

Objectivity, and the Bigger Half

Growing up, my mother devised a way of keeping the peace between my brother and me when it came to treats. One of us got to cut the chocolate bar and the other got to choose the first half. My mother served as the impartial monitor, conflict dissipated, and time and time again, both the slicer and the chooser felt he had gotten the “bigger half.”

Whether it’s chocolate, our wellbeing or our financial future, each of us can get caught up in the rightness of our view of things, whether that’s reality or not. One of the greatest services professionals can provide us is a sense of objectivity.

When we engage professionals such as doctors, lawyers or accountants, they provide us with an objective view of our situation and impartial advice on workable solutions. Consumers have a right to expect the same professional commitment from their financial advisors.

Financial Planning Standards Board Ltd. (FPSB), the preeminent international financial planning standards authority for competent and ethical financial planners, believes providing professional services objectively is a hallmark of financial planning professionalism. As part of its *Code of Ethics and Professional Responsibility* for financial planners, FPSB calls on financial planners to ensure the integrity of their work, manage conflicts and exercise sound professional judgment.

The current uncertainty in financial markets is placing considerable strain on the emotional and financial wellbeing of consumers looking to achieve their financial and life goals. Due to extreme market volatility and upheaval, some consumers may be struggling to take a long-term view of their financial situation and stay focused on their financial plans. The value of working with a financial planner who acts with objectivity and who manages conflicts and makes sound professional judgments in dealings with clients has never been greater.

Principle 3 – Objectivity ***Provide professional services objectively.***

Objectivity requires intellectual honesty and impartiality. Regardless of the services delivered or the capacity in which a financial planning professional functions, objectivity requires financial planning professionals to ensure the integrity of their work, manage conflicts and exercise sound professional judgment.

“As a financial planner, I am involved with my clients’ fears and hopes for themselves and their families, often over a period of many years,” said Jane Wheeler, a United Kingdom-based CERTIFIED FINANCIAL PLANNER professional. “The best value I can provide to my clients is an outside perspective, one that takes into account the deeply held beliefs and needs of my client while at the same time steering him into the right financial behaviors.”

Canada-based CFP professional Jim Kraft agrees. “When I deal with clients, I often balance conflicting interests among various members of a family. I focus on finding the best solution for the client, and manage the various perspectives and conflicts that naturally exist to develop a plan that will ensure the client succeeds in his goals.”

Financial planning has emerged as a professional practice worldwide – and acting with objectivity when dealing with clients is a hallmark of financial planners’ professional commitment. But not everyone who calls himself a financial planner is objective or able to manage conflicts – advisors who have earned the CERTIFIED FINANCIAL PLANNER certification have committed to rigorous ethical standards and to providing objective professional services. To learn more about your rights as a financial planning client, visit www.fpsb.org.