Let me clarify something. Many (if not most) of the advisors I meet are true professionals. They are fiduciaries to their clients. They are caring, thoughtful and very knowledgeable. Their clients are fortunate to have them in their corner.

That doesn’t mean that rendering financial advice is a “profession.” Here’s why.

**It doesn’t meet the definition**

Here’s how the Cambridge Dictionary defines “profession”: Any type of work, especially one that needs a high level of education or a particular skill.

We typically associate “profession” with occupations that require significant education. No one questions that term being applied to doctors, lawyers, engineers, teachers and dentists.

You can become a financial advisor without a degree from a college. You can even be a high school dropout. You simply have to pass a basic, three-hour examination to become certified.

Many advisors have qualifications that far exceed this minimum. They hold a Ph.D., MBA, CPA, CFA or CFP degree or...
Absence of trust

The financial services industry is plagued by a lack of trust. According to a 2016 poll by the American Association of Individual Investors (discussed here), “65% of respondents said they mistrust the financial services industry to some degree. In fact, only 2% of respondents claim to trust financial professionals ‘a lot,’ while 15% say they trust them ‘a little.’”

A survey by Personal Capital (discussed here) found that about 32% of Americans thought a financial advisor is likely to take advantage of them.

This lack of trust is what negatively distinguishes financial advice from other professions.

Before I speak publicly to advisors, I send them a series of questions so I will have a better understanding of the obstacles they confront when trying to convert a prospect into a client. The majority of responses focus on these two issues: demonstrating value and fees.

When was the last time you asked your doctor, dentist or other professional to justify her fees? Have you ever questioned the value these professionals add to your life?

I recently had a root canal. It didn’t occur to me to ask the endodontist to discuss his expertise (I had checked his website) or to explain why root canals are so expensive.

Gaining trust

I’m making a distinction between the professionalism of many highly qualified advisors and the characterization of the financial services industry as a “profession.”

Calling it a “profession” does a disservice to those advisors who have pursued advanced study and agree to always put the interest of their clients above their own. It’s unfair to group those advisors with non-fiduciaries, who meet minimum licensing requirements, and render advice influenced by fees and commissions.

By grouping all advisors under the umbrella of a “profession,” highly qualified advisors find it difficult to differentiate themselves.

Investors deserve to understand the difference between advisors who are “professionals” and those who aren’t.

*Dan Solin is a New York Times best-selling author of the Smartest series of books. His latest book is The Smartest Sales Book You’ll Ever Read. His sales coaching practice includes helping advisors convert prospects into clients and generating leads through videos and other elements of marketing. Dan is not affiliated with any advisory firm.*

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