



Letter to the Editor – John Robinson’s Response

January 6, 2009

John Robinson’s original article, [In Defense of “Faux Planners.”](#) appeared on December 16, 2008. Previous responses to his article were published on [December 23](#) and [December 30](#), and four additional letters appear in this issue [here](#). Mr. Robinson’s response is below.

To the Editor:

Judging from the many articulate, spirited responses to my op-ed piece, *In Defense of “Faux Planners,”* it seems clear that, at the very least, the topic is ripe for debate.

In his brief, informal rebuttal, Mr. Moisand indicated that I had misrepresented his views. I encourage *Advisor Perspectives* readers to review his two *Journal of Financial Planning* articles and decide for themselves. Mr. Moisand’s repeated references to non-CFP certificants as “faux planners” in both articles speak for themselves. Mr. Moisand’s lack of a more detailed response is disappointing, as I am curious to learn why he appears to believe that the CFP, ChFC, and PFS designations make an advisor academically qualified to provide financial planning guidance while degrees in finance and economics, an MBA, and/or the highly regarded CFA designation do not.

In contrast to some of the respondents who agreed with my position, I am perfectly comfortable accepting the CFP designation as a minimum academic regulatory standard for financial planning, and do not necessarily agree that the standard for admission to the profession needs to be as high as that of the legal or medical professions. What is troubling, however, is that organizations such as the FPA seem inclined to use the widespread recognition of the CFP designation to suggest to legislators that it is the *highest* standard. Although I have tremendous respect for the College for Financial Planning and would never refer to it as a “faux college,” it is not an accredited academic institution. To suggest that the CFP designation carries greater academic merit and sophistication than a degree in finance or economics from an accredited university is difficult to defend.



While one or two of the respondents seemed to balk at the suggestion that the CFP curriculum is largely 101 level material, I believe the College for Financial Planning would agree with this assessment. The syllabus is clearly designed to provide a general, broad-based program of study to a wide range of candidates, many of whom lack previous academic exposure to the investment world. It is not intended to develop the technical expertise or critical thinking skills that one gains from, for example, a 300 level college course in econometrics and statistics, a masters course on the impact of macroeconomic policy decisions, or an MBA course devoted entirely to securities analysis and business valuation models. Virtually all of the basic planning principles taught in the CFP program, including Modern Portfolio Theory, asset allocation planning, and retirement income sustainability analysis, originated in academia. Elevating the CFP designation to a higher standing puts the cart before the horse.

In searching for common ground in the debate, Mr. Moisand is undoubtedly correct in noting that there are many unqualified advisors who are marketing themselves as financial planners, and that current regulation of the investment and insurance industries is inconsistent and inadequate. I believe most competent, ethical CFPs and RIAs would support some basic regulatory-established academic standard for financial planning, as long as that standard does not grant exclusivity to CFP certificants. Similarly, I believe most planning professionals support lobbying initiatives to expand fiduciary standards to the brokerage and insurance industries, increase emphasis on disclosure and ethics, and improve enforcement of existing regulations.

That said, the RIA community should understand that groups such as the FPA, NAPFA, and the Certified Financial Planner Board of Standards are powerful, ambitious, unified lobbying organizations with a stated interest in promoting the CFP designation as the sole standard for financial planning. Although Mr. Moisand suggested that I misrepresented this concept, the January 2009 issue of *Financial Planning* magazine refers to CFP Board of Standards CEO Kevin Keller as "Our man in Washington" and states that he plans to use the board as "a bully pulpit to promote the excellence of the CFP designation." The piece goes on to suggest that re-regulation of the financial planning industry is expected in 2009 and that "Keller will be watching, gathering allies, and making the CFP case." The RIA community would do well to take notice and to carry this debate to broader forums.



Regards,
John H. Robinson

Mr. Robinson is a Hawaii-based an independent dual registered financial advisor. The views expressed in this piece are solely his and are not intended to represent those of his firm or the broker-dealer/registered investment advisory firm with which he is affiliated.

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