College for Financial Planning®

EDUCATING THE NATION'S TOP FINANCIAL ADVISORS℠

2016 SURVEY OF TRENDS IN THE FINANCIAL PLANNING INDUSTRY

SURVEY OBJECTIVES

Our goal for the 2016 Survey was to provide a succinct look at financial practitioners through the eyes of our graduates and CFP® professionals. This includes:

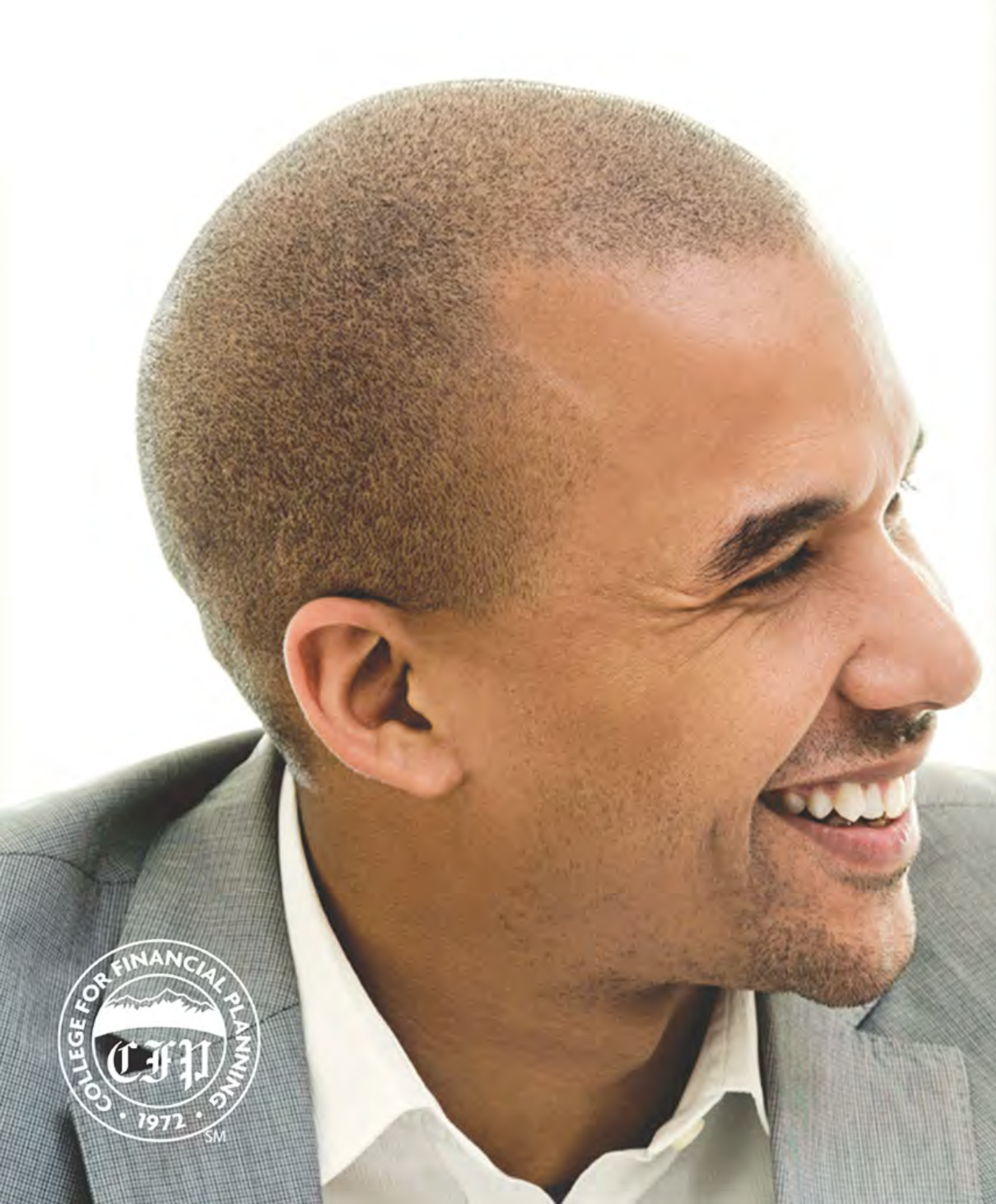
- **Demographic information such as age, gender, education, experience, assets under management, etc.**
- **Earnings information and satisfaction with both their education and their practice**
- **Feedback on clients' concerns, knowledge, and even how they foresee their own retirement**

In the 20 years we have been publishing the Survey of Trends, at least a few characteristics have remained consistent. A financial certification or professional designation leads to greater earnings, additional clients, and increased career satisfaction. Respondents have reported this year after year, and 2016 was no different.

As always, these results will be of interest to corporations and advisors looking for a benchmark to compare themselves to. We hope this year provides you with some additional insight into the industry.

PLANNER PROFILE

- Respondents were **71% male** and **29% female.** This % was fairly consistent for every credential except the **Foundations in Financial Planning (RP®) program,** which was **81% female.**
- **89%** of respondents have at least a **bachelor's degree** and **34%** have a **master's degree** or higher.
- While **22%** of respondents reported that they **do not manage assets, 28%** reported that they manage **more than $60 million** in assets.
- **58%** of respondents were **40 or older** and over **63%** reported that they have worked in the financial services industry for **10 years or more.**



- **69%** of respondents reported that their "typical" client is a **2-income couple.**
- **78%** placed their "typical" client between the **ages of 50-69. Less than 5%** of respondents had a "typical" client **under the age of 40.**
- When asked which areas were of **greatest concern** for their clients, the top responses were **health care costs, asset growth, retirement income, and tax burden.**
- While **more than half** of respondents felt their clients were knowledgeable about **setting goals, less than 15%** felt their clients were knowledgeable about **insurance, income tax planning, and estate planning.**

CLIENT PROFILE

PLANNER SUCCESS

- As in previous years, graduates reported **increases to their earnings** the year after obtaining their most recent credential.
- The average **starting income** for all credentials was **$113,503**, which increased to **$133,524.** This is an **18% increase.**
- Additionally, respondents reported an **average income** of **$161,133** in 2015. The **overall increase** from their starting income to 2015 was **42%.**
- **94%** of respondents reported that their **financial credentials** directly affected their level of **success.**
- **68%** felt that their **credentials** also led to an **increase** in their **number of clients.**

18%

AVERAGE EARNINGS INCREASE

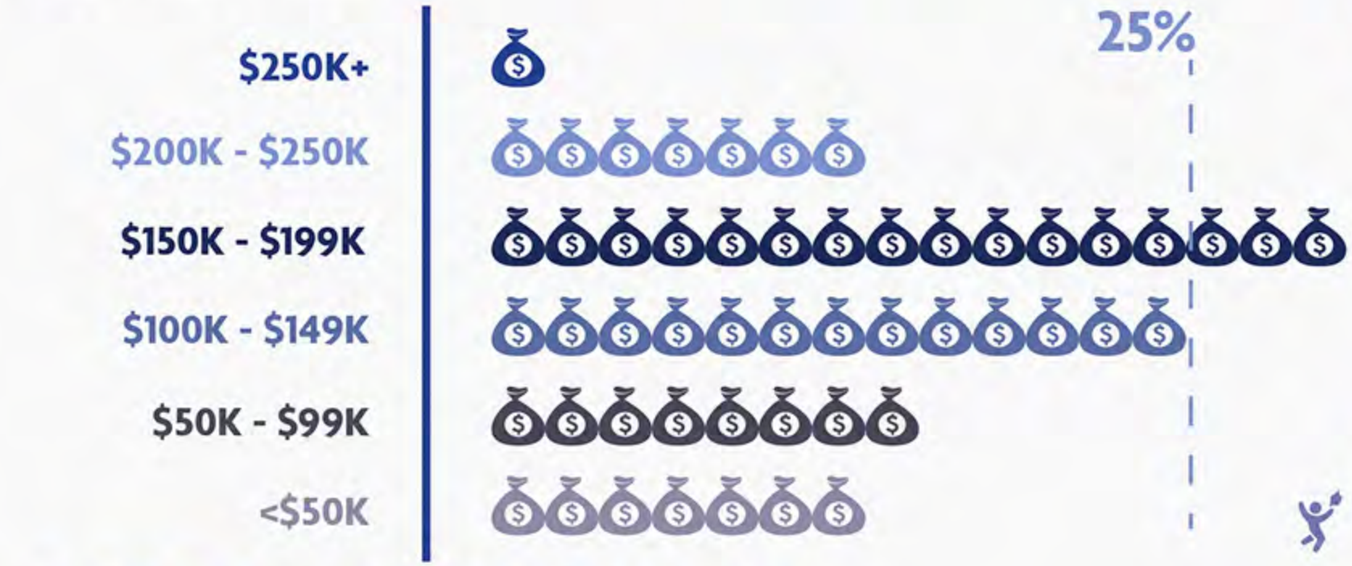
$123,635 AFTER

$104,882 BEFORE

Founded by the College for Financial Planning in 1972, the CFP® certification is the nation's premier comprehensive personal financial planning credential. The CFP® certification education covers every aspect of personal financial planning followed by a comprehensive examination and signing a statement of ethics. The certification is currently maintained and issued by the Certified Financial Planner Board of Standards, Inc. with more than 65,000 active practitioners and 350 registered education programs nationwide.

CFP® CERTIFICATION

CLIENT INCOME



EDUCATION

3.0%	Doctoral or Professional
29.4%	Master's
61.0%	Bachelor's
4.4%	Associate's
2.2%	High School

NOTABLE FINDINGS

- Due to the 2012 requirement that new certificants must have a bachelor's degree, it is no surprise that **93%** of respondents have at least a **BA or BS**. **32%** have a **master's degree** or higher.
- **41%** of respondents have been in the financial industry for **20 years or more**, making CFP® certificants one of the most experienced groups of credential holders in the industry.
- **More than 45%** of respondents reported that their **"typical" client** had an income of **$150,000 per year** or less. This illustrates that experienced financial advisors aren't only for the extremely wealthy.

AFTER	$120,157
BEFORE	$100,034

20%

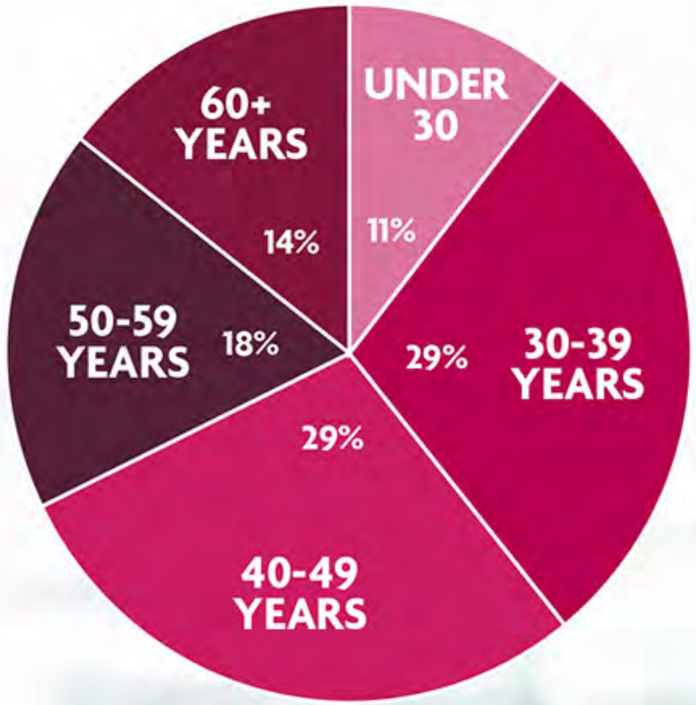
AVERAGE EARNINGS INCREASE

The AAMS® program was developed in 1995 to provide advisors with a strong fundamental financial planning knowledge and new insights on investment management. The AAMS® program is ideal for new advisors looking to develop stronger client relationships and provide more comprehensive financial advice. There are currently more than 20,000 AAMS® program graduates.

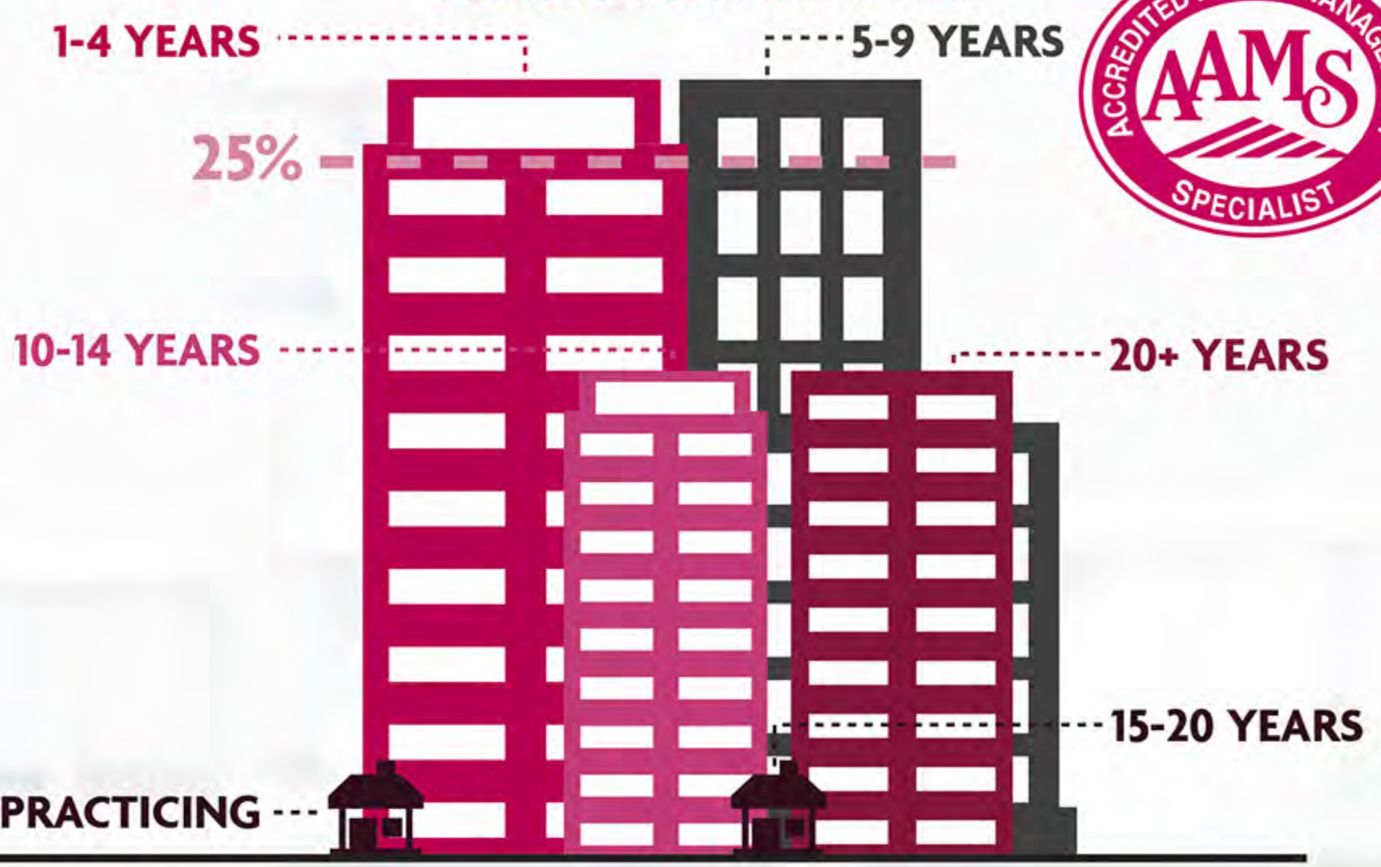
AAMS® PROFESSIONAL DESIGNATION

Accredited Asset Management Specialist℠

ADVISOR AGE



YEARS IN THE INDUSTRY



NOTABLE FINDINGS

- **97%** of respondents reported that having the credential **positively affected** their **level of success**.
- Due to the introductory nature of the program, AAMS® respondents were:
  - o Among the youngest (**40%** were **under the age of 40**).
  - o Among the newest to the industry (**57%** had been in the industry for **under 10 years**).

55%

AVERAGE EARNINGS INCREASE

$271,458 AFTER

$175,516 BEFORE

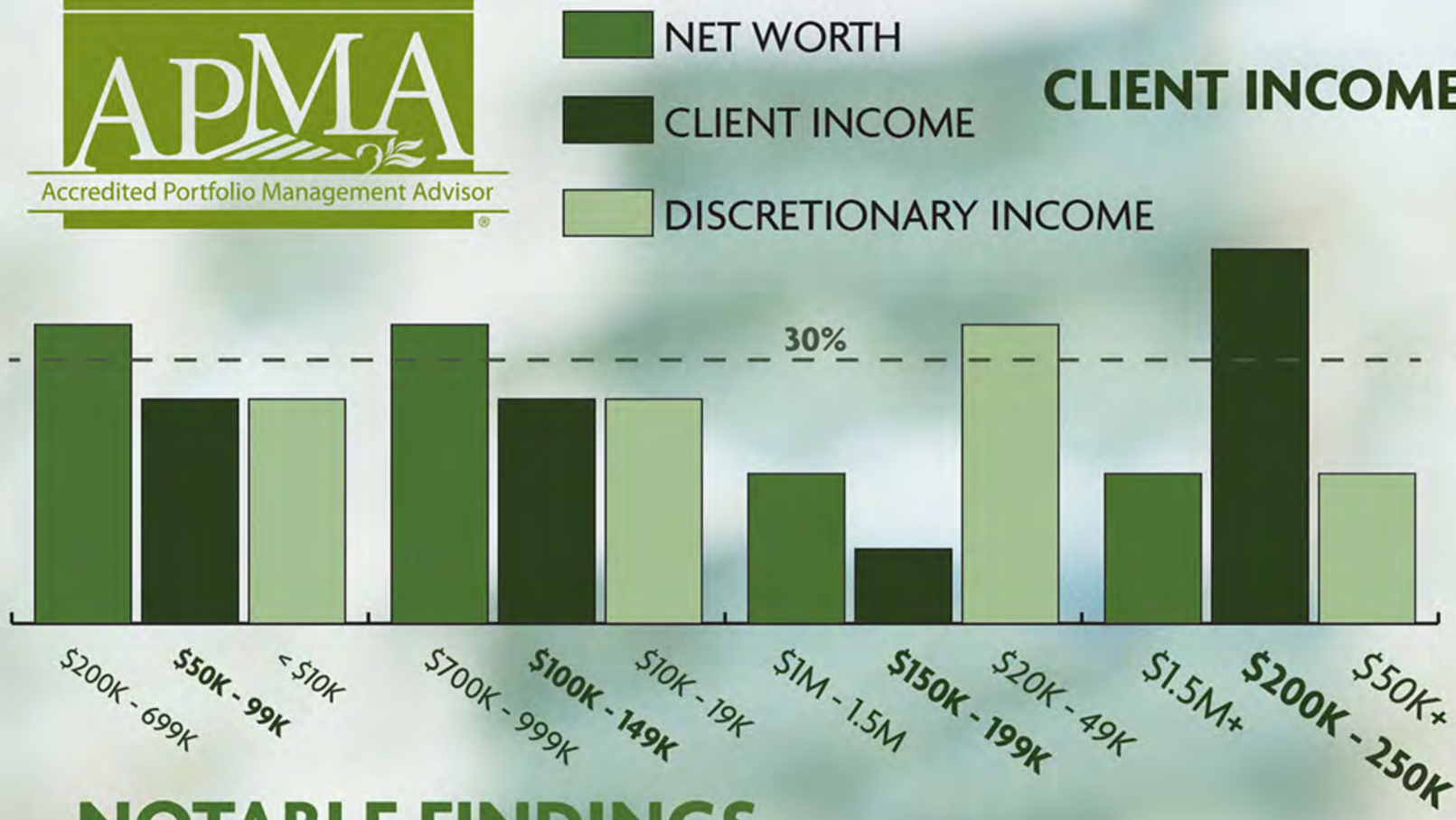
Developed in 2010, the APMA® program is designed to educate advisors in the finer points of portfolio creation, augmentation, and maintenance. The program is unique in its hands-on approach to the curriculum and challenges advisors to make decisions based upon a wide variety of tools and analysis. There are approximately 1,000 APMA® graduates.

APMA® PROFESSIONAL DESIGNATION

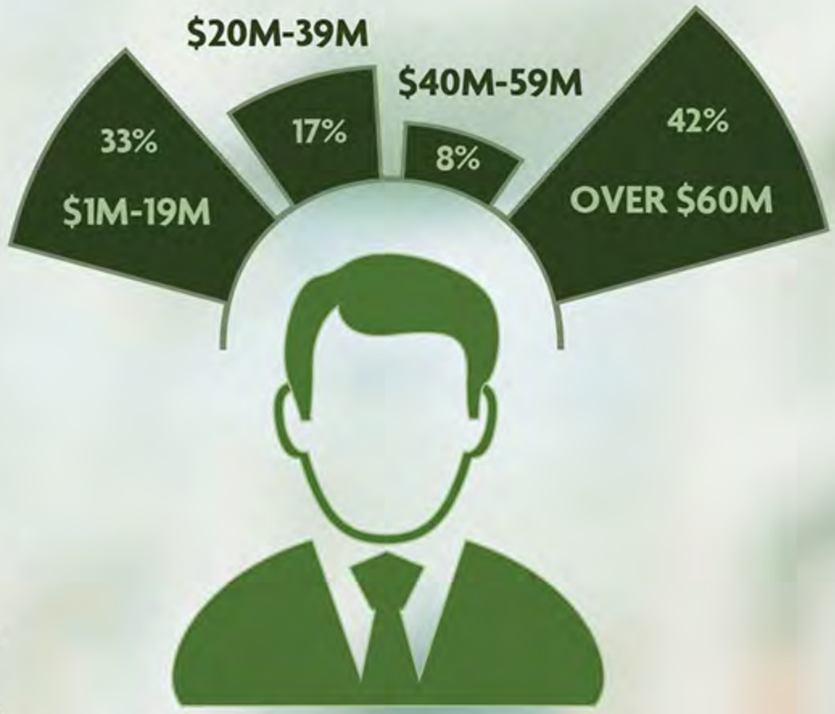
Accredited Portfolio Management Advisor℠

APMA
Accredited Portfolio Management Advisor

CLIENT INCOME



ASSETS UNDER MANAGEMENT

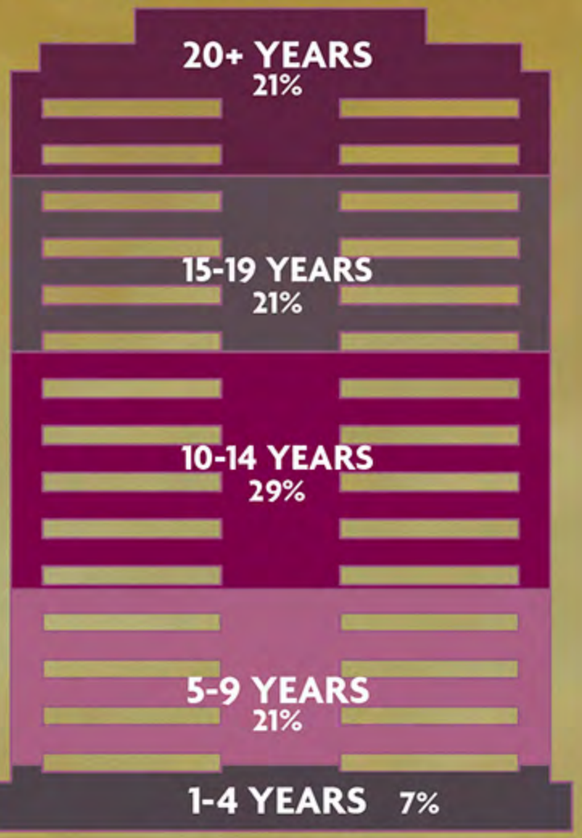


NOTABLE FINDINGS

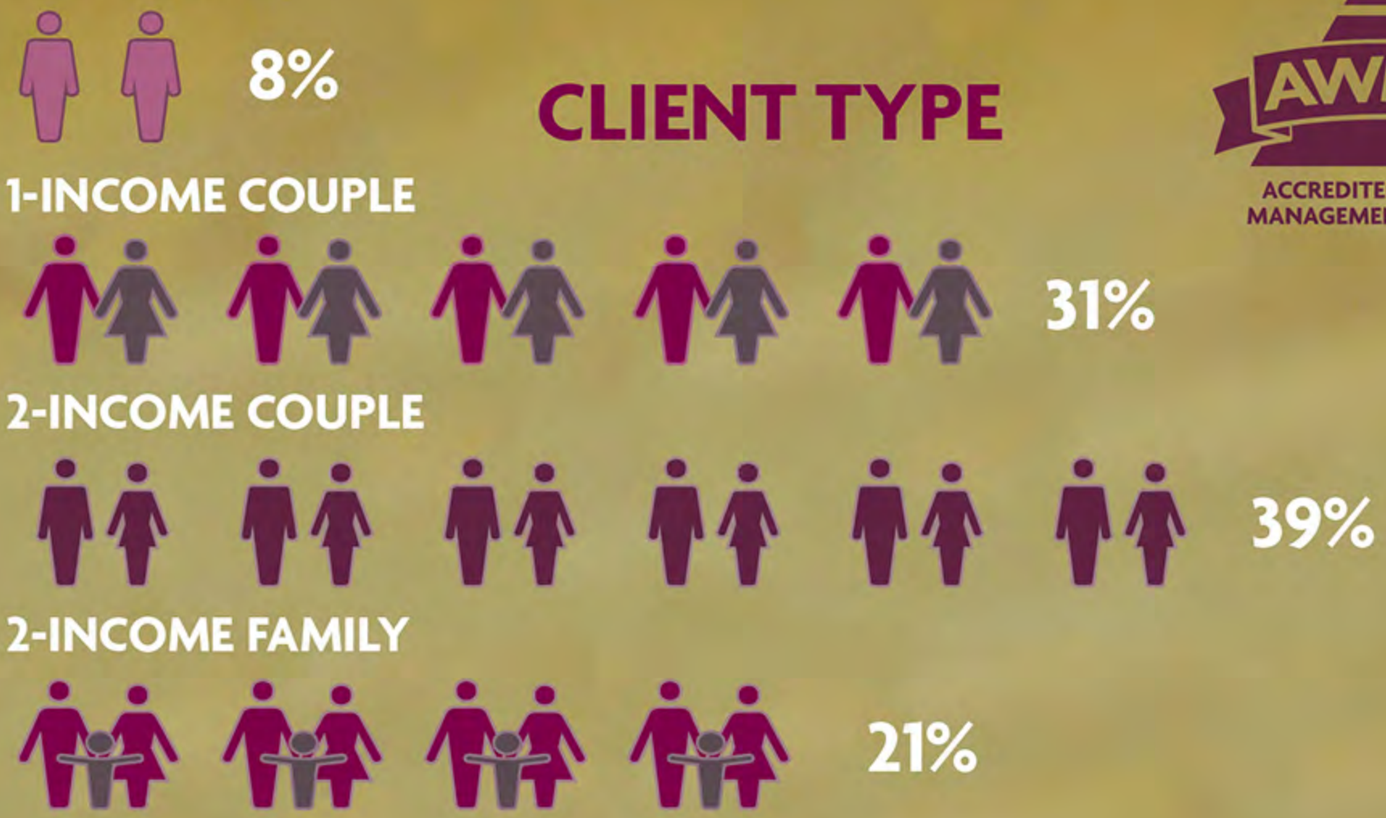
- The **55% earnings increase** reported by APMA® graduates is even more impressive because their starting earnings are **greater than $175,000**.
- Every respondent reported that they felt the **credential** had directly affected their **success**, and that they were **satisfied** with their **career choice.**
- **42%** of respondents reported that they managed **more than $60 million** in assets.

AFTER
$139,500
BEFORE
$120,444
16%
AVERAGE EARNINGS INCREASE
The AWMA® program is a comprehensive education program designed for advisors who want to better address the unique needs of high net worth clients. The program covers all aspects of personal financial planning with special attention given to working with wealthier clients. There have been more than 2,200 AWMA® program graduates since the program was created in 2005.
AWMA
ACCREDITED WEALTH MANAGEMENT ADVISOR
AWMA® PROFESSIONAL DESIGNATION
Accredited Wealth Management Advisor℠

YEARS IN THE INDUSTRY



CLIENT TYPE



AWMA
ACCREDITED WEALTH MANAGEMENT ADVISOR ®

NOTABLE FINDINGS

- **71%** of AWMA® graduates responded that they had been in the industry for **10 years or more**, making this one of the most experienced groups surveyed.
- **31%** identified their typical client as a **1-income couple**, which is quite a bit higher than most other groups and the **19% survey average**.
- **39%** of respondents reported that their typical client's yearly income **exceeded $250,000**. This is the highest of all credentials surveyed, but unsurprising considering the focus of the program.

5%

AVERAGE EARNINGS INCREASE

$119,441 AFTER

$113,358 BEFORE

Founded as a partnership between the College and Investment Company Institute (ICI), the CMFC® program has remained the nation's only recognized mutual fund credential since 1995. The CMFC® is the perfect designation for advisors looking to specialize in mutual funds and master their many uses as investment vehicles. There are approximately 6,700 CMFC® program graduates.

CMFC® PROFESSIONAL DESIGNATION

Chartered Mutual Fund Counselor℠

CREDENTIALS

SPECIALIZATION

NOTABLE FINDINGS

- **93%** of respondents reported that the **credential** and **100%** of respondents reported that **specialization** had positively affected their level of success.
- **57%** of respondents claimed their average client's yearly income was **under $100,000 per year**. This client base has the most modest earnings of all of those surveyed and could be illustrative of serving the underserved.
- **53%** reported that their typical client is **over the age of 60**.

AFTER	$131,386
BEFORE	$120,385

9%

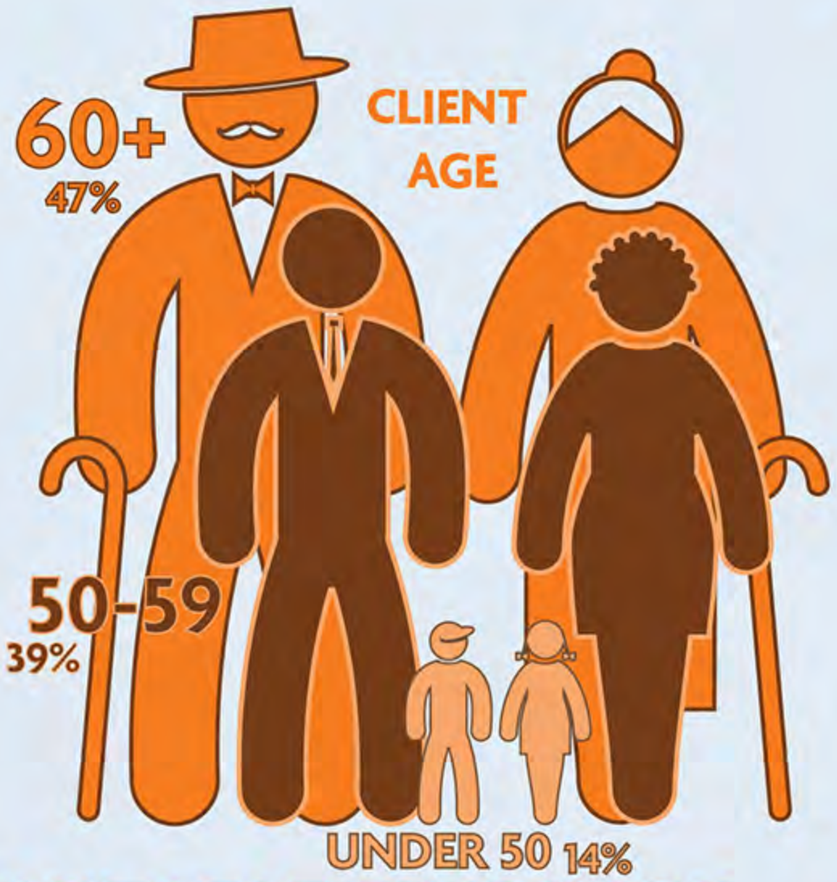
AVERAGE EARNINGS INCREASE

The CRPC® is the nation's preeminent retirement planning credential. The program was created in 1995 to educate advisors on all of the finer points of helping clients plan and prepare for retirement. The program is comprehensive in its approach and has become the industry benchmark as a result. The CRPC® is the most popular professional designation program at the College for Financial Planning and there are more than 27,000 CRPC® program graduates.

CRPC
Chartered Retirement Planning Counselor ®

CRPC® PROFESSIONAL DESIGNATION

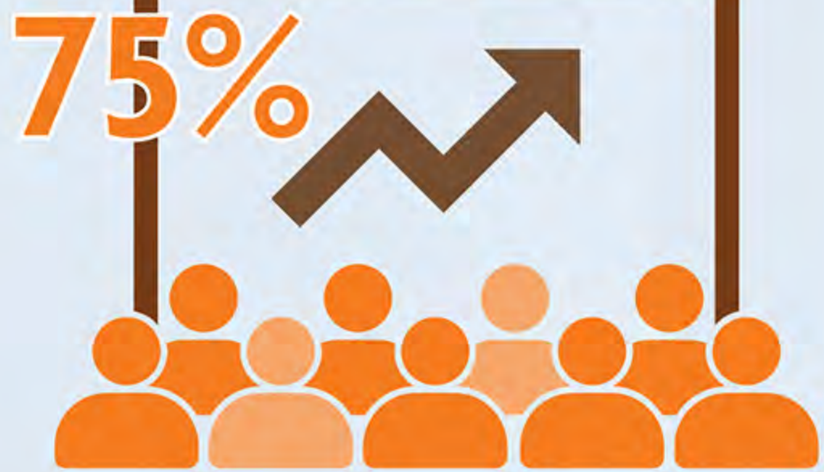
Chartered Retirement Planning Counselor℠



YEARS IN THE INDUSTRY

CRPC
Chartered Retirement Planning Counselor ®

BUSINESS GROWTH



NOTABLE FINDINGS

- **86%** of respondents reported that their typical client is **over the age of 50. 47%** were **over 60.** Due to the nature of the program, this isn't unexpected.
- **50%** of respondents have been in the industry for **15 years or more,** making this one of the most experienced groups that were surveyed.
- **75%** of respondents replied that their **business grew** as a result of earning the designation.

17%

AVERAGE EARNINGS INCREASE

$206,595 AFTER

$177,319 BEFORE

Founded in 1995, the CRPS® program is designed to help advisors master the process of designing, installing, and maintaining company retirement plans. While most of the College's education programs focus on working with individual clients, the CRPS® uniquely focuses on wholesale and business clients. There are currently more than 5,500 CRPS® program graduates.

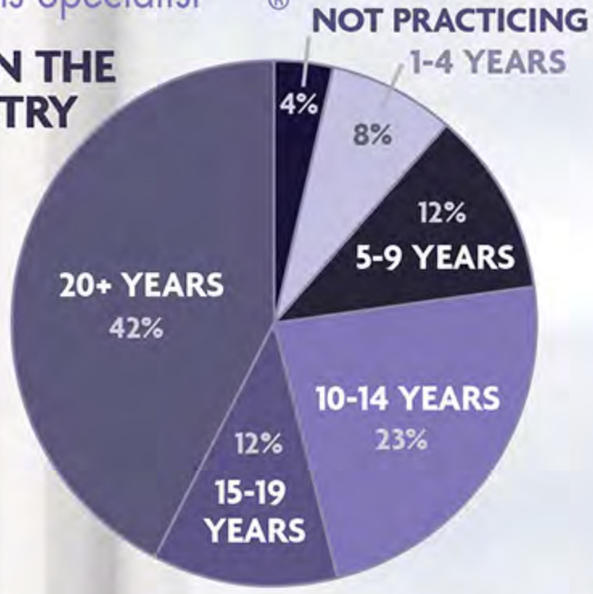
CRPS® PROFESSIONAL DESIGNATION

Chartered Retirement Plans Specialist℠

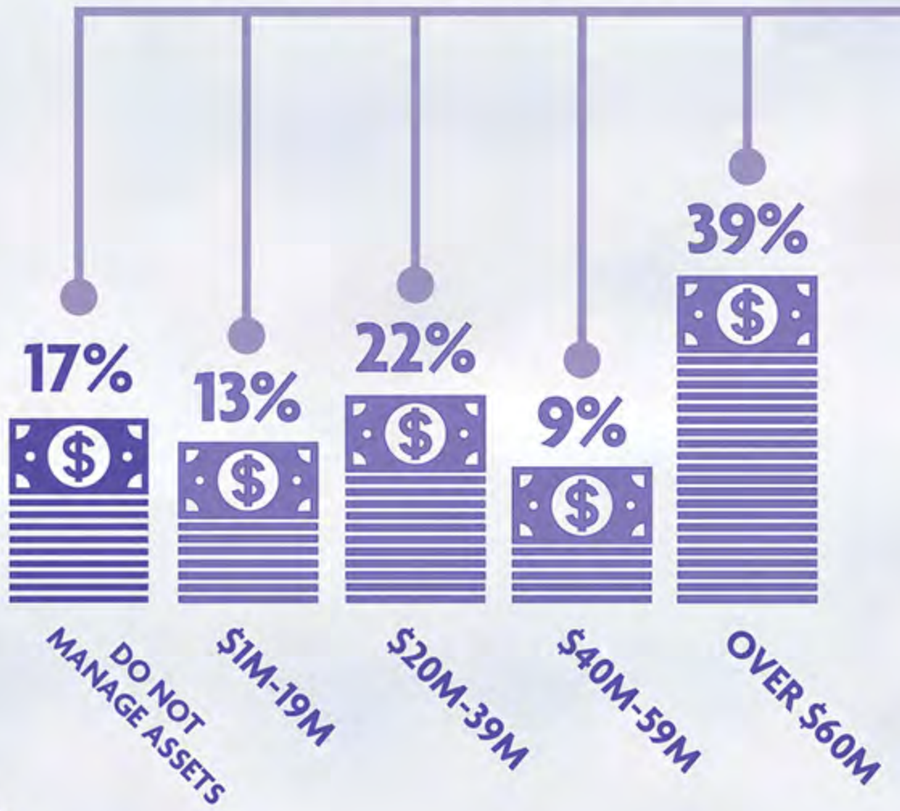
CRPS
Chartered Retirement Plans Specialist ®

CRPS
Chartered Retirement Plans Specialist ®

YEARS IN THE INDUSTRY



ASSETS UNDER MANAGEMENT



NOTABLE FINDINGS

- CRPS® graduates reported a **17% increase in earnings** after obtaining the designation. Because their **average starting income response was $177K,** this is especially impressive.
- **77%** of respondents have been in the financial industry for **10 years or more**, and **42%** of respondents have been in the industry for **20 years or more**.
- **39%** of respondents responded that they **manage more than $60 million** in assets, which is among the highest of all the designations that were surveyed.

AFTER	$153,139
BEFORE	$122,562

25%

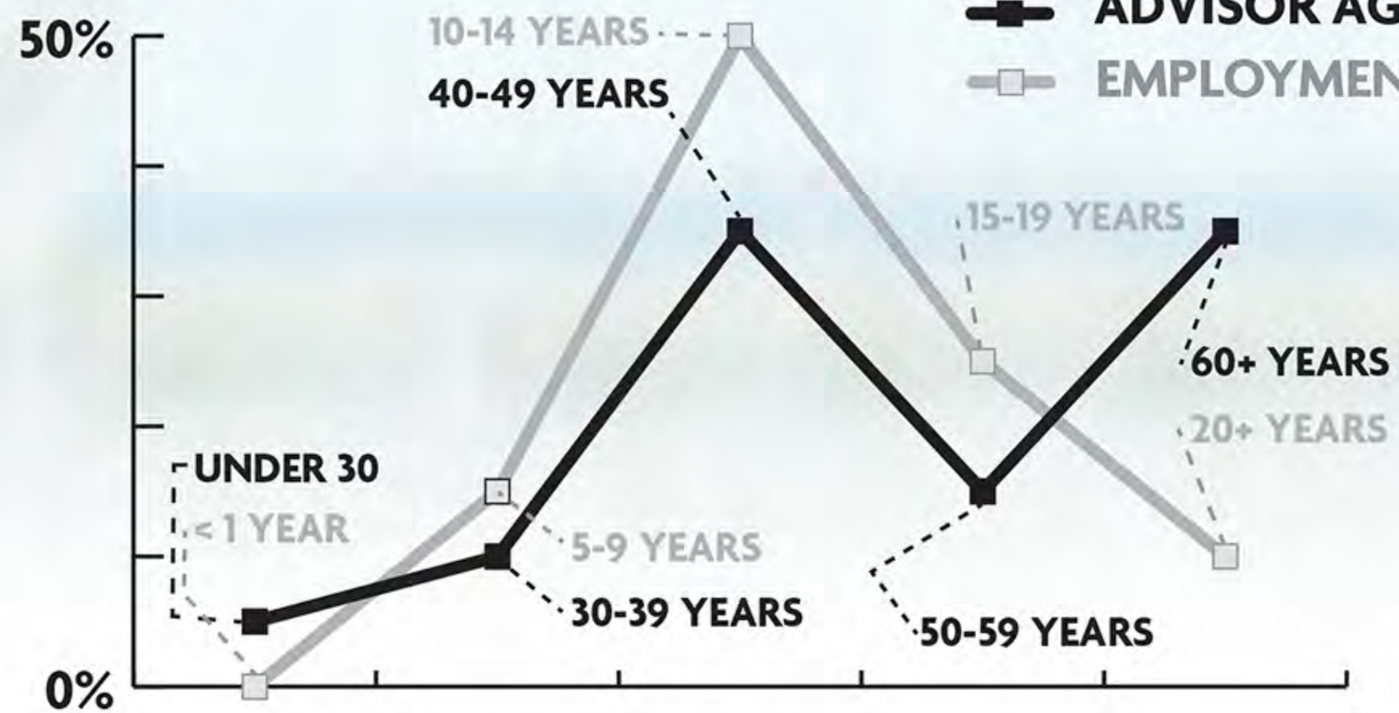
AVERAGE EARNINGS INCREASE

The College's Master of Science Degree Programs in Personal Financial Planning and Finance are for professionals looking to go beyond the typical industry credentials. Coursework is based upon real-world scenarios and case studies that simulate everyday situations. As a result, students and graduates garner unique perspectives and knowledge that can be immediately applicable in their careers. There are currently more than 2,600 Master of Science Degree Program graduates.

College for Financial Planning
MS
Master of Science

MASTER OF SCIENCE DEGREE PROGRAMS

AGE & EXPERIENCE



ADVANCED CREDENTIALS

ChFC®

CFP®

CLU®

NOTABLE FINDINGS

- **85%** of respondents reported they had **at least 10 years** of industry experience and **100%** of respondents were **currently practicing**. The most experienced group in the survey.
- **Only 15%** of respondents reported that they were **under the age of 40**.
- While all respondents had at least a graduate-level degree, they also reported that they had the **highest number of additional advanced credentials** among those surveyed.

7%

AVERAGE EARNINGS INCREASE

$41,921 AFTER

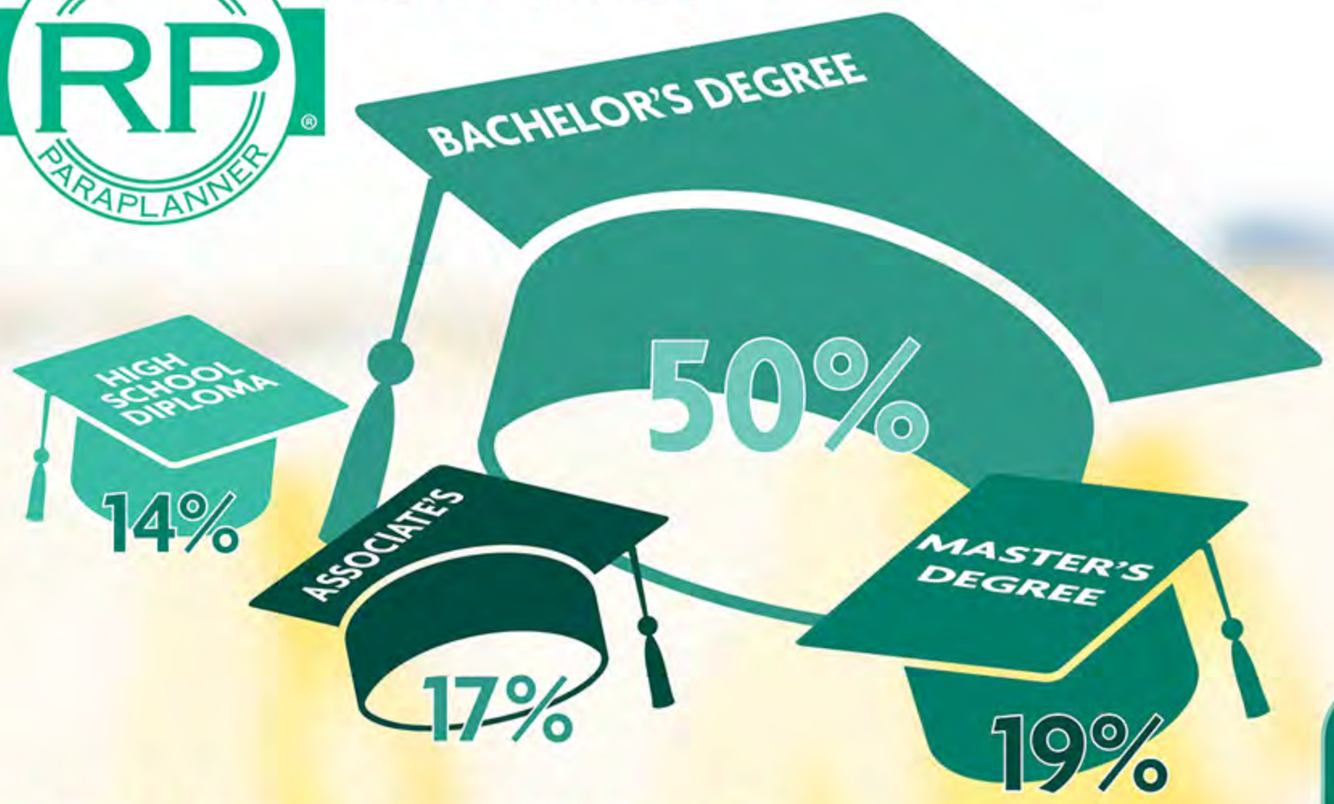
$39,249 BEFORE

The Foundations in Financial Planning program is the perfect introduction to personal financial planning for those who are in support roles or have no prior experience. The program covers the main facets in personal financial planning, but in a way better suited to practical rather than professional application. The program is an ideal starting point for those new to the world of financial planning or for planners looking to give their support personnel additional insights. Graduates are eligible for the Registered Paraplanner℠ or RP® mark. There are currently more than 13,000 graduates since 1985.

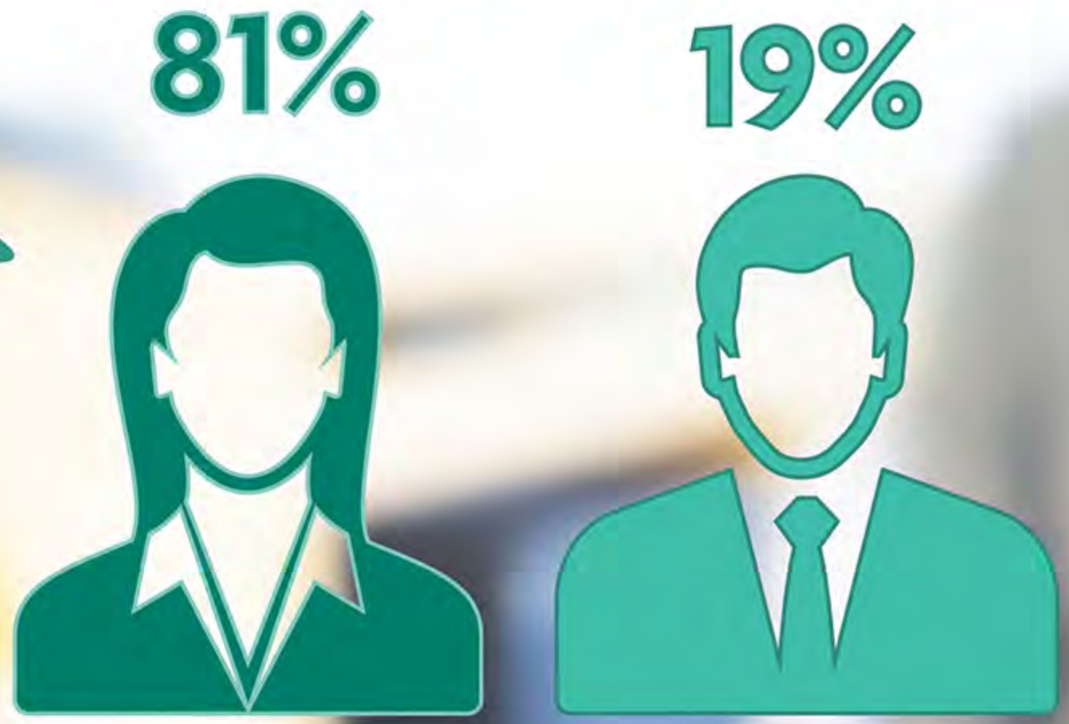
RP® PROFESSIONAL DESIGNATION

Foundations in Financial Planning℠

EDUCATION



GENDER



NOTABLE FINDINGS

- **81%** of Foundations respondents were **female.** This is nearly the **exact opposite** of the other programs, which were 71% male on average.
- **49%** of respondents reported that they had been in the financial services industry for **4 years or less.**
- **69%** of respondents completed **at least a 4-year degree,** illustrating that personal financial planning is still rarely covered in a traditional university setting.

CONCLUSION

It is an exciting and challenging time to be working in financial services. The bar is consistently being raised year after year, and it is obvious that lifetime financial education is important for any successful financial advisor. The recently released fiduciary rules being put in place by the Department of Labor are just one example of the importance of staying ahead of the curve.

The overwhelming majority of our students feel that working toward and obtaining the right financial credentials directly affects their level of success and enables them to better serve their clients. We are committed to your financial growth, whether you are just getting started as a Registered Paraplanner℠ or pursuing a Master of Science degree in Personal Financial Planning.

Jim Pasztor MPAS℠, CFP® Vice President, Academic Affairs

METHODOLOGY

A series of questions was developed to inquire about planner demographics including age, sex, experience, and earnings. We sent the survey to recent graduates of our own CFP Certification Professional Education Program, each of our professional designation programs, and Master of Science degree programs. In addition, we also mailed to CFP® certificants (via the Financial Media Group Database) who completed their education at schools other than the College for Financial Planning.

PROCEDURE

An e-mail letter of invitation, along with a link to the survey, was sent to the various credential holders. As compensation for their efforts, the respondents were offered a free Code of Ethics online class. The deadline for accepting surveys was 5/11/16. There were 370 total valid responses for the Survey, although not every respondent answered every question.

SURVEY RESULTS

In addition to the demographic information in the previous pages, the survey contained questions about advisor client bases, method of earnings, and type of practice. If you have any questions about the survey or the results, contact the College at: **cffpresearch@cffp.edu .**

Learn more about the College for Financial Planning and the credentials covered within the Survey of Trends at **http://www.CFFPinfo.com**

Certified Financial Planner Board of Standards Inc. owns the marks CFP, CERTIFIED FINANCIAL PLANNER™, and the federally registered CFP (with flame design)® in the U.S., which it awards to individuals who successfully complete initial and ongoing certification requirements.

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