



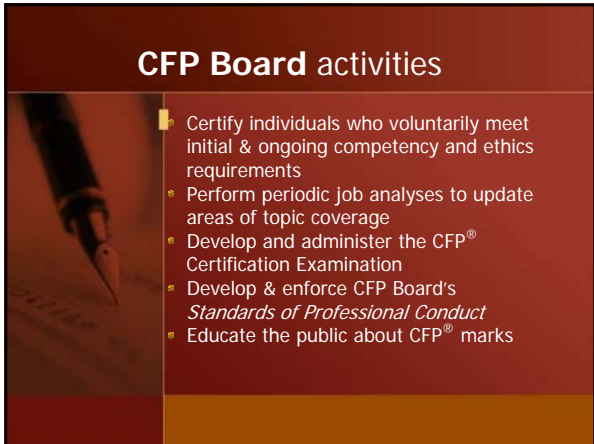
CFP® Certification

CERTIFIED FINANCIAL PLANNER
BOARD OF STANDARDS, INC.



CFP Board

- Nonprofit, standards-setting and certifying organization located in Washington, D.C.
- Founded in 1985 in Denver, CO
- **Mission Statement:** to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning.



CFP Board activities

- Certify individuals who voluntarily meet initial & ongoing competency and ethics requirements
- Perform periodic job analyses to update areas of topic coverage
- Develop and administer the CFP® Certification Examination
- Develop & enforce CFP Board's *Standards of Professional Conduct*
- Educate the public about CFP® marks

Current Demographics

- Over 60,000 CFP® certificants in U.S. and another 59,000+ in 23 other territories
- 94% have a college degree
- About 36% have a Master's degree or higher
- Over 60% also have insurance and/or securities licenses
- 13% also have a CPA license

Growth of the CFP® certification

- About 6% average annual increase
- 6,500-7,000 candidates take exam yearly
- Number of exam takers increased 55% from 1998 to 2008
- More than 6,900 took exam in 2008
- Number of Registered Programs rose from 73 in 1995 to over 300 now
- Increased recognition by industry professionals and consumers

What is Financial Planning?



- Financial planning is the process of meeting life goals through a **“big picture”** approach to managing finances

What is Financial Planning?



Comprehensive financial planning uses an integrated approach to monitor all aspects of someone's financial situation:

- Insurance & Risk Management
- Investment Planning
- Tax Planning
- Retirement Planning
- Employee Benefits
- Estate Planning

Value of the CFP® certification

- Educational process provides the financial planning knowledge needed to serve clients better – resulting in increased client satisfaction and client retention
- Career growth and enhancement
70% of CFP® certificants indicated that CFP® certification contributed directly to their professional success
- Personal Satisfaction
89% of CFP® certificants are “highly satisfied” with their career choice

Value of the CFP® certification

- Financial planning's time has come
- Changing demographics & consumer confusion
- Consumers need financial planning advice now more than ever before
64% of consumers have never had a written financial plan
- Consumers look for trusted advisors who will put their interests first and are able to provide advice on many facets of their finances
Consumers ranked CFP® certification second only to the CPA license when asked which professional certification/license or official designation had the best reputation for ethical conduct

Career opportunities



- Financial service firms such as brokerage firms, insurance companies and banks
- Accounting firms
- Boutique financial planning firms
- Nonprofit organizations
- Human resource positions

Initial CFP® certification



- The **4Es**
 - Education
 - Examination
 - Experience
 - Ethics

Education Requirement

- Mastery of nearly 100 topics determined to be essential to practice financial planning – based on extensive job analysis studies
- Education through CFP Board-Registered Programs
- Challenge status – CPA, CFA®, CLU, ChFC, J.D., Ph.D. in Business or Economics
- Transcript review – college work or professional credentials (listed above)

Bachelor's Degree Requirement



- Bachelor's degree (or higher) required
- Degree does not need to be in financial planning
- Degree not needed to take the CFP® Certification Examination
- Bachelor's degree requirement must be completed within 5 years of passing the CFP® exam

CFP® Certification Examination




- Assesses ability to apply financial planning education to client situations in an integrated format
- Developed through an extensive technical process involving practitioners at every stage
- Given three times/year – March, July & November
- More than 50 test sites around the country

CFP® Certification Examination



- 10-hour, two-day exam – three separate sessions
- About 285 multiple choice questions
- Major case study in each session
- Sample case study and questions on www.CFP.net
- 55-60% pass rate (74% cumulative)
- \$595 exam fee

Experience Requirement



- 3 years qualifying work experience
 - Personal delivery of all, or any portion of, the financial planning process
 - Includes supervision, direct support and teaching
- Total of 15 years to gain experience
- 10 years prior to exam and up to 5 years after exam

Ethics Requirement



- Agree to adhere to CFP Board's *Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards*
- Disclosure of past or pending litigation or agency proceedings
- \$100 initial application fee

Ongoing Certification Requirements

- 30 hours of CE credit every 2 years
- 2 hours of pre-approved ethics courses
- Disclosure of any legal proceedings, ethics violations, pending disciplinary matters or litigation within reporting period
- \$360 fee every 2 years
