

FPSB RESEARCH

The Global Practice of Financial Planning

A study of CFP professionals' perceptions of, and approaches to, financial planning as practiced in Africa, Asia-Pacific, Europe and the Americas





MISSION

To benefit the global community by establishing, upholding and promoting worldwide professional standards in financial planning.



Organizations that participated in FPSB's Global Job Analysis Study*:

1. Österreichischer Verband Financial Planners (Austria)
2. Instituto Brasileiro de Certificação de Profissionais Financeiros (Brazil)
3. Financial Planning Standards Council (Canada)
4. Financial Planning Standards Board China (China)
5. Association Francaise des Conseils en Gestion de Patrimoine Certifies (France)
6. Financial Planning Standards Board Deutschland (Germany)
7. Institute of Financial Planners of Hong Kong Ltd. (Hong Kong)
8. Financial Planning Standards Board Indonesia (Indonesia)
9. Financial Planning Association of Malaysia (Malaysia)
10. Institute of Financial Advisers (New Zealand)
11. Financial Planning Association of Singapore (Singapore)
12. Financial Planning Institute of Southern Africa (South Africa)
13. Swiss Financial Planners Organization (Switzerland)
14. Thai Financial Planners Association (Thailand)
15. Institute of Financial Planning Ltd. (United Kingdom)

** Financial Planning Standards Board Nederland conducted a job analysis in 2013, but the categorization of the data within some demographics questions was different than that done with the other territories. Therefore it is not possible to do a comparison with the other territories.*

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Understanding the Practice of Financial Planning

The concept of financial planning as a distinct professional practice got its start in the United States in the early 1970s with the introduction of the CERTIFIED FINANCIAL PLANNER certification program. Since then, the financial planning community has grown to encompass professionals around the world who work in many disciplines, including banking, insurance, independent advisory services, securities and law. Within those sectors, financial planning professionals work in a variety of capacities and in organizations that range from boutique practices to multi-national firms employing thousands. Some financial planning professionals sell their company's financial products; others provide advice and products on behalf of multiple financial services companies and a portion offer financial advice without selling financial products.

At the end of 2013, there were over 150,000 CFP professionals practicing in 25 countries and territories around the world. The practice of financial planning has not only grown significantly since its beginnings; it has also had to change and adapt as the needs of consumers in various regions change; as products, markets and regulatory environments evolve; and as financial planners have had to develop new approaches and solutions to help their clients reach their financial and life goals during turbulent economic times.

A key facet of FPSB's global standards-setting role is to assist our member organizations in developing valid, reliable and defensible certification programs that accurately assess the abilities, skills and knowledge necessary for a financial planning professional to effectively serve clients in financial planning engagements.

To better understand the practice of financial planning globally, in 2009, FPSB assembled an international team of subject-matter experts to guide the first-ever global job analysis for financial planners. Our goal

was to identify the tasks and professional skills that financial planners consider applicable and important to the practice of financial planning and to determine appropriate content for the global body of knowledge of financial planning.

With data collected from more than 11,000 CFP professionals around the world, FPSB has achieved an in-depth understanding of the global practice of financial planning, the differences in how financial planning is practiced among territories, and of how the profession has changed since its early-1970s start. Using this empirical research, FPSB can:

- Ensure the validity and reliability of the global CFP certification assessment standards and their ability to benefit the public;
- Provide guidance for the content and format of global and territory-specific financial planning education courses, certification requirements and assessment programs; and
- Develop a set of test specifications to guide the construction of financial planner assessments around the world in a manner that will meaningfully evaluate practitioner competency.

FPSB expects more of its member organizations to conduct territory-specific job analyses, the results of which will be added to the data already collected to broaden and deepen our understanding of the commonalities and differences of how financial planning is practiced globally.

Study Methodology

FPSB relied on subject-matter experts and member organizations in 12 territories over a two-year period to participate in a research project to objectively and scientifically determine the tasks, skills and knowledge necessary for the practice of financial planning.

A task force comprised of CFP professionals and certification and assessment specialists from FPSB member organizations in Austria, Brazil, Canada,

China, Germany, Hong Kong, Malaysia, New Zealand, Singapore, South Africa, the UK and the US worked with FPSB's psychometric consultant to devise a job analysis questionnaire based on FPSB's Financial Planner Competency Profile, which was developed in 2007. (FPSB's Competency Profile describes the abilities, skills, attitudes, judgments and knowledge that a financial planning professional draws on when working with clients in financial planning engagements.) The output of the international task force, incorporating feedback from FPSB member organizations, was a detailed survey instrument that would assess the practice of financial planning by CFP professionals around the world. In November 2009, FPSB finalized its global Financial Planner Job Analysis Questionnaire.

From November 2009 through March 2011, FPSB member organizations in 12 territories (Austria, Brazil, Canada, China, France, Germany, Hong Kong, Malaysia, New Zealand, Singapore, South Africa and the United Kingdom) administered a localized version of FPSB's Financial Planner Job Analysis Questionnaire to 38,294 CFP professionals and received a total response rate of 29 percent, or 11,147 responses. To ensure validity of the data, FPSB's psychometric consultant ran the data through several statistical analyses to confirm that the response rates were statistically significant and met testing industry standards.

From March 2011 through 2013, one of the original 12 territories re-ran the survey and four additional territories (Indonesia, the Netherlands, Switzerland and Thailand) completed the analysis. The combined data now represent the responses from more than 11,800 CFP professionals. Once again, FPSB's psychometric consultant conducted a thorough statistical analysis to verify the data.

The findings of the job analyses validated the content and format of FPSB's Financial Planner Competency Profile by identifying two major domains related to the professional practice of financial planning, one related to competency and

the other related to knowledge. The findings from each territory were consistent with each other and validated FPSB's global framework, providing FPSB with assurance that its global competency standards and body of knowledge were relevant to, and reflective of, the current practice of financial planning around the world.

“11,800 CFP professionals from 15 territories responded to FPSB's questionnaire.”

In addition to a global report and set of test specifications, FPSB generated territory-specific job analysis reports for each participating member organization. The data provided rich and comparable information about the practices of CFP professionals in FPSB territories, highlighting commonalities and differences in the practices and body of knowledge for financial planning among those territories. Using this data, FPSB member organizations participating in the research project can compare how the practice of financial planning varies with that of other territories. They can also identify territory-specific elements of a financial planning curriculum and CFP certification examination. Finally, FPSB can use the data gathered to ensure that a territory's adaptation of the CFP certification program is consistent with FPSB's global standards and certification requirements.

In 2014, FPSB's psychometric consultant produced a report covering six European Members of FPSB. This report shows the commonalities and differences among the European CFP professional community and can be used by FPSB's European Members to address issues related to how professionals are prepared for certification and how Members can grow their populations by reaching out to specific sub-populations of financial professionals.

Results & Analysis: Demographic Data

Who Are CFP Professionals?

While the primary goal of FPSB’s job analysis survey was to identify the tasks, skills and knowledge necessary for performance within a professional financial planning engagement, the research provided a profile of the global CERTIFIED FINANCIAL PLANNER professional community. The results revealed some interesting trends, which tended to reflect the market environments in which CFP professionals practice, and are likely indicative of how financial planning practices might emerge in markets similar to those studied.

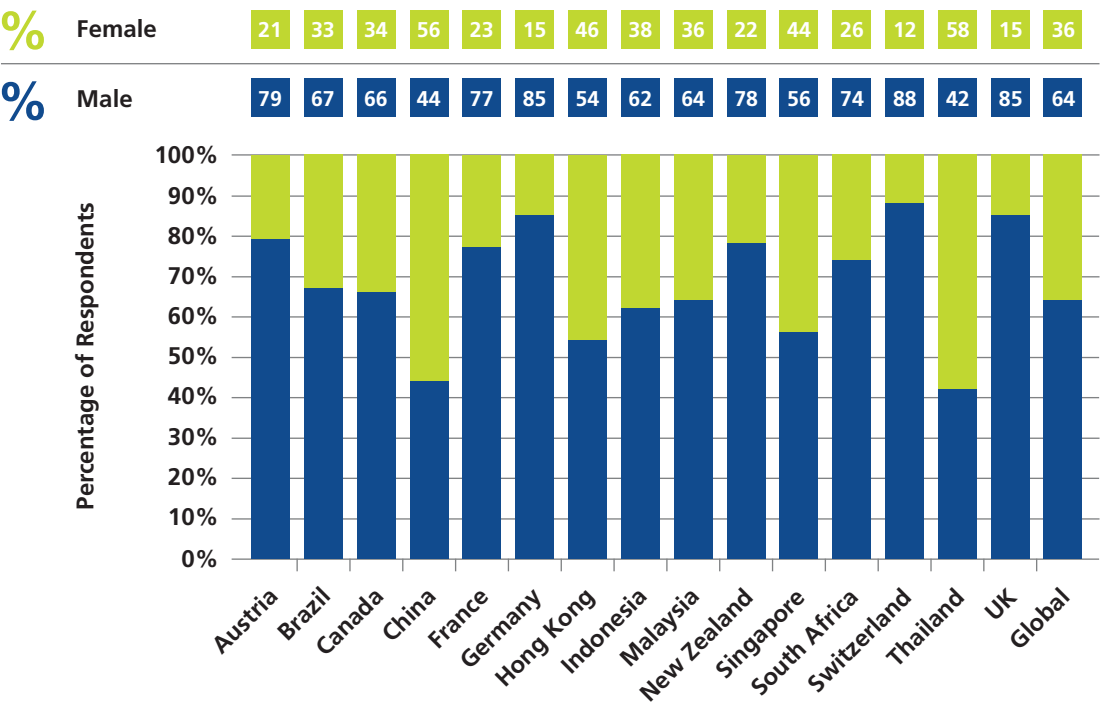
“The majority of CFP professionals in FPSB territories are men.”

Gender

Overwhelmingly, the majority of CFP professionals in FPSB territories are men. The gender gap appears to be greater in territories where the CFP certification program has been offered for a longer period of time. Meanwhile, in territories where financial planning is still an emerging practice area, the number of women in the profession is more closely aligned with the number of men.

People’s Republic of China and Thailand are exceptions to the gender gap, where 56 and 58 percent, respectively, of CFP professionals are women. Germany and the UK – two territories with relatively mature financial planning professions – have the second highest male-to-female ratio, with five men working as CFP professionals to every one woman. The largest gap occurs in Switzerland where the ratio is six men to one woman. The smallest gender gap is in Hong Kong, with approximately 54 males to 46 females practicing as CFP professionals.

Gender Composition of CFP Professionals by Territory



Age

The majority of CFP professionals are between the ages of 35 and 44.

However, in China, where financial planning is a reasonably new concept and the CFP certification program has only been in existence since 2006, the majority of CFP professionals skews younger – between the ages of 25 and 34. In Canada, France, New Zealand, Thailand and the UK, where CFP certification programs date back to the mid-1990s, CFP professionals are older, on average between

45 and 54 years. In fact, in New Zealand, more than one-third of the CFP professional population is 55 years and older, with only four percent younger than 35. The outlier to this pattern is Thailand, where the profession is relatively young, but the majority of professionals are between 45 and 54 years of age.

“The majority of CFP professionals are between the ages of 35 and 44. ”

CFP Professionals' Age Distribution By Territory

	Under 25	25-34 yrs.	35-44 yrs.	45-54 yrs.	55-64 yrs.	65 yrs. or older
Austria	0%	18%	54%	25%	3%	0%
Brazil	2%	33%	43%	18%	3%	0%
Canada	0%	14%	28%	34%	20%	3%
China	0%	57%	39%	2%	1%	1%
France	0%	11%	38%	38%	13%	0%
Germany	0%	16%	50%	29%	5%	0%
Hong Kong	0%	30%	44%	25%	1%	0%
Indonesia	1%	31%	44%	19%	4%	0%
Malaysia	5%	29%	39%	25%	2%	0%
New Zealand	0%	4%	17%	43%	33%	4%
Singapore	0%	17%	45%	29%	9%	1%
South Africa	0%	15%	36%	29%	15%	4%
Switzerland	0%	15%	40%	29%	12%	4%
Thailand	0%	3%	33%	55%	9%	0%
UK	0%	10%	30%	38%	19%	2%
Global	1%	26%	38%	25%	9%	1%

Education Level

Survey findings showed that CFP professionals are a highly educated group, with 88 percent of CFP professionals having earned a college degree or having completed a graduate level course of study. Overall, only 12 percent of CFP professionals do not have a college-level education.

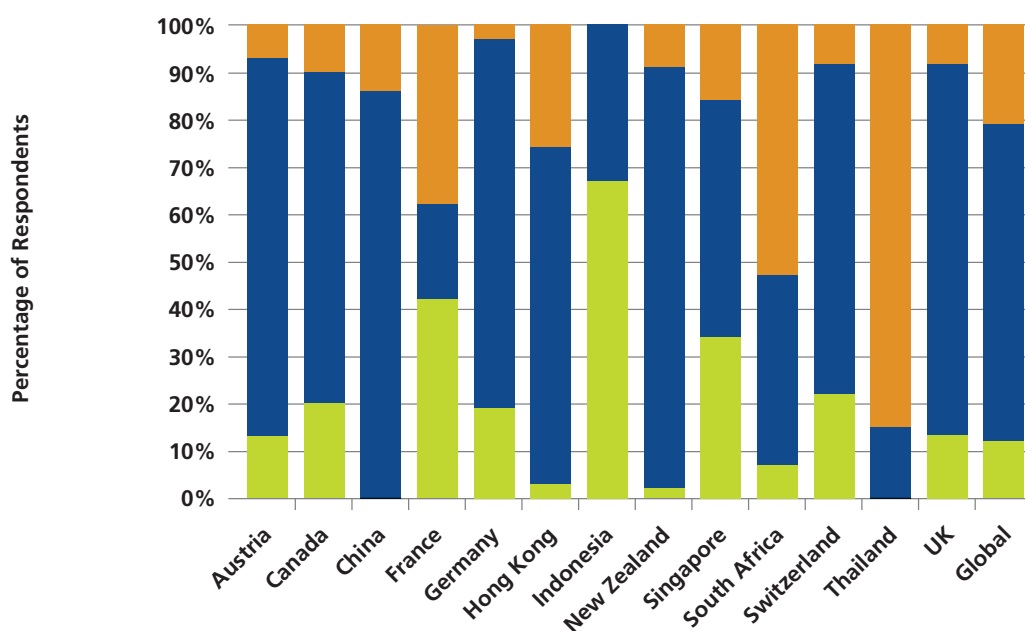
In Indonesia, the highest level of education obtained by about two-thirds of the CFP professionals is high school or its equivalent. In China and Thailand, all

CFP professionals have earned a minimum of a bachelor's degree. In South Africa and Thailand, more than half of CFP professionals hold graduate degrees, which include professional, master's or doctoral degrees.

“88% of CFP professionals have completed undergraduate or graduate level study.”

CFP Professionals' Education Level By Territory

% Graduate Degrees	7	10	14	38	3	26	0	9	16	53	9	85	8	21
% College Certificates or University	80	70	86	20	78	71	33	89	50	40	70	15	78	67
% High School or Lower	13	20	0	42	19	3	67	2	34	7	22	0	13	12



Experience

Approximately two-thirds of CFP professionals surveyed report more than 10 years experience in the financial services sector, and almost 25 percent report they have had more than 20 years experience.

Indonesia, Malaysia and China have the highest percentage of newcomers to financial services, while the UK and New Zealand have more experienced practitioners making up the majority of their CFP professional populations.

“Two-thirds of CFP professionals have more than 10 years’ experience.”

CFP Professionals’ Years in the Financial Services Business

	1-5 years	6-10 years	11-15 years	16-20 years	21 years or more
Austria	1%	20%	23%	23%	34%
Brazil	12%	20%	29%	19%	21%
Canada	5%	17%	26%	19%	34%
China	19%	32%	21%	21%	6%
France	3%	19%	19%	19%	41%
Germany	1%	10%	22%	29%	38%
Hong Kong	7%	34%	26%	15%	17%
Indonesia	25%	38%	20%	12%	5%
Malaysia	21%	22%	58%	0%	0%
New Zealand	1%	13%	16%	21%	49%
Singapore	8%	25%	35%	17%	15%
South Africa	8%	18%	23%	20%	32%
Switzerland	0%	10%	24%	27%	39%
Thailand	3%	12%	3%	45%	36%
UK	2%	9%	16%	18%	55%
Global	9%	23%	26%	18%	23%

Length of Certification

Ninety-two percent of CFP professionals have been certified for at least one year, with over half of CFP certification-holders receiving their certification in the last one-to-five years.

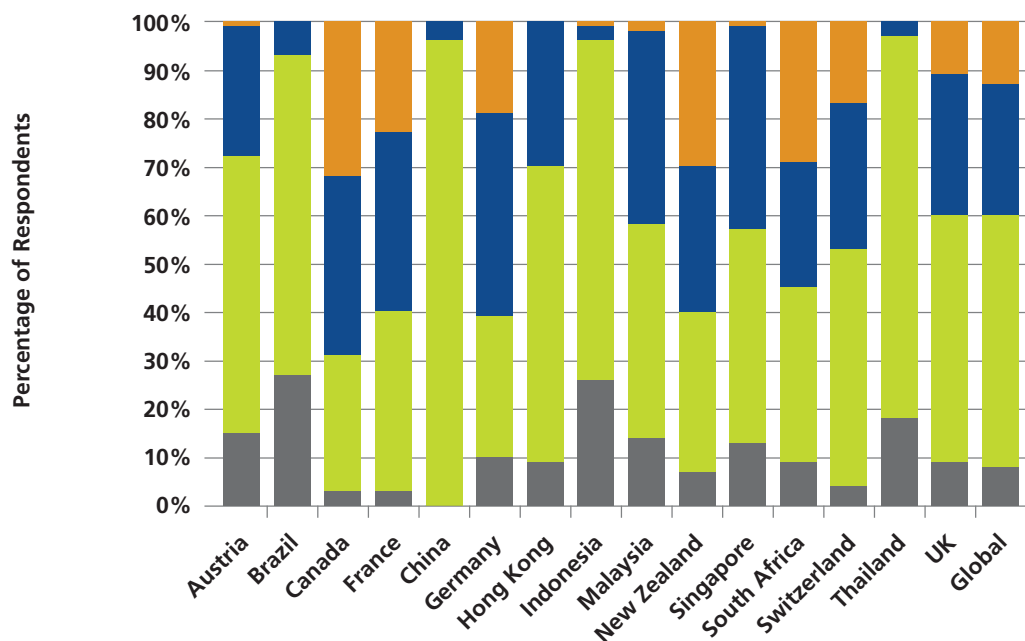
Not unexpectedly, in more mature financial planning markets, such as Canada, New Zealand and South Africa, more than half of CFP professionals have maintained their CFP certification for over six years.

In Canada, New Zealand and South Africa, close to one-third of CFP professionals have been certified 11 or more years.

“A majority of CFP professionals have received CFP certification within the last five years.”

CFP Professionals' Time Certified as a CFP Professional

%	11 years or more	1	0	32	23	0	19	0	1	2	30	1	29	17	0	11	13
%	6-10 years	27	7	37	37	4	43	30	3	40	29	42	26	30	3	29	27
%	1-5 years	57	66	28	37	96	29	60	70	45	33	44	36	49	79	51	53
%	Less than 1 year	15	27	3	3	0	10	9	26	14	7	13	9	4	18	9	8



Organization Size

CFP professionals reported working in organizations of widely diverse sizes. Two-thirds of all CFP professionals who responded work in organizations that have more than 50 employees, nearly half work in firms of more than 500 employees and nearly one-fifth of CFP professionals work in firms of five or fewer employees.

In New Zealand and the UK, the majority of CFP professionals – 37 percent and 41 percent, respectively – are employed by organizations with no more than five employees. The second-largest group of CFP professionals in South Africa (31 percent) and

in Germany (20 percent) work for firms with between one and five total employees. However, in Austria, Brazil, France, Germany, Hong Kong, Malaysia, Singapore, South Africa, Switzerland and Thailand a plurality of CFP professionals are employed in organizations that have more than 500 employees.

“One-fifth of CFP professionals work in firms of five or fewer employees and half work in firms of more than 300 employees.”

Employer Organization Size¹

	1-5	6-10	11-25	26-50	51-100	101-300	300-500	501 or more
Austria	9%	2%	2%	8%	17%	14%	18%	30%
Brazil	8%	8%	8%	6%	2%	6%	4%	59%
France	22%	3%	4%	1%	1%	3%	1%	65%
Germany	20%	5%	5%	3%	4%	8%	8%	46%
Hong Kong	2%	2%	3%	3%	3%	6%	6%	76%
Malaysia	8%	16%	10%	11%	8%	10%	6%	31%
New Zealand	37%	14%	7%	8%	5%	28%	0%	0%
Singapore	6%	4%	10%	5%	6%	9%	18%	42%
South Africa	31%	9%	8%	4%	5%	5%	5%	33%
Switzerland	27%	9%	6%	6%	5%	6%	0%	41%
Thailand	0%	6%	9%	0%	9%	9%	0%	67%
UK	41%	25%	9%	4%	4%	8%	1%	7%
Global	19%	8%	7%	6%	6%	10%	7%	43%

¹ Due to different classifications of employer organization size by territory, some classifications from territories such as Brazil, Hong Kong and Malaysia were recoded for a valid comparison with others. The classifications of employer organization size for China were too different from other territories to compare, and classifications were not included for Canada. China's and Canada's data are not included in the comparison.

Number of Clients

CFP professionals reported working with a wide range of clients. The two largest groups of respondents are at the two extremes, with CFP professionals having either fewer than 50 clients or more than 300 clients.

In Brazil, Germany, Indonesia, New Zealand, Switzerland, Thailand and the UK, the majority of CFP professionals indicate they have fewer than 100 clients. However, in Canada, France and Malaysia, the largest groups of respondents (39 percent, 29

percent and 41 percent, respectively) have more than 300 clients. In France, Hong Kong, Malaysia and Singapore, the two largest groups of respondents are at the two extremes, with CFP professionals having either fewer than 50 clients or more than 300 clients.

“One-quarter of CFP professionals work with fewer than 50 clients. Another quarter work with more than 300 clients.”

Number of Financial Planning Clients²

	Less than 50	51-100	101-200	201-300	301 or more
Austria	20%	21%	30%	16%	13%
Brazil	70%	18%	8%	1%	4%
Canada	0%	18%	25%	18%	39%
France	20%	11%	11%	29%	29%
Germany	46%	21%	15%	10%	8%
Hong Kong	26%	18%	19%	13%	25%
Indonesia	84%	10%	0%	6%	0%
Malaysia	34%	8%	9%	9%	41%
New Zealand	29%	29%	23%	11%	8%
Singapore	29%	15%	16%	16%	23%
South Africa	25%	14%	24%	15%	22%
Switzerland	63%	15%	15%	1%	6%
Thailand	85%	0%	9%	3%	3%
UK	43%	31%	19%	5%	2%
Global	25%	18%	19%	13%	25%

² In the category for number of clients, data from New Zealand, Canada and South Africa were recoded to fit the primary classification used in most territories. China's data was too different from the others. For a valid comparison, China's data is not included in this report.

Results & Analysis: Applicability

Which Tasks Are Most Applicable to Financial Planning?

To learn more about the actual practice of financial planning, FPSB asked CFP professionals which task they consider to be the most applicable when engaging financial planning clients. To a large extent, the responses provided by CFP professionals were shaped by their employment situation or client base and by the limitations that may be placed on them by regulations related to the delivery of financial advice in a territory.

CFP professionals rated almost 90 percent of the tasks described in FPSB's Job Analysis Questionnaire as being applicable to the practice of financial planning. CFP professionals rated Financial Management and Asset Management as the most applicable financial planning tasks in the content domain, across all territories. Risk Management and Retirement Planning scored in the midrange of applicability while Tax Planning and Estate Planning scored the lowest in terms of applicability. While the research findings did not clarify why CFP professionals ranked certain items lower than others, FPSB member organization representatives were not surprised by these responses, given the restrictions often placed on carrying out these tasks and the fact that the tasks are frequently referred by financial planning professionals to licensed specialists, such as accountants or attorneys.

When questioned about the applicability of various areas of competency to the practice of financial planning, survey respondents from all territories rated Financial Planner Professional Skills (in areas such as Professional Responsibility, Practice, Communication and Cognitive), Financial Planning Functions (in areas such as Collection, Analysis and Synthesis) and Fundamental Financial Planning Practices as highly applicable. Of the three Financial

Planning Functions, CFP professionals rated tasks associated with the Synthesis function as being the least applicable to their practices. FPSB would need to conduct additional research to determine whether the lower rating for Synthesis is the result of a need for further training in this area, a lack of client demand for information synthesis or that the nature of employment of CFP professionals surveyed precludes them from synthesizing information when working with clients to develop and optimize strategies and prioritize action steps with the client.

“CFP professionals rated Financial Management and Asset Management as the most applicable financial planning tasks across all territories.”

Most Applicable Tasks

The following provides a summary of the top tasks that CFP professionals rated as having the highest applicability to the practice of financial planning across all territories (with an average rating of at least 98 percent). These top-rated tasks focus on professional skills, such as financial planners' professional responsibility, practice and communication, and on knowledge of financial planning principles and practices.



Most Applicable Tasks
Statement
Complies with relevant financial services laws and regulations
Adheres to professional code of ethics and standards of practice
Acts in the best interest of the client in providing professional services
Professional ethics (including codes of ethics)
Establishes trust in all professional relationships
Demonstrates intellectual honesty and impartiality
Demonstrates ethical judgment
Financial planning practice standards (including rules of conduct)
Engages in continuous learning to ensure currency of knowledge and skills
Establishes good rapport with clients and others
Gives attention to what client and others are saying and takes time to understand the points being made
Communicates information and ideas orally in a manner understandable to clients and others
Communication skills (includes writing, listening and verbal skills)
Deals effectively with objections and complaints
Exercises responsibility for own and/or firm's ability to deliver services to a client for the duration of engagement
Recognizes limits of competence and voluntarily seeks the counsel of and/or defers to other professionals when appropriate
Identifies the client's objectives, needs and values that have financial implications
Relevant regulatory environment
Presents logical and persuasive rationales

Based on these survey results, CFP professionals around the world believe the areas of ethics, acting in clients' best interests, establishing trust among clients

and determining risk tolerance on behalf of clients are among the most applicable tasks in the practice of financial planning.

Results & Analysis: Importance

Which Tasks Are Most Important to Financial Planning?

FPSB also wanted to understand which tasks CFP professionals felt were most important to carry out during financial planning engagements. The results showed that CFP professionals from around the world rated Asset Management, Financial Management and Retirement Planning as being highly important content domains. Consistent with their applicability ratings, CFP professionals rated the areas of Tax Planning and Estate Planning as being less important to the practice of financial planning. Among competence domains, CFP professionals rated Financial Planner Professional Skills and Financial Planning Functions as being highly important. Among the categories of Collection, Analysis and Synthesis, CFP professionals rated Collection as the most important and Synthesis as the least important.

Most Important Tasks

The following 20 tasks received the highest ratings of importance from CFP professionals. It is noteworthy that most of these tasks are related to financial planners' professional skills (including professional responsibility, practice and communication), as well as the ability to identify clients' objectives, investment goals and tolerance of risk.



Most Important Financial Planning Tasks

Statement
1. Complies with relevant financial services laws and regulations
2. Adheres to professional code of ethics and standards of practice
3. Acts in the best interest of the client in providing professional services
4. Establishes trust in all professional relationships
5. Demonstrates ethical judgment
6. Demonstrates intellectual honesty and impartiality
7. Establishes good rapport with clients and others
8. Gives attention to what client and others are saying and takes time to understand the points being made
9. Determines the client's tolerance for investment risk
10. Identifies the client's objectives, needs and values that have financial implications
11. Engages in continuous learning to ensure currency of knowledge and skills
12. Communicates information and ideas orally in a manner understandable to clients and others
13. Recognizes limits of competence and voluntarily seeks the counsel of and/or defers to other professionals when appropriate
14. Exercises responsibility for own and/or firm's ability to deliver services to a client for the duration of engagement
15. Identifies the client's time horizon
16. Determines the client's investment objectives
17. Deals effectively with objections and complaints
18. Maintains awareness of changes in the economic, political and regulatory environment
19. Collects information regarding the client's assets and liabilities
20. Recognizes the public interest role of the profession and acts accordingly

The tasks that CFP professionals ranked as being most important to their financial planning engagements relate to professional ethics, holding themselves accountable to a Code of Ethics and Professional Responsibility, establishing trust in

their client relationships and providing high levels of service and communication to their clients. These findings aligned with the tasks that were rated as being most applicable to CFP professionals' practice of financial planning.

Results & Analysis: Frequency

Which Tasks Are Performed Most Frequently?

In addition to asking CFP professionals to rank the importance of various content domains and tasks necessary to engage in financial planning with clients, FPSB's global research project asked CFP professionals to rank the frequency with which they carried out various tasks during the practice of financial planning. The survey respondents rated Financial Management and Retirement Planning as the domains whose related tasks were carried out most frequently in the practice of financial planning, and rated Tax Planning and Estate Planning as the domains that contained the tasks least frequently carried out.

CFP professionals consistently rated Financial Planner Professional Skills and Financial Planning Functions as the core competencies most frequently required during the practice of financial planning. With the tasks associated with the Collection, Analysis and Synthesis of a client's information, the research findings showed that respondents most frequently perform tasks associated with collecting qualitative and quantitative information, and perform optimization and prioritization of strategies for clients less frequently.

Most Frequent Tasks

The following represents the 20 most frequent tasks performed during the practice of financial planning, as rated by CFP professionals. The results were similar to the findings shown by the importance scale; tasks with the highest ratings were mostly related to financial planners' professional skills, and are listed in descending order below.



Most Frequent Financial Planning Tasks

Statement

1. Complies with relevant financial services laws and regulations
2. Adheres to professional code of ethics and standards of practice
3. Acts in the best interest of the client in providing professional services
4. Demonstrates ethical judgment
5. Establishes trust in all professional relationships
6. Demonstrates intellectual honesty and impartiality
7. Gives attention to what client and others are saying and takes time to understand the points being made
8. Establishes good rapport with clients and others
9. Exercises responsibility for own and/or firm's ability to deliver services to a client for the duration of engagement
10. Communicates information and ideas orally in a manner understandable to clients and others
11. Determines the client's tolerance for investment risk
12. Engages in continuous learning to ensure currency of knowledge and skills
13. Behavioral finance
14. Identifies the client's time horizon
15. Recognizes the public interest role of the profession and acts accordingly
16. Budgeting
17. Determines the client's investment objectives
18. Identifies the client's objectives, needs and values that have financial implications
19. Maintains awareness of changes in the economic, political and regulatory environment
20. Gains agreement with clients and others

The Intersection of Frequency and Importance

In comparing the results for frequency and importance, the study found some tasks that CFP professionals considered important, but did not use frequently, and vice versa. In terms of tasks considered by CFP professionals to be important, but infrequent, the following three tasks were highlighted:

1. Considers potential tax strategies and structures;
2. Analysis and evaluation of personal risk exposures; and
3. Determines the client's propensity to save.

CFP professionals rated all other tasks higher for frequency than for importance, indicating that while CFP professionals may not perceive these tasks as being important, they spend a lot of time on them. The three items with the greatest variance between importance and frequency were:

1. Collects the qualitative information required to develop a financial plan;
2. Determines the client's attitudes and level of financial sophistication; and
3. Investment time horizon.

Finally, FPSB analyzed whether CFP professionals' demographic characteristics affected their ratings on the importance and frequency of tasks carried out during the practice of financial planning. Results showed that, in general, CFP professionals' demographic characteristics did not affect how they rated the importance and frequency of financial planning tasks, except for gender, which had a statistically relevant impact on importance ratings in a few territories. Male CFP professionals in Austria and Singapore offered higher importance/frequency ratings on both scales than their female counterparts, while in New Zealand, Canada and Brazil, female CFP professionals offered higher ratings. There was no significant difference for ratings between genders in other territories.

When comparing all three scales of applicability, importance and frequency, FPSB's research findings showed that financial planning tasks that were rated the highest among respondents tended to be related to professional skills and the areas of Financial Management, Asset Management and Retirement Planning. The results also showed that the least relevant tasks for all three scales of applicability, importance and frequency, tended to be for those related to Tax Planning and Estate Planning.

Implications for the Financial Planning Profession

FPSB's global job analysis represents a benchmark for understanding the practice of financial planning worldwide, and was the first global study of its kind. The results highlighted some positive implications for the clients and potential clients of CFP professionals, as well as indicated some areas that require further study. FPSB's research project also identified some opportunities for FPSB and FPSB member organizations to strengthen education and professional development programs for the financial planning profession and to better understand the current and likely future profile of the global community of financial planning professionals.

Ethics and Standards

CFP professionals considered compliance with relevant financial services laws and regulations, adherence to a professional Code of Ethics and Practice Standards, and acting in the best interests of clients to be the most important tasks they perform in their jobs. In day-to-day activities, CFP professionals find themselves applying the appropriate laws and regulations and applying a professional code of ethics and practice standards in their client engagements. They also engage in continuing professional development to maintain the currency of

their knowledge and skills, and work to build trust in their professional relationships, taking the time to understand what their clients and others are saying. At an uncertain economic time when consumer trust in the financial services industry is being tested, CFP professionals understand the need for competent, ethical behavior when working with clients and strive to demonstrate that behavior in their client relationships.

Areas for Further Study

As with any research project, certain limitations exist in the ability to probe deeper in certain areas or to understand the motivations or implications of certain responses from the survey population. FPSB's survey questionnaire required CFP professionals to respond to questions related to more than 200 discrete tasks. While respondents were asked to rate the importance and applicability of various task statements, they were not asked to provide the rationale for their ratings. Therefore, the reasons why survey participants rated items, such as Tax Planning, Estate Planning, and Synthesis lower in importance and applicability cannot be determined from the results, and will need further investigation. Do CFP professionals outsource tax and estate planning tasks to other professionals? Do financial services firms delegate these tasks to other departments? Is client demand low for these tasks from financial planners? Similarly, does a lack of information synthesis reflect a lack of marketplace demand for comprehensive financial plans, or a need for further training to improve financial planner abilities? These topic areas will be considered by FPSB and FPSB member organizations as areas for future study, and may be indicative of the evolving nature of the financial planning profession globally.

Growth Opportunities

FPSB's global job analysis study highlighted variances in the profiles of CFP professional populations among the FPSB territories – in terms

of gender, age, time in the financial services sector and experience levels. The findings present an opportunity for FPSB and FPSB member organizations to identify approaches and programs that will facilitate candidate entry to the profession and sustain career satisfaction and longevity. Some questions that the FPSB network can explore include:

- As a largely male-dominated profession globally, what opportunities exist to attract more women to the profession of financial planning? Can organizations and mentoring programs be formed to recruit more women into the profession?
- In certain territories that can be described as having more mature financial planning populations, do opportunities exist to nurture and recruit younger professionals into the field of financial planning? Will a lack of attention in this area cause a scarcity of financial planning professionals in these territories once current populations retire?
- Conversely, in financial planning's emerging markets, the majority of CFP professionals are younger than 45. How can FPSB and its Members create opportunities for younger professionals to gain experience that will sustain them through careers in financial planning? Can seasoned practitioners in related financial services areas be attracted to CFP certification in those markets?
- The vast majority – 92 percent – of CFP professionals have been certified at least one year, with 53 percent being certified between one and five years. In certain territories, such as Brazil and China, more than 95 percent of CFP professionals have been certified for fewer than five years. What opportunities exist for these territories to communicate the value of CFP certification to clients and key stakeholders in light of the recent emergence of CFP certification in these territories?

“When consumer trust in the financial services industry is being tested, CFP professionals understand the need for competent, ethical behavior. ”

Future Expansion of this Study

FPSB’s global job analysis study not only reflects our understanding of what a CFP professional does today; it helps FPSB and FPSB member organizations identify the needs of the financial planning profession over the next several years. While 15 FPSB member organizations participated in this initial research, more will conduct similar territory-specific research in the next two to three years, thereby adding to the data already gathered and further codifying the actual practice of financial planning worldwide. Already, consumers, employers, regulators and governments can benefit from understanding the results of this report, which demonstrates the commitment of CFP professionals to ethics, standards and their clients’ best interests.

FPSB’s research has also contributed to the development of global CFP certification test specifications that will help FPSB member organizations more closely align their education and exam requirements to FPSB’s global professional standards for financial planning.

FPSB and its 25 member organizations are dedicated to establishing financial planning as a global profession, with the CFP marks as its symbol of excellence. Gaining a greater understanding of the practice of financial planning will help us assess the current state and likely trajectory of the financial planning profession and allow us to take steps to ensure its continued viability and relevance for clients and potential clients of financial planners well into the future.



Notes



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