



2020 Annual Report of the Financial Planning Association

*Elevating the profession that transforms
lives through the power of financial planning*

Change Tomorrows™

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Message From the CEO



2020 was a year unlike any other. Not only did the COVID-19 pandemic bring society and everyday life to a halt, but we faced divisive political discourse, unrest across the country, and the economic hardship many Americans faced as a result of our modern-day challenges. As Benjamin Franklin famously said, “*Energy and persistence conquer all things.*” I believe our Nation and world, on the whole, strived to respond admirably to the challenges we faced—and continue to face— as a society. I know we will be better for that energy and persistence.

And I am confident that FPA will be better for it as well.

It’s no secret that FPA has had its fair share of challenges. While it would be convenient to tout the pandemic as a root cause of our Association’s woes over the past year, it would be disingenuous to do so. While the pandemic didn’t help, the challenges plaguing FPA have existed for years. Our decline in membership, persistent struggles to communicate the value we provide members, lack of clarity in our communication to stakeholders, and other problems cannot be chalked up to any one action or inaction. We acknowledge these challenges and are committed to exerting the required energy and persistence to position FPA for long-term success. But it will take time, persistent effort, and patience by all.

The good news is that we have taken several course-correcting steps. First and foremost, we have opened communication to build trust with stakeholders, with an intentional focus on transparency, and have committed to defining who we are and the value we provide our members. We have restructured our Central Office staff to maximize our talent, identified and started to address a variety of technology issues that have hamstrung the organization, and embraced new accounting principles that ensure we are maximizing resources.

This is just the start of our effort to position FPA for a brighter future. We will continue to share our progress along the way to keep you informed of the work taking place.

The COVID-19 pandemic introduced a prevalent buzzword now in vogue across society: “uncertainty.” It has undoubtedly been an apropos word to use during this truly extraordinary time in human history. And, it has been more than appropriate to use when talking about or describing FPA. But my sincere hope is that the steps we are taking today will lead to renewed vigor for our Association’s standing in the profession and how FPA helps our members become more competent, successful practitioners.

Thank you for the privilege of your membership.

Sincerely,

A handwritten signature in white ink that reads "Patrick D. Mahoney". The signature is fluid and cursive, with a stylized "y" at the end.

Patrick D. Mahoney
Chief Executive Officer

The FPA Chapter Network



Our [network of FPA chapters](#) have played a critical role in delivering meaningful value for members of our Association for over 20 years. Entering 2020, all chapters had big plans to continue providing crucial educational programming, conferences and events, and, even more importantly, community and networking, all central to the local chapter experience. While most chapters were able to adapt to the challenges posed by the pandemic by converting programming and events to virtual formats, that spirit of community was unfortunately not the same.

FPA would like to acknowledge and thank all of our chapter executives and our outstanding volunteer chapter leaders. They continued to power our chapter system while coping with the extraordinary challenges of the past year. Their commitment to the Association and our members coast-to-coast made our events of the past year a little more bearable. It was a challenging year, but the ingenuity and resilience exhibited by our ever-important chapters will serve our members and our Association well in the years to come.

81

LOCAL CHAPTERS

2

STATE COUNCILS

The Value of Membership



LEARN

LEAD

CONNECT

FPA is the principal membership organization for CERTIFIED FINANCIAL PLANNER™ professionals, financial planning practitioners, and students who are committed to elevating the profession that transforms lives through the power of financial planning. With a focus on the practice, business, and profession of financial planning, FPA advances financial planning practitioners through every phase of their careers, from novice to master to leader of the profession.

Despite the pandemic and other organizational challenges, the entire FPA team worked diligently to help the financial planning community become more competent practitioners and impactful leaders, and forge a community of professionals. [Access our quarterly Snapshots](#) to learn more.

2020 Conferences and Events

Supporting Financial Planning Students Who Lost Summer Opportunities Due to COVID-19: Students and career-changers who had internships interrupted or canceled due to COVID-19 were provided an opportunity to participate in the [FPA Virtual Externship program](#) from June 1 to July 30. The FPA Virtual Externship, developed in partnership with TD Ameritrade Institutional, was an eight-week program led by practitioner mentors who helped aspiring planners gain insights into the planning philosophies of multiple firms.

NexGen Members Gathered for a One-Day Virtual Experience: New financial planners from across the country came together for a [one-day virtual event](#) to learn more about their strengths, connect with peers, and gain a deeper understanding of financial coaching. Held on August 14, this virtual experience brought together 172 new and aspiring financial planners.

FPA Hosts First-Ever Virtual Annual Conference: In response to the public health threat, FPA moved its 2020 FPA Annual Conference from the Phoenix Convention Center to an immersive, three-day, virtual experience that featured best-in-class educational content focused on financial planning competencies and the mastery of financial planning. Those attending the [FPA Virtual Annual Conference](#) also received complimentary access to the Academy of Financial Services (AFS) 2020 Annual Meeting, held in conjunction with the virtual conference. [Access recorded sessions from the conference.](#)

OneFPA Chapter Leaders Conference 2020: FPA held its first-ever virtual Chapter Leaders Conference on November 6, 2020. The one-day event brought together 279 FPA chapter leaders and chapter executives to explore opportunities to enhance chapter value and prepare for the year ahead on core issues, including membership recruitment and retention, strategic partnerships, public relations, chapter meetings, and events.

Educational Programs

FPA, American Heart Association Launch Certificate Program: To help make philanthropic giving a competency among financial planners, FPA and the American Heart Association launched a six-part certificate learning series, *Philanthropic Solutions in Financial Planning*. The program was especially designed for financial planning practitioners and explored the benefits of charitable giving and how philanthropy can meet long-term objectives. [Learn more.](#)

Cybersecurity for Financial Planners: To help financial planners protect data and comply with SEC and FINRA requirements, FPA launched [Cybersecurity for Financial Planners: An FPA Certificate Program](#). The program, developed in partnership with FCI, guides financial planners through a step-by-step process to establish a customized cybersecurity plan that ensures they are adopting reliable security measures that safeguard client data and provide a record of a firm's cybersecurity practices.

New FPA Learning Center Launched: To provide cutting-edge and easily accessible programming to those in the financial planning community, FPA launched a new [Learning Center](#). The new Learning Center features a simplified single sign-on experience for users, on-demand webinars, and easy access to *Journal of Financial Planning* and *Financial Services Review* exams.

CFP Board's Code of Ethics: Elevating the Profession On-Demand Course: An [interactive, self-study course](#) to help educate planners on CFP Board's new *Code of Ethics and Standards of Conduct* launched in February 2020.

Cutting-Edge Research

The Advisory Roadmap to 2030: Growth Through Innovation and Specialization Research: As the financial planning profession evolves toward a consumer-driven model in which clients choose how and where to receive advice, FPA and SEI unveiled their latest research paper and second in the Innovation Imperative series, [Advisory Firms in 2030: Growth by Specialization](#), in late February.

Action 2020: Create Business for Today and Tomorrow Whitepaper: Drawing on the knowledge of eight business experts, FPA published a new whitepaper, Action 2020: Create Business for Today and Tomorrow. Inspired by [Advisory Firms in 2030: The Innovation Imperative](#), research undertaken by FPA and SEI, the whitepaper provides critical insights on how advisers can lay the groundwork today for meaningful long-term change in their practices

New Research: Financial Advisers Feeling Bearish: FPA, *Journal of Financial Planning*, and Janus Henderson Investors released the [2020 Trends In Investing Survey](#) that highlighted where financial advisers were investing and where they planned to invest over the next year. The survey also revealed how financial planners felt about the pandemic and their outlook for the economy, insights from peers on investment trends, and more.

Diversity and Inclusion

FPA Offered Statement on the Need for Greater Inclusivity: Responding to the need to address social injustices and systemic racism, [FPA released a formal message on the need for an inclusive community](#), and the FPA Board of Directors attended listening sessions with FPA Knowledge Circle communities to learn more about member experiences, personal and professional struggles, and further understand what is needed to address the many critical concerns of diverse leaders, members, and allies of our profession.

FPA Diversity & Inclusion Committee Advances Efforts: The [FPA Diversity & Inclusion Committee](#) hosted an educational session to help chapter leaders implement local D&I efforts and collaborated with Allianz Life to share cutting-edge content with chapter leaders at the 2020 OneFPA Chapter Leaders Conference. The Committee also identified diverse financial planning professionals as speakers and mentors for the FPA Virtual Externship, and worked with the FPA Virtual Annual Conference Task Force to ensure that D&I was considered in the program.

FPA Awarded Diversity & Inclusion Scholarships: FPA members Cynthia Jurado Sizemore, MSF; Harley M. Tobon; and Izumi Carnes, AFC® were awarded [FPA Diversity & Inclusion Scholarships](#) to attend the 2020 FPA Virtual Annual Conference and received a one-year FPA membership. The merit-based scholarship recognizes students and financial services professionals who strive to promote diversity in the financial planning profession. [Learn more.](#)

FPA Celebrated Diversity and Inclusion in the *Journal of Financial Planning*: FPA was pleased to bring the fundamental topic of diversity and inclusion within the financial planning profession to the forefront in the [November issue of the *Journal of Financial Planning*](#). This *Journal* issue covered increasing representation of gender and race within our profession, addressing realities facing diverse employees in the profession, supporting diverse employees through and after the pandemic, and strategies for your firm's diversity and inclusion program.

FPA Partners with Allianz Life: FPA formed a new strategic partnership with [Allianz Life](#). Through this partnership, Allianz Life's Chief Diversity and Inclusion Officer Cecilia Stanton-Adams and Chief Executive Officer Walter White presented, "Three Steps to Diversity Excellence" at the OneFPA Chapter Leaders Conference closing general session.

2020 Award Winners

Behavioral Science Researchers Awarded 2020 Montgomery-Warschauer Award: Samantha Lamas, Ryan O. Murphy, Ph.D., and Ray Sin, Ph.D., were recipients of the 2020 Montgomery-Warschauer Award for their July 2019 *Journal of Financial Planning* paper, ["Goals-Based Financial Planning: How Simple Lists Can Overcome Cognitive Blind Spots."](#) The award recognizes the paper published in the *Journal* that provided the most outstanding contribution to the betterment of the profession in the preceding year.

Texas Tech Wins 2020 Financial Planning Challenge: FPA, Ameriprise Financial, and CFP Board announced Texas Tech University as the [2020 Financial Planning Challenge](#) winner during the FPA Virtual Annual Conference. The competition involved students in a holistic financial planning learning experience and engaged them in the financial planning community. Congratulations to Fort Hays State University, Kansas State University, Purdue University, Temple University, Texas Tech University, University of Illinois, University of Wisconsin, and Utah Valley University for advancing to the finals of the competition.

FPA of Metro New York Awarded 2020 Power of Financial Planning Award: FPA and the Foundation for Financial Planning announced FPA of Metro New York as the recipient of the [2020 Power of Financial Planning Award](#) to recognize their commitment to delivering pro bono financial planning in the spirit of FPA's Primary Aim. The Power of Financial Planning Award recognizes an FPA chapter and its members' efforts to provide free, no-strings-attached, objective financial planning advice to underserved populations during the preceding 12-month period.

Federal Advocacy

SEC Accredited Investor Rule: The Financial Planning Coalition—comprising FPA, CFP Board, and NAPFA—advocated for including the CFP® designation in the accredited investor definition. [View Financial Planning Coalition comment letter](#) submitted on March 16, 2020.

FPA Statement on Regulation Best Interest Court Ruling: FPA [responded](#) to the 2nd U.S. Circuit Court of Appeals' decision to uphold the rulemaking on June 29, 2020. FPA previously wrote an amicus brief in support of the lawsuits against the SEC's Regulation Best Interest.

Protecting the Right to Organize Act of 2019: FPA opposed [H.R. 2472](#), Protecting the Right to Organize Act of 2019. This legislation would institute stricter requirements for classifying a worker as a contractor instead of an employee, impacting gig economy workers. It would also provide more significant penalties for employers that violate the Act by creating a private right of action. This legislation could inhibit access to financial planners and inhibit business practices for financial planners.

Financial Transaction Tax Coalition: FPA joined the Financial Transaction Tax Coalition to oppose the financial transaction tax—a levy on transactions of stocks, bonds, and derivatives—that would be passed onto investors.

Financial Planning Coalition Worked to Restore the Pre-2017 Tax Cut and Jobs Act Tax Deduction: FPA joined CFP Board, FSI, IAA, and NAPFA to [ask Congress](#) to restore the pre-2017 Tax Cut and Jobs Act tax deduction for investment advisory and financial planner fees. Congress was encouraged to restore the deduction without the 2% Adjusted Gross Income (AGI) threshold that was part of the pre-2017 law.



Financial Planning Coalition Commented on DOL’s Proposed Rule Package: The Financial Planning Coalition submitted a [comment letter](#) on August 6 to express strong disagreement with the U.S. Department of Labor’s (“DOL”) proposed [Retirement Investment Advice Rule Package](#).

State Advocacy

Joint Committee on Children, Families, and Persons with Disabilities: FPA testified in support of Massachusetts HB4281 before the Joint Committee on Children, Families, and Persons with Disabilities. FPA was able to work with Massachusetts legislators while the legislation was being drafted to include “may” reporting language.

Professional Certification Coalition (PCC): The PCC, of which FPA is a member, sought a change to, or an interpretation of, a Missouri law that restricts the ability of an individual to hold themselves out as a “registered” professional in a profession that confers such title in conjunction with a privately issued credential.

Financial Transaction Tax Coalition Opposed S.2902/A.4402: The Financial Transaction Tax Coalition opposed efforts to tax transactions for stocks, bonds, and derivatives. This Coalition sent letters of opposition to the New Jersey legislature regarding S.2902/A.4402, which would impose high-quantity processors of financial transactions and a sales tax on investors. [FPA signed onto the letter](#).

Massachusetts Division of Securities’s Fiduciary Proposal: FPA supported the Massachusetts Division of Securities’s fiduciary proposal as CFP® professionals complying with CFP Board’s revised *Code and Standards* would also be in compliance with the Division’s proposal. [View FPA comment letter](#) submitted on January 7, 2020.

Professional Advocacy

FPA Comments on CFP Board’s Proposed Procedural Rules: FPA submitted a [comment letter](#) to CFP Board regarding CFP Board’s *Proposed Procedural Rules*.

FPA Compliance Toolkit for the New CFP® Standards: CFP® professionals must adhere to the new CFP Board *Code of Ethics and Standards of Conduct*. To help members meet the terms of these new standards, FPA, in partnership with Rochelle Truzzi from Hardin Compliance Consulting, created the [FPA Compliance Toolkit for the New CFP® Standards](#) that includes model engagement letters, checklists, and more.

Financial Planning Coalition Commented on NASAA’s Proposed Rule on Policies and Procedures: The Financial Planning Coalition submitted a [letter](#) to NASAA regarding their proposed model rule on policies and procedures for state-registered investment advisers on August 13.

Financial Planning Coalition Commented on NASAA Proposed IAR CE Program and Model Rule: NASAA adopted a model rule on investment adviser representative continuing education (“IAR CE”) program, including a proposed model rule to implement the proposed IAR CE program on November 24, 2020. The Financial Planning Coalition [submitted comments to the proposal](#) and asked CFP® professionals to be exempt from the continuing education requirement.

Pro Bono Financial Planning

FPA members increased one-on-one pro bono engagements by 7% in 2020: Despite the challenges COVID-19 presented in 2020, FPA members and chapters adapted to the new reality and ended the year with a 7% increase in the number of one-on-one pro bono financial planning engagements. FPA thanks and celebrates its nearly 50 FPA chapters, and more than 1,000 members, for their unwavering commitment to quickly adapt pro bono efforts to provide guidance to 11,637 underserved and at-risk individuals and families through one-on-one engagements and through a variety of additional pro bono programs during 2020. [Learn more](#) about FPA's pro bono efforts.

Empathy is at the Center of FPA Advocacy: 2020 FPA President Martin C. Seay, Ph.D., CFP®, shared his views on what advocacy means for FPA and outlined FPA's efforts to advocate for the financial planning profession in *InvestmentNews*. [View the article](#) published on February 25, 2020.

Training for Financial Planners Offering Pro Bono Services to the Military: FPA created an [online training course](#) presented by Colonel John. R. (Dick) Power, CFP®, USA (Ret.) to help financial planners understand the characteristics, benefits, and unique issues faced by the military and veteran's community. The program focuses on the basics of providing pro bono services to current and past members of the military.



Connect

FPA Connect: Insights, Innovation, and Inspiration Shared to Promote Action: The COVID-19 crisis and civil unrest sparked increased participation on FPA Connect, FPA's online community serving FPA members and hosting more than 41,000 discussions via the All-Member Open Forum. In response to the pandemic, FPA created the [Navigating Market Turbulence Related to Coronavirus community](#) to support members during challenging times, and community members engaged in one of the forum's most popular discussion threads, [Financial Planning in Light of Recent Events](#).

UNITY Happy Hours: The [FPA Latino Knowledge Circle](#), [FPA African American Knowledge Circle](#), and [FPA PridePlanners](#) hosted their first UNITY Happy Hour event on June 25 to discuss important professional issues and provide a forum for financial planners from marginalized backgrounds.

FPA Launched an Enhanced Virtual Experience and New Brand Promise: FPA launched a [revamped website](#) and unveiled new branding on May 20, 2020. The new FPA website provides members with more flexible access to the benefits of FPA membership and the tools, resources, insights, and guidance they need. The upgraded user experience also delivers on the Association's newly enhanced brand.

New Member-Exclusive Newsletter from FPA and CNBC: FPA and CNBC have joined forces to launch *Money Matters*, an exclusive newsletter that delivers the latest news from CNBC right to your inbox. Curated by CNBC journalists covering the world of investing and personal finance, *Money Matters* helps FPA members stay on top of important news and trends to serve clients better. [Learn more](#) about *Money Matters*.

FPA and Finance of America Reverse Announce Education-Focused Partnership: [Finance of America Reverse](#) (FAR), one of the largest reverse mortgage lenders in the U.S. and a leading provider of retirement solutions, entered into a [strategic partnership](#) with FPA to educate financial planners.

FPA and BCSP Partner to Connect Safety Professionals with Financial Planners: FPA and the Board of Certified Safety Professionals (BCSP) [collaborated](#) to provide more than 35,000 BCSP-certified professionals nationwide an opportunity to access financial planning services for a reduced fee from more than 300 participating FPA members. BCSP certificants can visit www.plannersearch.org/bcsp to access a complete list of FPA members who have opted-in to participate.

FPA, Prudential Financial Launch Retirement Income Planning Advisory Council: FPA and Prudential Financial launched the FPA Retirement Income Planning Advisory Council to inform future integrations between financial planning and retirement income resources and strategies. The Council will tap 30 CFP® professional members of FPA to create new ways for financial planners to articulate their value, focus on client best interests, and transform lives through holistic financial planning.

FPA Business and OneFPA Network Update

It has been well-documented and communicated that 2020 was a difficult year for FPA. The cancellation of major FPA events and conferences, the change in staff leadership and subsequent changes across the Central Office staff, and the decline in membership made 2020 a challenging year. But it also made it a year of opportunity. It was an opportunity to review how we have operated to identify critical ways to improve. And improve we have, although we still have a long way to go.

In partnership with the Board of Directors, the Central Office has thoroughly reviewed our operations and adopted sound business practices that have already begun to serve the Association well. Our new staff structure is creating efficiencies and fostering collaboration that we have not seen in years. Our commitment to effectively communicating about the Association in a clear, honest, and direct way is bringing FPA closer together.

FPA Appoints Patrick D. Mahoney as Chief Executive Officer

FPA welcomed Patrick D. Mahoney as the association's interim chief executive officer (CEO) during 2020. He is an experienced CEO, business leader, and strategist with a background across diverse organizations in the financial services, technology, and mission-based sectors. He is recognized for building and mentoring diverse teams and creating growth strategies that integrate the passion and expertise of an organization's members, volunteer leaders, and staff to meet its goals and mission. In December, the FPA Board of Directors announced that Mahoney would continue as permanent CEO effective January 1, 2021. [Tune into this podcast to learn more.](#)



The First Year of the OneFPA Network Beta Test is in the Books

The first year of the OneFPA Network beta test marked the beginning of implementing the three areas of centralized functionality. Throughout the year, strides were made where we saw the benefits of collaboration, integration, and alignment. A report assessing the first year of the beta test provided insights from the OneFPA Transition Task Force about what they saw over 2020, including the pandemic's impact on the beta test, organizational challenges, the importance of greater collaboration, and the tremendous impact of the OneFPA Advisory Council. [Review the report.](#)

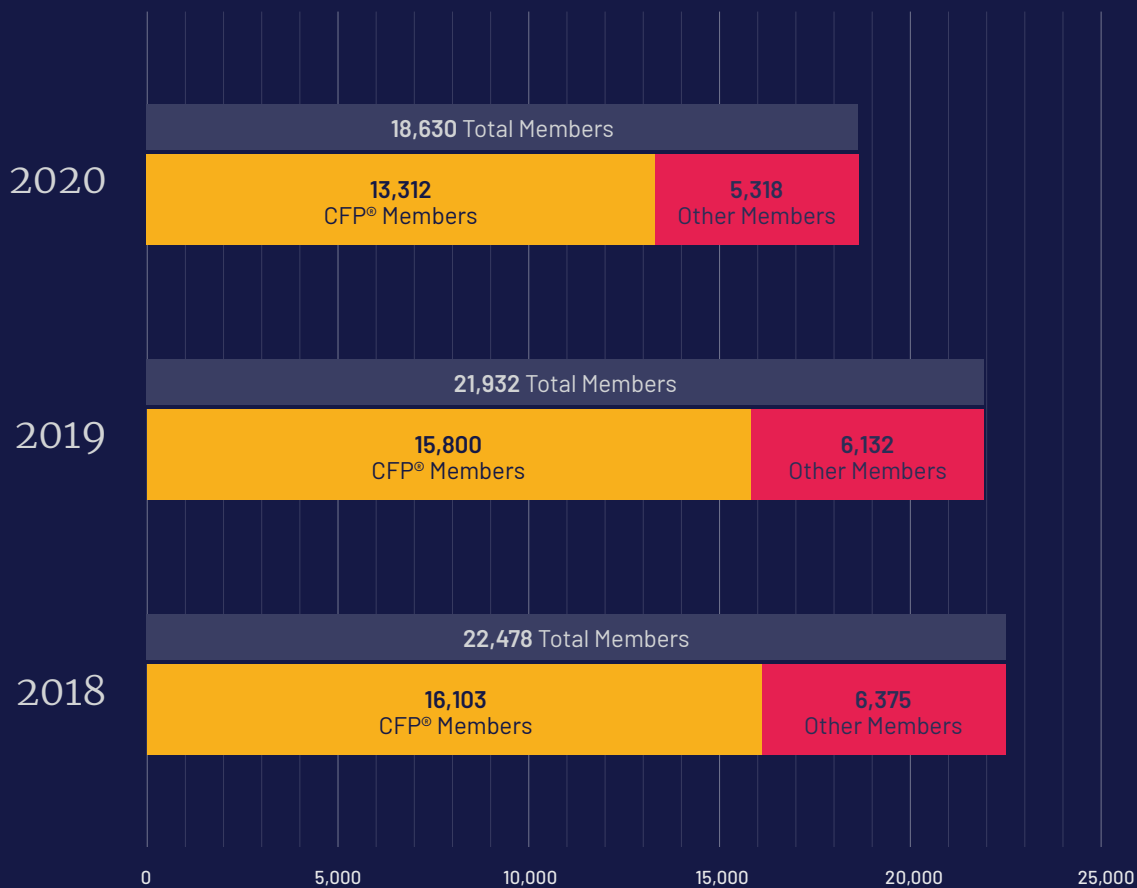
The OneFPA Advisory Council is a Huge Success

One of the genuinely great legacies of the OneFPA Network is likely to be the creation of the OneFPA Advisory Council. The Council was established in January 2020 to bring more voices from across the Association's chapters and communities to inform the decisions the Central Office and Board of Directors make for the organization. In 2020, nearly 77% of FPA chapters had a representative serving on the Council. The Council was led by an elected Executive Committee charged with turning the concept of a Council into a functional body. By the end of 2020, their efforts paid off with regular communication flowing between the Council and Board of Directors on various issues, including membership growth and engagement.



Membership Breakdown

By the end of 2020, FPA saw membership decline to its lowest level since its founding due to several factors, including the impact of the pandemic. New leadership is taking aggressive steps to halt the decline in membership and implement strategies for future growth.



2020 Audited Financial Statements

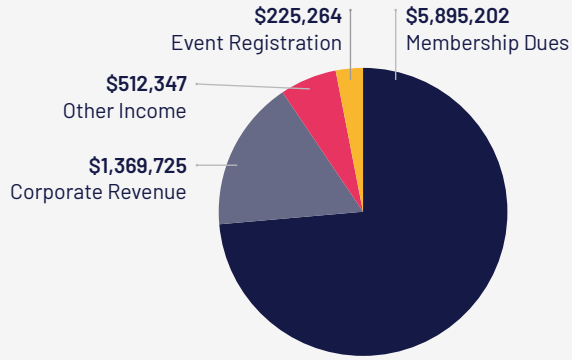
2020 was a challenging year financially for FPA. Membership revenue decreased by 8%, and more notably, the absence of in-person events during the pandemic resulted in significant decreases to Corporate and Registration revenue (48% and 83%, respectively). FPA also took a one-time charge from the disposal of software-related fixed assets that were no longer in service. On the positive side, FPA's expenses also significantly decreased, which partially mitigated the net loss. As a result, FPA ended the year with a stable Statement of Financial Position with solid cash and investment balances.

View all of FPA's financial statements and reports on [FPA's website](#).

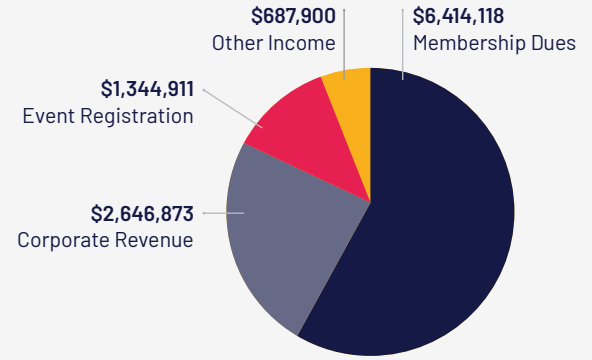


REVENUE

2020 Revenue | \$8,002,538

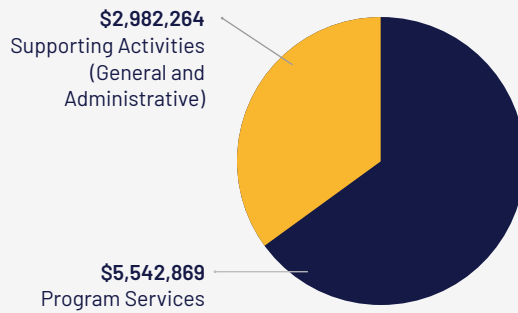


2019 Revenue | \$11,093,802

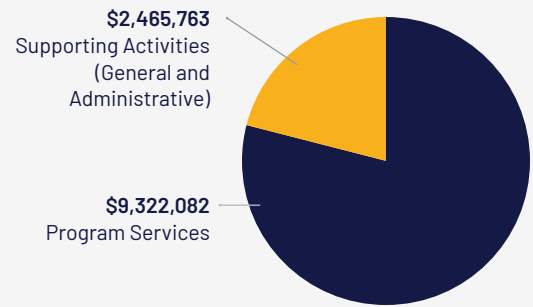


EXPENSES

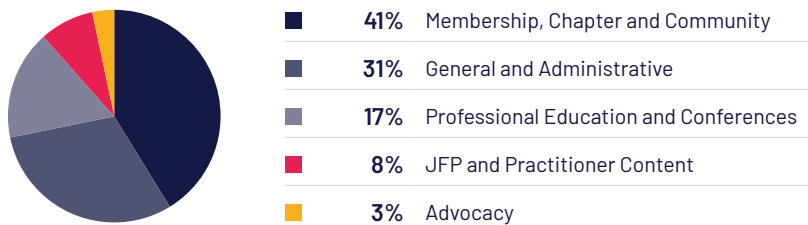
2020 Expenses | \$8,525,133



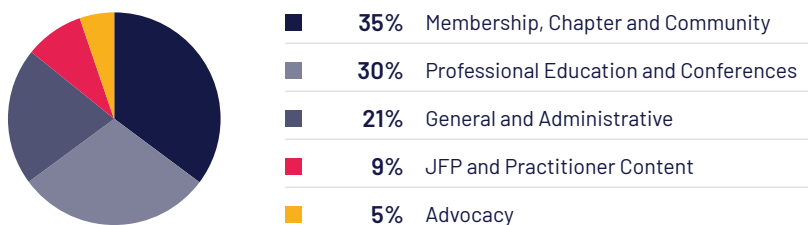
2019 Expenses | \$11,787,845



2020 Expenses | Summarized by Program



2019 Expenses | Summarized by Program



Consolidated Statement of Financial Position

Year Ended December 31, 2020

Assets

Cash and short-term investments	\$	1,695,524
Accounts receivable - net		243,443
Prepaid expenses and other assets		275,978
Property and equipment - net		1,052,154
Long-term investments		2,203,001
Total Assets		5,470,100

Liabilities and Net Assets

Accounts payable and accrued expenses		869,174
Deferred revenue, current		3,101,796
Total Liabilities		3,970,970
Net assets without donor restrictions		1,499,130
Total Liabilities and Net Assets	\$	5,470,100

Consolidated Statement of Activities

Year Ended December 31, 2020

Revenues

Membership dues	\$	5,895,202
Corporate revenue		1,369,725
Event registration		225,264
Royalties and other income		512,347
Total Revenue		8,002,538

Expenses

Program services		5,542,869
Supporting activities		2,982,264
Total Expenses		8,525,133

Change in Net Assets		(522,595)
Net Assets, Beginning of Year		2,021,725
Net Assets, End of Year	\$	1,499,130

Consolidated Statement of Cash Flows

Year Ended December 31, 2020

Cash Flows From Operating Activities

Change in net assets	\$ (522,595)
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</i>	
Depreciation and amortization	332,650
Loss on disposal of property and equipment	337,120
Net realized and unrealized gains on investments	(207,228)
Change in operating assets and liabilities:	
Accounts receivable - net	138,392
Prepaid expenses and other assets	223,572
Accounts payable	(165,683)
Chapter dues payable	(18,253)
Accrued expenses	248,505
Deferred revenue	(32,914)
Net Cash Provided (Used) by Operating Activities	333,566

Cash Flows From Investing Activities

Reinvested interest and dividends	(83,626)
Purchases of investments	(100,000)
Proceeds from sale of investments	900,000
Purchases of property and equipment	(501,104)
Net Cash Provided (Used) by Investing Activities	215,270

Net Change in Cash and Cash Equivalents	548,836
Cash and Cash Equivalents, Beginning of Year	296,312
Cash and Cash Equivalents, End of Year	\$ 845,148



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