

**CFP BOARD**

# **CONSUMER RESEARCH: FINANCIAL PLANNER COMPETENCIES & SKILLS**

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**Heart + Mind Strategies**  
**March 2021**

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- Determine level of satisfaction, usage, likelihood to recommend among consumers working with a CFP<sup>®</sup> professional, compared with consumers working with a non-certified financial advisor.
- Identify the importance of and satisfaction with skills and competencies validated by CFP Board's 2021 Practice Analysis Study.

- Study conducted by Heart + Mind Strategies



## Qualitative

## Quantitative (with follow-up Qualitative\*)

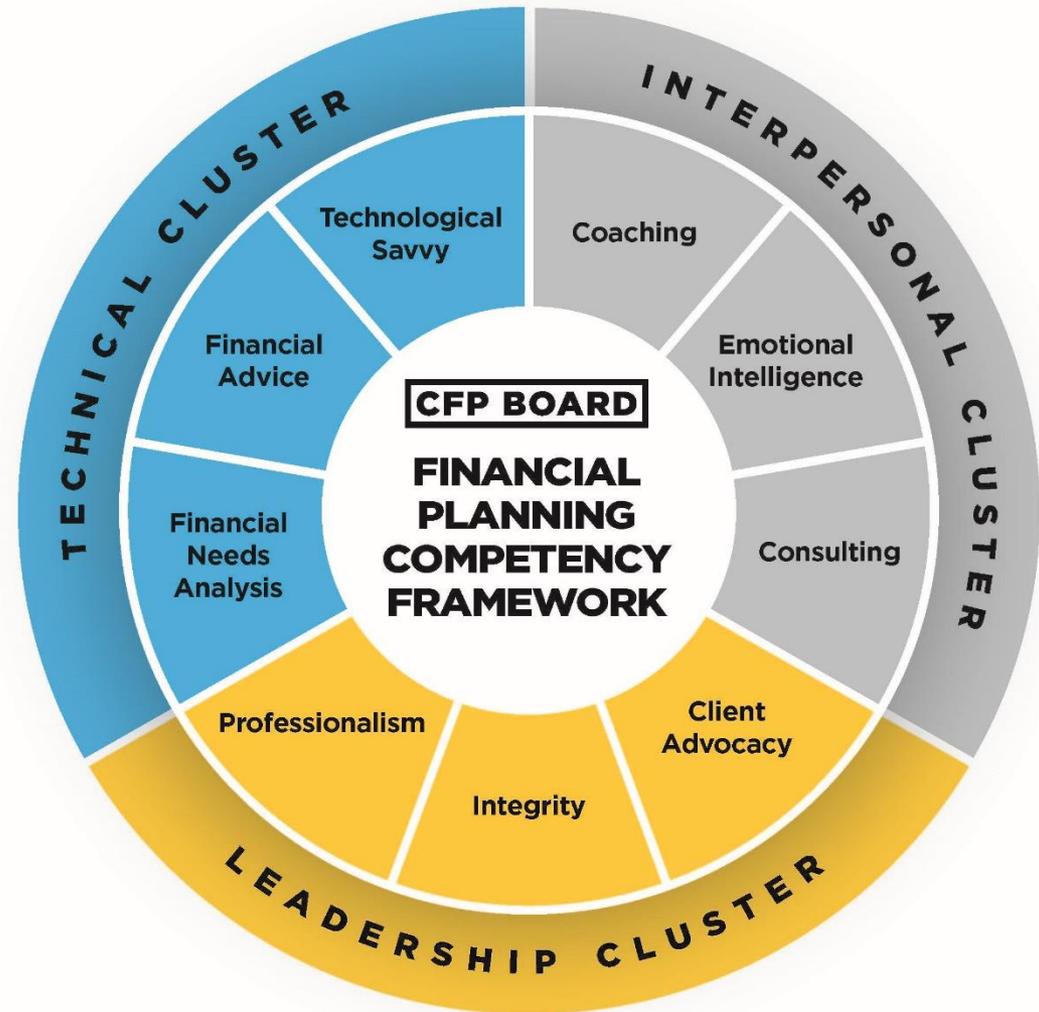
|                  | Qualitative  | Quantitative (with follow-up Qualitative*)  |
|------------------|--|---|
| <b>MODE</b>      | Online Bulletin Board  | Online Survey   |
| <b>LENGTH</b>    | 3 Days   | 20 minutes  |
| <b>DATES</b>     | August 18-20, 2020   | September 22-October 26, 2020   |
| <b>AUDIENCE</b>  | Total Clients (n=20)<br>- Working with a CFP® professional (n=10)<br>- Working with a non-certified advisor (n=10) | Total Clients (n=748)<br>- Working with a CFP® professional (n=403)<br>- Working with a non-certified advisor (n=345) |
| <b>GEOGRAPHY</b> | National sample  | National sample<br>Northeast 22%/n=165<br>Midwest 21%/n=158<br>South 34%/n=256<br>West 23%/n=169                      |

*\*NOTE: 45-minute follow-up interviews were conducted among 8 clients who completed the online survey (5 clients working with a CFP® professional; 3 clients working with a non-certified advisor)*

# CFP Board's Financial Planning Competency Framework

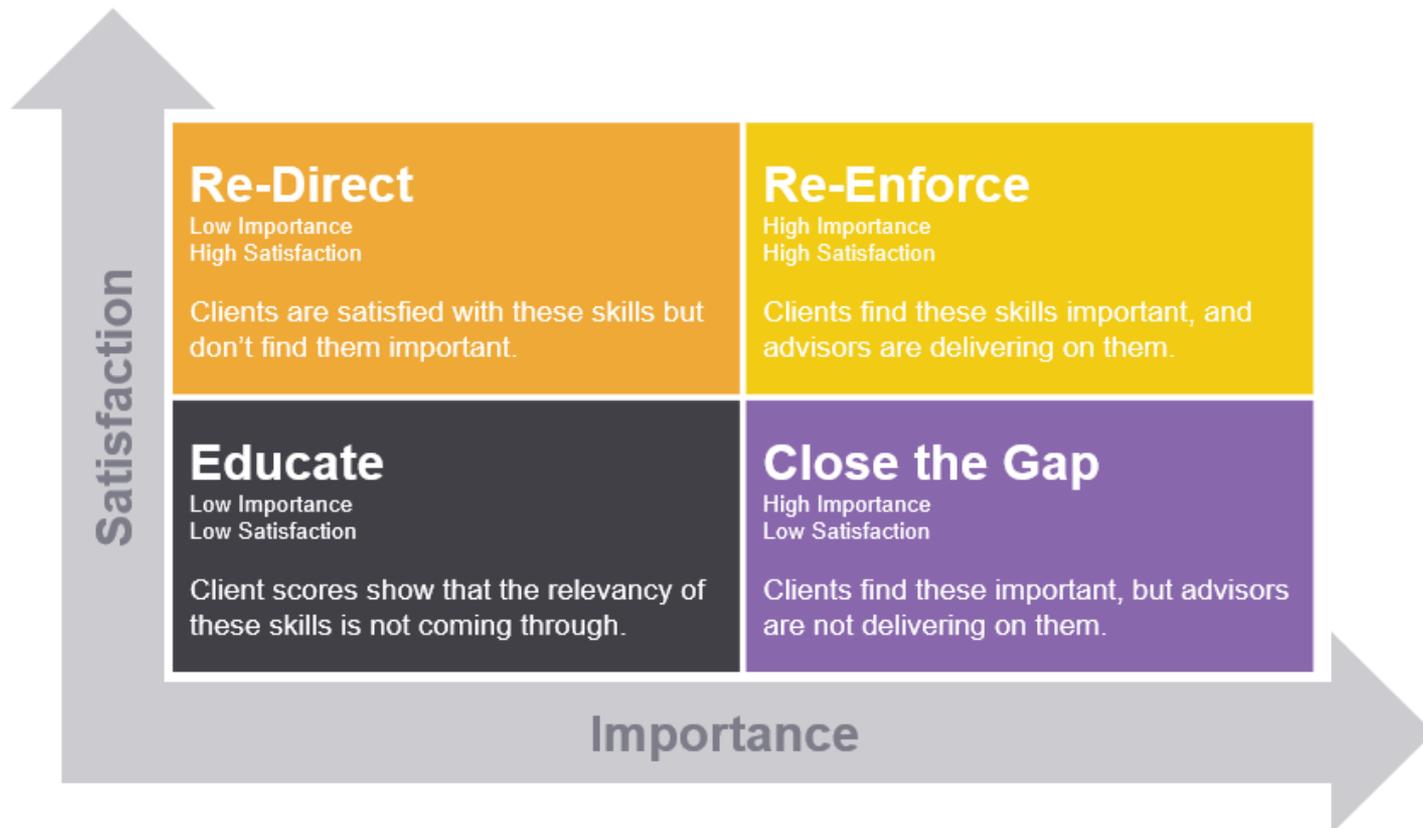
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- Identifies attributes (knowledge, skills, and abilities) that enable CFP® professionals to achieve high performance
- Interpersonal Cluster (coaching, emotional intelligence, consulting) aligns with new Psychology of Financial Planning domain



# Mapping Client Importance and Satisfaction with Competency Areas

- A quad chart was used to map all the advisor competencies based on clients' scores for importance and satisfaction.
- Placement in different quadrants means different things:

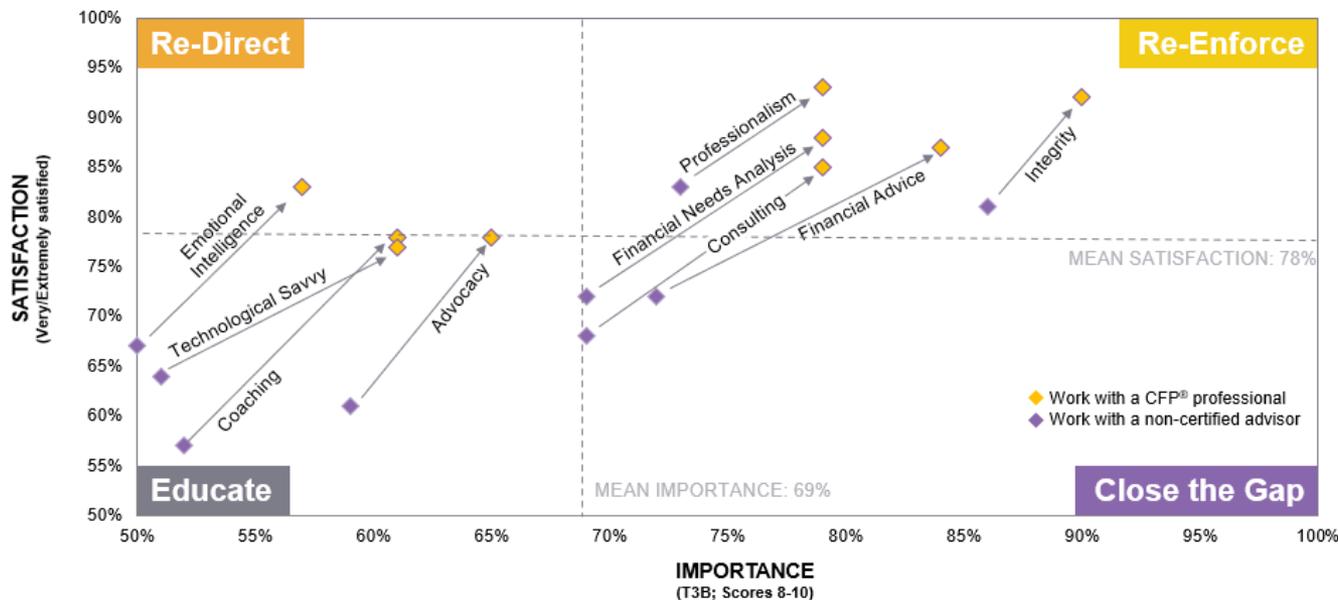


# Mapping Client Importance and Satisfaction with Competency Areas



- A majority of consumers rated all areas as important and reported satisfaction with all areas.
- Consumers working with a CFP® professional place higher importance and have higher satisfaction on all competency areas.

**Importance by Satisfaction – Working with a CFP® professional vs. Working with a non-certified advisor**



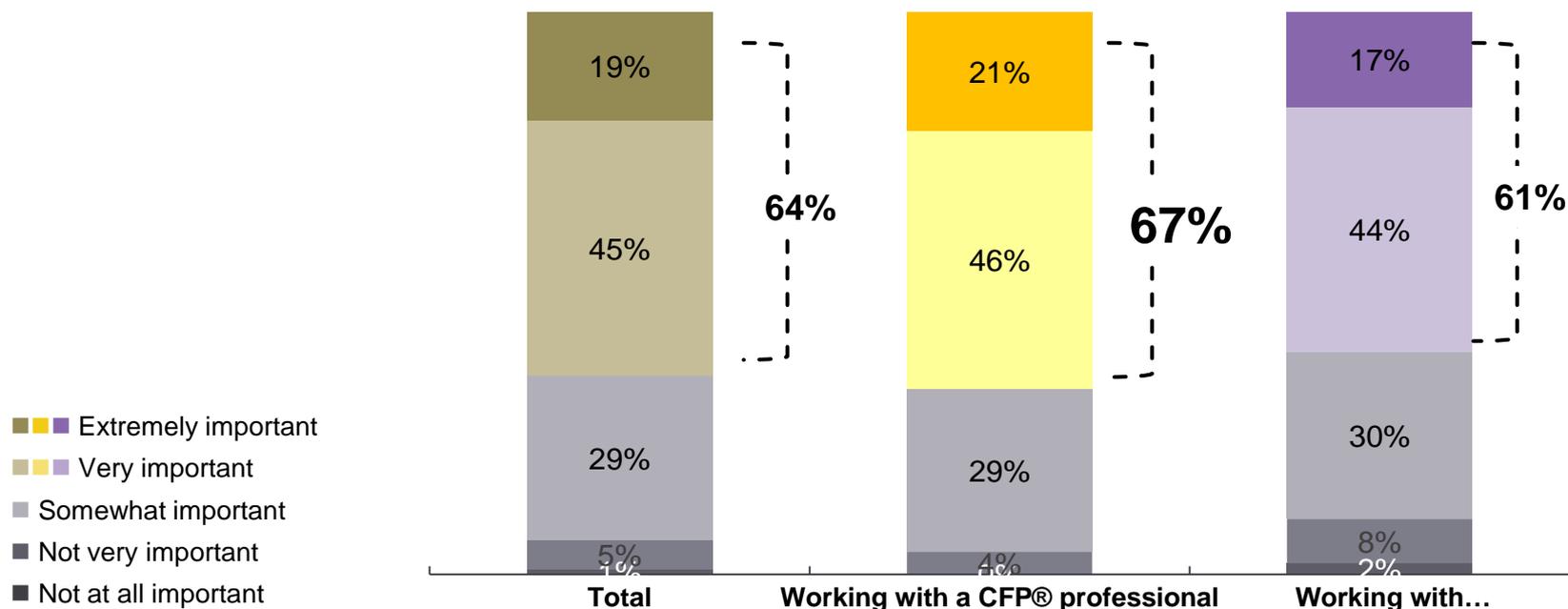
BASE: WORKING WITH A CFP® PROFESSIONAL (n=403); WORKING WITH A NON-CERTIFIED ADVISOR (n=345)  
 Q300. We'd like to know what you feel are the essential skills, characteristics or attributes a financial advisor should have. Please read each thoroughly, and using a 1-10 scale, rate how important you feel it is for a financial advisor to have this skill.  
 Q400. We'd like to ask you a few questions about your current financial advisor. If you have multiple advisors, please answer about the one [you indicated was a CFP® Professional / you consider to be your primary advisor]. I would like you to take one last look at the full list of skills you've been reviewing and tell me how satisfied you are with your current financial advisor's performance in each.

# Consumers View Psychology of Financial Planning Skills as Important



- Those working with a CFP® professional see more importance in Psychology of Financial Planning skills than those working with a non-certified advisor.

## Importance of Being Skilled in Psychology of Financial Planning



BASE: ALL RESPONDENTS (n=748); WORKING WITH A CFP® PROFESSIONAL (n=403); WORKING WITH A NON-CERTIFIED ADVISOR (n=345)  
 Q450. Some financial advisors/planners acquire relevant skills to better understand the biases, behaviors, and perceptions that impact clients' financial decisions and ultimately deliver better outcomes. How important is it to you that your financial advisor is skilled in this area?  
 Q455. Why do you say that the idea of your financial advisor being trained in these skills is [Q450 RESPONSE]?

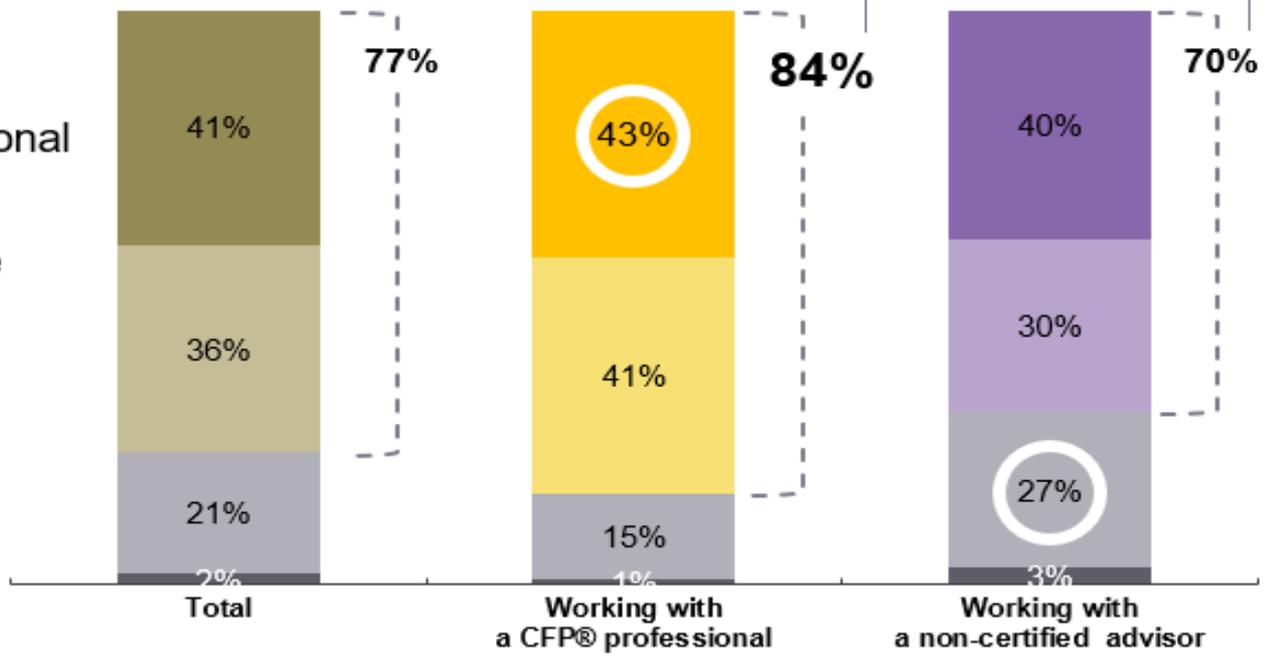
# Those Working with a CFP® Professional Report Higher Value of Service Received



## Value of Service Received

+14 more value working with a CFP® professional

- Exceptional
- Good
- Adequate
- Lacking

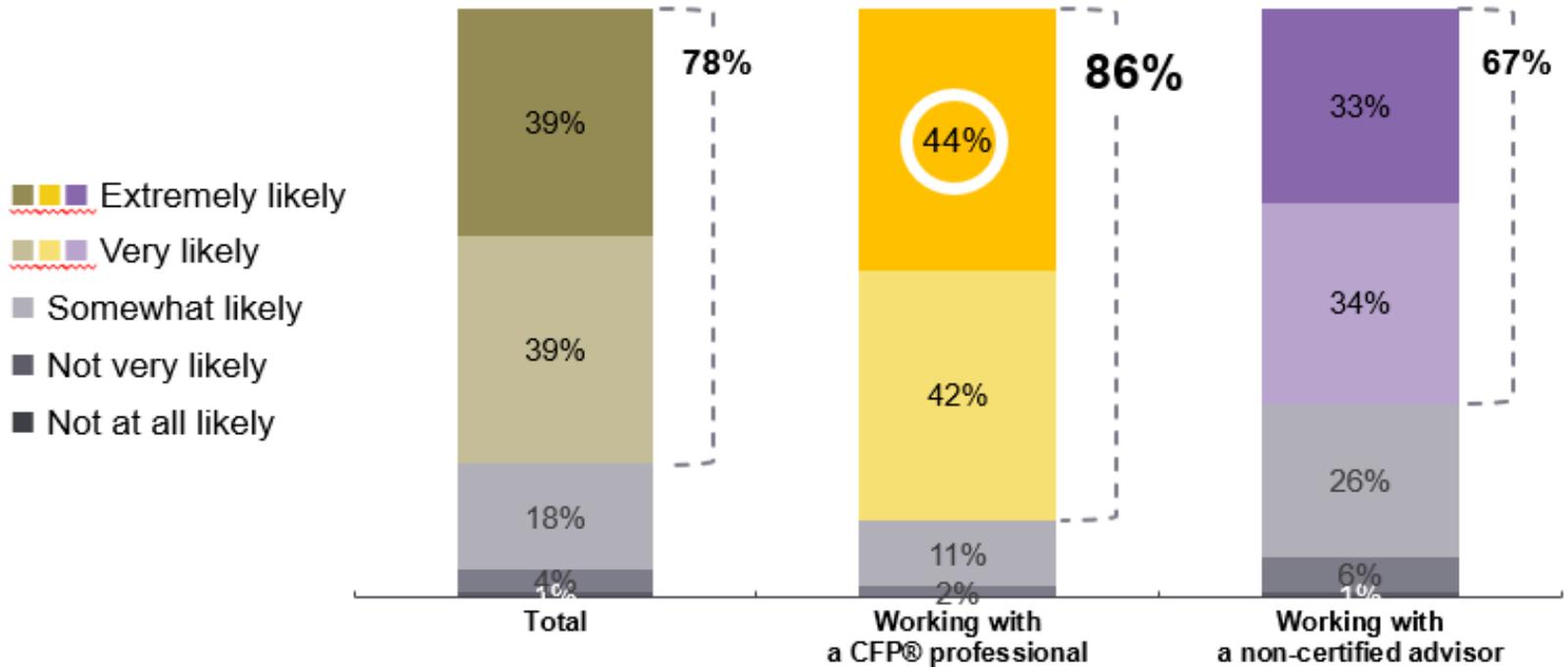


BASE: ALL RESPONDENTS (n=748); WORKING WITH A CFP® PROFESSIONAL (n=403); WORKING WITH A NON-CERTIFIED ADVISOR (n=345)  
 Q420. Which of the following best represents how you feel about the value of the service you've received from your current financial advisor?

# Clients of CFP® Professionals Are More Likely to Recommend Them to Others

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## Likelihood to Recommend to a Family Member, Friend or Colleague



# Proactive Communication and Responsiveness Make a Difference

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## WHY SERVICE IS EXCEPTIONAL

*"I'm extremely satisfied with the service we receive. Anytime we have questions **he gets back to us quickly and is able to satisfactorily answer our questions and we are on a great track** to retire in the next 10-15 years and live comfortably."*

*"Our advisor is extremely responsive to any questions or concerns we have. **He proactively schedules quarterly meetings with us** to assess goals and review any changes in our situation. **He always notifies us of any changes to our portfolio and any trades he's going to do and explains why he's doing it.**"*

## WHY SERVICE IS ADEQUATE

*"**There is not an overwhelming sense of communication** with my current financial advisor. I feel as though I should be receiving a more customized level service represented by my longevity with partnering with my financial advisor."*

*"Contact is typically initiated by me, but I get prompt responses to my inquiries. **Would be better if they occasionally reached out to me.**"*

- CFP Board's Financial Planning Competency Framework resonates with clients and covers most client needs. Integrity and Financial Advice are the most important competency areas.
- Financial Advice, Consulting and Financial Needs Analysis are the competencies where importance and satisfaction scores are the highest among clients working with CFP® professional compared to those working with a non-certified advisor.
- Proactive communication and responsiveness make the difference between exceptional and adequate (or inadequate) service.
- Procrastination, uncertainty/difficulties with execution or lack of clarity about the recommendations keep some people from acting on their plans. Many of these obstacles could be overcome through skills associated with the Consulting and Coaching competencies related to the Psychology of Financial Planning domain.