

Dear FPA Member,

This week the Financial Planning Coalition released comprehensive quantitative and qualitative research shining a light on the harm caused to consumers by insufficient regulatory standards for financial planners. Drawing on both new research and analysis of existing industry data, the Coalition concluded that consumers are harmed by the lack of appropriate regulatory standards for those who hold themselves out as “financial planners,” but provide narrowly focused advice, single-product solutions, or advice that is not in the consumers’ best interest.

Our research and analysis make a strong case for the need for regulatory standards for financial planners, including the following five conclusions:

- Consumers want, need and benefit from holistic, integrated financial planning services;
- Consumers seeking holistic, integrated financial planning services are harmed by the lack of regulation of those who hold themselves out as “financial planners”;
- Consumers are confused and misled by the many titles financial service providers use, making it very difficult for them to identify competent and ethical financial planners;
- Lack of regulatory standards for financial planners encourages many advisors – in part as a result of perceived economic incentives – to hold themselves out to consumers as financial planners without meeting any competency or ethical standards or, in many instances, even providing financial planning services; and
- Reasonable regulatory standards, as embodied in the CFP® certification, will reduce harm to consumers by requiring financial service providers who hold themselves out as financial planners to meet basic competency standards and to provide their services under a fiduciary standard of care – which requires them to put their client’s best interests ahead of their own.

The Coalition conducted this research to examine the impact of the current, limited regulatory framework governing financial planners, consistent with the Coalition’s long term goal of recognition and regulation of financial planners to ensure increased consumer protection in financial planning.

The Coalition’s press release announcing the findings of this research is available [here](#), along with a [two-page graphic summary](#) and related [white paper](#).

Kevin R. Keller, CAE
Chief Executive Officer
CFP Board

Lauren M. Schadle, CAE
Chief Executive Officer
FPA

Geoffrey Brown
Chief Executive Officer
NAPFA

CFP BOARD

