FINANCIAL PLANNING STANDARDS BOARD

Financial Planning Education Framework

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INTRODUCTION

Education and training programs for financial services qualifications and professional certifications increasingly rely on a competency-based approach, whereby a curriculum's learning outcomes and theoretical knowledge connect to appropriate practice outcomes or competencies for a given job function.

In any national education system, curriculum documents are written in broad terms that do not directly address the unique needs of individual institutions or specific groups of students. Consequently, educators need to translate curriculum frameworks into specific teaching programs of sufficient detail to guide day-to-day courses and activities. FPSB therefore developed the Education Framework to guide implementation of the knowledge for the financial planning profession. This *Financial Planning Education Framework* was specifically designed to reflect the cognitive levels and outcomes required for CFP professionals.

In developing the global education standard for financial planning, FPSB developed learning outcomes and content for its Financial Planning Education Framework that relate to the competencies, skills and knowledge needed to practice financial planning (as defined by FPSB's Financial Planner Competency Profile). By linking the Financial Planning Curriculum Framework directly to its Financial Planner Competency Profile, FPSB encourages educators to be directed by the actual practice of financial planning when developing financial planning curricula, so that students develop thinking and capabilities that prepare them to practice as competent financial planning professionals.

FPSB's *Financial Planning Education Framework* provides an outline for structuring financial planning education modules and courses, and reinforces globally consistent learning outcomes and standards among these courses. The Curriculum Framework highlights the inter-relationships among module, program and qualification/practice and among teaching, learning and assessment, and supports program comparison and student mobility within a territory and internationally.

The ultimate goal with the *Financial Planning Education Framework* is to

- Support content development for a global certification, consistent with FPSB's Competency Profile; and to
- Support Members and education providers so that programs, qualifications, and course content, adapted to meet local regulatory and legislative requirements, conform to FPSB's standards.

FPSB's Financial Planning Education Framework consists of:

I. Financial Planning Education Learning Level Descriptor
II. Financial Planning Education Components
III. Financial Planning Education Topic Categories
IV. Financial Planning Education Areas of Competency

The Curriculum Framework follows the Education Framework, and identifies how the Topics, Sub-topics, and Learning Outcomes work together within the context of a financial planning curriculum.

FINANCIAL PLANNING EDUCATION FRAMEWORK

I. FINANCIAL PLANNING EDUCATION LEARNING LEVEL DESCRIPTOR

A curriculum learning level descriptor describes the demand placed on a learner by a qualification's education program. All qualification frameworks demonstrate progression in learning by using level descriptors to describe the level of abilities, skills and knowledge a student must master to be prepared for competent practice. While qualifications with the same level descriptor are broadly similar, the qualifications' education programs and curricula can differ in terms of content and duration.

FPSB's Financial Planning Education Learning Level Descriptor[1] establishes the overall level at which a financial planning education program should be delivered. While the level at which a specific module or subject within the program is delivered could fall below or exceed the recommended level, in aggregate, the student should master appropriate competence, skills and knowledge at the recommended level to prepare him or her to competently and ethically practice financial planning. While knowledge, comprehension and application form part of the educational requirements of each module or subject, the student is expected to master and integrate the financial planning education program content at the analysis, synthesis and evaluation cognitive levels.[2]

FPSB's Financial Planning Education Learning Level Descriptor enables educators around the world to align the level of their financial planning education programs to FPSB's Financial Planning Curriculum Framework, thereby creating greater national, regional and global consistency in the delivery of financial planning education and training and in the preparedness of students to competently and ethically practice financial planning.

Educators should deliver financial planning modules, courses or programs at a sufficient level[3] of instruction that ensures the successful student is able to:[4]

Knowledge

- Demonstrate appropriate knowledge and understanding (including critical understanding of theories and principles and their application) of the practice of financial planning, as described by FPSB's Financial Planner Competency Profile and Financial Planning Education Framework;

- Apply advanced knowledge and understanding, and devise recommendations, sustain opinions and solve problems that indicate a professional approach to the practice of financial planning, as described by FPSB's Financial Planner Competency Profile and Financial Planning Curriculum Framework;

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[1] The FPSB's Financial Planning Education Learning Level Descriptor is modeled on the European Qualifications Framework (EQF), a multinational education framework that acts as a translation device to make national qualifications more readable across Europe.

[2] FPSB uses Bloom's taxonomy of learning objectives to define the cognitive level at which knowledge, skills or competence should be learned or mastered. Bloom's learning objective framework consists of six major categories: Knowledge, Comprehension, Application, Analysis, Synthesis, and Evaluation. These cognitive level categories can be directly applied to the three Financial Planning Functions found in FPSB's Financial Planner Competency Profile: Collection (Knowledge and Comprehension), Analysis (Application and Analysis), and Synthesis (Synthesis and Evaluation).

[3] FPSB's Financial Planning Curriculum Learning Level Descriptor is modeled on level six of the EQF which is regarded as at an undergraduate (bachelor's) degree level. (http://ec.europa.eu/ploteus/sr/node/1440)

[4] Knowledge means the outcome of the assimilation of information through learning and can be seen as the body of facts, principles, theories and practices that is related to a field of work or study.
Skills mean the ability to apply knowledge and use know-how to complete tasks and solve problems.
Competence means the proven ability to use knowledge, skills and personal, social and/ or methodological abilities, in work or study situations and in professional and personal development. These terms should be understood in an academic context and should not be confused with similar used in the Financial Planning Competency Profile.

- Collect, analyze and synthesize appropriate data to develop strategies and make judgments and recommendations that take into consideration relevant social, scientific, legal and ethical issues;
- Communicate and present information, ideas, problems and solutions on financial planning matters to both specialist and non-specialist audiences, making appropriate use of media and technology; and
- Develop the learning abilities necessary to continue further study with a high degree of autonomy.

Skills

- Apply advanced skills, demonstrating mastery and innovation, in solving complex and unpredictable problems in the field of financial planning; building rapport, fostering engagement, and developing professional client relationships.

Competence

- Reflect the competence to demonstrate, in study and practice contexts, the Financial Planner Abilities described in FPSB's Financial Planner Competency Profile;
- Reflect the competence to manage complex technical or professional activities or projects in the field of financial planning, with responsibility for decision-making; and
- Reflect the competence to take responsibility for continuing professional development in the field of financial planning.

II. FINANCIAL PLANNING EDUCATION COMPONENTS

FPSB's Integrated Approach to Competency Based Education & Development

Informed by FPSB's Fundamental Financial Planning Practices and the relevant Performance Standards, FPSB has developed a comprehensive competency profile that incorporates the necessary elements of cognitive, professional and social competence necessary for a financial planning professional to provide financial planning advice of high quality during financial planning engagements with clients, taking into account practice type, setting and location.

From this comprehensive competency profile FPSB has derived a curriculum content that, when incorporated in the context of an appropriate program of learning, teaching and professional development experiences, enables a person to come to:

- know, understand and apply the body of knowledge of the financial planning profession;
- demonstrate mastery of that knowledge and use it to solve complex financial planning problems in the context of engaged, professional client relationships;
- undertake these activities, including continuing professional development, in a self-directed, responsible and accountable manner;
- and to be acknowledged as a financial planning professional.

FPSB's Financial Planning Education Framework consists of the following eight Curriculum Components (described below):

1. Financial Planning Principles, Process and Skills
2. Financial Management
3. Tax Principles and Optimization
4. Investment Planning / Asset Management
5. Risk Management and Insurance Planning
6. Retirement Planning
7. Estate Planning and Wealth transfer
8. Integrated Financial Planning

The first seven Curriculum Components relate to the Financial Planning Principles, Process and Skills described in FPSB's Financial Planner Competency Profile, while the Integrated Financial Planning Curriculum Component provides students the opportunity to gain the knowledge and practical skills needed to integrate financial planning knowledge, skills and abilities from the first seven Curriculum Components using real world client situations.

Educators can use the Financial Planning Curriculum Components to create financial planning educational modules/courses that teach students to develop strategies and evaluate the advantages and disadvantages of each strategy; optimize strategies and make recommendations; and prioritize action steps to assist clients in implementing recommendations as part of the process of developing a financial plan. More than one component can form part of a module/subject as long as learning outcomes are covered at an appropriate level.

When developing educational modules/courses, it will be beneficial to cover the first curriculum component (Financial Planning Principles, Process and Skills) prior to addressing components two through seven.

Likewise, the eighth component (Integrated Financial Planning) works best as the final course. Financial Management should follow the first course (or it may be combined with the first course), as it covers topics that are foundational for the remaining topic areas. Components 3-7 can be addressed in any order. That said, Risk Management and Insurance Planning should be covered prior to Estate Planning and Wealth Transfer. Likewise, Tax Principles and Optimization should be addressed prior to Estate Planning and Wealth Transfer. Both of the aforementioned content areas (Risk Management and Insurance Planning; Tax Principles and Optimization) contain information that will be helpful to someone studying Estate Planning and Wealth Transfer. Investment Planning/Asset Management should be covered prior to Retirement Planning so students have the information necessary to assess the tools necessary to fund retirement planning goals. Investment Planning/Asset Management covers enough topics and depth that it should likely not be combined with any other content area.

Total hours of classroom hours (on ground, online, or a blended combination) are variable, depending on the way in which courses are constructed. However, educators should keep in mind a benchmark of around 240 hours (or equivalent), including capstone or applied learning courses/workshops. Integrated Financial Planning (the eighth component) should be considered as the foundation for a capstone or applied learning course.

Curriculum Components

1. Financial Planning Principles, Process and Skills

The Principles and Practices of Financial Planning Component provides the student with an introduction to basic financial planning information and principles including: the financial planning process, client interactions and behavior, time value of money applications, ethical and practice standards for financial planning, compliance issues, economics, and the regulatory environment of the applicable jurisdiction.

2. Financial Management

The Financial Management Component prepares the student to develop strategies and use techniques to optimize short and mid-term cash flow, assets and liabilities, as well as to collect and synthesize information relating to personal financial statements, cash flow and debt, asset acquisition, liabilities, education planning and emergency fund provision.

3. Tax Principles and Optimization

The Tax Principles and Optimization Component prepares the student to understand and broadly evaluate strategies and techniques to maximize the present value of the client's after-tax net worth and includes: the principles, current law/policies and practice of taxation and their impact on the client's financial situation, and financial planning for individuals, couples and families in their roles as individual investors, employees and business owners.

4. Investment Planning / Asset Management

The Investment Planning/Asset Management Component prepares the student to understand behavioral finance issues impacting clients, and to develop strategies and use techniques to optimize risk adjusted real returns on assets considering the client's risk profile, requirements, financial capacity and constraints, as well as to understand: various types of securities traded in financial markets, investment theory and practice, portfolio construction and management, and investment strategies and tactics. (Note: The terms "risk," "risk exposure" and "risk tolerance" refer to the risk of financial loss due to market circumstances.)

5. Risk Management and Insurance Planning

The Risk Management and Insurance Component prepares the student to develop strategies and use techniques to manage financial exposure due to personal risk. (Note: The terms "risk," "risk exposure" and "risk tolerance" refer to the risk of financial loss due to personal circumstances).

6. Retirement Planning

The Retirement Planning Component prepares the student to develop strategies and use techniques for wealth accumulation and withdrawal during retirement years, taking into consideration asset locations and the client's personal financial goals, risk tolerance, risk capacity, and structure and impact of public and private retirement plans on the client's financial plan.

7. Estate Planning and Wealth Transfer

The Estate Planning and Wealth Transfer Component prepares the student to understand and broadly evaluate strategies and use techniques to handle the preservation and distribution of accumulated assets, and to understand the legal, tax, financial, insurance and non-financial aspects of this process, to efficiently conserve and transfer wealth, consistent with the client's goals, including those that are philanthropic and charitable in nature.

8. Integrated Financial Planning

The Integrated Financial Planning Component serves as a capstone course that allows the student to engage in critical thinking, make decisions and integrate among the Curriculum Components (Principles and Practices of Financial Planning, Financial Management, Investment Planning/Asset Management, Risk Management and Insurance, Tax Principles and Optimization, Retirement Planning and Estate Planning and Wealth Transfer) while developing strategies, recommendations and financial plans for clients using real world situations and facts.

III. FINANCIAL PLANNING KNOWLEDGE TOPIC CATEGORIES

The eight curriculum components listed above, are expanded in the following 69-topic categories to identify the broad knowledge areas on which a financial planning professional must be able to draw to deliver financial planning to clients, or when interacting with colleagues or others in a professional capacity. Educators in a territory determine the territory-specific topics and level of topic coverage. Each knowledge area is included to adequately prepare students to competently and ethically practice financial planning.

1. Financial Planning Principles, Process, and Skills

- 1.1 Financial planning process
- 1.2 Financial planning practice and ethics
- 1.3 Professional Skills
- 1.4 Regulatory, economic and political environments that affect personal financial planning
- 1.5 Law and compliance
- 1.6 Time value of money
- 1.7 Client characteristics
- 1.8 Client risk profile
- 1.9 Client engagement and communications
- 1.10 Critical thinking

2. Financial Management

- 2.1 Principles of financial management
- 2.2 Personal and small business balance sheet (net worth statement)
- 2.3 Use and non-use assets
- 2.4 Cash flow statement
- 2.5 Budget preparation and management

2.6 Savings analysis and strategy
2.7 Emergency fund
2.8 Credit and debt management
2.9 Financial ratio analysis
2.10 Specific purpose planning

3. Tax Principles and Optimization

3.1 Taxation principles
3.2 Tax planning objectives
3.3 Tax planning principles
3.4 Tax planning law and policy
3.5 Tax analysis and calculations
3.6 Tax planning strategies
3.7 Tax planning for asset location

4. Investment Planning / Asset Management

4.1 Investment principles
4.2 Investment objectives, constraints, capacity and suitability
4.3 Investment time horizon
4.4 Behavioral finance
4.5 Asset classes
4.6 Investment theory
4.7 Performance measurement
4.8 Asset allocation and performance
4.9 Investment products – evaluation, selection and monitoring

5. Risk Management and Insurance Planning

5.1 Risk management principles
5.2 Insurance planning objectives
5.3 Analysis and evaluation of risk exposures
5.4 Risk strategies
5.5 Risk management products
5.6 Insurance law and claims process
5.7 Product, company and adviser selection and due diligence

6. Retirement Planning

6.1 Retirement principles
6.2 Retirement objectives
6.3 Retirement needs analysis and forecasts
6.4 Potential sources of retirement income
6.5 Retirement income and withdrawal projections and strategies
6.6 Retirement planning and funding products

7. Estate Planning and Wealth Transfer

7.1 Estate planning principles
7.2 Estate planning objectives

7.3 Legal related issues
7.4 Asset ownership and its implications
7.5 Estate planning documents
7.6 Succession planning
7.7 Special family situation
7.8 Projected financial situation at death
7.9 Estate planning strategies
7.10 Philanthropy and charitable giving
7.11 Management in the event of incapacity (i.e., living estate planning)

8. Integrated Financial Planning

8.1 Client engagement, communication, and financial planning process
8.2 Collection and data
8.3 Attitudes, goals and objectives
8.4 Issues and problems
8.5 Analysis
8.6 Strategies
8.7 Synthesis and recommendations
8.8 Implementation
8.9 Periodic review

IV. FINANCIAL PLANNING EDUCATION AREAS (BY CURRICULUM COMPONENT AND LEARNING OUTCOMES)

A learning outcome is a statement of what a learner is expected to know, understand and be able to do at the end of a period of learning. Learning outcomes are linked to a course's overall level descriptor and are written in terms of "the learner will be able to do something…" or "the learner is expected to be able to do something…"

FPSB's Financial Planning Curriculum Learning Outcomes specify the general areas of learning a student is expected to master to enable the student to competently perform. With the exception of the Integrated Financial Planning Component, all learning outcomes described in FPSB's Financial Planning Curriculum Framework relate to the Fundamental Financial Planning Practices and Financial Planner Abilities described in FPSB's Financial Planner Competency Profile.

1. Financial Planning Principles, Process and Skills Learning Outcomes

On successful completion of the Financial Planning Principles, Process and Skills Component, the student will be able to:

1.1 Apply the financial planning process

1.2 Demonstrate ethical standards in dealings and relationships with clients and third parties

1.3 Apply ethical principles, standards of practice and rules of conduct for the practice of financial planning, relevant to the jurisdiction

1.4 Demonstrate communications skills

1.5 Demonstrate analytical skills

1.6 Demonstrate presentation skills

1.7 Demonstrate knowledge of relevant regulatory, economic and political environments

1.8 Demonstrate relevant knowledge of law and considers and discusses the impact of compliance issues on the practice of financial planning

1.9 Discuss client engagement and behavioral aspects of financial planning applicable to the financial planning engagement

1.10 Demonstrate the ability to understand and address client attitudes toward risk

1.11 Demonstrate knowledge of practice management and other business aspects of financial planning

1.12 Apply time value of money principles

2. Financial Management Learning Outcomes

On successful completion of the Financial Management Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

2.1 Collect information regarding the client's assets and liabilities

2.2 Collect information regarding the client's cash flow, income and/or obligations

2.3 Collect information necessary to prepare a budget

2.4 Prepare statements of the client's net worth, cash flow and budget

2.5 Determine the client's propensity to save

2.6 Determine how the client makes spending decisions

2.7 Determine the client's attitudes toward debt

Analyze potential opportunities and constraints and assess information to develop strategies

2.8 Determine whether the client is living within financial means

2.9 Determine the issues relevant to the client's assets and liabilities

2.10 Determine the client's emergency fund provision

2.11 Compare potential cash management strategies for the client

2.12 Assess whether the emergency fund is adequate

2.13 Assess the impact of potential changes in income and expenses

2.14 Identify conflicting demands on cash flow

2.15 Assess financing alternatives

Synthesize information to develop and evaluate strategies to create a financial plan

2.16 Develop financial management strategies

2.17 Evaluate advantages and disadvantages of each financial management strategy

2.18 Optimize strategies to make financial management recommendations

2.19 Prioritize action steps to assist the client in implementing financial management recommendations

3. Tax Principles and Optimization Learning Outcomes

On successful completion of the Tax Principles and Optimization Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

3.1 Collect the information necessary to establish the client's tax position

3.2 Identify taxable nature of assets and liabilities

3.3 Identify the tax structure of client accounts

3.4 Identify current, deferred and future tax liabilities

3.5 Identify parties relevant to the client's tax situation

3.6 Determine the client's attitudes toward taxation

Analyze potential opportunities and constraints and assess information to develop strategies

3.7 Review relevant tax documents

3.8 Analyze existing and potential tax strategies and structures for suitability

3.9 Assess financial impact of tax planning alternatives

Synthesize information to develop and evaluate strategies to create a financial plan

3.10 Develop tax planning strategies

3.11 Evaluate advantages and disadvantages of each tax planning strategy

3.12 Optimize strategies to make tax planning recommendations

3.13 Prioritize action steps to assist the client in implementing tax planning recommendations

4. Investment Planning / Asset Management Learning Outcomes

On successful completion of the Investment Planning / Asset Management Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

4.1 Collect information necessary to prepare detailed statement of investment holdings

4.2 Determine the client's current asset allocation

4.3 Identify cash flows available for investment, and expected withdrawals from the investment portfolio

4.4 Determine the client's experience with, and attitudes and biases, towards investments

4.5 Determine the client's investment objectives

4.6 Determine the client's tolerance for investment risk

4.7 Identify the client's assumptions and return expectations, and mutually agree on planning assumptions

4.8 Identify the client's goal achievement time horizons

Analyze potential opportunities and constraints and assess information to develop strategies

4.9 Calculate required real rate of return to reach the client's objectives

4.10 Determine the characteristics of investment holdings

4.11 Determine the implications of acquiring/disposing of assets

4.12 Analyze potential investment strategies

4.13 Assess whether investment return expectations are consistent with the risk capacity and tolerance

4.14 Assess whether asset holdings are consistent with risk capacity, tolerance and required rate of return

4.15 Analyze client's current holdings

4.16 Assess potential investment vehicles for use in client portfolios

Synthesize information to develop and evaluate strategies to create a financial plan

4.17 Develop asset management strategies

4.18 Evaluate advantages and disadvantages of each asset management strategy

4.19 Optimize strategies to make asset management recommendations

4.20 Select appropriate investment vehicles to implement the recommended strategy

4.21 Prioritize action steps to assist the client in implementing asset management recommendations

4.22 Prepare and Investment Policy Statement

4.23 Prepare periodic reporting material

5. Risk Management and Insurance Planning Learning Outcomes

On successful completion of the Risk Management and Insurance Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

5.1 Collect details of the client's existing insurance coverage

5.2 Identify potential financial obligations of the client

5.3 Determine the client's risk management objectives and risk exposures

5.4 Determine the client's tolerance for risk exposure

5.5 Determine relevant family and lifestyle issues and attitudes

5.6 Determine health issues

5.7 Determine the client's willingness to take active steps to manage financial risk

Analyze potential opportunities and constraints and assess information to develop strategies

5.8 Determine characteristics of existing insurance coverage

5.9 Examine current and potential risk management strategies

5.10 Assess exposure to financial risk

5.11 Assess the client's risk exposure against current insurance coverage and risk management strategies

5.12 Assess the implications of changes to insurance coverage

5.13 Prioritize the client's risk management needs

Synthesize information to develop and evaluate strategies to create a financial plan

5.14 Develop risk management strategies

5.15 Evaluate advantages and disadvantages of each risk management strategy

5.16 Optimize strategies to make risk management recommendations

5.17 Prioritize action steps to assist the client in implementing risk management recommendations

6. Retirement Planning Learning Outcomes

On successful completion of the Retirement Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

6.1 Collect the details of potential sources of retirement income

6.2 Collect the details of estimated retirement expenses

6.3 Determine the client's retirement objectives

6.4 Determine the client's attitudes towards retirement

6.5 Mutually agree on retirement planning assumptions

Analyze potential opportunities and constraints and assess information to develop strategies

6.6 Develop financial projections based on current position, including any gap between income needs and funding

6.7 Determine if the client's retirement objectives are realistic

6.8 Examine potential retirement planning strategies

6.9 Assess financial requirements at retirement to maintain desired lifestyle

6.10 Assess the impact of changes in assumptions on financial projections

6.11 Assess trade-offs necessary to meet retirement objectives

Synthesize information to develop and evaluate strategies to create a financial plan

6.12 Develop retirement planning strategies

6.13 Evaluate advantages and disadvantages of each retirement planning strategy

6.14 Optimize strategies to make retirement planning recommendations

6.15 Prioritize action steps to assist the client in implementing retirement planning recommendations

6.16 Discuss with the client the impact of changes in assumptions on financial projections

7. Estate Planning and Wealth Transfer Learning Outcomes

On successful completion of the Estate Planning and Wealth Transfer Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

7.1 Collect legal agreements and documents that impact estate planning strategies

7.2 Identify the client's estate planning objectives

7.3 Identify family dynamics and business relationships that could impact estate planning strategies

Analyze potential opportunities and constraints and assess information to develop strategies

7.4 Project net worth at death

7.5 Analyze constraints to meeting the client's estate planning objectives

7.6 Compare potential estate planning strategies

7.7 Calculate potential expenses and taxes owed at death

7.8 Assess the specific needs of beneficiaries

7.9 Assess the liquidity of the estate at death

Synthesize information to develop and evaluate strategies to create a financial plan

7.10 Develop estate planning strategies, including living estate planning

7.11 Evaluate the advantages and disadvantages of each estate planning strategy

7.12 Optimize strategies to make estate planning recommendations

7.13 Prioritize action steps to assist the client in implementing estate planning recommendations

8. Integrated Financial Planning Learning Outcomes

On successful completion of the Integrated Financial Planning Component, the student will be able to:

Collect the quantitative and qualitative information required to develop a financial plan

8.1 Identify the client's objectives, needs, values and constraints (e.g., taxes) that have financial implications, with time and funding (money) specificity and prioritization

8.2 Identify the information for the financial plan

8.3 Identify the client's legal issues that affect the financial plan

8.4 Determine the client's attitudes, biases, drivers and level of financial sophistication

8.5 Identify material changes in the client's personal and financial situation

8.6 Prepare information to enable analysis

Analyze potential opportunities and constraints and assess information to develop strategies

8.7 Analyze the client's objectives, needs, values and information to prioritize the financial planning components

8.8 Examine inter-relationships among financial planning components

8.9 Compare opportunities and constraints and assess collected information across financial planning components

8.10 Examine the impact of economic, political and regulatory environments

Synthesize information to develop and evaluate strategies to create a financial plan

8.11 Prioritize recommendations from the financial planning components to optimize the client's situation

8.12 Consolidate the recommendations and action steps into a financial plan (written or iterative in an interactive format)

8.13 Measure the progress toward achievement of the financial plan objectives

8.14 Determine the appropriate process and cycle of review for the financial plan

FINANCIAL PLANNING CURRICULUM FRAMEWORK

The Curriculum Framework identifies how the Topics, Sub-topics, and Learning Outcomes work together within the context of a financial planning curriculum. Learning outcome statements identify the desired results of covering the topics and subtopics. The learning outcomes are built loosely around Bloom's Taxonomy: Knowledge, Comprehension, Application, Analysis, Synthesis and Evaluation. As an example of Bloom's hierarchy, consider the learning outcome to evaluate a situation. Before being able to accomplish that objective, a learner must first know the content and understand or comprehend it. He or she must them be able to apply and analyze the knowledge and comprehension that has been gained. Finally, the learner will be able to integrate or synthesize all that has previously been learned and use that learning to evaluate a situation, making appropriate judgments based on the scenario provided. Learning outcomes also serve as the primary criteria for assessment, in that learners can be assessed based on the degree to which they have mastered the learning outcomes; the learning outcome statements clearly identifying the content students should learn.

1. Financial Planning Curriculum Component: Financial Planning Principles, Process and Skills

Objective: The Financial Planning Principles, Process and Skills Component provides the student with an introduction to basic financial planning information and principles including: the financial planning process, client interactions and behavior, time value of money applications, ethical and practice standards for financial planning, compliance issues, economics, and the regulatory environment of the applicable jurisdiction.

Topics	Subtopics	Learning Outcomes
1.1 Financial planning process	Introduction to personal financial planning Roles of the financial planner Six step financial planning process Distinction between financial planners and financial product advisors Qualitative and quantitative data (including human capital)	• Describe the background, process and the practice of financial planning • Demonstrate knowledge and understanding of the process of giving financial advice • Demonstrate knowledge of drafting a financial plan • Explain the advisory functions of financial planners including: the holistic and relational role of the financial planner as distinct from a simple product advisory role • Apply the financial planning process to a typical client scenario
1.2 Financial planning practice and ethics	Financial Planning Practice Standards Financial Planner Code of Ethics and Professional Responsibility / Professional Conduct of an appropriate professional associations Implementing the Practice Standards and the Code of Ethics in practice	• Discuss, explain and apply standards of practice and rules of conduct for the practice of financial planning, relevant to the jurisdiction • Demonstrate ethical appreciation in dealings and relationships with clients and third parties

	Model Rules of Conduct for CFP professionals (subject to approval) Hierarchy of ethical principles (local vs. international vs. statutory) Management of a financial planning practice: • Business plan • Marketing • Record Keeping • Safeguarding client information • Ethical and regulatory misconduct	• Identify and understand ethical considerations and professional conduct requirements in the giving of financial planning advice • Discuss, explain and apply ethical principles for the practice of financial planning, • Demonstrate knowledge of relevant practice management and other business aspects of financial planning • Use sound judgment when engaging in ethical practice and display professional standards reflecting responsible and sustainable practices • Understand the importance of keeping documents confidential and protecting client information

1.3 Professional skills	Covering the Professional Skills as per the Financial Planner Professional Skills matrix in terms of the *Financial Planner Competency Profile*:
	• Professional responsibility
	• Practice
	• Communication
	   o In professional context
	   o Interpersonal verbal and non-verbal
	• Cognitive
	
	Safeguarding client information
	
	Client education
	
	What does it mean to be a professional?
		• Apply the financial planning process to meet client objectives
		
		• Demonstrate listening and communication abilities in goal-setting
		• Demonstrate the ability to use client friendly communication skills during the discovery process
		• Apply good listening and writing skills
		
		• Demonstrate presentation skills by making a presentation of a financial plan in a simulated client meeting

1.4 Relevant regulatory, economic and political environments that affect personal financial planning	Introduction to the regulatory environment: • Regulators • Legislation and Regulation Fiduciary duty: • Ethical and professional conduct Legislated 'client best interests' requirement	• Explain knowledge of regulatory environment related to financial services • Describe the legal framework within which financial planners operate and their legal, social and ethical responsibilities • Demonstrate basic knowledge

	Suitability Introduction to the economic environment: • Macroeconomics Economic environment & financial planning: • Monetary Fiscal Policy • Business Cycle • Economic Indicators Introduction to the social and political environments: • Local government sentiment • Social welfare policy • Taxation policy • Retirement policy	of micro- and macro-economic environment as it applies to financial planning • Explain the role of the financial system, its function, and the key participants within the finance system • Describe the various regulatory bodies, their function and responsibilities • Identify the various financial markets, and the characteristics and instruments traded on financial markets Assess the potential risks affecting the financial system, their impact on financial service products, providers, clients and economic performance • Demonstrate knowledge of social and political environments relevant to financial planning and the economic environment
1.5 Law and compliance	Define compliance and its implications Disclosure documents o Examples Potential conflicts of interest Private law, including torts and trusts Business and contract law	• Discuss the impact of legal, regulatory and ethical compliance issues on the practice of financial planning • Discuss relevant case histories involving financial planners
1.6 Time value of money	Future value of a single sum Present value of a single sum Number of compounding periods and interest rate per compounding period Present value of an annuity/annuity due Future value of an annuity/annuity due Periodic Payment or Receipt	• Apply TVM calculations to a client financial planning scenario • Describe how time value of money (TVM) concepts allows the adviser to translate goals into money • Demonstrate the ability to solve time value of money problems, as well as to explain how the variables in a time value of money problem

	Irregular cash flows Internal rate of return Net present value	interact
1.7 Client characteristics	Client Goals Family Values & Status o Spousal Differences Considerations for Non-traditional families Generational Cohort Communication o Methods o Preferences o Physiological responses and client action	• Discuss behavioral aspects of financial planning applicable to the financial planning engagement • Demonstrate the ability to apply the knowledge and appropriate skills for asking the right questions in order to: • Identify the client's personal financial and lifestyle goals for the future • Identify the considerations to be taken into account in drawing up the client's financial plan • Identify the specific details about the client and or family and or enterprise which may be needed during the course of the financial advice process • Determine priorities regarding the personal, financial and particular considerations that are of importance to the client's financial plan
1.8 Client risk profile	Ability Willingness and preferences Tolerance Need Capacity Experiences and personality traits impacting risk profile	• Demonstrate the ability to understand and address client attitudes toward financial and investment risk • Understand whether the client has a reasonable comprehension of the types and number of risks that may be encountered during his/her life • Understand how a client feels regarding the specific risks that may be encountered, and how he/she would react in certain situations
1.9 Client engagement and communication	Discovery process Appreciative inquiry	• Discuss client engagement and behavioral aspects of financial planning applicable to

	Open-ended and closed questions	the financial planning engagement • Apply client engagement principles and practices appropriately • Demonstrate the ability to appropriately apply questioning techniques
1.10 Critical thinking	The process of actively and skillfully conceptualizing, applying, analyzing, synthesizing and evaluating information to reach an answer of solution Reflective thinking	• Demonstrate the ability to think critically and make appropriate decisions • Understand relevant criteria and applicable methods for making an appropriate judgement
Financial Planning Curriculum Component: Financial Management		
Objective: The Financial Management Component prepares the student to develop strategies and use techniques to optimize short and mid-term cash flow, assets and liabilities, as well as to collect and synthesize information relating to personal financial statements, cash flow and debt, asset acquisition, liabilities, education planning and emergency fund provision.		
Topics	**Subtopics**	**Learning Outcomes**
2.1 Principles of financial management	The objectives of financial management Application of financial calculations in the financial management process The optimal economic point. (That point, in the creation of wealth, in which money does not bring more happiness to a person. It is the point in which the person has enough permanent income as to cover –loosely- all his/her economic needs) The basic financial statements (Balance sheet [net worth statement], cash flow and budget) Financial ratios Client first (Manage your client´s investments as you manage your own. It refers particularly to the risk-return trade off)	• Explain the main objectives of financial management • Use a financial calculator and Excel in solving a variety of financial problems • Prepare and interpret client´s financial statement • Communicate qualitative and quantitative issues with clients • Administer the client's funds with regard to investment, risk and retirement planning efficiently • Incorporate financial ratios • Identify a standard guideline related to a financial ratio
2.2 Personal balance sheet	Assets, liabilities and net worth Analysis	• Collect information regarding the client's assets and liabilities

		• Prepare statements of the client's net worth • Determine the issues relevant to the client's assets and liabilities • Assess the appropriateness of the client's assets and liabilities given the client's existing and potential future financial situation
2.3 Use and non-use assets	Broad categories of assets Kinds of use assets, including depreciating/non-depreciating, tax effective/non-tax effective Personal assets: • Car • Home Mortgage Loans: • Taxation for use and non-use assets	• Differentiate between use and non- use assets • Calculate the front-end ratio and other relevant ratios • Explain taxation for use and non-use assets • Determine when it is beneficial to pay off a mortgage or long-term debt
2.4 Cash flow	Income and expenses – current/future Effects of Inflation Analysis Life cycles/stages	• Collect information regarding the client's cash flow, income and/or expenses (obligations) • Prepare statements of the client's cash flow • Demonstrate the effects of inflation on a proposed monetary goal • Determine whether the client is living within financial means • Compare potential cash management strategies and products for the client • Assess the impact of potential changes in income and expenses • Identify conflicting demands on cash flow • Assess cash products for suitability for the client's situation

		• Assess the financial and tax implications of acquiring / disposing of cash products
2.5 Budget planning	Information required to develop a budget Budget reconciliation; utility and use	• Collect information necessary to prepare a budget • Prepare statements of the client's budget • Assess the appropriateness of the client's budget given the client's existing and potential future financial situation
2.6 Savings analysis and strategy	Saving to build a cash reserve Saving as part of the budget Saving and cash flow Financial literacy level Family relationships and how they impact saving and spending decisions Establishing savings strategies Saving for special goals, such as education, buying a house, etc.	• Determine how the client makes savings decisions (propensity to save) • Determine the appropriate saving vehicles for a client • Determine the amount of saving needed for a client • Calculate the savings ratio • Differentiate saving from investing
2.7 Emergency fund	Importance of an emergency fund and how much is sufficient for an emergency fund Appropriate emergency funding vehicles and strategies, in coordination with human capital characteristics and insurance waiting periods Using credit cards/revolving credit for emergency funding Importance of always having liquid assets	• Determine the client's emergency fund provision • Assess whether an emergency fund is adequate for a client • Assess the appropriateness of the client's emergency funding provision given the client's existing and potential future financial situation • Determine the size and stability of emergency funding needed by a client
2.8 Credit and debt management	Credit or a type of credit Factors lenders use to evaluate potential borrowers Appropriate and inappropriate uses and levels of debt (i.e., credit and debt management) Specific purpose cash management (e.g., education planning, home	• Determine how the client makes spending decisions • Determine the client's attitudes towards debt • Leverage effect of financing for a client • Assess financing alternatives for a client

	buying) Approaches to debt management	• Assess debt management products for suitability for the client's situation • Assess the financial and tax implications of acquiring/disposing of debt management products

3. Financial Planning Curriculum Component: Tax Principles and Optimization		
Objective: The Tax Principles and Optimization Component prepares the student to understand and broadly evaluate strategies and techniques to maximize the present value of the client's after-tax net worth and includes: the principles, current law and practice of taxation and their impact on the client's financial situation, and financial planning for individuals, couples and families in their roles as individual investors, employees and business owners.		
Topics	**Subtopics**	**Learning Outcomes**
3.1 Taxation principles	Tax avoidance vs tax evasion Tax system and framework Income tax and capital gains tax for individuals and their business Assets and the tax nature of liabilities Gifting (e.g., donations to family) Estate International Other tax Tax documents Tax returns Asset location (e.g., taxable, sheltered, deferred, tax free) Taxation of estates / wealth transfer	• Understand the tax system and framework in our local territory • Explain income tax-related terms • Understand generally acceptable tax-related record keeping practices
3.2 Tax planning principles	Collection of Tax documents	• Determine the client's attitudes toward taxation

	Compliance and penalties for non-compliance Assessable Income Current tax liabilities Allowable Deductions Tax planning structures and methods Investment structures with tax implications Tax strategies in financial planning Efficient use of sheltered accounts	• Identify information related to the client's income situation • Understand the types of tax documents used by individuals, households and small businesses • Understand relevant tax documents • Evaluate whether the client has remained in compliance with all the tax obligations and be able to determine the appropriate tax data for the client's returns, *referring to a tax specialist if necessary* • Understand the current tax liabilities of the client • Demonstrate a working knowledge of the legal concepts and principles and the underlying taxation system • Understand the taxation requirements relating to individuals, companies, partnerships and trusts • Assess financial impact of tax planning alternatives
3.3 Tax planning objectives	Maximize after-tax return	• Collect information regarding the client's tax position • Identify parties relevant to the client's tax situation
3.4 Tax analysis and calculations		• Identify current, deferred and future tax liabilities • Identify current and deferred retirement-related taxes • Identify taxable nature of investments • Identify taxable nature of assets and liabilities • Understand gift taxes if applicable to a transaction in your territory

		• Understand estate taxes if applicable to your territory • Analyze and be able to explain the effects of ownership and beneficiary designations on estate taxes • Understand in general terms how different products are taxed and the effect this has on the client's overall financial position • Analyze the types of taxes that apply to products as part of the total estate • Analyze the tax exposure of the client's current retirement plan
3.5 Tax planning strategies	Available allowances and deductions Deferral of income and expenses Asset location	• Consider potential tax strategies and structures • Understand the current tax strategies utilized by the clients and the extent to which they are functioning and whether a client should be referred to a specialist • Evaluate existing tax strategies and structures for suitability for a client • Develop tax planning strategies for a client • Evaluate advantages and disadvantages of each tax planning strategy • Optimize strategies to make tax planning recommendations for a client • Compare, analyze and recommend taxation strategies to develop comprehensive client solutions • Prioritize action steps to assist the client in implementing tax planning recommendations

4. Financial Planning Curriculum Component: Investment Planning and Asset Management		
Objective: The Investment Planning / Asset Management Component prepares the student to develop strategies and use techniques to optimize returns on assets considering the client's requirements and constraints and life objectives as well as to understand: various types of securities traded in financial markets, investment theory and practice, portfolio construction and management, and investment strategies and tactics. (Note: The terms risk, risk exposure and risk tolerance refer to the risk of financial loss due to market circumstances.)		
Topics	**Subtopics**	**Learning Outcomes**
4.1 Investment principles	Principles of risk and return: • Diversification • Asset allocation Funding (contribution) strategies	• Apply the overall set of principles or strategies that guide an investor • Explain the reasons why one investment principle is preferable to another in a given set of economic or financial circumstances for a specific client • Apply the principles of, and correlation between, risk and return • Explain the rationale for diversification of the client's portfolio
4.2 Investment objectives, constraints and suitability	Objectives: • Real income vs. Capital Growth • Capital Preservation Constraints: • Managing constraints between investment objectives • Liquidity • Taxability of portfolio • Risk tolerance and capacity • Asset location • Restricted investment choices Suitability Risk and return (growth compared with preservation)	• Explain how the investment decision making should be linked to client life cycle objectives • Explain the implication of various constraints on investment decision making • Explain the implication of client risk tolerance on investment decision making • Identify the client's assumptions and return expectations and mutually agree on assumptions • Calculate required rate of return to reach the client's investment needs objectives
4.3 Investment time horizon	Short, Medium and Long Term Historic risk and return	• Identify the client's time horizon for investing

	measurements for various asset classes as they relate to client's investment period	• Explain implications of time horizons
4.4 Behavioral finance	Practical implications of behavioral finance biases Prospect theory and loss aversion Anchoring Mental accounting Confirmation and hindsight bias Gambler's fallacy Herd behavior Overconfidence Overreaction and availability bias	• Explain behavioral finance biases • Contrast traditional and behavioral finance perspectives on investor decision making • Compare traditional and behavioral finance perspectives on portfolio construction and the behavior of capital markets
4.5 Asset classes and securities	Traditional: • Cash • Stocks • Bonds • Real Estate Non-traditional/Alternatives: • Alternatives/Hedge funds • Direct private investment • Insurance-based investments • Commodities • Derivatives • Collectibles • Others	• Describe the characteristics of each asset class • Explain liquidity in relation to each of the asset classes • Compare and contrast the risk and return of different asset classes Explain MPT (i.e., risk reduction by combining "risky" assets)
4.6 Investment theory	Portfolio theory Markowitz/Efficient frontiers (MPT) CAPM Portfolio management techniques	• Explain principles of investment theory • Discuss the implications for portfolio design
4.7 Performance measurement	Issues in measuring performance Implications of fees/charges Time and currency weighted return Risk adjusted performance	• Sharpe ratio • Explain the issues around performance measurement • Explain appropriate benchmarks when assessing performance

	measurement Capital markets expectations (forecasting for different asset classes, market premium, etc.)	
4.8 Asset allocation	Strategic asset allocation Tactical asset allocation Active investment Passive investment Investment Policy Statement Rebalancing portfolio strategies	• Design a portfolio to meet client needs and constraints • Determine the client's current asset allocation
4.9 Investment products	Collective (e.g., mutual funds) and individual investments in the asset classes relevant to the jurisdiction Financial markets	• Explain features and benefits of investment products and suitability to client needs

5. Financial Planning Curriculum Component: Risk Management and Insurance Planning

Objective: The Risk Management and insurance Planning Component prepares the student to develop strategies and use techniques to manage financial exposure due to personal risk. (Note: The terms risk, risk exposure and risk tolerance refer to the risk of financial loss due to personal circumstances [i.e., pure risk]).

Topics	Subtopics	Learning Outcomes
5.1 Risk management principles	Non-investment risk management Fundamentals of risk management: • Treatment of risk • Risk management: assumptions and transfer • Client perceptions and biases • Basic risk management techniques • Application of risk management process • Personal risk tolerance and management Principles of insurance:	• Explain terminology relevant to risk management • Explain the meaning of risk and the role it plays in financial advice and planning • Identify the types of risk clients face • Explain the difference between pure risk and speculative risk • Define insurance and its characteristics

	• The meaning of risk • Types of risk • Pure and speculative risk • Major types of pure risk • Characteristics of insurance • Types of insurance • Law of large numbers	• Compare and contrast life, health, property and liability insurance • Explain the terms and conditions found in domestic and small business insurance policies • Analyze the pure risk faced by the client and the most appropriate techniques for mitigating such risks • Define insurable interest • Apply the principle of indemnity • Explain the subrogation principle and how this principle effects the client • Assess the suitability of insurance products, including the effects of taxation • Calculate appropriate levels of insurance cover based on a client's needs analysis • Evaluate and differentiate between policies
5.2 Insurance planning objectives	Insurance and risk Collection of client information	• Determine the client's risk management objectives • Collect details of the client's personal information • Collect information about the client's current and past health issues • Collect details of the client's existing insurance coverage • Identify lifestyle issues relevant to a client
5.3 Analysis and evaluation of risk exposures	Introduction to general insurance Introduction to life insurance Risk exposures	• Assess the appropriateness of types of personal and general insurance • Evaluate the client's personal

	Health insurance and mandated cover	and general insurance exposures • Identify risks associated with existing and potential financial obligations • Identify the client's tolerance for handling risk exposure • Assess lifestyle issues relevant to a client • Assess health issues of a client • Identify the client's willingness to take active steps to manage financial risk • Examine the characteristics of existing insurance coverage and policy exclusions • Evaluate risk management strategies and products • Assess the client's exposure to financial risk • Assess risk of loss • Assess the client's insurance needs • Assess the client's risk exposure against current insurance coverage and risk management strategies • Assess the implications of changes to insurance coverage • Prioritize the client's risk management needs • Assess the financial, estate and tax implications of acquiring/disposing of insurance products • Assess the affordability of products in relation to client's financial solution, advice, plan or resources

5.4 Risk strategies	Introduction to risk management strategies The application of risk management principles Case studies in risk management and insurance planning	• Develop risk management strategies using risk management steps • Evaluate advantages and disadvantages of each risk management strategy • Optimize strategies to make risk management recommendations • Prioritize action steps to assist the client in implementing risk management recommendations
5.5 Risk products	Life insurance products General insurance products Personal, for example: • Term Life • Total Disability • Trauma / Critical Illness • Income Protection • Accident insurance • Traditional – whole of life & endowment • Universal, variable life and non-traditional life insurance • Insurance Bonds • Annuities • Health insurance • Long term care • Terms and conditions Property, for example: • Real estate insurance • Vehicle insurance • Contents insurance • Terms and conditions Liability, for example: • Travel insurance • PI insurance • Public Liability • Terms and conditions Business related, for example: • Business insurance • Key-man insurance and small business need	• Identify and critically evaluate the cover provided, conditions and exclusions contained in these insurance products • Discuss the taxation of insurance products • Explain the taxes that can apply to insurance premiums • Explain the taxation of insurance claims proceeds • Explain deductibles and risk assumption

	• Business overhead cover • Board member cover Other private insurance	
5.6 Insurance law and claims process	Legal and financial characteristics of insurance parties involved in an insurance contract: • The insurance company • The policy owner • The beneficiary • The insured Concepts underlying insurance law: • Insurable interest indemnity • Doctrine of utmost good faith • Duty of disclosure • Doctrine of subrogation • The 'subject to average' clause • The doctrine of contribution Making the insurance contract Claims process: • Claim notification • Proof of loss • Onus of proof • Proximate cause • Liability insurance • Exclusions • Fraudulent claims • Loss by own act • Quantifying the loss • Underinsurance • "Double" or "other" insurance Regulation and compliance Taxation of insurance policies	• Identify and explain the concepts that underlie insurance law • Discuss the steps in the construction of an insurance contract • Explain the purpose of policy exclusions, conditions and endorsements • Identify the circumstances under which a policy can be cancelled • Identify and discuss the role of the regulators of the insurance industry • Explain the consumer protection that applies to insured parties to an insurance contract • Evaluate the roles and responsibilities of insurance intermediaries • Discuss the insurance policy claims process • Discuss the regulatory control of insurance companies and intermediaries
5.7 Product/adviser/company selection and due diligence	Choosing an insurance policy Adviser selection Company evaluation and selection Due diligence	• Explain what is important in the selection of an adviser • Explain the important elements to consider when selecting an insurance company • Discuss the standard of care an adviser should exercise to protect confidentiality for client

		records

6. Financial Planning Curriculum Component: Retirement Planning

Objective: The Retirement Planning Component prepares the student to develop strategies and use techniques for wealth accumulation and withdrawal during retirement years, taking into consideration the structure and impact of public and private retirement plans on the client's financial plan.

Topics	**Subtopics**	**Learning Outcomes**
6.1 Retirement principles	The need for and value of early and consistent planning for retirement The need for real cash flow in retirement The power of compound interest and its application to retirement income From distribution to contributions systems (Elaborate of how in the distribution systems, clients do not require financial education. In the new trend of contribution systems, financial education is necessary, as they are required to administer their own retirement portfolios) Selecting and administering Long-term investment portfolios Risk-return, consumer attitudes, financial education and implications for retirement planning	• Demonstrate the concept "time is money" to motivate clients to begin as early as possible with their retirement plans • Help clients to improve their financial knowledge/literacy • Evaluate the distribution systems vs. the contribution systems
6.2 Retirement objectives	Financial objectives based on real money/currency: • Calculation of capital required for retirement • Establishment of accessible targets Establish retirement income targets in a changing economic and political environment Lifestyle objectives: • Activities for retirement	• Identify the client's retirement objectives (first ability for adviser) • Determine the client's attitudes toward retirement • Determine the client's comfort with retirement planning assumptions • Assess trade-offs necessary to meet a client's retirement

	• Health care plan for retirement	objectives • Calculate capital required for a client's retirement • Identify post-retirement lifestyle objectives • Discuss available health care plans available for retirees
6.3 Retirement needs analysis and projections	Inflation and the impact on retirement income needs Longevity risk Goal classification • fixed and terminable (e.g., mortgage) • fixed and permanent (e.g., mortgage) • variable and terminable (e.g., college funding, family support) • variable and permanent (e.g., basic living expenses) Goal priority Sequence risk	• Collect the details (information regarding) of a client's estimated retirement expenses • Assess financial requirements at retirement date for a client
6.4 Potential sources of retirement income	Types of employee benefits Pension funds: • Employer sponsored o Defined contribution o Defined benefits o Funds New forms of plans State sponsored plans Annuities Personal Other sources of retirement income Pension design for closely held	• Collect the details (information regarding) of a client's potential sources of retirement income • Analyze the various pension and associated employment benefits that an employee earns based on his years of service at a company

	business	
6.5 Retirement income and withdrawal projections and strategies	Pre-retirement planning Portfolio construction and distribution strategies – converting capital growth to income generation Sources of retirement cash flow The three basic retirement-income funding sources (sometimes referred to as the "three-legged stool" of retirement) are government pension programs, employer-provided retirement plans and personal retirement savings Fixed and variable income instruments Retirement distribution rates Retirement transition strategies for business owners Impact of taxes on retirement cash flow	• Develop financial projections based on current position and expected income and savings growth on the client's retirement plan • Assess if the client's retirement objectives are realistic • Assess the impact of changes in assumptions on financial projections for a client • Identify sources of income available for investing
6.6 Retirement planning products	Retirement planning products relevant to the jurisdiction and their application in retirement planning, typically investment products and in particular insurance products and annuities Product risk and due diligence	• Analyze and implement potential retirement planning strategies and products • Assess the suitability of retirement products given the client's situation • Assess the financial and tax implications of acquiring / disposing of retirement products and assets

7. Financial Planning Curriculum Component: Estate Planning and Wealth Transfer		
Objective: The objective of Estate Planning and Wealth transfer Component is the preparation of the student/candidate to understand and broadly evaluate strategies and use techniques to handle the preservation and distribution of accumulated assets, and to understand the legal, tax, financial, and non-financial aspects of this process, to efficiently conserve and transfer wealth, consistent with the client's goals.		
Topics	**Subtopics**	**Learning Outcomes**
7.1 Estate planning principles	The estate planning process Estate Planning: • Estate • Wills • Intestacy • Choosing an executor • Administration of estate Asset Protection Methods of estate transfer and transferring assets Different types of trusts Power of Attorney Incapacity planning Business succession planning Estate vs non estate assets Guardianship Philanthropy	• Explain estate planning and distribution terms • Explain estate transfer methods and tools • Understand the implications of incapacity in estate planning
7.2 Estate planning objectives	Beneficiary selection Charitable giving and philanthropy, including foundations and endowments Tax implications Small business control issues	• Explain the basis for the client's estate planning objectives • Explain the family dynamics and business relationships that could impact estate planning strategies for a client • Discuss constraints to meeting the client's estate planning objectives • Appraise the specific needs of beneficiaries
7.3 Legal requirements	Different legal requirements for	• Identify the jurisdictional legal requirements embodied in

	estate planning	estate planning related documents
7.4 Asset ownership and its implications	Planning techniques Asset transfer at death	• Evaluate the consequences of ownership options • Evaluate the consequences of asset transfer at death
7.5 Estate planning documents	Estate planning documents, for example: • Wills • Trust deeds • Power of attorney • Beneficiary designation documents	• Describe the legal forms of interest the client may possess • Analyze terms, documents and client objectives relating to estate distribution • Explain the process of drawing up wills and can outline estate administration processes.
7.6 Succession planning	Development of succession plan Bequests Business succession	• Evaluate family dynamics and business relationships that could impact estate planning strategies of a client • Develop the method of estate transfer
7.7 Special family situation	Non-traditional family arrangements Incapacity Guardianship	• Analyze the specific needs of beneficiaries
7.8 Projected financial situation at death	Liquidity Assets Liabilities Tax Implications	• Analyze the liquidity of the estate at death • Project net worth at death • Calculate potential expenses and any tax liability at death
7.9 Estate planning strategies	Methods Structures Tools	• Design estate planning strategies • Evaluate each estate planning strategy • Optimize strategies to make estate planning recommendations • Prioritize action steps to assist the client in implementing estate planning recommendations

8. Financial Planning Curriculum Component: Integrated Financial Planning
Objective: The Integrated Financial Planning Component serves as a capstone course that allows the student to engage in critical thinking, make decisions and integrate among the Curriculum Components (Principles and Practices of Financial Planning, Financial Management, Asset Management, Risk Management, Tax Planning, Retirement Planning and Estate Planning) while developing strategies, recommendations and financial plans for clients using real world situations and facts.

Topics	**Subtopics**	**Learning Outcomes**
8.1 Client engagement and financial planning process	Purpose, benefits and elements of a financial plan What makes a compliant plan Disclosure and identification of key information Gathering client data and determining goals; time and funding/currency specific and prioritized Establishing client's financial status and needs Developing and presenting the financial plan Understanding the implementation of the financial plan Understanding the review and monitoring process of the financial plan Resolution of conflicts arising from dealing with clients having unrealistic goals Impact of death and divorce Impact of roadblocks such as unemployment, large unexpected financial expenditures, etc.	• Apply the financial planning process in accordance with Financial Planning Standards Board (FPSB) standards and ethical practices • Apply the financial planning process in the practice of financial planning to client scenarios • Apply the steps involved in the financial planning process to client scenarios • Demonstrate the ability to communicate with clients effectively and build rapport to obtain personal information in a data gathering roll play • Demonstrate the ability to present the financial plan in a roll play • Construct a compliant and suitable financial plan, including an IPS. • Conduct periodic reviews of the financial plan • Evaluate the legal and professional elements when compiling a financial plan for a client
8.2 Collection and data	Gathering client data and determining needs & goals; record-keeping, security and confidentiality Assumptions	• Identify the information required for the financial plan (detailed later in this list) • Collect the information required to develop a suitable financial solution and or a suitable financial plan

		• Explain the purpose of data collection and its value in client relationship management • Apply the knowledge and skills necessary for explaining how the information obtained is incorporated in the overall scheme of the client's financial solution • Identify the client's objectives, financial needs and values that have financial implications • Identify the financial and tax information required to develop a suitable financial solution or a suitable financial plan • Identify the client's legal and estate issues that may affect the financial solution and or the financial plan • Identify the client's risk management issues that may affect the financial solution and/or the financial plan • Identify the client's risk tolerance, capacity, needs and issues that may affect the financial solution and/or the financial plan • Determine any client investment constraints (e.g., no international investments or no commodities, etc.) • Determine the clients attitudes and level of financial sophistication • Identify material changes in the client's personal and financial situation • Prepare information to enable analysis
8.3 Attitudes, goals and objectives	Financial Management: • Information on the client's	• Identify the client's objectives, needs and values that have

	propensity to save • Information on how the client makes spending decisions • Information on the client's attitudes toward debt • Information on major purchases planned Tax Principles and optimization: • Information on possible current, deferred and future tax liabilities Investment Planning / Asset Management: • Details on the client's investment objectives • Information on the client's time horizon(s) • Information on the client's tolerance to investment risk • Information on the client's investment constraints Risk Management and Insurance Planning: • Information on the client's risk management preferences and objectives Retirement Planning: • Information on the client's planned transition to retirement • Information on the client's retirement plans and objectives • Information on the client's tolerance to risk in retirement Estate Planning and Wealth Transfer: • Information on the client's estate planning objectives including distribution of assets to heirs • Details on specific needs of beneficiaries • Details on guardianship of minor children	financial implications • Determine the client's attitudes and level of financial sophistication • Determine the client's propensity to save • Determine the client's attitudes toward debt • Determine the client's investment objectives • Determine the client's experience with and attitudes and biases toward investments • Determine the client's tolerance for investment risk • Identify the client's time horizon • Determine the client's risk management objectives • Determine the client's willingness to take active steps to manage financial risk • Prioritize the client's risk management needs • Determine the client's attitudes toward taxation • Determine the client's retirement objectives • Determine the client's attitudes toward retirement • Identify the client's estate planning objectives • Assess the specific needs of beneficiaries • Understand the client's personal goals and fundamental motivations and understanding whether these are based on reasonable financial grounds, or on other beliefs and expectations, or on

		false reasoning and misunderstanding • Apply the knowledge and appropriate skills for recognizing the client's system of values • Understand the client's attitudes that generate personal, financial and professional motivations regarding present and future needs, expectations, and personal and financial wishes

8.4 Issues and problems	Financial Management:
	• Issues relevant to the client's assets and liabilities, for example:
	  o Budgetary issues
	  o Use of bank accounts and credit/debit cards
	  o Placement and use of debt and cash management
	
	• The client's emergency fund provision, if applicable
	• Education funding
	
	Tax Principles and Optimization:
	• Maximize risk adjusted after tax return
	• The client's attitudes toward taxation
	• Appropriateness of current investment structures (if tax is applicable)
	• Future changes in taxation
	
	Investment Planning / Asset Management:
	• The client's experience with, and attitudes and biases toward, investing
	• The client's tolerance for investment risk (attitude and capacity)
	• The client's assumptions and return expectations and conflicts between these and those of the financial planner
	• Conflicts in risk tolerance between spouse/domestic partners
	• Time horizons
		• Identify and discuss the client issues and problems in the applicable financial planning components, including difficult conversations, clients in crisis, third-party advice and client complaints

	• Manage investment expenses Risk Management and Insurance Planning: • The client's tolerance for, and attitudes toward: o Risk exposure o Relevant lifestyle issues o Relevant health issues • The client's willingness to take active steps to manage financial consequences Retirement Planning: • The client's attitudes toward retirement • The client's comfort with retirement planning assumptions • Alignment of the client's retirement provision and the reality of expectations, for example, need to work part-time or delay retirement to achieve goals Estate Planning and Wealth Transfer: • Family dynamics and business relationships that could impact estate planning strategies • Appropriateness of documents to meet estate planning objectives • Specific bequests and minimum size of estate • Specific needs of the client's beneficiaries	
8.5 Analysis	Cash flow and debt management Tax Investments Life insurance and risk products Retirement Social security and aged care Estate planning	• Create a private balance sheet based on the information of the client and show the appropriateness of sector and regional diversification • Evaluate the investments of the client with the market price • Create a private Profit and Loss / cash flow statement based on the information of the client • Distinguish between profit and cash related items (profitability / liquidity)

		• Calculate the return on investment of clients investments • Calculate the cash flow in the case of personal incapacity • Analyze the risk and return of any investments and correlations with other portfolio positions • Examine potential opportunities and constraints and assesses information to develop strategies; also • Analyze the client's objectives, financial needs, values and information to prioritize the Financial Planning Components / to identify potential financial solutions • Analyze inter-relationships among Financial Planning Components • Compare opportunities and constraints and assess collected information across Financial Planning Components • Evaluate information to assess the client's situation • Examine the impact of economic, political and regulatory environments / requirements related to the client and potential financial planning solution • Measure the progress toward achievement of objectives of the financial plan
8.6 Strategies	Product strategies How to assess advantages and disadvantages of potential solutions Description of strategies	• Assess strategies related to products • Create an asset allocation based on client's needs, risk mentality, global economic situation and global economic outlook including the time frame

		of the client • Assess advantages and disadvantages of each potential financial solution • Describe each financial planning strategy
8.7 Synthesis and recommendations	Development and presentation of a financial plan Client engagement (including plan rationale and process education) and permission to proceed with plan implementation	• Synthesize information to develop and evaluate strategies to create a suitable financial plan • Prioritize recommendations from the Financial Planning Components to optimize the client's situation in relation to the client's objectives, needs and values • Consolidate the recommendations and action steps into a compliant and suitable financial plan • Develop a prioritized implementation plan, including timeframes and responsibilities • Determine which financial solutions meet the client's need • Recommend a suitable financial solution and/or a suitable financial plan • Document a compliant recommendation
8.8 Implementation	Implementing the financial plan	• Develop a prioritized implementation plan, including timeframes and responsibilities • Demonstrate the implementation of the agreed financial plan in a roll play
8.9 Periodic review	Monitoring and reviewing the financial plan Addressing changes in client circumstances and goals Holding review meetings	• Determine the appropriate process and cycle of review for the financial plan