

# *Why You Should Choose*

A CERTIFIED FINANCIAL  
PLANNER™ PRACTITIONER



CERTIFIED FINANCIAL PLANNER


BOARD OF STANDARDS, INC.



CERTIFIED FINANCIAL PLANNER™

CFP®

Certified Financial Planner Board of Standards Inc. owns these certification marks in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.



*Choosing a financial planner may be one of the most important decisions you make for yourself and your loved ones. Financial planners can provide you and your family with guidance over your lifetime, or work with you to address specific concerns as needed. A planner can play a central role in helping you meet your life goals and achieve financial well-being. Consequently, take the time to select a financial planner who is competent and trustworthy, one on whom you can depend for professional advice and services. Your future depends on the choices you make. The information in this brochure is intended to help you choose wisely.*

*It's your future. Plan it!®*

## *Marks of*

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# QUALITY

CFP®, CERTIFIED FINANCIAL PLANNER™ and  are certification marks owned in the U.S. by Certified Financial Planner Board of Standards Inc. (CFP Board), which can help you identify financial planners who are committed to competent and ethical behavior when providing financial planning. Individuals certified by CFP Board have taken the extra step to demonstrate their professionalism by voluntarily submitting to the rigorous CFP® certification process that includes demanding education, examination, experience and ethical requirements. These standards are called “the four Es,” and they are four important reasons why the financial planning practitioner you select should display the CFP® certification marks.

## *Why are the CFP® certification requirements*

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# IMPORTANT?

Most people think that all financial planners are “certified,” but this isn’t true. Anyone can call himself or herself a “financial planner.” Only those who have fulfilled the certification and renewal requirements of CFP Board can display the CFP® certification marks. When selecting a financial planner, you need to feel confident that the person you choose to help you plan for your future is competent and ethical. The CFP® certification provides that sense of security by allowing only those who meet the following requirements the right to use the CFP® certification marks.

# REQUIREMENTS

## education

- **EDUCATION:** CFP® professionals must develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board. Other options for satisfying the education component include submitting a transcript review or previous financial planning-related coursework to CFP Board for review and credit, or showing the attainment of certain professional designations or academic degrees.

## examination

- **EXAMINATION:** CFP® practitioners must pass a comprehensive two-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. Based on regular research of what planners do, the exam covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance.

## experience

- **EXPERIENCE:** CFP® professionals must have three years minimum experience in the financial planning process prior to earning the right to use the CFP® certification marks. As a result, CFP® practitioners possess financial counseling skills in addition to financial planning knowledge.

## ethics

- **ETHICS:** As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct, known as CFP Board's *Code of Ethics and Professional Responsibility*, that sets forth their ethical responsibilities to the public, clients and employers. CFP Board also performs a background check during this process, and each individual must disclose any investigations or legal proceedings related to their professional or business conduct.



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## *How does CFP Board's Code of Ethics*

# BENEFIT ME?

Through the *Code of Ethics*, CFP® practitioners agree to act fairly and diligently when providing you with financial planning advice and services, putting your interests first. The *Code of Ethics* states that CFP® practitioners are to act with integrity, offering you professional services that are objective and based on your needs. They are required to provide you with information about their sources of compensation and conflicts of interest in writing.

## *Ongoing certification*

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# REQUIREMENTS

Once certified, CFP® practitioners are required to maintain technical competence and fulfill ethical obligations. Every two years, they must complete a minimum 30 hours of continuing education to stay current with developments in the financial planning profession and better serve clients. Two of these hours are spent studying or discussing CFP Board's *Code of Ethics* or *Practice Standards*. In addition to the biennial continuing education requirement, all CFP® practitioners voluntarily disclose any public, civil, criminal or disciplinary actions that may have been taken against them during the previous two years as part of the renewal process.

## What to expect when working with a

# CFP® PRACTITIONER

When you work with a CFP® practitioner, you are the focus of the financial planning relationship and your needs drive the financial planner's recommendations. CFP® practitioners follow certain standards – called *Financial Planning Practice Standards* – when providing financial planning. These standards are based on the six-step financial planning process described below. This broad-based approach to financial advice distinguishes financial planning practitioners from other professional advisers who typically focus on only one area of a person's financial life.

### THE FINANCIAL PLANNING PROCESS

- Establishing and defining the client-planner relationship
- Gathering client data including goals
- Analyzing and evaluating the client's financial status
- Developing and presenting financial planning recommendations and/or alternatives
- Implementing the financial planning recommendations
- Monitoring the financial planning recommendations

When providing financial planning, a CFP® practitioner has agreed to define the scope of the work she or he will do with you, explain and document the services she or he will provide, discuss the method of compensation and relay any other relevant information. CFP® practitioners are also required to work with you to determine your personal and financial goals, your tolerance for financial risk, and your time frame for achieving results. *Practice Standards* also require a CFP® practitioner to gather all necessary financial information about you when developing your personal financial plan.

## *How much will it*

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# COST?

CFP® practitioners can work in several settings including small financial planning practices, large financial services firms, credit unions, banks and other financial institutions. Planners are compensated for the services they provide in different ways, as well. Some are paid through commissions, and others through fees or a combination of both. While all CFP® practitioners are trained to provide you with comprehensive financial planning services, some specialize in one or more areas, or work with specific types of clients. Be sure to ask the planner how he or she is paid and interview several candidates to choose the one with whom you feel most comfortable and who best meets your needs.

## *What else should I remember when selecting a*

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# PLANNER?

As more people call themselves “financial planners,” finding the right professional to address your financial planning needs isn’t always easy. It’s important to take your time when choosing a financial planner, and before making a decision, become familiar with the planner’s business style and understand the level of services he or she provides. Look for a measure of the planner’s commitment to ethical behavior and adherence to high professional standards. Look for a financial planner who will put you and your needs at the center of every financial planning engagement. Most importantly, look for the CFP® or CERTIFIED FINANCIAL PLANNER™ marks.

*Check to see if your planner is a*

## CFP® CERTIFICANT

To verify that your planner is authorized by CFP Board to use the CFP® certification marks, **call toll-free 1-888-CFP-MARK (888-237-6275)** or visit CFP Board's Web site at [www.CFP.net/search](http://www.CFP.net/search).

*Learn about financial planning*

## ONLINE

CFP Board's Web site, [www.CFP.net/learn](http://www.CFP.net/learn), is a comprehensive resource for financial planning, offering useful information for visitors at every stage of the financial planning learning curve. Interactive tools provide help for your personal situation, including changing jobs, managing debt, planning your retirement and more. Join the eNewsletter for updates and check back regularly to participate in polls and quizzes.

The information in this brochure is provided as a public service by Certified Financial Planner Board of Standards Inc. (CFP Board). A nonprofit, professional regulatory organization, CFP Board fosters professional standards in personal financial planning so that the public values, has access to and benefits from competent and ethical financial planning.

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