

**CFP BOARD**

# **CFP<sup>®</sup> CERTIFICATION LEARNING OBJECTIVES**

BASED ON 2021 CFP<sup>®</sup> CERTIFICATION  
PRINCIPAL KNOWLEDGE TOPICS  
(EFFECTIVE 2022)

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# INTRODUCTION

The Learning Objectives are based on Principal Knowledge Topics which are the results of CFP Board's Practice Analysis study, the largest financial planning research project in the U.S. The research provides insight into tasks currently being performed by CFP® professionals and the knowledge required to provide financial planning services to clients. The Principal Knowledge Topics serve as the blueprint for the CFP® Certification Examination.

The Principal Knowledge Topics also serve as a curricular framework for CFP Board's education coursework requirement. CFP Board Registered Programs are encouraged to consult the Learning Objectives when developing and updating their program curriculum.

## 2021 LEARNING OBJECTIVES

### A. PROFESSIONAL CONDUCT AND REGULATION



#### A.1. CFP Board's Code of Ethics and Standards of Conduct

- a. Explain the *Fitness Standards for Candidates*.
- b. Explain the *Code of Ethics and Standards of Conduct*, which are ethical and professional ideals for CFP® professionals.
- c. Apply the *Standards of Conduct* as they relate to being a CFP® professional.
- d. Describe the Practice Standards employed during each step of the financial planning process.
- e. Integrate the Practice Standards in developing and communicating a financial plan for a client.

#### A.2. CFP Board's Procedural Rules

- a. Identify the grounds for disciplining CFP® professionals.
- b. Explain the disciplinary procedures employed by CFP Board.
- c. Distinguish between the disciplinary actions that can be taken by CFP Board.

#### A.3. Function, purpose, and general structure of financial institutions

- a. Identify the roles and responsibilities of the securities market regulators such as FINRA, SEC and state insurance departments and distinguish between them.

#### A.4. Financial services regulations and requirements

- a. Identify the regulatory authorities that impact elements of the financial planning process. (Examples include regulation of accountancy, legal practice, real estate law, insurance regulation, etc.).
- b. Differentiate between investment knowledge that is proper to use in the evaluation of securities and insider information.
- c. Demonstrate a comprehensive understanding of investment advisor regulation and financial planning aspects of the ERISA.
- d. Explain the relevant licensing, reporting and compliance issues that may affect the business model used by a financial planning firm.

## A.5. Consumer protection laws

- a. Describe consumer laws that impact clients, including bankruptcy, banking, credit, privacy regulations and other relevant laws.

## A.6. Fiduciary standard and application

- a. Discuss the fiduciary standard and its importance to the planner-client relationship.

# B. GENERAL PRINCIPLES OF FINANCIAL PLANNING



## B.7. Financial planning process

- a. Describe the personal financial planning process as defined by the *Practice Standards for the Financial Planning Process* (Section C- *Code of Ethics and Standards of Conduct*).
- b. Recognize unethical practices in the financial planning profession based on the CFP Board *Code of Ethics and Standards of Conduct*.

## B.8. Financial statements

- a. Construct statements of financial positions and cash-flow statements as applied to clients consistent with sound personal accounting standards.
- b. Evaluate client financial statements using ratios and growth rates and by comparing them to relevant norms.

## B.9. Cash flow management

- a. Identify opportunities and challenges related to a client's cash inflows and outflows and make recommendations to assist the client in meeting their current needs and long-term financial goals.
- b. Communicate the need for liquid assets and emergency funds and recommend strategies for accumulating the appropriate levels of funds.
- c. Calculate savings required to meet financial goals and recommend how to incorporate planned savings into the cash flow plan.

## B.10. Financing strategies and debt management

- a. Analyze the various sources of borrowing available to a client and communicate the advantages and disadvantages of each for meeting a client's financial goal.
- b. Create a debt management plan for a client that minimizes cost and maximizes the potential to reach financial goals.
- c. Explain appropriate housing financing strategies.
- d. Review all types of client debt and provide recommendations on optimal management of debt within the context of the client's overall financial plan.
- e. Calculate required payment, interest owed or saved, and the new payment term in developing the debt prioritization plan for the client.
- f. Evaluate the financial effects of reducing or increasing debt on the client's probability of success in meeting short-term and long-term goals.
- g. Illustrate the effect of debt management decisions on long-term goals.
- h. Review client's credit report, identify how debt management approaches may impact the client's credit score and develop a plan to maximize the client's credit score.

## **B.11. Economic concepts**

- a. Apply the following economic concepts and measures in making financial planning recommendations:
  - i. Supply and demand
  - ii. National Income Accounts (including GDP)
  - iii. Business cycles (unemployment, recession, fiscal and monetary policy)
  - iv. Interest rates (including its term structure and the yield curve) and inflation
  - v. Exchange rates

## **B.12. Time value of money concepts and calculations**

- a. Calculate present value and future value of single amounts, annuities, annuities due, uneven and serial payments.
- b. Calculate Net Present Value (NPV) and Internal Rate of Return (IRR) and be able to apply the techniques to financial planning problems.

## **B.13. Education needs analysis**

- a. Calculate the dollar amount needed to meet the education goals of the client.
- b. Evaluate the client's ability to meet the savings requirements.

## **B.14. Education savings vehicles**

- a. Compare and contrast the tax implications and other features for the primary account types or strategies used for saving for higher education expenses.
- b. Recommend appropriate education savings vehicles given tax implications, dollar amount of savings needed, and the client's preferences and situation.
- c. Recommend appropriate investment alternatives for the education accounts chosen given the client's risk tolerance and risk capacity.

## **B.15. Education funding**

- a. Describe the common types of financial aid.
- b. Evaluate the client's qualifications for various types of financial aid as part of an education plan.
  - i. Determine the extent to which tax credits may be used to reduce the cost of education.
- c. Determine the optimal choice of debt financing for college education.

## **B.16. Gift/income tax strategies**

- a. Calculate the funds needed to meet gifting goals of a client.
- b. Evaluate and recommend the availability of and qualifications for gift tax exclusions for the client's gifting goals.



### C.17. Principles of risk and insurance

- a. Explain the risk management process.
- b. Provide examples of the four primary risk management techniques available to clients.
- c. Describe how insurers use risk pooling to pay for losses incurred by policyholders.
- d. Explain the factors that affect policyholder premiums and recommend appropriate methods for reducing household insurance costs.

### C.18. Analysis and evaluation of risk exposures

- a. Identify and measure liability, automobile, homeowners, flood, earthquake, health, disability, long-term care and life risks.
- b. Explain maximum possible and maximum probable loss amount to a client.
- c. Differentiate among the basic homeowners insurance (HO) forms and features and explain how to evaluate and compare policies.
- d. Explain the role of personal and business liability insurance in comprehensive financial planning and how personal umbrella liability policy (PUP) and business liability insurance interacts with other property and liability insurance products.

### C.19. Health insurance and health care cost management (individual and group)

- a. Compare and contrast group and individual health insurance alternatives, including fee for service and managed care health plans.
- b. Incorporate expected retiree health costs in a client's retirement plan, in consideration of household financial resources, existing or future coverage under group insurance plans and Medicare.
- c. Explain alternatives for acquiring health coverage including COBRA and Medicaid.

### C.20. Disability income insurance (individual and group)

- a. Describe differences between short-term and long-term disability plans and identify the policy provisions that should be included in privately purchased disability policies.
- b. Create a plan for meeting individual disability income needs.
- c. Calculate the tax implications of paying for and receiving disability benefits.

### C.21. Long-term care insurance and long-term care planning (individual and group)

- a. Identify activities of daily living that can trigger the need for long-term care.
- b. Develop an appropriate long-term care insurance plan based on needs, financial resources, policy coverage and cost.

### C.22. Qualified and Non-Qualified Annuities

- a. Explain the characteristics of an annuity including contribution and distribution options and differentiating between immediate and deferred annuities.
- b. Compare and contrast annuities (fixed and variable) with other investment alternatives, including an analysis of costs, contract terms and taxation.

### C.23. Life insurance (individual and group)

- a. Explain the underwriting factors commonly used in the life underwriting process.
- b. Differentiate between term, whole life, variable, universal, and variable universal life (VUL) policies and select the most appropriate type of coverage to match a client's specific circumstances.
- c. Calculate a client's insurance needs using alternative approaches, including the capital needs, human life value, capital retention, income retention and income multiplier methods.
- d. Recommend whether a policy should be replaced based upon quantitative and qualitative factors.
- e. Describe common life insurance termination options.

### C.24. Business owner insurance solutions

- a. Recognize the complications of closely owned and/or family owned businesses.
- b. Distinguish the difference between the three types of buy/sell agreements and their appropriate uses.
  - i. The cross purchase agreement
  - ii. The entity purchase agreement
  - iii. The wait and see agreement
- c. Explain the potential financial risk to the company due to the loss of a key employee.

### C.25. Insurance needs analysis

- a. Perform an insurance needs analysis for a client, including disability, life, health, long-term care, property and liability.

### C.26. Insurance policy and company selection

- a. Define and communicate key insurance policy terms, coverage, conditions and exclusions.
- b. Recommend appropriate insurance products, given a client's stage in the life cycle, family circumstances and needs.
- c. Recommend insurance companies based upon an evaluation of service, personnel, financial risks, company ratings and claims processes.

## D. INVESTMENT PLANNING



### D.27. Characteristics, uses and taxation of investment vehicles

- a. Describe and compare the characteristics, including risk and return, of all asset classes including cash-equivalent securities, individual bonds and stocks, real estate, other tangible assets, all pooled asset categories and derivatives.
- b. Select the appropriate use for each asset class and investment vehicle based upon its risk/return characteristics and expected cash flows.
- c. Advise clients on the tax implications of holding and disposing of each security type or asset class.

### D.28. Types of investment risk

- a. Identify, measure, and differentiate between types of investment risks including systematic, unsystematic risk, interest-rate risk, liquidity risk, credit risk, inflation risk, operating and financial risk, reinvestment-rate risk, exchange-rate risk and political risk in a client's portfolio.
- b. Explain the impact of low-probability economic events on clients' welfare.

## D.29. Market cycles

- a. Recognize characteristics of each economic cycle
  - i. Economic data
  - ii. Interest rates
  - iii. Credit environment

## D.30. Quantitative investment concepts and measures of investment returns

- a. Calculate and interpret statistical measures such as mean, standard deviation, t-statistic, correlation and  $r^2$ , and interpret skewness and kurtosis.
- b. Estimate the expected risk and return using the Capital Asset Pricing Model (CAPM) for securities and portfolios.
- c. Calculate Modern Portfolio Theory statistics in the assessment of securities and portfolios.
- d. Explain the use of return distributions in portfolio structuring.
- e. Apply forecasting, Monte Carlo simulation, bootstrapping, sensitivity analysis and stochastic modeling techniques to household portfolio management.
- f. Measure and interpret investment returns including after-tax return, holding period return, effective annual rate, annual percentage rate, time- and dollar- weighted returns, geometric and arithmetic returns.
- g. Calculate and interpret Jensen's alpha, Sharpe ratio and Treynor ratio.

## D.31. Asset allocation and portfolio diversification

- a. Construct an optimal client portfolio by the allocation of wealth amongst risky assets and the risk free security.
- b. Develop and communicate to a client a portfolio rebalancing strategy.
- c. Recommend an asset allocation strategy consistent with a client's risk tolerance.

## D.32. Bond and stock valuation concepts

- a. Value a bond using discounted cash flow and explain how interest rates affect bond values.
- b. Estimate the value of a stock using discounted cash flow, the CAPM and price multiples.
- c. Differentiate between fundamental and technical analysis.
- d. Explain the approaches to valuing a stock.

## D.33. Portfolio development and analysis

- a. Assist a client in identifying his/her investment objectives, time horizons and risk tolerances.
- b. Select an appropriate benchmark for assessing the value of portfolio management services.
- c. Develop and communicate an appropriate Investment Policy Statement (IPS) for a client.
- d. Apply duration and convexity in construction of fixed income portfolios.
- e. Construct a tax-efficient diversified portfolio meeting the goals, risk preferences and time horizon of a client.
- f. Measure and communicate a client's portfolio performance using different risk and return measures.

### D.34. Investment strategies

- a. Explain and apply investment strategies such as buy-and-hold, immunization, core and satellite, passive (indexed) and active management techniques such as tactical allocation, market timing, Environmental, Social, and Corporate Governance (ESG) investing, sector rotation, etc.
- b. Evaluate the use options and futures for investment risk management purposes.

### D.35. Alternative investments and liquidity risk

- a. Define and describe what qualifies as an alternative investment (e.g., cryptocurrency, precious metals, etc.).
  - i. Explain asset class and describe the basic differences between the traditional asset classes and alternative asset classes
  - ii. Explain the primary rationale and uses for alternative asset classes
  - iii. Explain the advantages and disadvantages of incorporating of alternative asset classes in a household's investment portfolio

## E. TAX PLANNING



### E.36. Fundamental and current tax law

- a. Compare and contrast the fundamental components of the income tax system including filing forms, filing status, income, exemptions, exclusions, deductions, adjustments, credits and tax rates.
- b. Explain how a progressive income tax system works and contrast it with other tax systems.
- c. Compute marginal and average tax brackets and explain the appropriate use of each.

### E.37. Income tax fundamentals and calculations

- a. Complete a Form 1040 including the receipt of wages, retirement income, interest, dividends; capital gains, self-employment, rental income or losses; itemized deductions; credits and estimated or carryover payments.
- b. Recommend actions to minimize tax liability and maximize after-tax returns for clients and dependents consistent with IRS Code.

### E.38. Characteristics and income taxation of business entities

- a. Differentiate between the organizational form and the tax treatment of income, expenses, payroll and wage taxes for sole proprietorships, partnerships, LLPs, LLCs, S-corps and C-corps.
- b. Compare the income and payroll tax effects of wage versus ownership income.
- c. Identify adjustments, deductions and exclusions that may be available to sole proprietors, partners, LLPs, LLCs, S-corp and C-corp owners.

### E.39. Income taxation of trusts and estates

- a. Outline the basic income tax compliance rules for trusts and estates including when a return is required and how it is filed.
- b. Contrast the trust and estate income tax rules with personal income tax rules.
- c. Identify the income(s) that will pass-through to beneficiary/ beneficiaries for tax purposes.
- d. Explain how a client will report income and appropriate deductions from a trust or estate on his income tax return.



#### **E.40. Tax reduction/management techniques**

- a. Differentiate between lawful tax avoidance and unlawful tax evasion.
- b. Identify income shifting techniques (e.g. transfer and timing) and explain how income shifting benefits a taxpayer.
- c. Compare the cash flow impact of receiving tax-exempt or tax-sheltered income to taxable income.
- d. Evaluate opportunities to maximize the availability and timing of deductions.
- e. Explain the benefits of using tax-advantaged accounts for retirement, education and healthcare.
- f. Identify investment strategies that can be used to manage tax liability.
- g. Identify client situations in which the Alternative Minimum Tax (AMT) may be imposed.

#### **E.41. Tax consequences of property transactions**

- a. Differentiate between the taxation of capital gains and ordinary income, including the difference in applicable tax rates.
- b. Calculate the capital gain or loss on a property sale.
- c. Explain the special rules regarding capital gains and losses on a principal residence.

#### **E.42. Tax implications of special circumstances**

- a. Explain the tax implications of supporting an elderly parent, adult child, or a family member with special needs.
- b. Explain tax planning opportunities and implications for funding and paying higher-education expenses.
- c. Explain the tax implications of divorce, including alimony, child support and property transfers.
- d. Passive activity and at-risk rules
  - i. Identify passive and at-risk activities and explain how taxation of such activities differ.

#### **E.43. Charitable/philanthropic contributions and deductions**

- a. Identify qualified charitable contributions of cash, property and appreciated assets and the advantages, disadvantages and tax effects of such gifts.
- b. Calculate the maximum charitable contribution deduction allowed in a tax year.



### F.44. Retirement needs analysis

- a. Identify and evaluate the assumptions used in analyzing retirement needs including: age at retirement, cash inflows and outflows in various stages of retirement, goal priority and importance, longevity, rate of investment return, market volatility and effects of inflation.
- b. Recognize the potential sources of income during retirement including Social Security, employer plan benefits, personal savings and investments, individual retirement plans, and employment income.
- c. Calculate an appropriate savings plan to meet funding needs and communicate the importance of having a well-funded retirement plan.
- d. Recommend a plan for maximizing the probability of achieving the client's goals and mitigating longevity risk.
- e. Use statistical and probability techniques in calculating retirement funding and income distribution plans.
- f. Explain various patterns of work-to-retirement transitions and phased retirement.

### F.45. Social Security and Medicare Planning

- a. Provide an overview of the Social Security system.
- b. Advise clients in consideration of proposed program reforms.
- c. Explain if and how a client may qualify for Social Security benefits.
- d. Explain the computation of the averaged indexed monthly earnings (AIME), the primary insurance amount (PIA), and disability, survivors and maximum family benefits.
- e. Assist a client in selecting the optimal date to begin receiving Social Security retirement benefits and the impact of the earnings test.
- f. Explain the windfall elimination and the government pension offset on retirement benefits.
- g. Describe the taxation of each type of Social Security benefits.
- h. Provide an overview of the Medicare program, including the payroll taxes and eligibility structure.
- i. Identify the four parts of Medicare coverage, the benefits provided by each, common out-of-pocket costs required for insured individuals, and alternative insurance options to cover the gaps associated with Medicare.
- j. Assist a client in selecting proper Medicare coverage and any supplemental coverage with careful attention to appropriate deadlines.

### F.46. Eldercare and special needs planning

- a. Provide an overview of the Medicaid program structure, benefits and funding sources.
- b. Identify Medicaid eligibility requirements and Medicaid planning strategies to maximize client benefits and available resources.

### F.47. Types of retirement plans

- a. Distinguish between qualified, government, non-qualified and private tax-advantaged retirement plans.
- b. Describe the characteristics of the various types of defined benefit, defined contribution and individual retirement accounts.

#### **F.48. Qualified plan rules and options**

- a. Explain the tax implications of qualified plans to the employer and employee.
- b. Explain the rules of qualified retirement plans including eligibility, coverage and discrimination, funding and contribution, distribution, vesting, and termination of plans.
- c. Explain the fiduciary responsibilities of employers with respect to the investments in their firm's qualified plan under ERISA.

#### **F.49. Non-qualified plan rules and options**

- a. Differentiate between the various types of Individual Retirement Accounts (IRAs) including traditional, rollover, Roth, SEP and SIMPLE plans, including the tax treatment of contributions and distributions
- b. Recommend an appropriate IRA for a client's needs.
- c. Identify the opportunity to provide non-qualified benefits for business owners and key executives.
  - i. Section 162 Executive Bonus Plans
  - ii. Non-qualified deferred compensation

#### **F.50. Key factors affecting plan selection for businesses**

- a. Identify the factors that will affect the selection of a retirement plan for a business.
- b. Recommend a qualified or non-qualified retirement plan given a business owner's goals and objectives.

#### **F.51. Distribution rules and taxation**

- a. Explain the rules and penalties regarding retirement plan distributions.
- b. Describe the circumstances under which early distributions are allowed from tax-advantaged retirement plans without penalty including the Substantially Equal Periodic Payment (SEPP) and Qualified Domestic Relations Orders (QDRO) rules.
- c. Compare the taxation of normal distributions with Roth conversions, lump sums and net unrealized appreciation withdrawals.

#### **F.52. Retirement income and distribution strategies**

- a. Select suitable investments for both funding and retirement distribution purposes, considering the time horizon and risk tolerance of plan owners and beneficiaries.
- b. Construct well-diversified, tax-efficient portfolios that minimize retirement income risk.
- c. Explain the use of life insurance products in retirement plan portfolios.

#### **F.53. Business succession planning**

- a. Describe why business succession planning is complex and challenging.
- b. Identify factors a business owner should consider when creating a succession plan, including the ability and motivation of a successor and the degree of idiosyncrasy in the business.
- c. Describe the purpose of a buy-sell agreement as a business succession planning tool.
- d. Illustrate how a buy-sell agreement can be designed and implemented.



### G.54. Property titling and beneficiary designations

- a. Compare and contrast the most common types of titling property (sole ownership, joint tenancy with rights of survivorship, tenants in common, tenants by the entirety and community property).
- b. Recommend the appropriate property titling mechanism given the client's lifetime and estate distribution objectives and relevant state laws.

### G.55. Strategies to transfer property

- a. Describe the probate process, its advantages, disadvantages and costs.
- b. Explain the characteristics and consequences of using alternative methods of transferring property at death, including named beneficiary, trusts (revocable and irrevocable), payable on death and transfer on death designations, probate, intestate succession and direct transfer through titling.
- c. Select the most appropriate property transfer mechanism for a client's situation.

### G.56. Estate and incapacity planning documents

- a. Identify and describe the components of estate planning documents, such as wills and trusts that are used to facilitate the transfer of one's assets.
- b. Explain the roles of the parties used in estate planning including executor, trustee, power of attorney, beneficiary(ies), heirs and guardians.
- c. Recommend appropriate estate planning tools to meet a client's goals and objectives.

### G.57. Gift, estate, and GST tax compliance and calculation

- a. Identify the gift tax consequences of lifetime transfers to individuals and charities and recommend when filing a gift tax return is necessary.
- b. Identify the income tax consequences of lifetime transfers to individuals and charities.
- c. Identify the estate tax consequences of lifetime transfers to individuals and charities.

### G.58. Sources for estate liquidity

- a. Determine the need for estate liquidity.
- b. Develop a cash flow plan for maintaining a client's estate from date of death to final distribution including the payment of tax liabilities.

### G.59. Types, features, and taxation of trusts

- a. Define and describe the uses of the four types of trusts including revocable, irrevocable, living and testamentary trusts.
- b. Describe the basic components of charitable and non-charitable trusts including identifying the parties to a trust and the operating terms of a trust.
- c. Identify the basic income tax consequences of a trust including deductions, exemptions, credits, tax rates and penalties for non-compliance.
- d. Explain the income tax implications of trust income and distributions to beneficiaries.

## **G.60. Marital deduction**

- a. Describe the appropriate use of the marital deduction in estate planning including for both domestic and international spouses.
- b. Explain the relationship between the marital deduction and the qualified interest trust.

## **G.61. Intra-family and other business transfer techniques**

- a. Recommend appropriate business transfer techniques such as:
  - i. Buy/sell agreements
    1. Cross purchase agreements
    2. Repurchase/Entity agreements
  - ii. Grantor Trust
    1. Retained Interest Trust
      - a. Grantor Retained Interest Trust (GRIT), Grantor Retained Annuity Trust (GRAT), Grantor Retained Unitrust (GRUT)
      - b. Personal Residence Trust (PRT), Qualified Personal Residence Trust (QPRT)
    2. Intentionally Defective Grantor Trusts
  - iii. Family Limited Partnerships or Family LLCs
  - iv. Private Annuity

## **G.62. Postmortem estate planning techniques**

- a. Describe when an executor should elect to value estate assets using the alternative valuation date.
- b. Outline the rules that must be followed in order to use a qualified disclaimer estate planning strategy.
- c. Describe other forms of postmortem planning, including estate tax installment payments, stock redemptions for tax payments, special-use valuations and elections against a will.
- d. Explain how and why Qualified Terminable Interest Property (QTIP) property is a terminable-interest rule exception.

## **G.63. Planning for divorce, unmarried couples and other special circumstances**

- a. Identify the impact of divorce and/or remarriage on an estate plan including asset titling and distribution, changes in beneficiary status and selection of heirs.
- b. Recommend strategies that can be implemented to help ensure the appropriate management and transfer of assets to a same-sex, non traditional and/or non-married partners.

## **G.64. Planning for special needs and circumstances**

- a. Identify and describe the features of government savings vehicles that provide for qualified disability expenses.
- b. Compare and coordinate other available sources of government benefits.
- c. Incorporate strategies to protect existing assets from government offset.
- d. Identify and recommend strategies to mitigate risk exposure.
- e. Integrate intra-family and generational planning strategies to maximize financial security over an extended period of time.



### H.65. Client and planner attitudes, values, biases

- a. Analyze a client's degree of risk tolerance and loss aversion and ensure recommendations are consistent with a client's risk propensity, attitudes, composure (e.g. past behaviors during market corrections), capacity, knowledge and needs.
- b. Explain how a client's psychology, background, preferred learning style and values (socially conscious investor, etc.) impact the financial planning process.
- c. Explain how a client's values, including cultural and religious values and attitudes may impact their goals and the financial planning process.

### H.66. Behavioral finance

- a. Identify how cognitive biases and heuristics can impact financial decision-making.
- b. Describe how a client's psychology, such as their financial comfort zone, socialization, money beliefs, and past financial experiences and behaviors impact their objectives, goals, understanding, decision making and actions.

### H.67. Sources of money conflict

- a. Identify a client's motivation for achieving their financial goals.
- b. Explain to the client the consequences of a lack of transparency with spouse or family when making financial decisions.
- c. Identify areas of potential financial conflict between spouse and/or family.
- d. Communicate the importance of agreeing on financial goals and objectives with spouse and/or family.
- e. Identify situations in which money may be used as a means of undue influence, control or abuse in relationships (e.g. power imbalances, financial abuse and financial enabling).

### H.68. Principles of counseling

- a. Explain the applications of counseling theory to financial planning practice.
- b. Demonstrate how a planner can develop a relationship of honesty and trust in client interaction.
- c. Select appropriate counseling and communication techniques for use with individual clients.

### H.69. General principles of effective communication

- a. Assess the components of communications, including verbal and non-verbal communications.
- b. Apply active listening skills when communicating with clients.
- c. Select appropriate counseling and communication techniques for use with individual clients.

## H.70. Crisis events with severe consequences

- a. Plan/prepare/categorize and label funds to help clients navigate an unanticipated financial emergency.
- b. Analyze how different types of financial or economic crises impact clients (e.g. market correction or economic decline).
- c. Evaluate the potential impacts on short-term and long-term goals, including unexpected job and/or income loss and adverse health events.
- d. Identify solutions to unanticipated asset allocation changes, adjustment for changes in risk tolerance and adapting to new norms.
- e. Communicate potential solutions, including government-offered solutions.
- f. Describe the advisor's role in monitoring cognitive biases.
- g. Demonstrate empathy, reliability, and competence to help clients navigate the implications of a crisis.



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