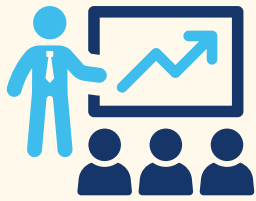


CFP BOARD OF STANDARDS

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2024
CFP[®] PROFESSIONALS
FINANCIAL
OUTLOOK
SURVEY

Americans are living in a time of economic growth and uncertainty. The U.S. economy expanded by 2.5% and created 3 million jobs in 2023.¹ At the same time, Americans are navigating above-average inflation and interest rates, leaving consumer sentiment measures below their historical averages.² Adding to this dynamic is the upcoming 2024 election and its potential outcome.



U.S. economy
expanded by
2.5%



3 Million
jobs created in 2023

Millions of Americans rely on the expertise of CFP® professionals to develop a financial plan that serves as a guide to promote financial security through short- and long-term uncertainty. The development and execution of financial plans happen with an open dialogue between CFP® professionals and their clients focused on defining goals, identifying challenges and building a roadmap for greater financial well-being. These conversations make CFP® professionals uniquely positioned to observe consumers' sentiments across the United States.

To gain insight into clients' outlook for 2024, CFP Board's Research team surveyed CFP® professionals in early February 2024. The 12-question survey examined clients' sentiments and goals as well as strategies and tactics recommended by CFP® professionals. Conducted February 1-20, 2024, the survey generated responses from 675 CFP® professionals, resulting in a +/- 3.8% margin of error at the 95% confidence interval. The data collected from the survey serves as the basis of this report.

1. Gross Domestic Product, Fourth Quarter and Year 2023 (Second Estimate) | U.S. Bureau of Economic Analysis (BEA), February 28, 2024, and the Employment Situation, February 2024 | Bureau of Labor Statistics (BLS), March 8, 2024

2. Surveys of Consumers, Preliminary February 2024 Estimate | University of Michigan, February 16, 2024.

2024 CFP® Professionals Financial Outlook Survey



2 in 5

CFP® professionals report clients have a positive outlook for 2024, with another 50% being “somewhat” positive

6 in 7

CFP® professionals say the 2024 election is weighing on their clients financial plans



Top finance issues clients discuss with their CFP® professional are



77%

Retirement



60%

Inflation



56%

Economy



CFP® professionals recommend their clients

Develop/revise a financial plan

62%

Save for retirement

60%



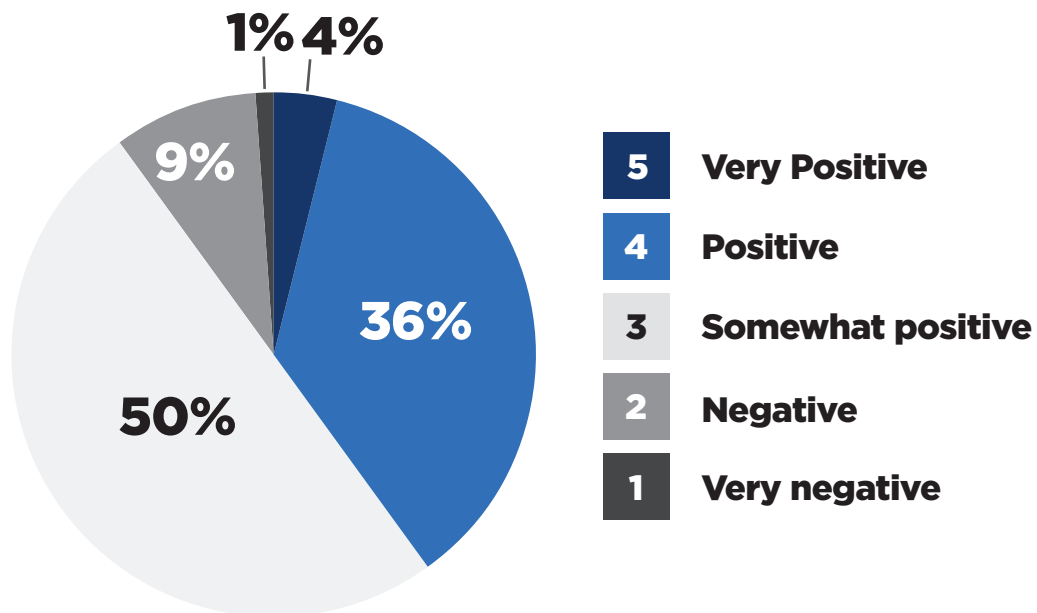
CFP® Professionals' Clients Have an Optimistic Outlook for 2024

Clients of CFP® professionals have a generally upbeat financial outlook for 2024.

Thirty-six percent of CFP® professionals say their clients are expressing a positive financial outlook for 2024—selecting either a 4 or 5 rating on a 5-point scale. Further, another 50% of survey respondents indicate that their clients have a “somewhat positive” outlook for 2024. This compares to 1 in 10 CFP® professionals who report pessimism among their clients.

6 in 7 CFP® Professionals Say Their Clients Have a Positive Financial Outlook for 2024

(Percentage Distribution)

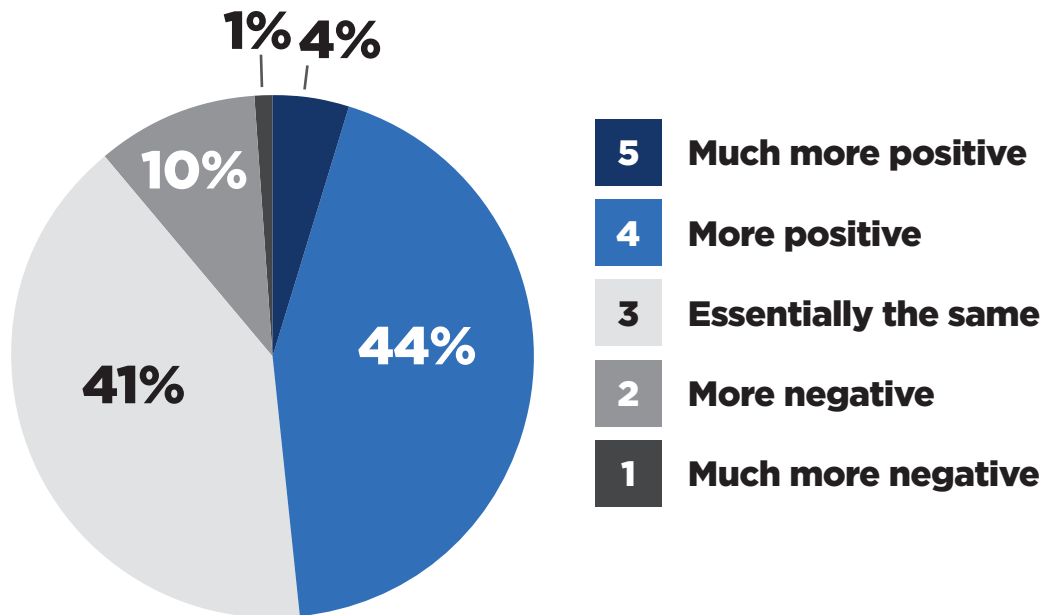


CFP® professionals are likely to signal their clients are more optimistic about 2024 compared to 2023.

Compared with the client sentiment seen in the previous year, CFP® professionals are likely to signal their clients are more optimistic about 2024. Half of CFP® professionals see their clients as feeling more optimistic about 2024 than 2023. By comparison, 41% of survey respondents evaluate their clients' financial outlooks as having held steady, and 10% noted that their clients' financial outlooks have grown more negative in 2024 compared to 2023.

Half of CFP® Professionals Say Their Clients' Financial Outlook Is More Positive Compared to 2023; Only 11% Report Their Clients Are More Negative

(Percentage Distribution)



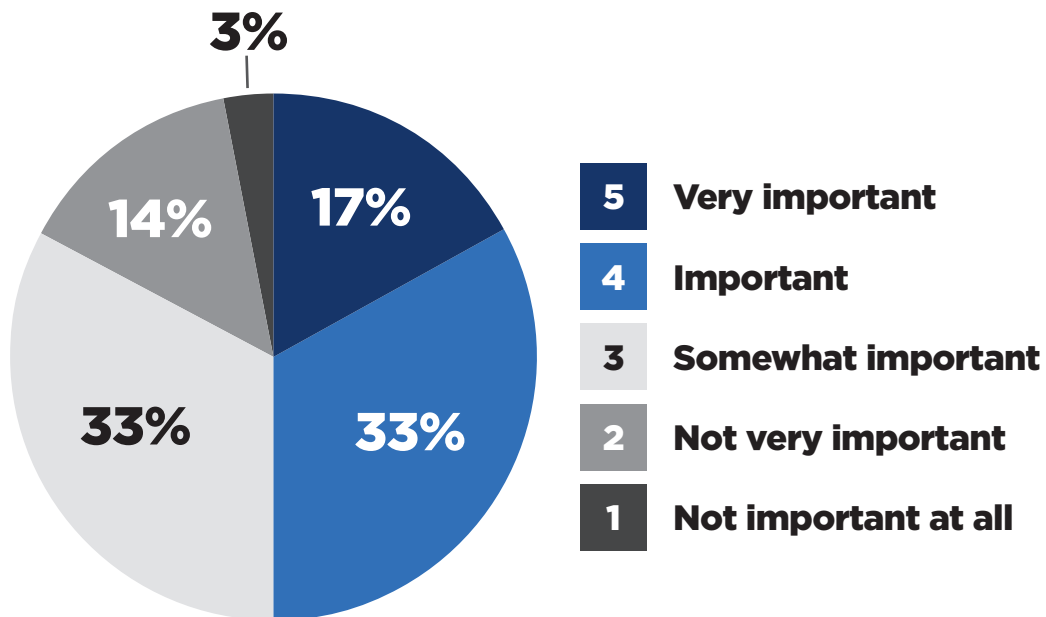
2024 Election Weighing on Financial Outlooks

The upcoming 2024 election is weighing heavily on the minds of many investors.

Half of CFP® professionals report their clients are placing significant importance on the 2024 election season concerning their financial plans (rating the level of importance given either a 4 or 5 on a 5-point scale). Another third of survey respondents report their clients are “somewhat” concerned. The most cited anxiety centers on the election and its potential outcome sparking greater volatility in stock prices. Only 17% of CFP® professionals say their clients do not think the election will have much of an impact on their financial plans.

6 in 7 CFP® Professionals Say Clients Are Placing Importance on the 2024 Election Season Regarding Their Financial Plans

(Percentage Distribution)



What CFP® Professionals Are Hearing

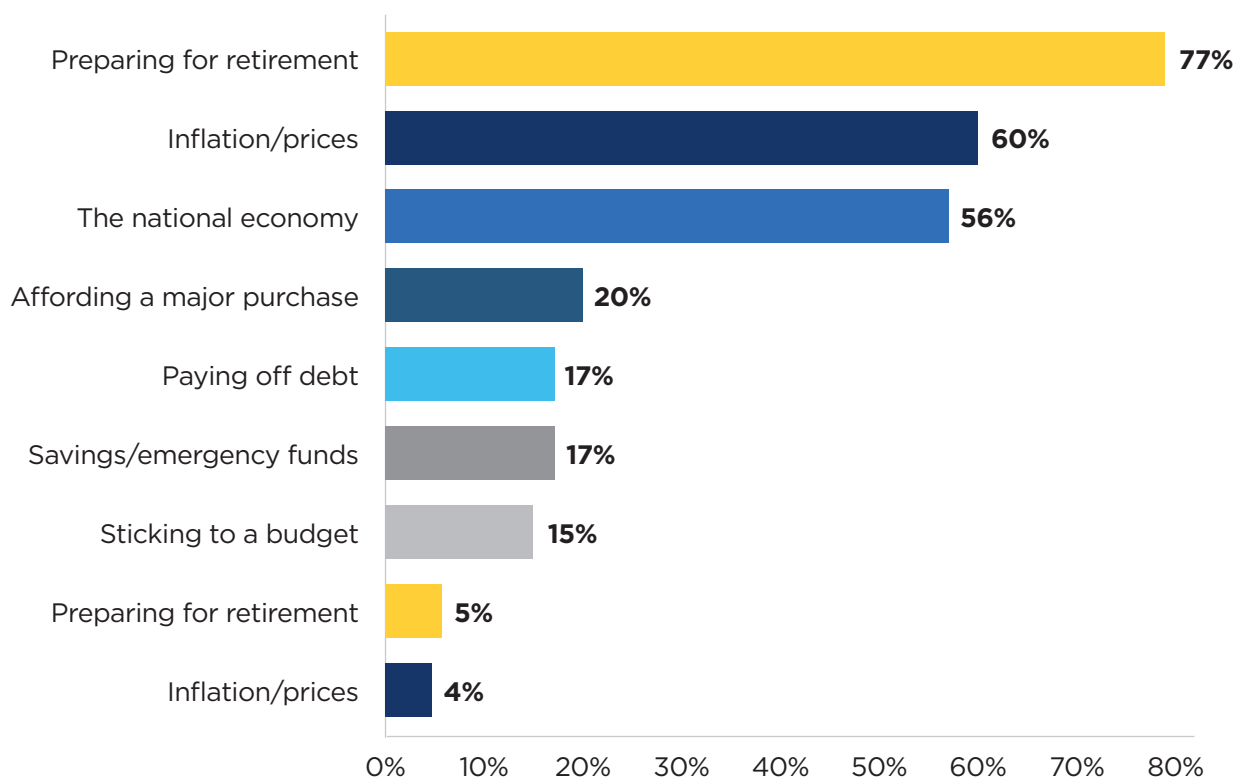
CFP® professionals are a trusted port in the storm for Americans who want to ensure they are getting advice that puts them on the way to achieving their financial goals.

Consumers trust that their CFP® professional will learn about their personal aims and challenges so they can develop customized advice that helps them achieve their financial goals. While Americans often discuss a wide variety of issues with CFP® professionals, clients are currently focusing their discussions on:

- Preparing for retirement (77%)
- Inflation/prices (60%)
- The national economy (56%)

Retirement, Inflation and the Economy Are the Main Discussion Topics Clients Have With CFP® Professionals

(Percentage of Respondents Rating as a Top 3 Discussed Personal Finance Issue)



Recommended Key Strategies and Steps

CFP® professionals work with clients to craft a comprehensive financial plan customized to their unique needs and aspirations.

Financial planners' top 2024 strategies for clients' financial well-being tend to focus on the long term. CFP® professionals prioritize the following strategies for clients:

- Developing/revising a financial plan **(62%)**
- Saving for retirement **(60%)**
- Investing in the stock market **(32%)**

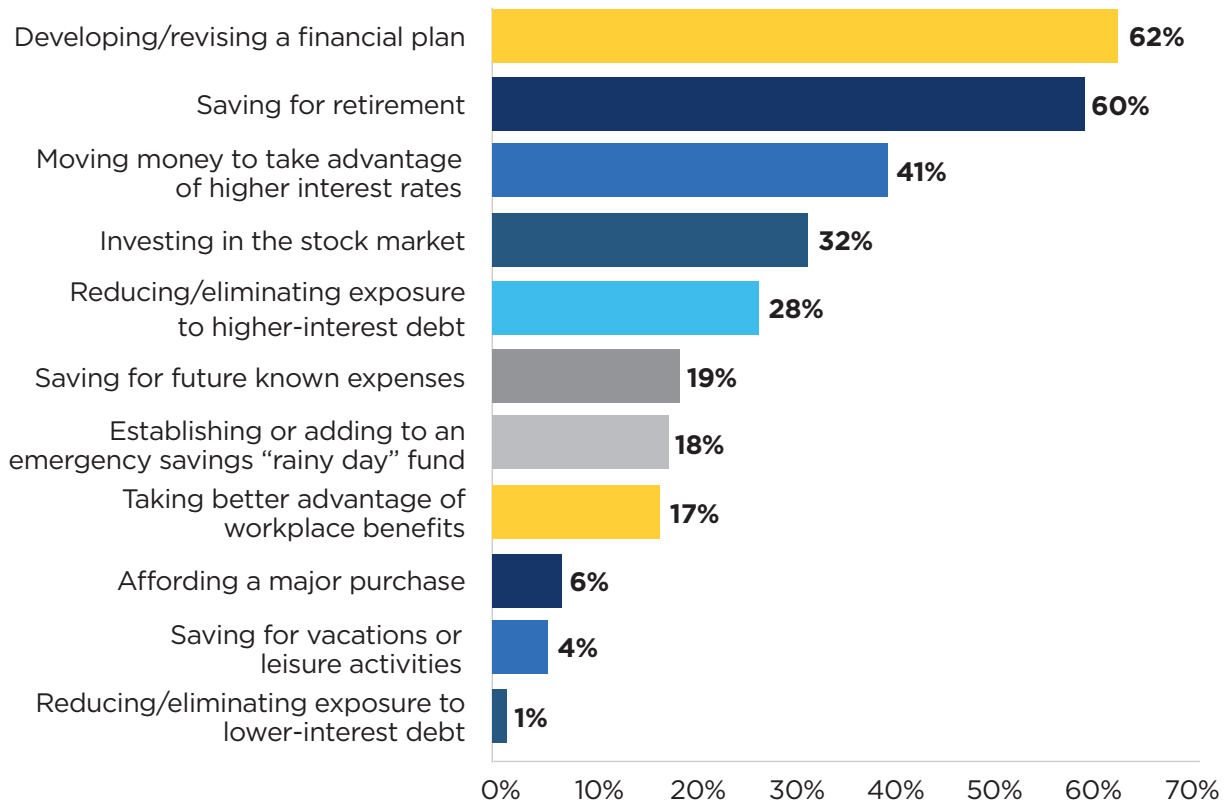
CFP® professionals also advise their clients to make changes because of the recent rise in interest rates. For example, 41% of survey respondents have advised clients to move funds into investments that pay higher interest rates (such as high-yield money market funds and certificates of deposit [CDs]) this year. Twenty-eight percent of CFP® professionals are counseling clients to reduce their exposure to high-interest debt.

Other top 2024 financial advice from CFP® professionals includes:

- Saving for future known expenses **(19%)**
- Establishing or adding to an emergency fund **(18%)**
- Taking greater advantage of workplace benefits **(17%)**

CFP® Professionals Recommend Their Clients Develop a Financial Plan, Add to Retirement Savings and Seek Higher Rates of Return in 2024

(Percentage of Respondents Rating Item as 2024 Top 3 Strategy)



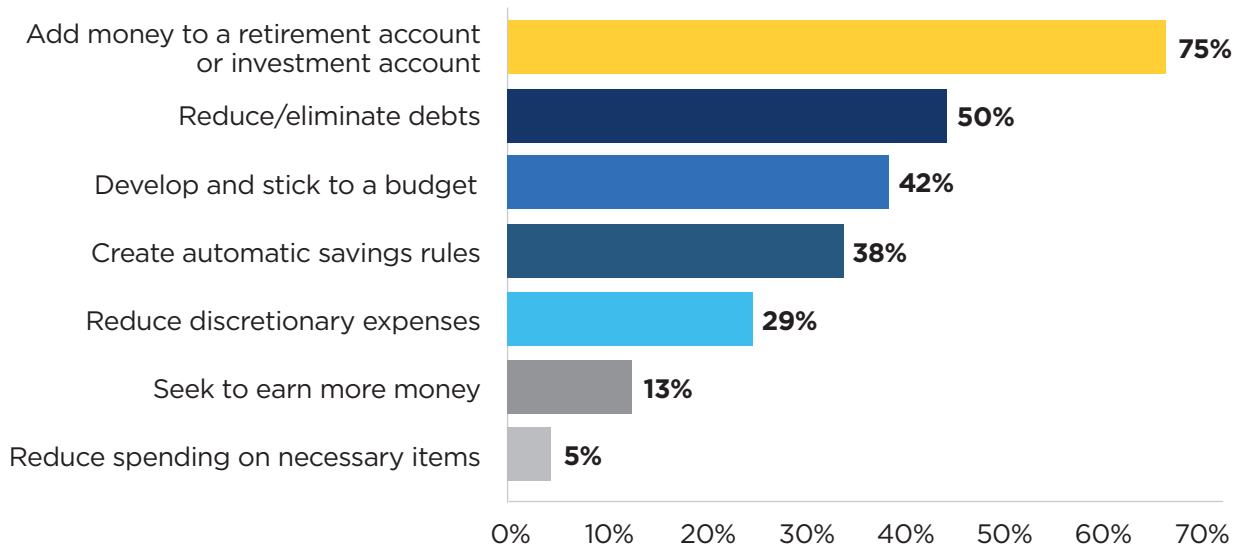
Even when considering immediate steps that clients can take to improve their financial well-being, CFP® professionals recommend approaches that have long-term implications and benefits.

Three-quarters of CFP® professionals prioritize adding money to retirement or investment accounts that will pay off over the years, while half recommend reducing or eliminating debt. In addition, CFP® professionals are advising their clients to:

- Develop and stick to a budget (42%)
- Create automatic savings rules (38%)
- Reduce discretionary spending (29%)

CFP® Professionals Recommend Clients Add to Retirement Accounts, Reduce Debts and Develop Budgets to Promote Greater Financial Well-Being

(Percent of Respondents)



Increased Investment, Fewer Home Purchases

CFP® professionals report that clients are bullish on making investments, for everything from major financial investments to healthcare.

Nearly 3 in 5 CFP® professionals say their clients are more likely to start or increase their level of investment (selecting a 4 or 5 on a 5-point scale) because of their 2024 financial outlook. This contrasts with a mere 8% of survey respondents indicating that their clients are likely to reduce the size of their investments.

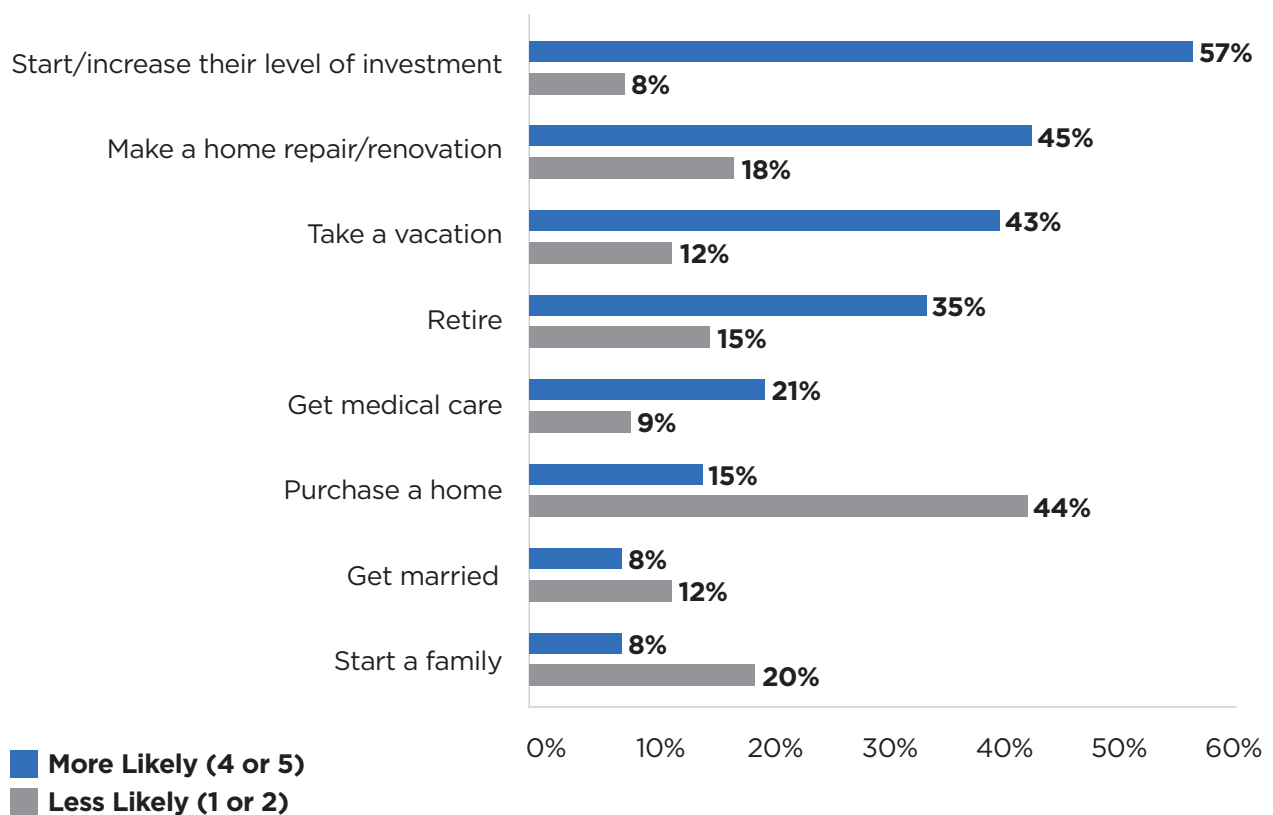
Consumers are shifting their housing strategy based on their 2024 financial outlook. CFP® professionals indicate their clients are far less likely to purchase a home this year. Forty-four percent of CFP® professionals say their clients are less likely because of a limited supply of homes for sale and high interest rates. Instead, Americans are more interested in investing in their current homes. Forty-five percent of CFP® professionals say their clients are more likely to make a home repair or renovation because of their 2024 financial outlook.

CFP® professionals report their clients' 2024 financial outlook is prompting them to be more likely to:

- Take a vacation **(43%)**
- Retire **(35%)**
- Get medical care **(21%)**

CFP® Professionals' Clients Are More Likely to Invest, Renovate Their Homes and Take a Vacation, But Less Likely to Purchase a Home Because of Their Financial Outlook

(Percentage of Respondents Rating Their Likelihood to Act with "4" or "5" and "1" or "2" on a Five-Point Scale)



More Americans Are Turning to CFP® Professionals

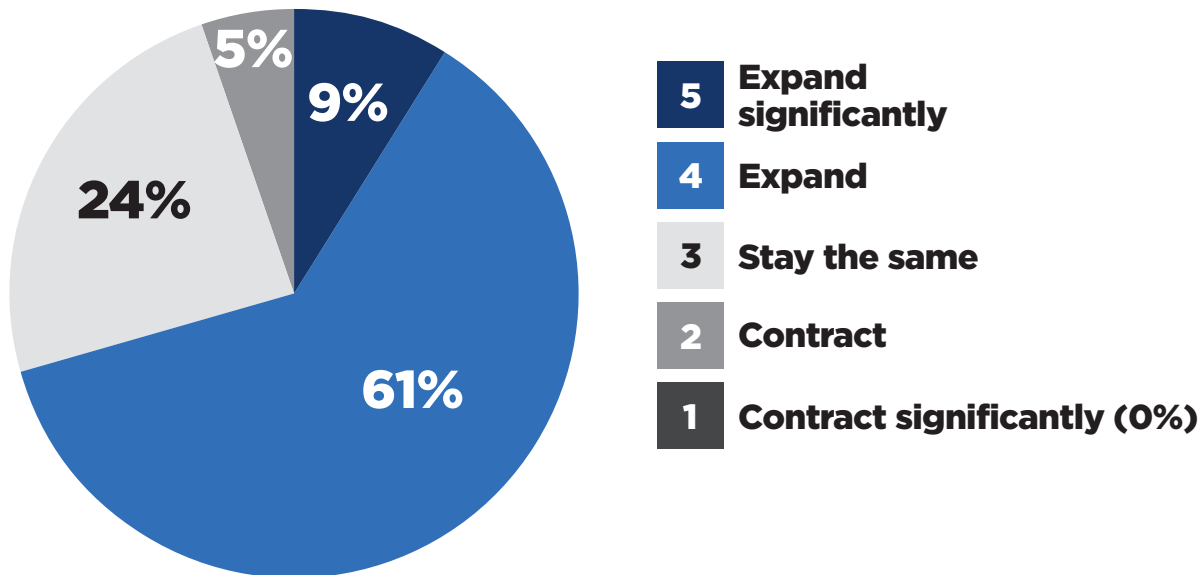
2023 was a year of expansion for CFP® professionals.

Eighty-five percent of CFP® professionals reported adding new clients in 2023. By contrast, 15% of survey respondents say they did not add clients last year.

2024 is looking more promising. Seven in 10 CFP® professionals expect their client base to expand, giving a 4 or 5 rating on a 5-point scale. Another quarter anticipate their client base to hold steady relative to 2023, while only 5% believe their client base will contract.

7 in 10 CFP® Professionals' Expect Their Client Base to Expand in 2024

(Percentage Distribution)



Conclusions

While many CFP® professionals report that their clients are largely optimistic about their financial outlook for 2024, this positive increase in financial outlook is threatened by anxiety over the 2024 election.

Many Americans' 2024 outlook is prompting them to take a vacation, increase their level of investment and remodel/expand their homes. Conversely, the high-interest-rate environment and tight inventories are leading many clients to delay purchasing a home. CFP® professionals are advising their clients on a range of issues including concerns about retirement, inflation and the overall state of the economy. In this context, CFP® professionals are recommending overarching strategies such as developing/revising a financial plan, saving for retirement and reducing debt.

Methodology

On February 1, 2024, CFP Board's Research team sent a 12-question survey to randomly selected CFP® professionals nationwide.

The survey generated responses from 675 CFP® professionals when it closed on February 20, 2024. The data collected from the survey, which serves as the basis of this report, is subject to a sampling error of +/- 3.8% at the 95% confidence interval.





About CFP Board

CFP Board is the professional body for personal financial planners in the U.S. CFP Board consists of two affiliated organizations focused on advancing the financial planning profession for the public's benefit.

CFP Board of Standards sets and upholds standards for financial planning and administers the prestigious CERTIFIED FINANCIAL PLANNER™ certification — widely recognized by the public, advisors and firms as the standard for financial planners — so that the public has access to the benefits of competent and ethical financial planning. CFP® certification is held by nearly 100,000 people in the U.S. **CFP Board Center for Financial Planning** addresses diversity and workforce development challenges and conducts and publishes research that adds to the financial planning profession's body of knowledge.

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