

**CFP BOARD CENTER
FOR FINANCIAL PLANNING**

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FINANCIAL PLANNING LONGITUDINAL STUDY

2024 KEY RESULTS





CFP BOARD IS LEADING THE FIRST AUTHORITATIVE ACADEMIC STUDY TO TRACK AND REPORT ON THE ACTUAL IMPACT OF HOLISTIC FINANCIAL PLANNING ON CLIENTS.

The Financial Planning Longitudinal Study will track, follow and measure financial and overall well-being outcomes of a diverse and representative sample of American households over at least 10 years. The study aims to provide an empirical evaluation of the benefits of financial planning and working with CFP® professionals compared to the services of professionals who do not hold CFP® certification and those with do-it-yourself approaches.

CFP Board is collaborating with a team of respected researchers on this important study:

- **J. Michael Collins, Ph.D., MPP**, Professor at the University of Wisconsin-Madison
- **Stuart J. Heckman, Ph.D., M.S., CFP®**, Associate Professor of Practice and Ph.D. Program Director at Texas Tech University School of Financial Planning
- **Emily Koochel, Ph.D., AFC®, CFT-I™, BFA™**, Manager of Financial Wellness at eMoney Advisor
- **Sonya Lutter, Ph.D., M.S., CFP®**, Director of Financial Health and Wellness at Texas Tech University School of Financial Planning.

The researchers launched the study's inaugural survey in July 2024 and sent it to targeted members of the AmeriSpeak® Panel, managed by NORC at the University of Chicago. The survey generated responses from 4,027 eligible participants, the data from which serve as the basis for the summary statistics presented in this report.



KEY TAKEAWAYS

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Americans advised by
CFP® professionals

Are more likely than others to:



Have a
detailed
financial plan
that is reviewed
annually

Say they
are living
comfortably



Have
emergency
funds and
a will

Trust their
advisor



Are more likely than others to say their planner:



Makes a point
to learn about
their family
and values

Takes the time
to learn about
their spouse's
relationship with
finances



Are less likely than others to:

Have family
conflicts over
money





KEY RESULTS

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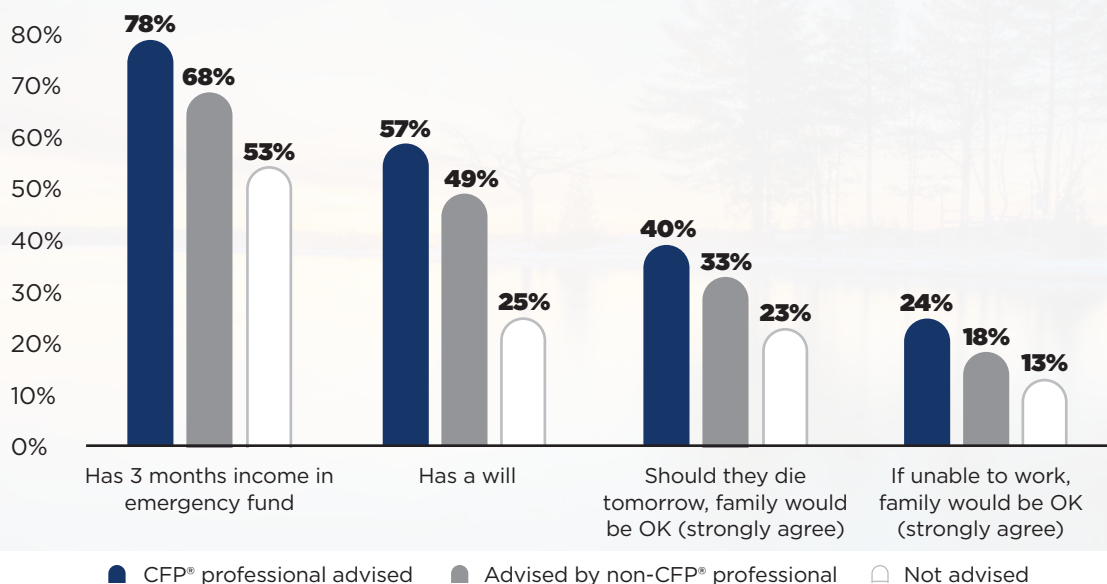
Americans working with CFP® professionals are more likely to feel prepared for a crisis. This translates into greater confidence in being able to manage the unexpected.

Four in five people who work with a CFP® professional indicate that they have three months of income saved in their emergency fund. By comparison, 68% of Americans advised by a financial planner without CFP® certification and only 53% of unadvised Americans have sufficient emergency savings. As a result, 24% of Americans advised by a CFP® professional strongly agree that their family would be okay if they found themselves

unemployed. This outpaces the percentages of people working with financial planners who do not have CFP® certification (18%) and those unadvised (13%) who feel the same.

Similarly, people working with CFP® professionals are likelier to have an up-to-date estate plan. Just under 3 in 5 Americans advised by a CFP® professional have a will, compared to 49% of people who work with a financial advisor without CFP® certification and 25% of those who are unadvised. In turn, people advised by a CFP® professional are likelier to feel their family would be OK if they passed away (40%) than those who are unadvised (23%).

**AMERICANS WORKING WITH CFP® PROFESSIONALS
ARE MORE LIKELY TO HAVE EMERGENCY FUNDS AND A WILL**
(Percent of Respondents)





KEY RESULTS

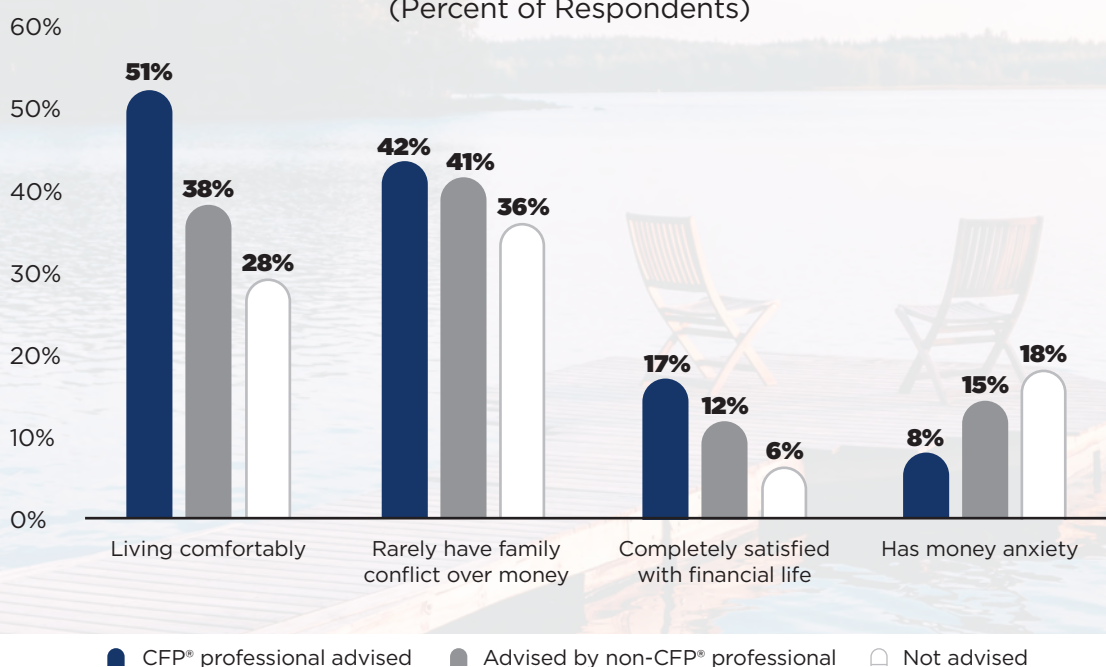
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Americans working with a CFP® professional are more likely to live comfortably than others while having fewer financial-related conflicts with family members. More than half of people advised by a CFP® professional describe themselves as “living comfortably” (51%), 13 percentage points higher than those who are working with a financial advisor without CFP® certification (38%) and 23

percentage points higher than non-advised Americans (28%). Similarly, 42% of Americans advised by a CFP® professional report rarely having family conflicts centered around finance. Only 36% of non-advised people say the same. Similarly, non-advised people are more than twice as likely to indicate having money anxiety (18%) compared to Americans advised by a CFP® professional (8%).

AMERICANS WORKING WITH CFP® PROFESSIONALS TEND TO LIVE COMFORTABLY AND HAVE LESS ANXIETY AND CONFLICT OVER MONEY

(Percent of Respondents)





KEY RESULTS

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Americans have options when identifying a partner to develop and execute a financial plan. Clients advised by CFP® professionals signal greater satisfaction with their experience. Seven in 10 Americans advised by a CFP® professional indicate they trust their advisor “a lot” (69%). In contrast, only 52% of people working with a planner without CFP® certification hold their advisor in the same esteem. Three in 5 Americans agree “a lot” that they are satisfied with the role their CFP® professional plays (61%), 23 percentage points higher than

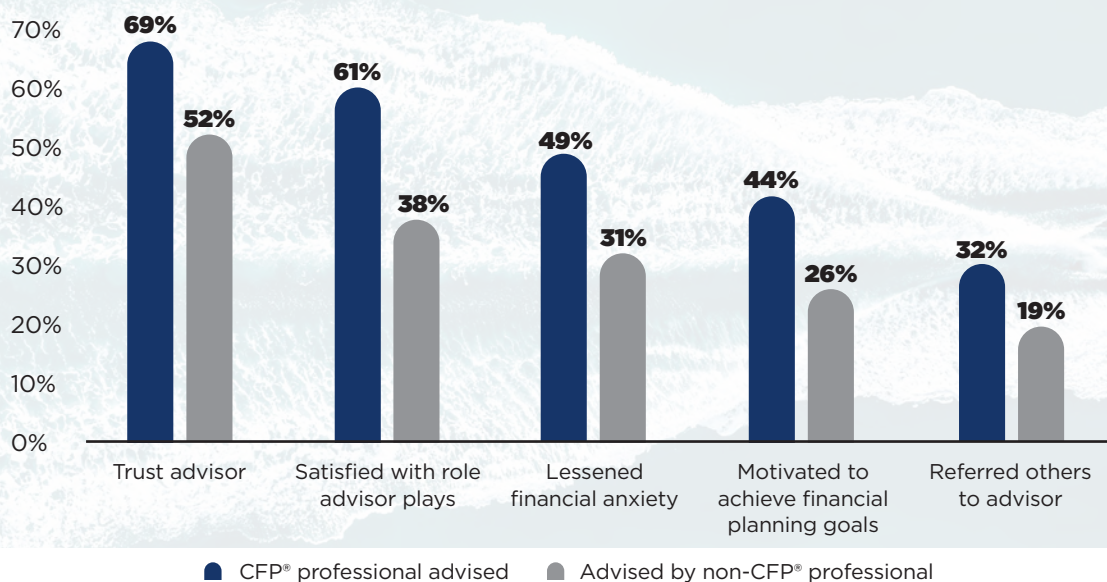
those advised by a financial planner without CFP® certification.

Americans working with CFP® professionals versus those working with an advisor who does not hold CFP® certification are also more likely to say:

- The advisor lessens financial anxiety (49% versus 31%).
- The advisor motivates them to achieve financial planning goals (44% versus 26%).
- They have referred other people to their planner (32% versus 19%).

Americans Working With CFP® Professionals Are More Likely to Trust and Be Satisfied With Their Advisor, Less Anxious and More Motivated to Achieve Financial Goals

(Percent of Respondents Agreeing “A Lot”)





KEY RESULTS

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Building trust means knowing and understanding the client's needs and desires. Americans working with CFP® professionals are more likely to indicate that their advisor took the time to learn about themselves and their goals.

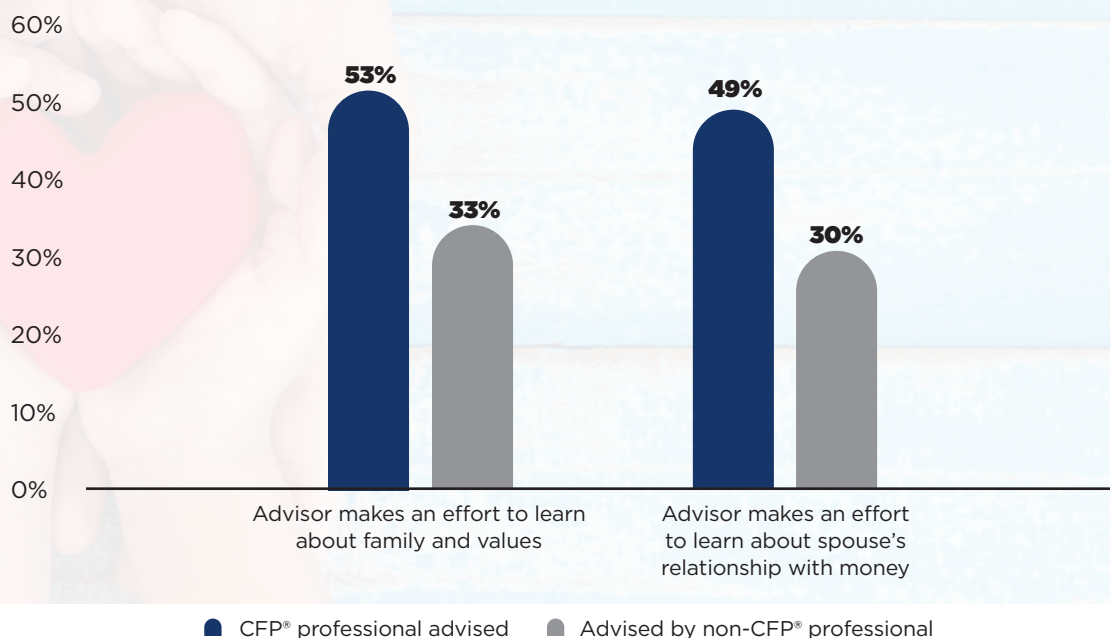
More than half of Americans advised by a CFP® professional agree “a lot” with the statement that their advisor made an effort to learn about their family and values (53%). Only 33%

of people working with a financial planner without CFP® certification said their advisor did the same.

Similarly, 49% of people working with a CFP® professional agree “a lot” that their advisor has sought to learn about their spouse's relationship with money. By comparison, 30% of people advised by a financial planner without CFP® certification indicate the same.

Americans Who Work With CFP® Professionals Are More Likely to Say Their Advisor Learns About Their Family and Values

(Percent of Respondents Agreeing “A Lot”)





KEY RESULTS

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Americans working with a CFP® professional are more likely to have a financial plan reviewed regularly. Forty-four percent of people advised by a CFP® professional indicate that their planner reviews their plan more often than annually. Only 1 in 4 people working with a financial planner without CFP® certification indicate the same.

The financial plans held by Americans working with a CFP® professional are more likely to be detailed. For example, 55% of people working with a CFP® professional describe their

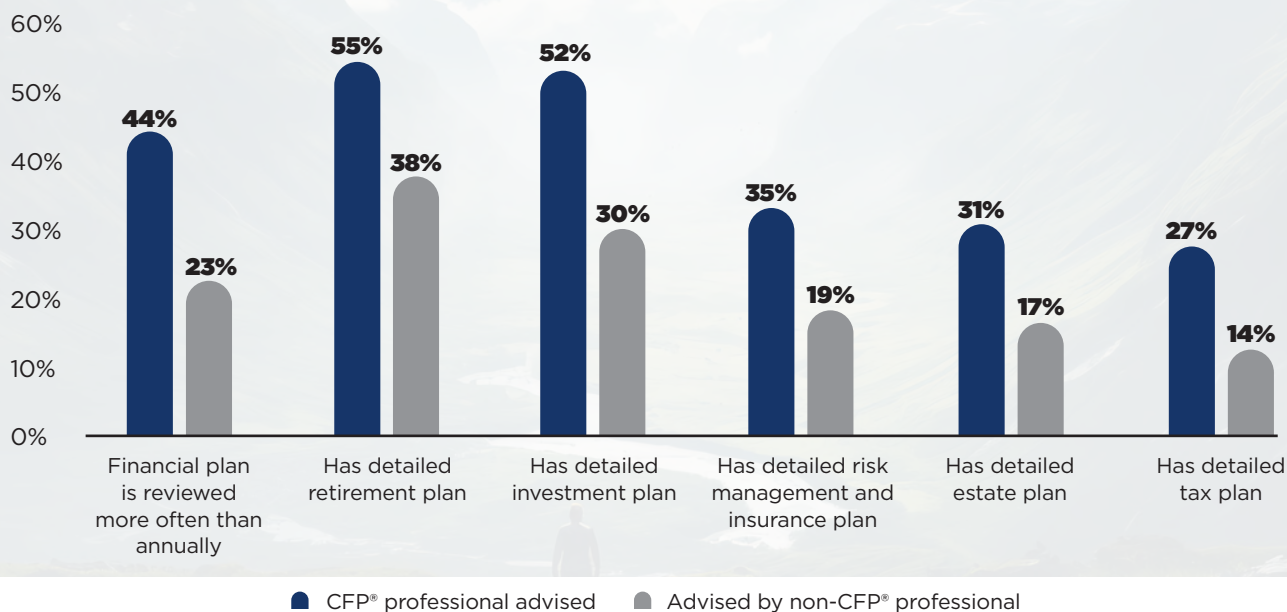
retirement plan as “very detailed,” with 52% of them also saying their investment plan is “very detailed.” The percentages of people working with financial planners without CFP® certification indicating the same are 38% and 30%, respectively.

Americans advised by CFP® professionals are also more likely to report having a very detailed:

- Risk management and insurance plan (35% versus 19%)
- Estate plan (31% versus 17%)
- Tax plan (27% versus 14%).

Americans Who Work With CFP® Professionals Are More Likely to Have a Detailed Financial Plan That Is Reviewed Annually

(Percent of Respondents)



Baseline data collected from the Financial Planning Longitudinal Study's inaugural survey suggests a correlation between working with a CFP® professional and positive financial and overall well-being.

KEY FINDINGS

AMERICANS ADVISED BY CFP® PROFESSIONALS ARE LIKELIER TO:



**HAVE AN EMERGENCY
FUND AND A WILL**

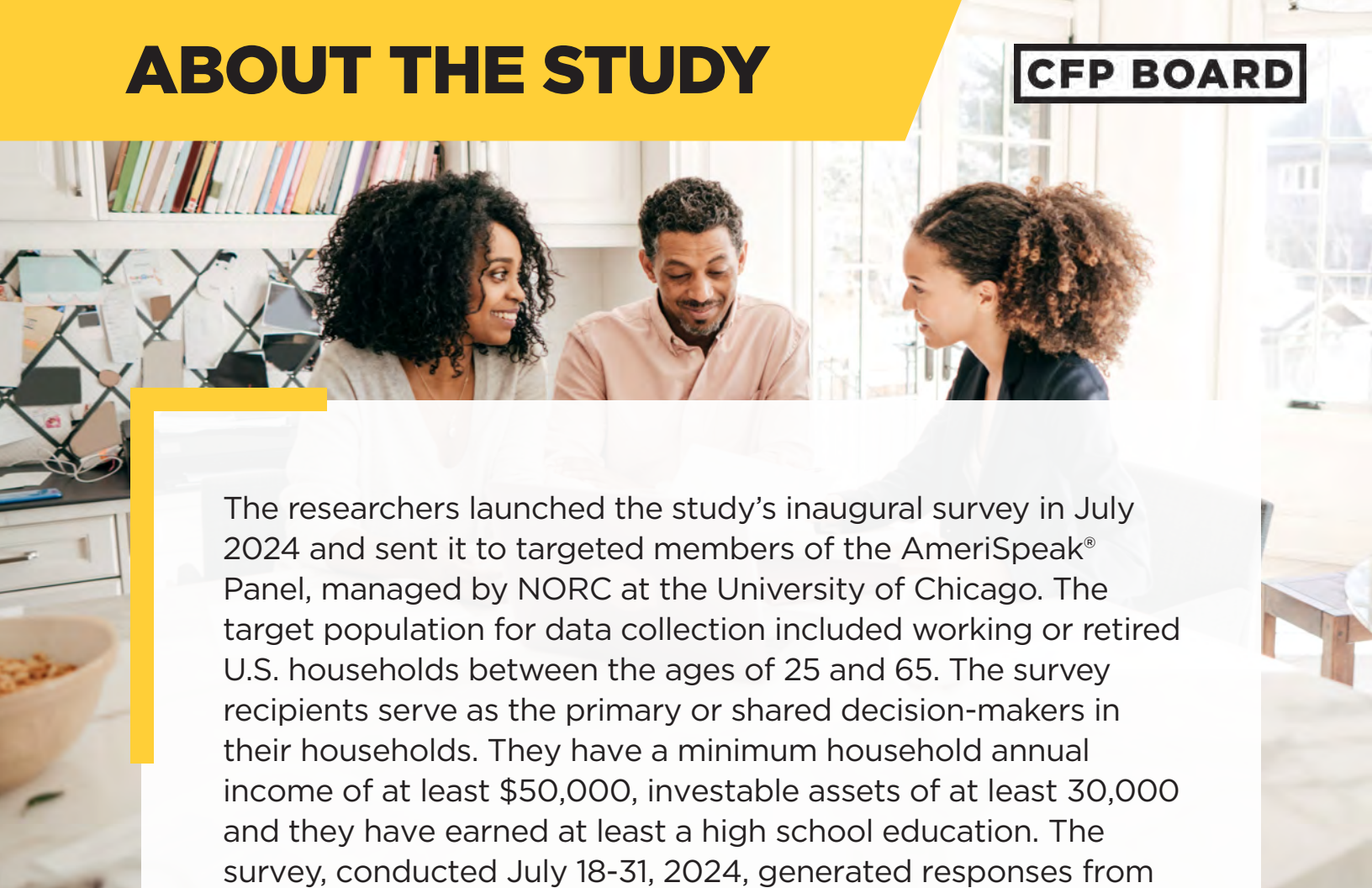


**SAY THEY LIVE COMFORTABLY AND HAVE
FEWER FAMILY CONFLICTS OVER MONEY**



**HAVE A DETAILED FINANCIAL PLAN THAT IS
REVIEWED MORE OFTEN THAN ANNUALLY**

The first-year survey and its data are just the beginning. Subsequent years' surveys will enable the researchers to explore more closely the relationship between working with a financial planner (specifically a CFP® professional) and better outcomes. This includes controlling for the factors of the decision to seek an advisor and examining how financial planning impacts life's opportunities (e.g., marriage, promotions, children) and challenges (e.g., health issues, unemployment, family death) on well-being.



The researchers launched the study's inaugural survey in July 2024 and sent it to targeted members of the AmeriSpeak® Panel, managed by NORC at the University of Chicago. The target population for data collection included working or retired U.S. households between the ages of 25 and 65. The survey recipients serve as the primary or shared decision-makers in their households. They have a minimum household annual income of at least \$50,000, investable assets of at least 30,000 and they have earned at least a high school education. The survey, conducted July 18-31, 2024, generated responses from 4,027 eligible participants, the data from which serve as the basis for the summary statistics presented in this report.

Thirty-three percent of survey respondents reported working with a financial planner. Among this group of advised respondents, 51% indicated they were certain that their planner is a CFP® professional. By comparison, 8% were certain that their planner is not a CFP® professional. The remaining 42% reported being uncertain if their planner holds the CFP® certification or failed to answer the question. For this report, respondents who said their financial planner is not a CFP® professional and those unsure were combined into one group (referred to as “advised by a non-CFP® professional or a planner without CFP® certification” in this report). Throughout this report, presented data are weighted to be representative of the target population.



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. More than 100,000 people in the U.S. hold CFP® certification.

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.

