most profitable employees and affiliates. They are likely to have more satisfied clients and to keep those clients longer.

As the American public becomes more informed about the workings of the financial services industry – and begins to identify areas within the industry that function in ways not aligned with their interests – the industry is going to need to change. That change may happen through collaboration and reform within the industry, or that change may be forced upon the industry from outside. But there is little doubt that change will happen.

In a time when we know the financial services industry will change in ways designed to benefit the public, we all have a choice. Do we wait and let the decision be made for us? Or do we move to build a model steeped in educational achievement and built on strong ethical footings that benefit the public?

Now is not the time to wait. Decisions will be made, perhaps sooner than we expected. Let's work together to create the model. We will all benefit from high standards that allow consumers to trust the financial services professionals they work with and the services they receive.

CFP Board plans to make the most of its renewed emphasis on advocacy and public awareness, and we hope to involve many of you in that work. Your opinions and thoughts are important. We need to be working together. And we hope you will keep in contact with CFP Board and let us know when opportunities arise to work together.