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Is This the Financial Planner of the Future?

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by Caleb Brown, CFP®

The year is 2032. Three hundred seventy-five million people live in the United States. Personal savings rates are at an all-time high, and personal bankruptcy filings are at an all-time low. My name is Millennial, and I am a CFP® practitioner. Let me tell you how I became a planner.

Growing up, I saw TV commercials about financial planners and what they do for people. My parents' financial planner was as much a part of our lives as our family physician, lawyer and accountant. I even attended a few of my parents' meetings with her. I met other financial planners and was awestruck by how much they loved what they did. This piqued my interest, and I wanted to become a financial planner at an early age.

A Solid Education

The mandatory personal financial literacy class at my public high school reinforced my interest in this career. It was difficult to decide which college to attend because they all offered a financial planning major. I ultimately chose the program that provided the most course offerings and flexibility. All faculty members were CFP certificants, and I felt confident I was learning from the best. My first-year courses included an introduction to personal financial planning and the history of financial planning, setting the groundwork for upper-level courses.

I began participating in the student FPA chapter affiliated with my school as well as the financial planning program's peer counseling clinic. Through the clinic, I had the opportunity to sit with third-, fourth- and fifth-year financial planning students and the clinic supervisor (who was a CFP practitioner) as they counseled peers and the general public on myriad financial planning issues, including credit, debt, college funding, budgeting, employee benefits, basic estate planning and investments. I gained confidence by observing the other student counselors and acquired additional knowledge through my coursework. Eventually, I took the lead in guiding clients and began training new financial planning students.

My second-year classes included business law, money/banking/credit, international economics, financial counseling and technology in financial planning, where I learned how to use the majority of software programs used by practitioners. In my third year, I took classes in estate planning, retirement planning, insurance planning, employee benefits, tax planning, investment planning, family counseling and real estate. I thought everyone should know about all of these topics, and that is why I was so eager to help clients from all socioeconomic backgrounds.

Real-world Experience

During the summer of my third year in college, FPA helped me secure an internship through its national program, which provided the framework to firms for a successful intern experience and provided financial incentives on renewal dues for firms that hired interns. The internship was my first real-world experience outside the university clinic, and I was exposed to all aspects of an independent financial planning firm. The internship gave me a glimpse of where I needed to be technically, professionally and communicatively to deal with clients on a high level. It also fulfilled the internship requirement I needed to graduate with a degree in financial planning.

My fourth-year courses included intermediate asset management, advanced financial planning technology, conflict resolution, a capstone case study course and a professional selling class. I was learning a lot about the technical areas of financial planning and was getting closer to being eligible to sit for the CFP certification examination.

I learned the history of a major rift in the financial planning profession when legislation was passed that mandated anyone calling himself or herself a "financial planner" to be a CFP certificant. Many planners who were not CFP certificants at the time disagreed with this legislation, even though they were grandfathered under the new law.

Because CFP Board required 150 hours of coursework in a financial planning degree program to be eligible to sit for the exam, I began my fifth and final school year with several practice management courses on how to operate and run a planning firm, along with courses in marriage and family therapy, human behavior and psychology.

I completed a second internship while taking classes during my fifth year. The internship was part time, and I worked remotely. The majority of financial planning services are delivered online, so it is common for firms to have staff spread throughout the country. Some firms employ planners on different continents, and work is done around the clock. Earlier in my life, the federal government passed a law requiring all citizens to purchase health insurance or pay a fine. Several years later this parlayed into the government also requiring that citizens meet with a CFP practitioner annually in order to receive Social Security checks. This increased demand for financial planning services and created a large pipeline of new clients from all walks of life.

In this internship, I worked with clients directly, which allowed me to secure an additional six months of experience toward the CFP certification work experience requirement. I had already accumulated nine months of experience, so this put me at almost half the work experience I needed. The requirement was shortened from three years to two years if the experience was working directly with clients. This modification to the work experience requirement changed firm staffing dynamics substantially—new planners strived to achieve CFP certification as quickly as possible, and firms that did not expose new hires to clients were losing out to firms that did.

I worked on most software platforms used by the firm, gathered and organized client data, entered data into software, performed preliminary data analysis and initial recommendation formulation prior to reporting to the associate planner,

and initiated and responded to client communications. I performed client service and administrative functions as well. This internship helped me gain clarity on which career track I wanted to pursue—operations/COO, client relationship management/lead planner or technical/director of financial planning.

Ready to Enter the Workforce

My internships paid off, and after graduation I was offered an entry-level position at one of my internship firms. I give a lot of credit to FPA for helping me secure the internships and, as a result, I feel a strong obligation to be a part of FPA and other organizations that helped me along the way. I'm prompted to give back accordingly.

I passed the CFP certification examination six months after graduation. The exam structure focused much less on the technical planning subjects than it once did, with more emphasis on a planner's actual job tasks, making it very difficult to pass without practical experiences through clinics and internships.

The best part about my position now is that I get to mentor new interns. I am doing exactly what I love, what I have been trained to do, and what I am good at. Giving back by mentoring is an added bonus. Even though my formal education is complete, I passed the exam and gained the necessary experience requirements, my learning is just beginning and I have much more to discover to be an effective financial planner and CFP practitioner.

Moving Forward

The year is 2012. Some of the groundwork is currently being laid for the central points of the financial planner of the future's journey, including:

- More faculty in financial planning programs are CFP certificants
- Many FPA chapters implement and facilitate internship programs
- The profession rallies behind the CFP credential for comprehensive planning
- The work experience requirement to become a CFP certificant is reduced from three years to two years
- The CFP certification exam is job task-focused
- Financial planning information is demanded and consumed by a larger portion of the population and is largely delivered online

Other items that move us closer:

- Mandatory personal financial literacy classes in secondary education
- More colleges and tier-one universities offering financial planning majors
- CFP Board requires successful completion of a 150-hour degree program (masters) to sit for its exam versus current bachelors degree requirement
- University peer financial counseling clinics are run similarly to independent financial planning firms by a CFP practitioner who observes student counselors
- CFP Board increases annual CE requirements and allows for a portion for practice management

What does the next 20 years hold in store for us? Is this the path we want to be on? What else do we need to be doing for this to happen?

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