

CFPs relate income sources, impact of bear market

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The majority of America's Certified Financial Planners (61 percent) report that their income is the result of a combination of service for fees and commissions, while only one out of five (22 percent) report that their income is the result of fee-only services.

Almost three out of four (73 percent) reported an increase in income after receiving the CFP certificate.

The information is in the College for Financial Planning's "2003 Survey of Trends in Financial Planning" conducted among CFPs who also belong to the Financial Planning Association.

Investment caution seems to be the watchword, with CFPs reporting that three out of five (63 percent) of their clients are actually investing less of their total income in the stock market than in previous years.

In other reflections of the bear market, median assets under management by financial planners dropped to \$23 million in 2002 from \$28 million the previous year, and planners earnings dropped from a 2001 annual gross of \$200,000 to a 2002 annual gross of \$140,000. However, they worked harder for their income, reporting that they did almost twice the number of plans as they did the previous year.

Those surveyed reported that they believe their success resulted from, in order; referrals, people skills, and their Certified Financial Planner designation.

Financial Planners give their clients the highest marks for their knowledge of basic budgeting and financial goal setting. The lowest marks come for client knowledge of more complex matters, such as tax planning, insurance, and estate planning. □