



September 22, 2022

FPA Board of Directors
Financial Planning Association
1290 Broadway, Suite 1625
Denver, Colo. 80203

Re: Post-Meeting Report of the OneFPA Advisory Council's September 15, 2022, Meeting

Dear Colleagues,

The OneFPA Advisory Council Executive Committee ("ACEC") is pleased to provide this post-meeting report from the OneFPA Advisory Council's ("Council") meeting on September 15, 2022. The focus of the meeting was on FPA's recent announcement that it would make ***the legal recognition of the term financial planner through title protection*** the Association's primary advocacy objective. The goal was to provide leaders from FPA's chapters and communities with a baseline understanding of this objective while creating a conversation space where questions could be asked and opinions shared. A recording of the meeting can be viewed [here](#).

Besides Council representatives, the ACEC opened the meeting to all chapter presidents, chapter advocacy directors, and chapter executives to ensure all were receiving the same information. We were joined by FPA President Dennis Moore, FPA Past President Skip Schweiss, FPA President-elect James Lee, and FPA CEO Patrick Mahoney. They provided an overview of title protection, how the FPA Board of Directors arrived at a decision and then facilitated a discussion with all attendees. The discussion was centered on a couple of questions FPA leadership wanted to ask of the attendees, but ample time was provided for attendees to ask the questions they had on title protection.

What follows are comments collected during the September 15 Council meeting.

Attendees were asked: *How should we engage members, chapters, and other volunteer leaders in collecting input on the many potential strategies we may employ in this effort?* The responses collected include:

- I think engagement at the community level tends to be the most effective. Big meetings like this are great, but we all know that the flow of information and reaching people who are less engaged than we are happens at the community level in smaller groups.
- Do a more localized feedback session than a national survey/event.
- FPA should create a toolkit for chapter leaders to present to their local chapters. Just giving the chapter leaders tools to say, here's the initiative.
- It would help to have some materials explaining the difference between title protection and licensing to help people understand.
- Host regional or state-wide briefings and workshops on the issue.
- I think an online survey to get feedback could be easy to implement and useful.
- A limitation in large association surveys is the take-rate and bias of those responding often. Perhaps ask each chapter to do an in-person discussion and feedback session that can be funneled to FPA?

- A potential 'listening tour' like when FPA announced OneFPA. The in-person visits are key.
- Allow opportunities for direct input from all members to FPA National (comment period).
- Resources can include a slide deck and/or a brochure, handouts, etc.
- Informed discussion requires informed audiences. I would start with building/collecting data and facts and information relevant to the conversation that our planners can read and consider before joining into more and more conversations

Attendees were asked: *Title protection will be grounded in threshold standards for competency and ethics. Preliminarily, what do you think those standards should include?* The responses collected include:

- Is it CFP® with a couple of other designations qualifying?
- We all know that this is a broad industry, and many different players use that term in various forms. If we go down the road of pursuing title protection, what is the cost to administer that, and what are the benefits associated if I don't currently have the CFP® credentials or adhere to those standards? What benefit would I derive by getting on board with title protection? We all know many financial services companies use the term financial planner, with very few requirements for competency. We need to define what it means to be a professional. CFP Board, with the credentials, has created a starting point for that. Before we fight, we must know what we are defending and why it is in other people's best interests to adhere to that standard.
- Professions like medicine, and others, police themselves because it's in their best interest to make sure that they minimize the bad apples in their ranks. However, there are also typically state licensing boards that oversee them, which is not what we're talking about regarding title protection.
- If you've got support from a regulatory agency that's in charge of making sure that they're sorting out the bad apples, then at least we've got a partner. It's much harder for a private organization to defend that title than if a regulatory agency would be willing to take that on.
- I think whether we take that big tent approach from a designation standpoint or small-town approach and focus on the CFP®. If FPA holds the CFP® as the highest standard, why would we not start with that as our standard from a competency and an ethics standpoint and then work backward if other designations want to be included?
- How do we get this title protection, get it into place, codify it, and agree to it? I'm a fan of the bigger tent approach. But I think then, where do you draw the line? It's a very tough thing to do. But if we start from the highest standard of CFP®, as far as ethics and requirements go, I think at least we're holding to what we believe as an organization, and we're not compromising, and then we look at which approach makes more sense in the long run.
- I'm worried if we keep the gate too wide, we will water down the importance or impact.
- I think we risk making an enemy of the AICPA if we don't include PFS.
- As CFP® professionals, we commit to a fiduciary standard of conduct with our clients. Is there any circumstance where someone not adhering to a fiduciary standard of care shouldn't be allowed to call themselves a financial planner?
- I'm thinking about tax or engineering or law. My wife and I are in the process of designing a house. Before we can submit the plans to get the permits from the local community, we have to have an engineer that has met the qualifications to verify it has been reviewed and approved by somebody competent and trained to ensure that the house doesn't fall down. We know that building a financial plan is a little bit different than that, but in many respects, it's the same. If you don't have a competent person who can build the financial plan's foundation, then many things down the road may or may not work out. That license comes from a regulatory body.

- The one thing about the CFP® is you are ascribing to certain standards on a fiduciary level. Will it be CFP Board's version of what a fiduciary standard is? Is it Ameriprise or Raymond James? Is it some of the other institutions like American College? I think that needs to be something for a much more in-depth and complex discussion.
- If you were to say, to call yourself a financial planner, you need to adhere to a fiduciary standard. Which fiduciary standard are we talking about?
- We have a uniform probate code. We have a uniform trust code. There's no reason we can't come together around a uniform fiduciary standard. If we find commonality around a uniform fiduciary standard, then this concept of title protection gets much easier. It's less about credentialing. It's, "Are you held to a fiduciary standard or not?"
- We are not trying to set a hurdle so that we get paid more and fewer people can be financial planners. It's about consumers, so how do we make it clear to a legislator that this is really about consumer protection, not a hurdle, to help me make more money? The emphasis on fiduciary and the simplicity for a consumer of asking any advisor, "are you held to a fiduciary standard or not," cuts right through that. You don't need to go much further to start some consumer protection.
- FPA's core member is the CFP® professional. This should be the standard pursued by FPA.
- I'd prefer to see a focus on the standards to be met rather than the designation.
- I would love to see the knowledge (CFP®) and EQ component, which I believe is essential to a highly qualified and effective financial planning professional.
- I worry if we keep the gate too wide, we water down the importance or impact this has the potential to have. The very point of this is the distinction from broader services.
- If we set the bar too low, it becomes a gate without a fence on either side. It needs more than the protection of *just* the words "Financial Planner/Planning," or the marketing world will walk around the restriction and gin-up attention for "Financial Geniuses" or some alternative.
- This is an opportunity for FPA to lead and decide if the "big tent" or "small tent" designation approach is the best path. The standards should be high, or the effort loses credibility.
- Many people hold the CFP® but do no actual planning, and many great planners do not have the CFP®. I support clearly defined high standards.
- Some CFP® professionals don't practice, and some non-CFP® professionals plan. There needs to be a credentialed, fiduciary standard that can be achieved through meeting a set of requirements. There is no getting around creating this set of requirements. A CFP® is a planner, whether or not they practice in a traditional sense.
- I've been following the Canada experience with effort. It seems to get grounded in the weeds about who/what qualifies. The one primary unifier of a professional financial planner that is more about consumer protection than advisor business advantage would be a uniform fiduciary standard. CFP Board has adopted a true fiduciary standard. Other credentialing entities could opt into a true fiduciary standard or not. If not, they cannot use the title.
- I think we are going to struggle with the public perception if someone could be a CFP® but not a financial planner, likewise it would also confuse if someone could be a financial planner but not a CFP®.
- I think *many* consumers have come to see, through media or what-have-you, that getting a *CFP®* is the way to go and is the consumer-understood standard for what we are going for.

- Threshold standards could be considered basic and/or starting points, which gives room to go that one mile more by getting a professional designation like the CFP® mark or other professional designation. The selling point exceeds the baseline standard.
- CFP® professionals face a dual threat from non-CFP® planners: incompetence and non-fiduciary advice. This is not to say that the CFP® designation guarantees that a client gets good advice, nor that nobody who lacks a CFP® designation gives good planning advice. But it certainly, dramatically, increases the chances of a good client outcome. We need not confuse the public with alphabet soup. I believe the CFP® designation is the highest planning credential, full stop.
- It doesn't always have to be corporate professions that we point to as examples. For example, you can't call yourself a barber unless you meet specific standards.
- Two stakeholders to consider are state regulators and the ISO. Int'l Standards Organization has developed standards accepted internationally.

Attendees offered a few concerns that should be considered by the FPA Board of Directors, including:

- For chapters with an advocacy team/committee, we should start there to see what has been done previously and how this will impact their current efforts.
- This is a big question with a lot of complexity. If you want the broadest possible engagement, it will need a broad, organized, continual set of outreach and input channels with real feedback capture. Something like a town hall session every other month for a couple of years, logging and capturing all feedback in a central transparent place.
- There should be a two-pronged approach: educating the profession and the public.

The open question period covered a variety of topics. What follows are some of the key questions asked and responses provided by FPA leaders:

Will the CFP® designation be required for this title?

At this point, it's undetermined. We're going into this process open-mindedly and hoping to engage with all stakeholders to collaborate on these threshold standards. Of course, FPA is a member organization whose core member is the CFP® professional. We're going into this process with our core member top of mind.

What other professions are you using as a model for title protection? Are there any other professions we can point to as examples?

There is no specific model in place right now. And that's on purpose because we want to gather feedback and want this to be inclusive. We feel that's what's ultimately going to lead us to achieve this goal of title protection.

Why was the Advisory Council not consulted before the Board vote?

We've been engaging with our members for many years on this topic. And the results of our advocacy surveys, which we do annually, strongly support title protection. We have engaged the Advisory Council on all aspects of our strategic plan, including the four pillars of our value prop. Ultimately, the Board decided to plant this as a stake in the ground and have this as our primary advocacy objective. Over the last couple of years, we've also heard from the Council that our advocacy efforts need to be more focused.

Would this essentially make a CFP® a license if it is required to call yourself a financial planner?

We're not talking about licensure at this point. There is a difference between a license and title protection. We're taking a bigger view and looking at the threshold standards for competency and ethics.

What will the current Board do to ensure this initiative is carried out over the years?

The motion passed by the FPA board in June could not be clearer. The long-term primary advocacy goal for the organization is the legal recognition of financial planners through title protection. That's an extremely clear goal that will be carried forward through multiple board cycles over the coming years.

Will the FPA PAC be mobilized on title protection?

The PAC did make recent bylaws changes to expand its role to support lobbying on behalf of FPA members. We did that recently in Kentucky, where we were successful. So, we are fairly certain that the FPA PAC will be involved in this effort in the future.

Can you address some comments in the press that FPA is trying to go at this initiative alone?

Nothing could be further from the truth. We want and need as many partners involved to achieve this goal. And, of course, that includes CFP Board and NAPFA. If we wanted to go at this alone, we would devise our standards and pursue them independently. That is not the path the Board has decided to pursue. We want to talk to as many stakeholders as possible to see how they view any threshold standards and gain as much consensus as possible.

Why wouldn't we consider a license? What are the drawbacks to a license?

We're trying to achieve title protection with no additional regulatory burdens. Whereas if you start moving into licensing, that will come with additional regulations and oversight. At this stage, the licensure route adds more regulations. In other professions, doctors are licensed, lawyers are licensed, CPAs are licensed, and teachers are licensed. Some day if we are truly considered a profession, that may be where we have to go. But that's not where we are now.

What's the current thinking regarding the path as far as federal versus state?

The board has not decided on which path to go down at this point. At a very high level, of course, federal regulation would be ideal. Most of us, as practitioners, work with clients across state lines. And we would want to operate under the same standards in all the states where we work with clients. The reality is, however, that most professions are regulated at the state level.

The ACEC acknowledges that the FPA Board of Directors decided to pursue title protection in June and that we are only in the early stages of designing an approach to achieve this. The ACEC and Council desire to work with the Board to ensure the voices of all FPA members and chapter/community leaders are heard on this important initiative. While we look forward to continuing our discussion on this issue at the next Council meeting on November 17 at the FPA Chapter Leaders Conference, we encourage the Board to be proactive and engage the ACEC and Council at every stage of this process.

As always, thank you for your efforts on behalf of FPA members and the financial planning profession. We look forward to our continued partnership to ensure our members are represented in all we do.

Respectfully Submitted by the OneFPA Advisory Council Executive Committee on Behalf of the OneFPA Advisory Council,

Donna Sowa Allard, CFP® — Chair

Kris Tower, CFP®

B. Brandon Mackie, CFP®

Ginnie Baker, CFP®

Alan Robbins, CFP®

Mychal Eagleson, CFP®

Daniel Yerger, CFP®

Chris Woods, CFP®