

# GUIDE TO CAREERS IN FINANCIAL PLANNING



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About the CFP Board Center for Financial Planning

# WELCOME



**KEVIN R. KELLER, CAE**  
Chief Executive Officer  
CFP Board



**D.A. ABRAMS, CAE**  
Managing Director  
CFP Board Center  
for Financial Planning

Choosing a profession—whether you are just graduating from school or are making a career change—can be equal parts exciting and overwhelming. There are countless opportunities to consider, each with their own unique advantages, challenges and pathways to success.

You are likely reading this guide because you are considering a career in the financial planning profession but want to know more about what it means to be a financial planner and the different types of jobs available to you.

You have come to the right place.

The *Guide to Careers in Financial Planning* provides you with guidance on beginning and sustaining a successful financial planning career. Based on interviews with 77 professionals across 42 companies, the guide examines different types of financial planning positions, typical career tracks and employers that offer jobs in financial planning—ranging from individual practices to large financial services firms. It also includes information on how to get started, whether you're a student or a career changer; where to find jobs; and what to ask employers in order to find a career that best fits your strengths and interests.

The CFP Board Center for Financial Planning published this guide as part of our ongoing efforts to cultivate a quality workforce and ensure the financial planning profession can recruit and retain the talented professionals on whom the American public relies to guide their financial future. Families and households across our country need more people like you—young, eager to learn and driven to succeed—to join the financial planning profession and provide the competent, ethical financial planning advice that more Americans increasingly demand. We hope this guide inspires you to choose a financial planning career and that you will use it as a resource to map your professional path and support your advancement within our profession.

We would like to thank the guide's Signature Sponsor BNY Mellon Pershing and The Ensemble Practice for their generous support of the guide's development. We are also grateful to Supporting Sponsors Merrill Lynch and Facet Wealth, as well as the Center's Founding Sponsors Northwestern Mutual, Investnet and Charles Schwab Foundation, in partnership with Schwab Advisor Services.

We stand ready to assist you in joining this rewarding profession and wish you success in your professional journey.

Sincerely,

Handwritten signature of Kevin R. Keller, CAE.

**KEVIN R. KELLER, CAE**  
Chief Executive Officer  
CFP Board

Handwritten signature of D.A. Abrams, CAE.

**D.A. ABRAMS, CAE**  
Managing Director  
CFP Board Center for  
Financial Planning

## CHAPTER ONE

# INTRODUCTION

## How to Use This Guide

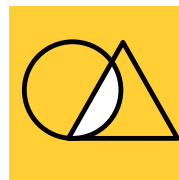
Financial planning is a fulfilling career, and demand for financial planners is quickly outpacing supply. Now is the perfect time to begin your journey into the financial planning profession.

The *Guide to Careers in Financial Planning* is designed to introduce you to the wide range of career opportunities in the financial planning profession. It introduces typical entry points and career tracks, companies that hire financial planners, and provides guidance on finding the right opportunity. The guide is a useful resource for developing an action plan that will help you begin a successful financial planning career.

This guide is intended for:



**Students in high school or college who are deciding on their professional career**






**Career changers or recent graduates considering a career in financial planning**



**Financial services professionals interested in becoming financial planners**

This guide will help you:

-  **Learn more about the financial planning process and what financial planners do**
-  **Understand the broad range of career opportunities in the financial planning profession**
-  **Find financial planning careers that match your strengths and interests**

## At a Glance

We encourage you to read the entire guide to fully understand the opportunities available in the financial planning profession, but you can use the recommendations below to find the most relevant sections for you to review.



### IF YOU ARE A...

### READ...

#### **Student in High School or College**

Deciding on your career after school

**What Do Financial Planners Do?** [pages 8-9](#)  
**What is the Financial Planning Process?** [page 10](#)  
**Financial Planning Practice Career Track** [pages 15-18](#)  
**Financial Planning as Your First Career** [pages 43-44](#)  
**Financial Planning Degree Option** [page 47](#)

#### **Recent Graduate or Career Changer**

Seeking your first career, a transition into a more satisfying career or reentering the workforce

**Financial Planning Practice Career Track** [pages 15-18](#)  
**Starting a Financial Planning Career (Operations, Virtual Advice Center, Branch Office)** [pages 24-26](#)  
**Companies That Hire Financial Planners** [pages 30-40](#)  
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#### **Financial Services Professional**

Employed by a financial services firm or other financial institution and interested in becoming a financial planner

**Financial Planning Practice Career Track** [pages 15-18](#)  
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## What Do Financial Planners Do?

Financial planning is a collaborative process that helps maximize a client's potential for meeting life goals through financial advice that integrates relevant elements of the client's personal and financial circumstances.

Financial planners work with individuals and families to make sound financial and investment decisions to help maximize their chances of achieving critical life goals based on their priorities and fundamental values. They may advise and assist clients on a broad spectrum of tasks, such as saving for retirement, investing money to purchase a home or start a business, paying for the education of children or other loved ones, and preserving family wealth so it can be passed to future generations. Financial planners also may help businesses design and manage retirement plans and other financial welfare programs for the benefit of their employees.

Financial planners are trained to use a structured financial planning process to guide clients toward prudent financial decisions. Employing knowledge of personal finance, budgeting, taxes, financial products, investments and investment markets, and with the ability to use robust analytical tools

and data with the power to illustrate various outcomes, financial planners are able to make recommendations to help their clients reach informed conclusions about the right path to take toward their desired financial futures.

Many financial planners work with clients within the structure of a long-term, ongoing relationship. Knowledge of the client's situation, needs, goals and values allows the financial planner to not only respond to present circumstances and the immediate decisions that need to be made, but also to anticipate future needs and situations. Much like doctors who are able to treat the whole patient, financial planners are valuable because they can offer or provide their clients with comprehensive financial advice.



It is common for financial planners to work as a team. Within a single organization, a client relationship may be assigned to a cadre of financial planning professionals, with one financial planner focusing on analysis and another financial planner focusing on communicating and collaborating with the client. Financial planners also may collaborate with allied professionals who are members of a client's team outside of the organization such as tax experts, attorneys and risk management specialists, in order to develop comprehensive strategies to help the client maximize their potential for meeting their financial goals.

Many different types of organizations employ financial planners, from financial services firms such as banks and broker-dealers to accounting firms, insurance firms, independent financial planning firms and investment firms. While these organizations are different in many ways, they all can use the financial planning process in their work and make a commitment to helping clients make sound financial decisions.

Financial planners work under many different titles, including Financial Advisor, Investment Advisor, Wealth Manager, Financial Consultant and, of course, Financial Planner. Such terms vary based on the preference of the company offering the service.



The CERTIFIED FINANCIAL PLANNER™ certification is the standard of excellence in the financial planning profession. While the CFP® certification mark is not required for professionals to call themselves financial planners, the more than 90,000 CFP® professionals in the U.S. have proven their ability to provide competent and ethical financial planning service to their clients because of the high standard of competence required to pass the CFP® exam, their demonstrated education and experience, and the commitment they make to CFP Board, as part of their certification, to meet high ethical standards, including the fiduciary duty to act in clients' best interests whenever providing financial advice.

## What is the Financial Planning Process?

A financial planner uses the financial planning process to guide clients through complicated financial decisions, such as how much to save for retirement and how to invest those savings with the goal of reaching their desired retirement age and level of income.

Certified Financial Planner Board of Standards, Inc. (CFP Board), which sets and enforces standards for financial planners who hold the CFP® certification, has established a 7-step financial planning process that may be used to consider all aspects of a client's personal and financial situation when formulating financial planning strategies and making recommendations.



**CLEARLY, FINANCIAL PLANNING IS MUCH MORE THAN SPREADSHEETS, BUDGETS, SALES AND STOCK TICKERS.**

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At its foundation, financial planning is about supporting individuals and families, especially to plan for crucial moments in their lives. It is a process of close collaboration between a client and a financial planning professional who the client has selected and entrusted with their most private financial details, ambitions and anxieties.

## 7-STEP FINANCIAL PLANNING PROCESS

**UNDERSTAND** the client's personal and financial circumstances. The financial planner must obtain the information needed to fulfill the engagement, and then analyze the information to assess the client's circumstances.

**IDENTIFY** and select goals. The financial planner must help the client identify goals, and then select and prioritize goals.

**ANALYZE** the client's current course of action and potential alternative courses of action. The financial planner analyzes the client's current course of action, and where appropriate, considers and analyzes one or more alternative courses of action, whether each action maximizes the potential for meeting the client's goals, and how each goal integrates the client's personal and financial circumstances.

**DEVELOP** financial planning recommendations. The financial planner selects one or more recommendations designed to maximize the client's potential for meeting the client's goals.

**PRESENT** financial planning recommendations to the client. The financial planner presents the recommendations to the client, including the information that the financial planner considered when developing the recommendation.

**IMPLEMENT** financial planning recommendations. The financial planner establishes with the client whether the financial planner has implementation responsibilities. A financial planner with implementation responsibilities must identify and analyze actions, products and services designed to implement the recommendations, recommend one or more actions, products, and services to the client, and help the client select and implement the actions, products and services.

**MONITOR** the client's progress, review the client's situation and update the financial planning recommendations. The financial planner establishes with the client whether the financial planner has monitoring and updating responsibilities, and if so, what are those responsibilities. A financial planner with monitoring responsibilities must analyze, at appropriate intervals, the progress toward achieving the client's goals, and obtain from the client current information concerning the client's circumstances. When the financial planner has updating responsibilities, and circumstances warrant changes, the financial planner must update as appropriate.



### PERSONAL FULFILLMENT



### FINANCIAL REWARDS



### MENTAL STIMULATION



## What Makes Financial Planning an Attractive Career?

A financial planning career can provide:

- **Personal fulfillment of helping others:** You can enjoy the personal satisfaction of making a difference in your clients' lives as you guide them through building wealth, managing financial challenges and securing their families' financial futures.
- **Financial rewards:** Experienced financial planners, also known as Lead Advisors, who have 5 to 10 years of experience make \$126,945 to \$213,126 per year, according to compensation data from *InvestmentNews*.<sup>1</sup>
- **Mental stimulation:** Good financial planners must be proficient in a wide range of financial areas, from retirement planning and estate planning to insurance, taxation and investments. It also helps to have a solid understanding of client psychology.
- **Work-life balance:** Talk to successful financial planners and you will learn that what they value the most in their work is the freedom and flexibility to balance their personal and professional lives. The variety of career options enables you to build the work-life balance you want.
- **Career flexibility:** Financial planning is not a one-size-fits-all career. As you will read in this guide, there is a wide variety of career paths—from striking out on your own to working at firms big and small.



Visit [CFP.net](https://www.cfp.net) to learn more about the benefits of financial planning careers and hear CFP® professionals talk about why they love their job.

1. 2020 *InvestmentNews* Adviser Compensation & Staffing Study

## A Rapidly Growing Field

A perfect storm of demographic trends and industry developments has made this a great time for newcomers to enter the financial planning profession. The combination of the aging baby boomer generation, increasing life spans and the shift away from pensions toward individual retirement plans means more Americans are looking for competent, ethical financial planning advice. What's more, part of this aging wave includes advisors themselves, many of whom—about 37%—are expected to retire over the next decade.<sup>2</sup> As a result, there is an abundance of career opportunities for the next generation of financial planners.

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### THE NEED FOR A DIVERSE FINANCIAL PLANNER WORKFORCE



**4%** CFP® PROFESSIONALS IN THE U.S. WHO ARE BLACK OR LATINO



**23%** CFP® PROFESSIONALS IN THE U.S. WHO ARE WOMEN

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Additionally, the changing demographics of wealth in the U.S. mean that more women and people of color are accumulating wealth and need financial planning advice. As a result, the financial planning profession needs more financial planners from populations that are currently underrepresented in the profession. For example, only about 4% of CFP® professionals in the U.S. are Black or Latino, even though these communities comprise more than 31% of the U.S. population,<sup>3</sup> and women comprise only 23% of CFP® professionals.



Recognizing this opportunity, financial services companies are prioritizing their diversity, equity and inclusion initiatives in order to recruit a more diverse financial planner workforce that can meet the financial planning needs of increasingly diverse consumers. This means that there are ample opportunities for individuals from diverse backgrounds to become financial planners.

The CFP Board Center for Financial Planning is focused on creating a more diverse and sustainable financial planning profession through innovative solutions and initiatives. Collectively, these efforts are making an impact: In 2020, the number of Black and Latino CFP® professionals rose by more than 12% over 2019, nearly 5 times the growth rate of all CFP® professionals for the year, while the number of women CFP® professionals also increased to an all-time high of 20,633.

2. 37% Of Financial Advisors Expected To Retire Over Next Decade, [Financial Advisor](#), November 2019

3. U.S. Census Bureau, Quick Facts <https://www.census.gov/quickfacts/fact/table/US/PST045219>



# LEMAR WILLIAMS, CFP®, CPWA®, CTFA, CLU®

Wealth Management Advisor  
Merrill Lynch Wealth Management  
Heathrow, Florida



## **Q. Why did you choose to work in this particular financial planning business model?**

I chose to work for a large investment firm because of the brand name recognition, which can be extremely helpful with acquiring new clients. A large firm can also invest an enormous amount of money in resources to assist my clients. The resources provided by the firm allow me to focus 100% of my attention on my clients' future, and not concern myself with the day-to-day tasks of operating a business. This model works for me because it takes some of the stress away of being an entrepreneur, but you still get the freedom to build your own business within a larger business.

## **Q. What is a typical day like for you at your firm?**

Every day is different. Some days I spend most of my time responding to client emails or phone calls. Another day I could be prepping for a review for an existing client, or I might be out to lunch with an existing or prospective client. You have the flexibility to structure your day in a way that works for you. The best part of my job is the financial

**YOU HAVE THE  
FLEXIBILITY  
TO STRUCTURE  
YOUR DAY IN  
A WAY THAT  
WORKS FOR YOU.**

planning I get to do for my clients. I really do get excited when I walk through a financial plan with a client. It's a good feeling to tell a client we are ahead of schedule, so that they can retire early, or that they can pay for their child's college tuition without negatively impacting their own future.


## **Q: What do you think is the biggest misconception about financial planning careers?**

The industry is changing, and I don't know anyone anymore that considers themselves a "stock broker." Yes, financial planners do help their clients get invested, but the investment portfolio is structured in a way to control the level of risk in order to achieve a desired objective outlined in a well-structured financial plan. I think the other misconception about financial planners is that we are only investment professionals. Most financial planners can provide guidance on insurance planning, estate planning, retirement income planning, Social Security, retirement benefits, healthcare, education planning, tax minimization strategies, as well as investment strategies. I personally believe everyone should have a professional with that type of knowledge in their corner.

## CHAPTER TWO

# CAREERS IN FINANCIAL PLANNING

In this chapter, you will learn about:

-  **The careers of financial planners and how they evolve in different types of companies**
-  **The milestones and steps in the career of a financial planner**
-  **Starting a financial planning career in different functions within financial services companies**
-  **Specialized careers available within the financial planning profession**

If you are interested in financial planning as a career, we encourage you to consider a company that provides financial planning and pursue a financial planning career track. However, there are also other types of companies and career tracks that enable you to become a financial planner. You will find that the financial planning profession offers fulfilling careers and a plethora of positions across many different business models and company sizes. Much like a large art gallery, there are many doors to enter through and many halls to explore. This chapter will walk you through some of the most common career tracks and how you can get started in each one.

Financial planners help their clients make critical financial decisions; therefore, careers in planning are ultimately defined by the specific role that a professional (you) plays in this process. Many financial planners work directly with clients either in an in-person or virtual relationship and guide them through the creating and execution of a financial plan. Other financial planners contribute to the process by completing the analysis necessary to create a plan. Yet others may be helping with the operational aspects of executing the plan. There are planners who also specialize in developing new client relationships and attracting clients to the company. All these functions are part of the financial planning profession and represent a progression of responsibilities that we call a “career track.”





## Financial Planning Practice Career Track

While companies formulate a distinct financial planning career path to fit their unique strategy and culture, research shows that there are defined career stages that most companies share. You can learn about these career stages and their associated job descriptions in more detail in the Center's [Financial Planning Career Paths](#) guide. The stages of a traditional financial planning career path vary based on responsibilities and expertise and are summarized in the following table.

This is the type of career likely to be implemented in team-based, financial-planning-focused companies. We will touch on some of the variations in the career track later in this chapter.

## TYPICAL FINANCIAL PLANNING PRACTICE CAREER TRACK

	ANALYST	ASSOCIATE ADVISOR	SERVICE ADVISOR	LEAD ADVISOR/ MANAGING DIRECTOR	PRINCIPAL/ PARTNER
<b>Titles</b>	<ul style="list-style-type: none"> <li>Analyst</li> <li>Support Advisor</li> <li>Senior Analyst</li> </ul>	<ul style="list-style-type: none"> <li>Associate Advisor</li> <li>Paraplanner</li> <li>Senior Associate</li> </ul>	<ul style="list-style-type: none"> <li>Service Advisor</li> <li>Financial Planner</li> <li>Planner</li> <li>Financial Advisor</li> <li>Advisor</li> <li>Investment Advisor</li> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Lead Advisor</li> <li>Managing Director</li> <li>Senior Advisor</li> </ul>	<ul style="list-style-type: none"> <li>Principal</li> <li>Partner</li> </ul>
<b>Client Responsibilities</b>	<ul style="list-style-type: none"> <li>Gather and maintain client data</li> <li>Enter client information into various systems</li> <li>Assist the operations and investment teams with client onboarding</li> <li>Answer routine client questions and service requests</li> </ul>	<ul style="list-style-type: none"> <li>Draft financial plans</li> <li>Perform asset allocation analysis</li> <li>Create custom analyses of financial decisions</li> <li>Prepare materials for client meetings</li> <li>Perform research on investments</li> <li>Answer routine client questions and service requests</li> </ul>	<ul style="list-style-type: none"> <li>Draft and deliver financial plans for review</li> <li>Implement financial plans under supervision of Lead Advisor/Managing Director</li> <li>Work with investment team on financial plan implementation</li> <li>Participate in client meetings</li> <li>Take the lead on answering routine client questions</li> </ul>	<ul style="list-style-type: none"> <li>Manage client relationships, identifying and meeting client needs</li> <li>Develop and present financial plans to clients</li> <li>Oversee the implementation of financial plans</li> </ul>	<ul style="list-style-type: none"> <li>Manage premier client relationships (i.e., the most complex and largest in size) as Lead Advisor/Managing Director</li> <li>Consult with Lead Advisors/Managing Directors on complex cases</li> </ul>
<b>Team Responsibilities</b>	Learn firm process, master the job, and be responsive and supportive to advisors and clients	Train Analysts on the process, tools and methodology used by the team	Assign projects to Support and Associate Advisors and supervise quality and timeliness	Lead a team and manage the responsibilities and performance within the team	Manage a team or potentially multiple teams
<b>Degrees and Designations</b>	Bachelor's degree	Bachelor's degree	<ul style="list-style-type: none"> <li>Bachelor's degree</li> <li>CFP® certification</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree</li> <li>CFP® certification</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree</li> <li>CFP® certification</li> </ul>
<b>Typical Experience</b>	0 to 3 years	2 to 5 years (median of 5 years)	3 to 7 years (median of 9 years)	5 to 10 years (median of 17 years)	7 years or more (median of 20 years)
<b>Typical Range of Compensation as of 2020<sup>4</sup></b>	\$60,000 to \$70,500	\$70,500 to \$79,613	\$80,000 to \$122,500	\$126,945 to \$213,126	\$170,000 to \$346,500

4. 2020 InvestmentNews Adviser Compensation & Staffing Study

## MARIE PADIONG

### Advisor

Brighton Jones  
Seattle, Washington



I FIND IT  
REWARDING TO  
AID FAMILIES  
IN REACHING  
THEIR GOALS.

### Q. Why did you decide to become a financial planner?

Finances can be a great stress for growing families, which is something I've experienced firsthand. I knew that in any career my main mission was to help people reach a goal. As a financial planner, I find it rewarding to aid families in reaching their goals so they can focus on what matters most to them. Also, I feel that educating people about the importance of financial planning is rewarding.

### Q. What do you love the most about your career in this particular business model?

My current firm, Brighton Jones, allows a clear path for growth within the business model. As a team, we help build each other up to help expand the business. Each client has a team of 3: the Lead Advisor, Associate Advisor and Analyst. The roles are clearly defined, but we continue to learn from each other as duties flex depending on the needs of the client. An Analyst can develop into

a Senior Analyst, an Associate Advisor, an Advisor, and lastly, a Lead Advisor. It's also important to me to offer services for our advice, rather than sell a product.

### Q. Why are you pursuing CFP® certification?

CFP® certification is a high standard. Furthermore, fulfilling the commitment I make to CFP Board, and giving my clients fiduciary advice that is in their best interest, allows me to feel like a partner to the families I work with.

Since many readers will likely elect to join a company at the entry level, we will elaborate on these positions. Entry-level positions in a financial planning company have titles such as Associate Planner or Advisor, Support Planner or Advisor, Paraplanner, Analyst or Senior Analyst. These roles typically include the following responsibilities:

- **Drafting financial plans**
- **Performing asset allocation analysis necessary for client onboarding and portfolio reviews**
- **Creating custom analyses of financial decisions**
- **Preparing presentations and other materials necessary for client meetings**
- **Performing research on investments that clients currently hold or may hold**
- **Answering routine client questions and service requests**

Entry-level financial planning positions are usually trained and supervised by an experienced financial planner and present professionals with many opportunities for mentoring relationships. While these positions do not typically require CERTIFIED FINANCIAL PLANNER™ certification, many companies partially or fully support professionals who wish to pursue CFP® certification by financing the required education coursework and providing additional time off to study for the CFP® exam.

Entry-level positions on the financial planning career track are actively recruited by many financial planning companies. Job postings can frequently be found on popular job sites such as the CFP Board Career Center and LinkedIn Jobs, as well as on job boards for regional chapters of the Financial Planning Association®.

## The Financial Planning Practice

The practical application of financial planning as a profession and a career is closely related to the notion of a “practice.” A financial planning *practice* describes the collection of people, resources, processes and economic activities that allow a financial planner to work with and help a group of clients. A practice is a service unit in the sense that it contains the resources necessary to productively engage with clients in their best interests. A practice is also a business unit in the sense that it allows a financial planner to have the resources needed to take care of clients.

A practice can be somewhat different depending on the company where financial planners work. In some companies, a practice is a team of professionals, each of whom has a different specialized position and different level of experience. In other companies, a practice is simply one professional who works with clients in person or virtually and leverages the technology and capabilities of a supporting company that employs them or partners with them. A practice can be virtual such that the planner interacts with clients primarily over the phone or web conferencing, or it can take the traditional form where the planner meets with clients in person.

The notion of a practice and the types of practice that a company creates and supports tend to shape careers of financial planners who work there. In most environments, planners begin by playing a support role in a practice and then later they may *lead* a practice or even *own* a practice.



Returning to the comparison of financial planners to doctors, a practice would be the office and the exam rooms, the doctors, nurses and administrators, the furniture and the support system. In short, the practice is everything the doctor needs to work with patients. Much like doctors, some financial planners own and lead their own practices, and some support the practices of others.

Leading a financial planning practice is both a privilege and a responsibility. Whether you own the practice or operate the practice within a larger company, you have control and flexibility with regards to client service, methodology and process. You also have flexibility when it comes to making business decisions, selecting resources and deciding how much and when you want to work. Finally, owning or operating a practice offers the potential for financial rewards.

Along with these benefits come increased responsibilities. Owning or operating a practice requires the ability to attract and retain a significant number of clients and successfully manage the activities of the practice. Additionally, the more independent your practice, the more you (and possibly your partners or teammates) will be responsible for the expenses of running your business. As such, people starting a financial planning career don't necessarily enter by this path. Instead they may work toward this type of practice, building a base of clients over time that will provide the revenue to support the business. Owning or operating a practice also means

that you take on more regulatory risk and that you need to be involved at least on some level in practice management. The responsibilities inherent to owning or operating a financial planning practice include the following:

### **RETAINING CLIENTS**

The financial planning professional must maintain strong relationships with a group of clients who are seeking advice and relying on the professional to make final recommendations, even if clients are also taking input from others.

### **MANAGING RESOURCES**

The financial planning professional must have enough clients to ensure the presence and sustainability of all the necessary resources to run the practice, from support staff to the offices and technology. In other words, the financial planning professional must either be able to afford to directly hire the staff and purchase the requisite tools or contract with a company on whose behalf the professional works.

### **MANAGING ETHICS AND COMPLIANCE**

The financial planning professional has regulatory responsibility for all the recommendations made and must ensure that all client work follows the ethical and legal standards that apply.

### **MANAGING THE TEAM**

The financial planning professional must be able to delegate, oversee, train and coordinate the team so that all client work is properly completed.



Career advancement within the typical financial planning practice career track occurs at varying speeds; it is highly dependent on an individual's capacity, skill set, experience level and ability to attract a client base. The financial planner may gradually progress through stages of responsibility and experience illustrated in the table on [page 16](#), moving from technical positions, such as Analyst or Paraplanner, to service positions, such as Financial Planner or Financial Advisor, to eventually operating a practice as a Lead Advisor or owning a practice as a Principal/Partner. This type of career track can be a very good fit for those who have little or no work experience in financial services and who seek to be trained and mentored more gradually.

Financial planners who excel at business development and are able to build a client base rapidly may find that they achieve Lead Advisor or Principal/Partner status quickly. This career trajectory is normally the result of an individual having a lot of experience in a related field, such as taxes or law, and/or having an existing client base from a previous career, perhaps as a teacher or a realtor, that they could use to launch a new practice.



Many companies provide general training to aspiring financial planners through structured programs. This training allows financial planners to develop the skill set and experience needed to make well-informed and strategic decisions regarding the direction of their careers, whether joining an existing practice or building a practice of their own.



## TYPICAL STAGES OF BUILDING A FINANCIAL PLANNING PRACTICE

### TRAINING/ENTRY



Financial planning professionals who wish to own or operate a practice spend 2 to 4 years of their careers acquiring the necessary technical skills, licenses and designations before embarking on the process of building a practice. This training stage corresponds with the Analyst and Associate Advisor stages of the traditional financial planning career track.

### PRACTICE-BUILDING



Financial planning professionals who own or operate practices spend many years attracting clients and building a process for servicing those clients. This practice-building stage corresponds to the Lead Advisor/ Managing Director stage of the traditional financial planning career track.

### TEAM-BUILDING



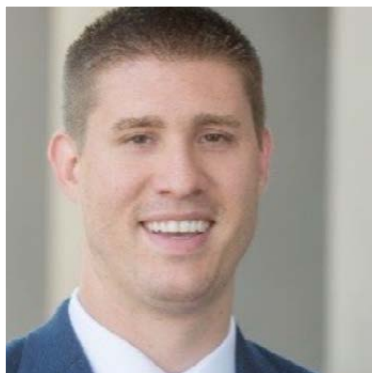
Some financial planning professionals with large, mature practices also embark on the process of building a team of professionals that collectively services clients. This team-building stage corresponds to the Principal/Partner stage of the traditional financial planning career track.



## NEAL HANSEN, CFP®

### Financial Advisor

Vanguard Personal Advisor Services  
Scottsdale, Arizona



I ENJOY  
GETTING TO  
KNOW CLIENTS  
ON A PERSONAL  
LEVEL.

#### **Q. What is a typical day like for you at your firm?**

A typical day consists of me responding to client emails, placing trades in client portfolios, team meetings with fellow advisors and my manager, and phone or video appointments with clients and prospective clients. I enjoy getting to know clients on a personal level and showing them the value of partnering with me here at Vanguard. Receiving positive client feedback regarding our previous experiences is one of the most rewarding aspects of my role as a financial planner.

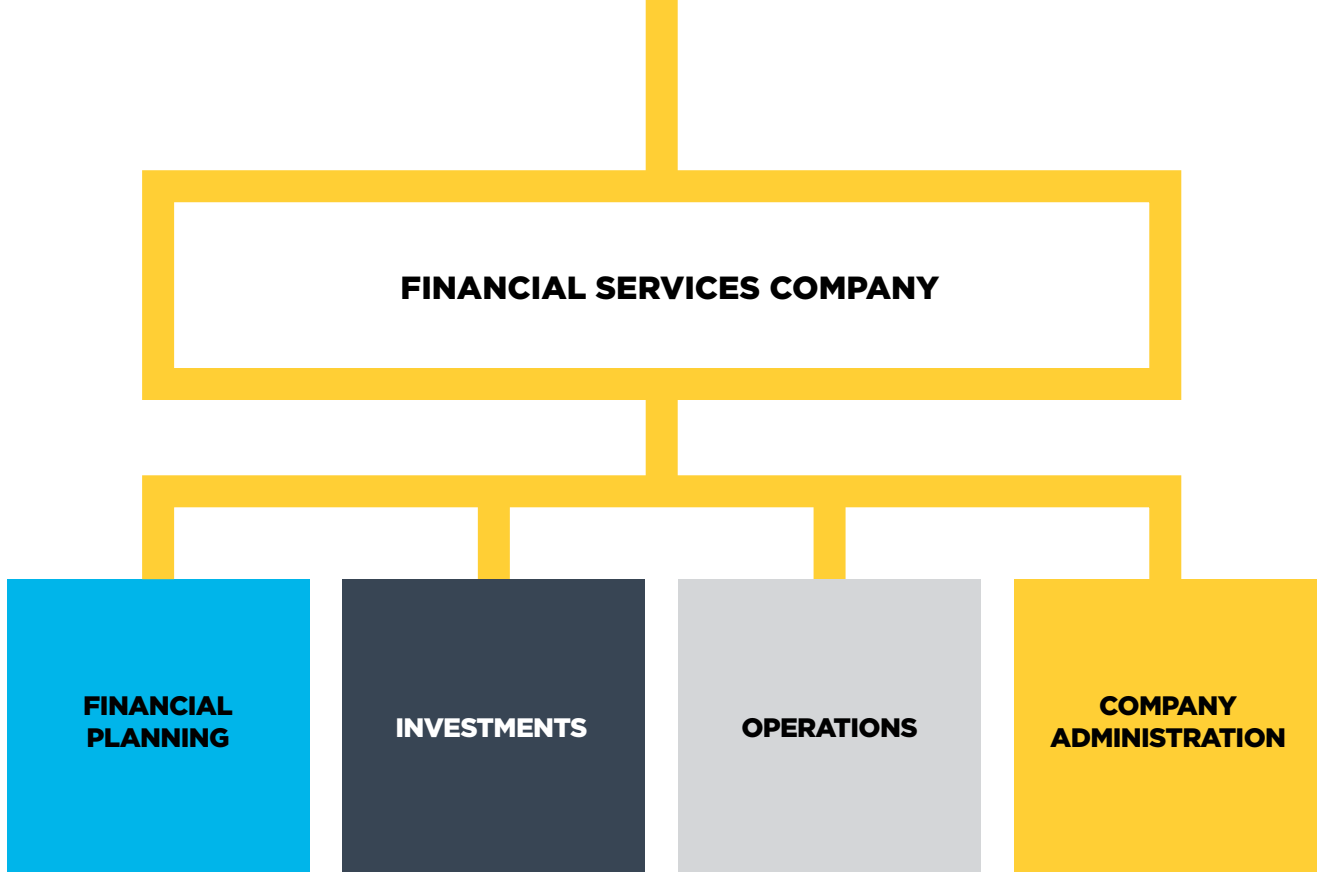
#### **Q. Can you describe a favorite client experience where you think you made a difference in the client's life?**

One of my favorite experiences as a financial advisor is working with a woman who is the primary provider and caregiver of her family. Her husband has had several medical complications and is not able to help out much either physically or financially. She came to me worried that they would not

have enough saved for retirement and make it through their lifetimes. I was able to work with her to come up with a budget and a financial plan to make sure she and her family could be financially sound over the long run.

#### **Q: Why would you recommend the financial planning profession?**

This profession provides a rewarding career that serves those in need and helps people accomplish their financial goals. This profession can be challenging and never has a dull moment. I recommend it to those who want to do good, serve others and build long-lasting relationships.



## Typical Structure of a Financial Planning Department or Division Within a Financial Services Company

Companies that provide financial planning services employ many different strategies and serve a diverse group of clients. As a result, there are a variety of possible organizational structures. Each major function within a company or a division creates opportunities for specialized teams and, consequently, specialized careers and career paths.

A typical structure has four major “departments,” teams or functions, as shown in the graphic above and described here.

**Financial Planning:** The Financial Planning department is also called Advisory or Wealth Management and is the primary destination for financial planning professionals. Most financial planning professionals will join the Financial Planning department and spend the majority of their careers working on this team.

**Investments:** Investment management is a component of financial planning advice. In an over-simplified explanation, investment management is working with money and financial planning is working with the people who invest the money. Financial planning cannot be implemented without investment management. Many companies have a separate Investments department or team.

**Operations:** The Operations department handles accounts, data, reports, forms and processes. This team supports financial planners with tools and processes to help them achieve client service goals. In other words, this department provides financial planning in a supporting role.

**Company Administration:** The Administrative department manages the company’s resources, finances and human capital, as well as other aspects of the business.

## Starting a Financial Planning Career in Operations

While it is reasonable for aspiring financial planners to expect to start their careers in the Financial Planning department, some financial planning companies believe that financial planning professionals are more effective if they have a complete view of the client service process. Following this philosophy, they recruit their entry-level professionals at the Client Support Associate position (CSA) on the Operations team. CSAs are responsible for maintaining advisor and client files, generating client reports, contacting clients to provide or obtain updated information, scheduling meetings with professional staff and troubleshooting.

Professionals intending to start out at the CSA position as a step toward becoming a financial planner should make their ambitions known during the interview process and ensure that the company offers a career track leading from CSA to the Financial Planning department. Many companies consider the CSA position to be part of a separate Operations career track, and the transition may not be easy. Clear dialogue about career tracks during the interview process is helpful to both the professional and the company as it establishes expectations, timelines and milestones for success.



## Starting a Financial Planning Career in a Virtual Advice Center

Virtual advice centers are becoming more and more popular with both consumers and financial services companies, such as brokerage firms. Many recent graduates and career changers are recruited to join such companies, and they can be a great opportunity to start or grow a career in financial planning. Typically, the virtual environment allows planners with less experience to assume a more active role with clients sooner than perhaps other types of companies.

Employers tend to provide very formal and organized training programs. New employees tend to be hired in cohorts and complete a training and onboarding program together. While these training programs vary by firm, a new employee can expect to spend their first few months focused on passing required licensing exams. New hires will also learn the company's client service model, the steps of the financial planning process and communication skills for interacting with clients. This is achieved in part by having the new hire listen in on client calls.

Once a new hire has obtained the necessary licenses and completed the company's basic training, their primary responsibility is to take phone calls from existing customers and assist them with a wide variety of personal financial matters, such as stock trades, investment portfolio adjustments and account distributions. New hires tend to quickly gain customer service experience and are exposed to a wide variety of financial planning services and financial products.

Typically, after reaching skills and experience benchmarks, new hires get promoted from general client service to more specialized roles and services, such as working with specific groups of clients. As a financial planner develops more skills and competencies, they have opportunities to move into a team leadership role or transition to another part of the company where they have a specific interest.

# CAMILLE D. YORK, AAMS<sup>®</sup>, CDFA<sup>®</sup>

**Financial Advisor**  
Raymond James  
Tampa, Florida



**I NOW HAVE  
THE SUPPORT,  
RESOURCES AND  
INDEPENDENCE  
TO RUN MY  
PRACTICE HOW  
I SEE FIT.**

## **Q. Why did you decide to become a financial planner?**

To help women become the CFO of their personal finances, to help more women see it as a viable career path, and to make an impact in an area that plays a large role in the daily lives of each and every individual.

## **Q. How did you get started in the profession?**

I started with a local credit union as a youth outreach specialist focused on collegiate financial literacy. It was through that role that I developed a skill for making financial literacy concepts more palatable and fun. It was also through that role that I developed an interest in financial planning. From that role, I transitioned into the wealth department of the credit union, became fully licensed and supported 2 financial advisors for 2 years.

## **Q. Why did you choose this business model?**

After learning and training within the credit union, I joined Raymond James' Advisor Mastery Program (AMP) to further develop my skill set and industry knowledge. It is through this program that I gained access to top leadership, specialized coaching, advisory board participation and input, and the opportunity to pilot new resources, products and services for the firm. I now have the support, resources and independence to run my practice how I see fit and serve my clients in a way that is both meaningful and impactful on a daily basis.

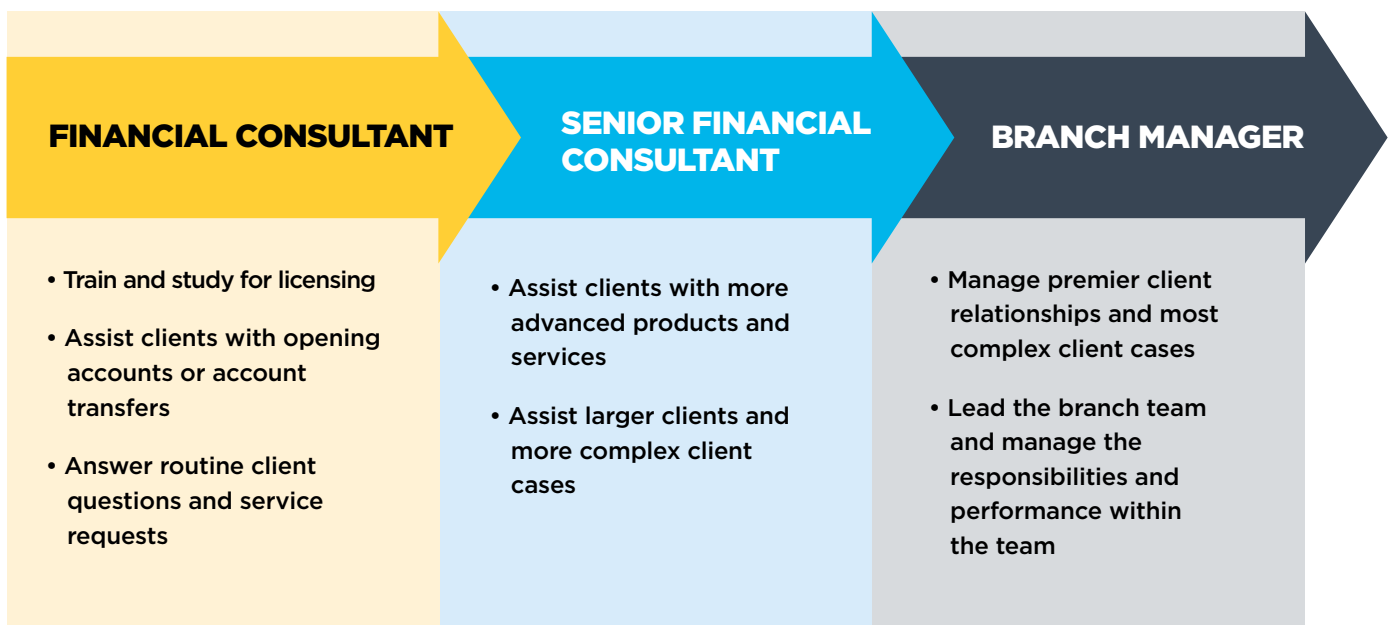




## Starting a Financial Planning Career in a Branch Office

Financial services companies such as brokerage firms and banks hire financial planners to become part of a team at the company's local branch office. The advantage of working in a branch is the steady flow of prospective clients that creates an opportunity to develop a practice faster than if the planner has to find clients on their own.

The typical career path in a branch office progresses from Financial Consultant, to Senior Financial Consultant and finally to Branch Manager. The table below lists major responsibilities that are typical for each role in a branch office.





# Specialist Positions

In addition to the traditional financial planning career track, some companies offer professionals opportunities to become specialists. The major functions within a practice can be broken into four major components, and each component offers opportunities for specialization.

**Relationship support specialty:** The relationship component of a practice prioritizes empathy, communication skills and the ability to establish and maintain trusted relationships. Financial planning professionals are coaches for their clients. To be effective coaches, they need to cultivate trusted relationships with clients, where each client feels understood, supported and motivated to implement the advisor's recommendations.

The relationship support function is part of the traditional financial planning career track under the title of Service Advisor or Financial Advisor. Many professionals choose to specialize during this step of the career path. Some planners also remain in this position long-term, choosing to focus on the client interaction and collaboration without the pressure and responsibility of the Lead Advisor role.

**Technical support specialty:** Financial planning professionals systematically gather knowledge and data and utilize their insights to make sound recommendations. There are specialized positions that focus on these technical aspects of financial planning. These technical specialists work on behalf of and in support of other advisors. This specialty emphasizes advanced technological tools and the ability to process complex information and navigate through challenging decisions.

The Paraplanner position offered by some companies provides specialized technical support to Lead Advisors and Service Advisors. Paraplanner responsibilities include data gathering, modeling, case design, scenario building, plan development and presentation development. These activities can be a step in the training toward becoming

a Lead Advisor, or they can be a good long-term fit for someone who prefers to focus on analytical work. Some companies also have insurance planning specialists who focus on risk management.

**Management specialty:** Financial planning professionals work on a team, using the help of supporting employees to provide administrative, technical, compliance and other services that all ultimately benefit the client. The ability to create, maintain and manage such a team is important for the practical success of a financial planner in their work with clients.

Some companies offer positions in management that benefit from but do not require experience in financial planning. Such management specialties may exist in marketing, human resources or technology.

**Business development specialty:** "Business development" is an umbrella term used by many professions to capture all activities associated with attracting future clients. Financial planning professionals meet new clients through a combination of marketing (undertaken by themselves or their company) and referrals from existing clients and trusted professionals (e.g., CPAs). Business development favors skills in marketing, networking, and your reputation for competency and ethics.

Some companies have a Business Development Officer position that focuses exclusively on attracting clients to the company. Such specialty positions are typically held by experienced advisors, although a professional with a significant reputation in another company may be a successful Business Development Officer by virtue of their access to a client base.

## Exploring Other Financial Services Careers

Finally, there are a variety of businesses that support financial planners and their companies by providing tools or services that allow professionals to more effectively and efficiently serve their clients' needs. These companies offer aspiring financial planning professionals a glimpse of the financial planning world, allowing them to determine if a financial planning career is the right fit. Here are some examples of these types of companies:



**FinTech companies:** Create tools, technology or software that makes time-consuming tasks more efficient



**Custodians and platform providers:** Consolidate the operational needs of a large number of companies to provide resources for growth and client service



**Asset managers:** Provide asset management solutions to companies, freeing up advisors to spend more time with clients



**Third-party administrators and record keepers:** Assist companies with their own retirement plan creation, maintenance, compliance and fiduciary responsibilities



**Industry vendors and wholesalers:** Market products and services to companies for client use



## **DARIAN BILLINGSLEY, CFP®**

### **Advisor**

Financial Symmetry  
Raleigh, North Carolina



**YOU GET TO  
REALLY SEE THE  
IMPACT YOU  
CAN MAKE IN A  
PERSON'S LIFE.**

### **Q. What do you love the most about your career in this model?**

What I love most about the fee-only model is that it allows me to feel like I am being transparent about how our firm gets paid. I would recommend this model because it's rewarding to know you're getting paid directly by your clients for the services you provide.

### **Q. What's the most rewarding part of being a CFP® professional?**

The most rewarding part of being a CFP® professional is knowing that the credential did not come without time and a dedication to earning it. There are many ways to become a financial advisor, but there's only one way to become a CFP® professional and that provides added confidence when discussing with potential clients what makes me qualified to assist them in reaching their financial goals.




### **Q. What elements of the job make it a satisfying career?**

Working with people is the most satisfying element of being a financial planner. You get to really see the impact you can make in a person's life just by assisting them with developing a plan for their financial future. As a financial planner, you get to expand your knowledge on a regular basis and use that knowledge to positively impact others.

## CHAPTER THREE

# COMPANIES THAT HIRE FINANCIAL PLANNERS

In this chapter, you will learn about:

-  **Types of companies that employ financial planners**
-  **How company characteristics can impact your financial planning career**
-  **Questions to ask when researching potential employers**

The financial services industry is a diverse ecosystem of companies that assist consumers with financial products and services used in the financial planning process. Within this ecosystem, many companies offer financial planning services and hire financial planners (although they sometimes call them financial advisors) to deliver these services to clients. An aspiring financial planner can find a wide variety of training and career opportunities across the entire industry. It is important for new planners to understand the underlying structure of the industry as well as the different characteristics of potential employers.

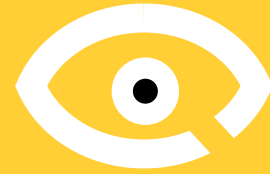
# Company Characteristics

A career is a long-term commitment. When looking for a future “home” for your financial planning career and comparing various companies, be sure to familiarize yourself with the nature and strategy of each company. Here are some key questions to ask as you conduct your research or sit for interviews:

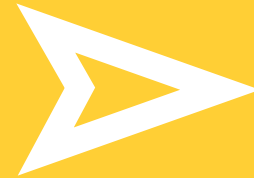
- **Vision:** What will the company look like in 5 years? In 10 years? What role does financial planning play in the future of the company?
- **Mission:** Why does the company exist? What does it contribute to the lives of its clients and team members, and what does it bring to its community? What is a day in the life of a financial planner like at the company?
- **Strategy:** What makes the company successful in the marketplace? What differentiates it from its competitors?
- **Optimal Clients:** Which clients does the company attract? How diverse is its client base today, and how diverse is it likely to be tomorrow?
- **Growth:** How does the company grow and attract new clients? What role do individual financial planners have in the growth of the company?
- **Culture:** What is the best way to describe the company culture? Which values guide it?



These questions are fundamental to understanding each company and how it views the financial planner position in the context of its overall goals. For additional questions to ask in a job interview, go to [page 55](#) in the Appendix.



**VISION**



**MISSION**



**STRATEGY**



**OPTIMAL CLIENTS**



**GROWTH**



**CULTURE**



## Financial Planning Services Within Large and Small Companies

Financial planners can find many opportunities for growth and career satisfaction in large, mid-sized or small financial services companies. Large financial services companies are engaged in many lines of business, providing insurance, banking, investment, credit and even technology services under one brand or through a portfolio of brands. Within this company structure, financial planning is only one of the points of contact between the client and the company. Such companies are some of the largest employers of financial planners in the U.S. Mid-sized and smaller financial services companies may offer fewer services and lines of business, but there are still ample opportunities for a successful financial planning career within these companies.



The strategy of a larger financial services company can be more complex. It is able to refer clients from one part of its business to another so that finding clients for financial planning may be easier thanks to synergies across business lines. For example, a company client who receives investment products, such as mutual funds, may decide to get financial planning advice from the same company. The company invests in many different businesses, including financial planning services. As a result, the consumer needs may be fully addressed at one firm, and the company brand may be a magnet for more clients.

While financial planners at larger firms may focus primarily on the financial planning aspect of the client relationship, financial planners at mid-sized and small financial services companies may have opportunities to serve their clients in a variety of ways. The mid-sized and smaller financial services companies are typically not structured in a way that separates products and services offered to clients. This means that financial planners who work at mid-sized and smaller companies will likely have the opportunity to expand their knowledge base beyond the financial planning process, sometimes handling operational issues, educating clients on specific product lines, or helping the client find other financial professionals that specialize in meeting their needs.



In short, your career will vary based on how financial planning is integrated into the company's business structure and strategic priorities. Larger companies where financial planning is offered as one of multiple lines of business tend to have many different departments and divisions, providing opportunities for a variety of career tracks. Aside from financial planning, these tracks may include financial planning support, asset management and product management. In smaller companies where financial planning may be the primary service, you typically have an opportunity to develop deep knowledge of the company, its business and its financial planning services.

# LICENSING TO START YOUR CAREER



To practice as a financial planner, you will also need to be aware of the licensing that is required at the state and federal level, as well as the relevant regulations.

As you begin your financial planning career, your employer will make sure you satisfy these requirements and will guide you through the licensing process. Still, we want you to understand the basic forms of licensing.

Although there is no specific “financial planner” regulation, many of the services that financial planners perform are highly regulated to promote investor protection. Many financial planners provide investment advice for compensation, which constitutes “investment advice” that is governed by the Investment Advisers Act of 1940. A company providing investment advice with assets above a certain threshold must be registered as an investment adviser (RIA) with the federal Securities and Exchange Commission (SEC). To practice as an investment adviser representative (IAR), a financial planner must be registered in the states where they have a place of business. To become registered, the financial planner must pass the Series 65 examination (Uniform Investment Adviser Law Examination), which is a North American Securities Administrators Association (NASAA) examination administered by the Financial Industry Regulatory Authority (FINRA). An individual who currently holds a qualifying professional designation in current and good standing may request a waiver of the required exam. CFP® certification is one of the qualifying designations; therefore, a CFP® professional may waive out of the Series 65 examination (but still would need to meet the other requirements of licensure).

As an IAR, you have a fiduciary obligation to your clients, which means that you are required to always make investment decisions and recommendations that are in the client’s best interest. This responsibility, known as the “fiduciary standard,” creates a bond of trust between clients and their

advisory professionals and is a source of our industry’s success. The fiduciary standard applies both to the individual IAR and the RIA firm.

Many financial professionals carry other FINRA licenses in addition to the Series 65. Most common is the Series 7 (General Securities Representative) license, which allows a professional to sell nearly all types of investment products to clients and receive commission-based compensation.

Professionals who have a FINRA license are licensed as registered representatives of a broker-dealer (i.e., a company that is licensed to trade securities). The Financial Services Industry Channels section below provides more information on broker-dealers and lists several examples of these companies which may already be familiar to you. FINRA has an additional layer of regulatory and education requirements for professionals who carry such licenses.

It is common for registered representatives of broker-dealers to also be registered as IARs. Broker-dealers also may be affiliated with RIAs. However, some RIAs are not affiliated with a broker-dealer. Some of these RIAs refer to themselves as “fee-only” to signify that they are not affiliated with a broker-dealer and do not receive sales-related compensation.

Finally, financial planners also may have insurance licenses that allow them to provide insurance advice and sell insurance products. Insurance licenses are regulated by the states and have their own exams and requirements.

Your company will have an important role in overseeing your compliance with state and federal regulations. The company that employs you will have policies and procedures, and your firm will require you to abide by those policies and procedures.

Importantly, the nature of a company and the company’s relationship with its clients and team members is not solely determined by the company’s regulatory structure. Rather, a company’s approach to client service and employee relations are functions of leadership, culture, history and company structure, each of which will be unique to the company and should be explored during the interview stage.

**BRETT  
PERLMAN, CFP<sup>®</sup>,  
ChFC<sup>®</sup>**

**Director, Financial Planning**  
Edelman Financial Engines  
Boca Raton, Florida



**CFP<sup>®</sup>  
CERTIFICATION  
IS THE BEST  
PATH FORWARD  
TO BECOMING  
A FINANCIAL  
PLANNER.**

**Q. Why did you choose this particular business model and firm?**

We get to help clients almost from cradle to grave—we're helping them with college planning, insurance, mortgages. We're able to do everything comprehensively across the board in one entity, one organization. It's also important to me to work at a firm that agrees to provide financial planning with a fiduciary standard of care. I enjoy that we have the independence to be objective and recommend what's best for the clients without having to manage sales-related conflicts of interest. It just feels much more genuine, authentic and natural for me and my personality.

**Q. How has CFP<sup>®</sup> certification made a difference in your career?**

I chose to pursue the CFP<sup>®</sup> certification because it was the next phase in a commitment to the field of financial planning and to doing my best for my clients. When combining the educational component

with the experience requirements, CFP<sup>®</sup> certification is the best path forward to becoming a financial planner. The most rewarding part of being a CFP<sup>®</sup> professional is being part of a group that's made a commitment to deliver quality advice and education to clients.

**Q. Why has financial planning been a satisfying career?**

I became a financial planner because it offered me the opportunity to make a positive impact in others' lives while pursuing something that I truly enjoy. I am proud of making a positive difference in the lives of others. These are difficult decisions and families are leaning on a CFP<sup>®</sup> professional to guide them in the right direction. It is humbling to be able to share in those experiences.



## Centralized and Decentralized Companies

One of the most important characteristics differentiating companies that offer financial planning services is the degree to which management decisions are centralized or decentralized (i.e., made locally). Large national companies may allow local offices to make most of the important business decisions in accordance with their local markets. As a result, their local offices may have diverse strategies, company cultures and client bases. Decentralization also means that there can be significant differences in the career tracks, training, compensation and management of financial planning positions between local offices and even between teams at the same office.

In contrast, there are also large companies where the “home office” (i.e., headquarters) makes almost all business decisions. These companies are very uniform as a result, with local offices sharing a similar culture and employment practices.

Centralized versus decentralized decision-making is a characteristic most useful when differentiating between larger companies with multiple offices, as smaller companies or companies with only one office are likely to have uniform management structures.

## Financial Planner Compensation Methods

Two of the compensation methods for financial planners are salaries and payouts. Many companies hire financial planners as employees who work on behalf of the company and receive salaries, incentive compensation and benefits. The previous Financial Planning Practice Career Track section contains detailed compensation information for the typical stages in a financial planning career on [page 16](#).

Other companies elect to compensate their financial planners (or at least their senior financial planners) based on a percentage of the revenue they generate. This payout method rewards productivity and business development success. The most significant risk with the payout method resides with new advisors. In the early years when professionals are still establishing their reputations and client bases, income may be quite low, though they may achieve much higher levels of income in the mature stages of their careers than they could with a salary.

Most companies offer some period of time where compensation for new advisors is guaranteed through salaries. In companies using the payout method, this period tends to be short (1 to 3 years) and can vary by firm. In salary-based companies, guaranteed compensation is the norm for rookie and seasoned professionals alike.



## Financial Services Industry Channels

The current structure of the financial services industry is the result of a historical process shaped by the evolving business characteristics of the companies making up the industry. Industry channels (or business categories) are often used to describe this structure.

Financial planning as a client service emerged simultaneously across multiple industry channels and was embraced by companies with varied backgrounds. The table that follows offers further detail on each of these industry channels.



While having a firm grasp of the characteristics that define different industry channels can help you better understand the structure of the companies you are considering for employment, the information in the table is not meant to imply that one business channel is better than any other. You can find an array of opportunities to be a financial planner in any channel.

Additionally, it's important to understand that the table reflects the main channel, but not all industry channels in financial services, and that some companies operate in multiple channels.



## FINANCIAL SERVICES INDUSTRY CHANNELS<sup>5</sup>

CHANNEL	# OF ADVISORS	DEFINITION	CHARACTERISTICS	NEW ADVISOR RECRUITING	COMPANY EXAMPLES
<b>Wirehouse</b>	44,949	Four national broker-dealers with a large Wall Street investment banking and institutional presence and strong penetration in metropolitan money centers.	Large national advisor and branch advisor networks. Control largest percentage of industry assets. Advisors operate at highest level of productivity.	Centralized home office training programs recruit and train rookie advisors and then groom them within established teams.	<ul style="list-style-type: none"> <li>• Bank of America/ Merrill Lynch</li> <li>• Morgan Stanley Wealth Management</li> <li>• UBS</li> <li>• Wells Fargo Advisors</li> </ul>
<b>National &amp; Regional Broker-Dealer</b>	43,580	National and regional financial services companies with retail financial advisors; national broker-dealers targeting clients with moderate wealth; and boutique firms with a localized presence.	Wide range of firm sizes, from small boutiques to 1,000+ advisors. Often have strong regional and community ties. Varied institutional and investment banking services, depending on the firm. Few or no proprietary products.	For large firms, centralized home office training programs recruit and train rookie advisors.	<ul style="list-style-type: none"> <li>• Ameriprise</li> <li>• Charles Schwab</li> <li>• Fidelity Investments</li> <li>• Edward Jones</li> </ul>
<b>Independent Broker-Dealer (IBD)</b>	58,419	Advisors own and operate independent businesses and affiliate with a broker-dealer as an independent contractor. Advisor assumes cost of running their practice in return for a higher payout.	Fragmented advisor field with small branches of 1 to 5 advisors. Consolidation has shifted greater advisor and asset market share to the largest firms.	Recruiting of both rookie and established advisors occurs at the individual practice level.	<ul style="list-style-type: none"> <li>• Cadaret Grant</li> <li>• LPL Financial</li> <li>• Kestra Financial</li> <li>• Raymond James</li> </ul>
<b>Hybrid RIA</b>	28,101	Independent practices with both a registered investment advisor and an affiliation with a broker-dealer. RIA is owned and operated by the advisor, not the broker-dealer.	RIA assets are typically held at an RIA custodian, but advisors have the option to custody assets with or through traditional IBDs. A growing number of IBDs have launched RIA platforms to attract and retain large independent practices.	Recruiting of rookie advisors occurs at the individual practice level. The dually registered model allows advisors to recruit or acquire advisors from both the broker-dealer and RIA models.	<ul style="list-style-type: none"> <li>• Benjamin F. Edwards Wealth Management</li> <li>• BentOak Capital</li> <li>• Carson Group</li> <li>• Mariner Wealth</li> </ul>

▼ CONTINUED ON THE NEXT PAGE ▼

## FINANCIAL SERVICES INDUSTRY CHANNELS, CONTINUED

CHANNEL	# OF ADVISORS	DEFINITION	CHARACTERISTICS	NEW ADVISOR RECRUITING	COMPANY EXAMPLES
<b>Independent RIA</b>	36,642	Independent practices with a registered investment advisor and no broker-dealer affiliation.	Advisors operate with the highest degree of autonomy with no regulatory or policy oversight by a home office. High degree of variety across independent practices and wide geographic dispersion. Leverage clearing firms, banks, service agents and brokerages to conduct trading, custody of assets and recordkeeping.	Recruiting of rookie and established advisors occurs at the individual practice level.	<ul style="list-style-type: none"> <li>• Edelman Financial Engines</li> <li>• Facet Wealth</li> <li>• Financial Symmetry</li> <li>• Yeske Buie</li> </ul>
<b>Insurance Broker-Dealers</b>	55,503	Full-service brokerages within an insurance company, ranging from traditional life companies to quasi-IBDs.	National distribution capabilities through historical career agency network. Strong proprietary insurance and investment products, but often use third-party sub advisors. Includes firms with both open and closed insurance product selections; however, nonproprietary asset management is always available.	Advisors receive training in both risk management and investments. Some may focus only on risk management (insurance) while others create more comprehensive plans, including investments.	<ul style="list-style-type: none"> <li>• Northwestern Mutual</li> <li>• NYLIFE Securities</li> <li>• MML Investor Services</li> <li>• Prudential</li> </ul>
<b>Retail Banks</b>	24,478	Advisors operating in retail bank branches. Excludes trust departments and private banks.	Banks vary in size from national banks to community banks and credit unions. Small banks, thrifts and credit unions often outsource broker-dealer functionality to third-party marketing firms.	Advisor hiring is typically part of a bank's centralized HR process. Rookies may start out by servicing small clients to help the bank manage the high volume from core banking referrals, allowing senior advisors to focus on high net worth clients.	<ul style="list-style-type: none"> <li>• BMO Harris Bank</li> <li>• First Republic</li> <li>• Truist</li> <li>• U.S. Bank</li> </ul>

5. Adapted from the 2020 U.S. Advisor Metrics report by Cerulli Associates. Charles Schwab and Fidelity are usually grouped into Cerulli's Direct channel reflecting their self-directed brokerage history, but characteristics of their large and growing advisor teams most closely align with this model. Raymond James and Ameriprise offer both employee and independent affiliation options. LPL Financial serves the IBD, Hybrid RIA and Independent RIA channels.

## Virtual Advice Channels

Like many other industries, financial services is constantly evolving with advances in technology and changing consumer trends. In addition to the established business channels in the previous table, virtual advice channels have been growing rapidly and can represent an attractive career opportunity. These channels are comprised of virtual advice centers where a financial planner is able to establish a virtual practice by interacting with clients primarily over the phone or web conferencing, while still being able to work closely and hands on with clients. Companies that operate in the virtual advice channel include Vanguard, Charles Schwab and Facet Wealth.



## Final Thoughts on Industry Structure

The financial services industry is a rich ecosystem of opportunity, and there are many business models and types of companies that hire financial planners. We strongly encourage financial planning job-seekers to study the industry, determine which characteristics are most appealing to them, and then use this chapter to carefully research and interview the companies they are considering as potential homes for their careers.

# TAYLOR STATHIS, CFP®

**Client Relationship Manager**  
GM Advisory Group  
Melville, New York



**OBTAINING  
THE CFP®  
CERTIFICATION  
AS SOON AS  
I WAS ELIGIBLE  
WAS VERY  
IMPORTANT.**

## **Q. What do you love the most about your career in this model?**

Working at an independent RIA afforded me incredible opportunities at such an early stage in my career. It has given me the opportunity to learn about all the different aspects of financial planning and business development and how each department works together to create a successful team for our clients. I think that the structure of our firm also encourages young professionals to learn from our peers, managers and advisors, to become more educated in the field, and to be confident in ourselves and our abilities as a firm.

I would recommend working at an independent RIA because of the flexibility it affords both as a financial planner acting in the best interest of your clients, as well as the flexibility it affords you in your own career and growth. As an RIA, we are not beholden to any one set of products and can truly make independent recommendations that are in the best interest of our clients.

## **Q. Why did you choose to pursue CFP® certification?**

When I started out in financial planning, I had little experience in the industry and had a lot to learn. I decided to start taking classes to

meet the CFP® certification requirements as a way to learn more about the different areas of financial planning outside of what I was learning while doing my job. Additionally, as a Client Relationship Manager, I am the primary point of contact for our clients. As a young woman in the industry being tasked with handling relationships with high net worth business executives, athletes and business owners, it is important for me to be able to prove that I have the background and credentials to support the position that I am in. Obtaining the CFP® certification as soon as I was eligible was very important to me because it helped verify that although I am young, I do have the knowledge and ability to excel as a financial planner committed to acting in my clients best interests.




## **Q. What do you think is the biggest misconception about financial planning careers?**

That it is mainly based in math, numbers and economics. While those are obviously very important parts of the career, there is so much more to it than that. As a financial planner, you use writing and critical thinking skills, do research, and are tasked with building and maintaining relationships.

## CHAPTER FOUR




# WHAT'S THE RIGHT FINANCIAL PLANNING CAREER PATH FOR ME?

In this chapter, you will learn about:

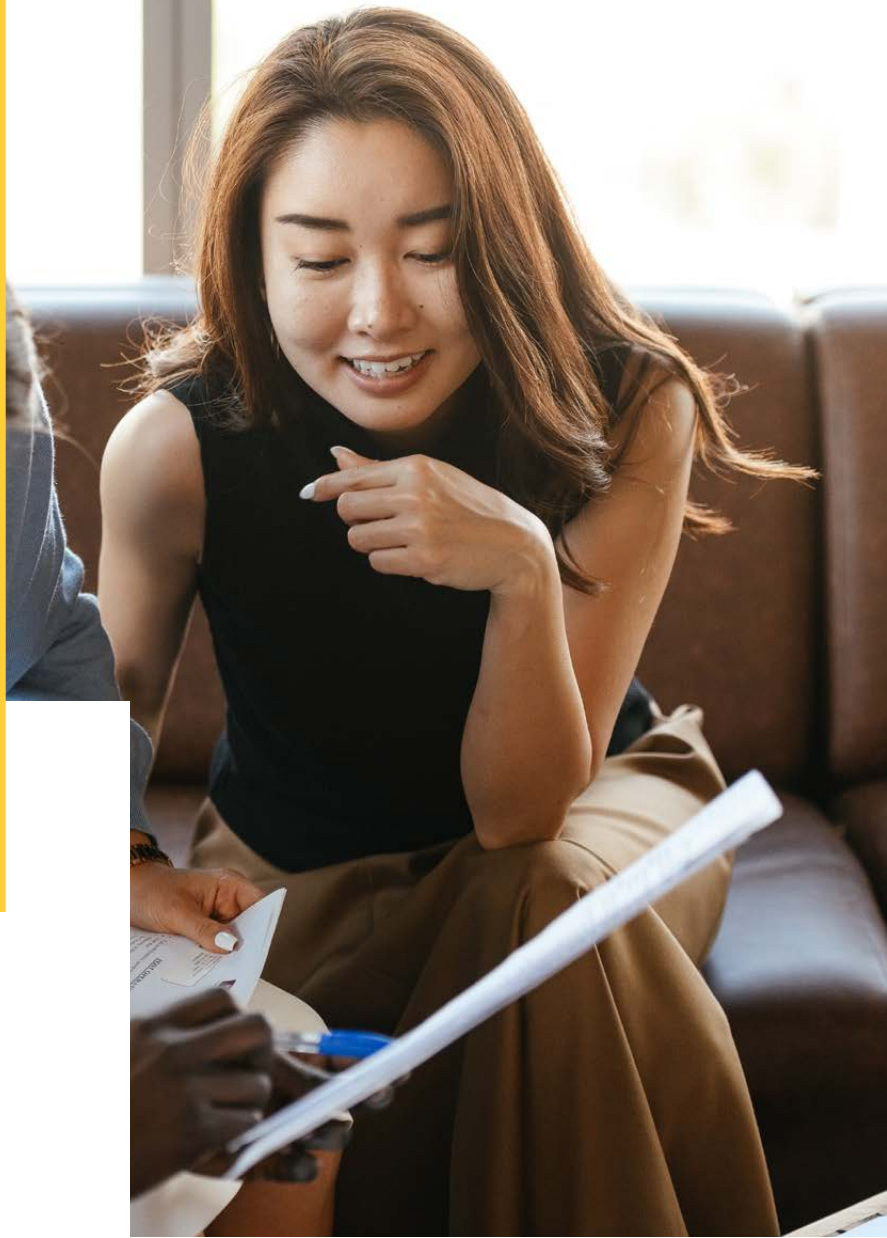
-  **Starting a career in financial planning, whether it is your first career or a career change**
-  **How to obtain CFP® certification**
-  **Where to find financial planning jobs**

While financial planning is a relatively young, emerging profession, advancements in the financial services industry have caused it to be a rapidly growing one. There are many opportunities to develop a successful financial planning career and find personal fulfillment while meeting the variety of expectations inherent to the nature of the work.

Your answers to the following key questions can help guide you toward the best choice for how and where to begin your financial planning career:

-  **Is this your first career, or are you changing careers?**
-  **Have you already earned your CERTIFIED FINANCIAL PLANNER™ certification?**
-  **Do you already know that you wish to develop your own practice, or would you prefer to explore the profession before making that decision?**





## Financial Planning as Your First Career

If financial planning is your first career, you will find that this industry is eager to recruit your talent and energy. Financial services companies actively recruit candidates for financial planning internships, entry-level positions and training programs.

**Financial Planning Internships:** A good place to start when looking for a financial planning internship is the [CFP Board Career Center](#), or the career office of your college or CFP Board Registered Program. You may also reach out directly to companies you have identified through your own research to ask whether they offer an internship program.

Internships can be paid or unpaid and can provide you with the knowledge, skills and experience that make you a more attractive candidate. An internship can also provide you with the experience hours necessary to obtain CFP® certification.

The experience gained from the internship will help you learn more about your own preferences and shape where you pursue future growth, either with that company or in an entirely different type of company that better fits your preferences. As you gain more experience, you can become more selective in finding a job that fits your interests and skillset.

In addition to traditional in-person internships, another unique internship option is the [Financial Planning Association's \(FPA®\) Virtual Externship](#). This internship is completed entirely online and offers participants the opportunity to gain experience from a variety of different firms and financial planning experts.

**Entry-Level Positions:** The entry-level position for financial planners can be called several different titles. Among others, companies use: Analyst, Consultant, Support Advisor or Senior Analyst. Some companies combine the first two steps of the career track as presented in the Careers in Financial Planning chapter of this guide and merge the Analyst and Associate Advisor roles.

Analysts (entry-level future financial planners) are expected to learn how to create financial plans, at first with heavy supervision and guidance. They also help the Operations team with tasks such as client onboarding and data entry. Since they have limited client interactions, Analysts are often instructed to treat their more experienced colleagues as clients and strive to exceed their expectations.

Analysts can be fresh out of university, and many companies have internship programs that assign interns similar responsibilities to those of an Analyst. Some companies jokingly use the term “sponge” to describe their Analysts, as they are expected to absorb as much information as possible about financial planning and company-specific processes during their first few years at the company.

**Practice-Building Training Programs:** If you have already made up your mind that you want to build a practice of your own, there are large companies that actively support and encourage that process through training, resources and marketing. Please review the discussion of industry channels in the previous chapter for the names of some of these practice-building companies, on [pages 38-39](#).

Practice-building companies typically have formal recruiting and training programs that offer trainees 1 to 3 years of instructional classes, guidance and mentoring from experienced professionals. These programs often provide financial support in the form of a salary and benefits. Upon graduating from the program, trainees usually are expected to develop new business (i.e., relationships with new clients) through networking and other strategies and assemble a group of clients large enough to support a practice. At this point, the salary is usually phased out and

replaced by a payout (variable compensation linked to the revenue generated).

## Financial Planning as a Career Change

Many successful financial planners begin their careers in other professions or fields, particularly the fields of public accounting and law. Certified Public Accountants (CPAs) and attorneys who focus on taxation or estate planning often transition to the financial planning profession, for example. In addition, many investment professionals, such as Chartered Financial Analysts® (CFA®), decide they would like to work more closely with individual clients and transition into financial planning roles.

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**FINANCIAL PLANNERS  
ALSO COME FROM OUTSIDE  
THE FINANCIAL INDUSTRY,  
PARTICULARLY FROM  
POSITIONS OF WORKING  
WITH AND HELPING PEOPLE.**



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Successful financial planners also come from a variety of other professions outside of the financial services industry, particularly from positions where they honed their skills in working with and helping people. These career changers can include former military servicemembers, teachers, hospitality professionals and retail employees.

# Obtaining Your CFP® Certification

We encourage all aspiring financial planners to pursue CFP® certification, also known as the CERTIFIED FINANCIAL PLANNER™ certification. Financial planning companies actively seek and support candidates pursuing CFP® certification because it is the standard of excellence for financial planners.

CFP® certification sets you apart from other financial advisors because it signals to clients—and potential employers—that you have met extensive training and experience requirements and have committed to high ethical standards.

**The CFP® certification process requires candidates to fulfill the following requirements (also known as the “4 E’s”): education, exam, experience and ethics.**

## 1 COMPLETE THE EDUCATION REQUIREMENT.

The two-part education requirement includes completing financial planning coursework through a CFP Board Registered Program and holding a bachelor’s degree or higher in any discipline from an accredited college or university. There are multiple avenues for completing the education requirement, both through college degree programs and executive education programs. Certain designations and certifications that you have already earned may also help to meet the education requirement. A variety of [scholarships](#) are available through the CFP Board Center for Financial Planning and other organizations to help fund your certification coursework.

## 2 PASS THE CFP® EXAM.

The CFP® exam is a comprehensive test that consists of multiple-choice questions completed over 6 hours. The exam includes stand-alone and scenario-based questions, as well as questions associated with case studies. Passing the CFP® exam demonstrates that you have attained the knowledge necessary to provide your clients with competent and ethical financial planning.

## 3 ACCUMULATE RELEVANT EXPERIENCE.

You must complete either 6,000 hours of professional experience related to the financial planning process or 4,000 hours of apprenticeship experience that meets additional requirements. To pursue the 4,000-hour apprenticeship option, your experience must be derived by personally engaging with individual clients and under the direct supervision of a CFP® professional.

A variety of positions in financial services companies will enable you to meet the experience requirement. You can fulfill the experience requirement either up to 10 years before or 5 years after taking the CFP® exam.

## 4 SIGN THE ETHICS DECLARATION AND PASS A BACKGROUND CHECK.

The ethics requirement is the final step on the path to CFP® certification. An applicant must complete an Ethics Declaration and CFP Board will conduct a background check. CFP Board will evaluate an applicant’s background against CFP Board’s Fitness Standards.

Visit [CFP.net](https://www.cfp.net) for more information on becoming a CFP® professional



# KELLY GWYNN

## Paraplanner

Moss Adams Wealth Advisors LLC  
San Francisco, California



I ENJOY THE  
**PSYCHOLOGY**  
OF FINANCIAL  
PLANNING.

### **Q. Why did you decide to become a financial planner?**

I always valued financial freedom. My mom instilled a desire in me from an early age to be financially independent. This is a very practical and rewarding profession. I enjoy the psychology of financial planning and how different people think about money in different ways. I love the relationship aspect and being able to have a high impact on people and their lives.

### **Q. Why did you decide to pursue CFP® certification?**

In achieving the CFP® certification, it's the stamp of approval that you are a legitimate, competent professional in your field—people see this as a sign that you can be trusted. Also—with my position with Moss Adams I can't actually become a financial lead, a career lead—until I have the CFP® certification, so it's a step I need to make in order to advance my own career.

### **Q. Can you explain why you picked your current business model?**

My firm is partnered with an accounting firm. Many of our clients have an established relationship with the tax side of the firm, and we are able to go to market with trust already in place. We have an edge, to service our clients even more holistically as a tax and financial planning team. Being in San Francisco, there are IPOs happening all the time, and new wealth being created, so we've been able to experience helping numerous individuals needing stock option planning around these events—we work with executives and early software engineers at these companies. There is a lot of tax complexity around these events, so I've seen firsthand how beneficial it is to have a CPA working alongside us to help guide the client through. It's exciting, because it relieves some of the pressure of generating new clients through that built-in growth process. I can focus on serving the needs of clients, and it just happens very naturally in this firm. It's substantially beneficial how this firm structures the career path. It is very deliberate, and they make sure that you are ready. They support you on every step of your journey.

# How to Begin



As you can see, the first step toward earning CFP® certification is completing the required coursework at a college or university with a financial planning program registered with CFP Board. There are two main options for doing so: pursuing a bachelor's, master's or doctorate degree in financial planning or completing a certificate-level CFP Board Registered Program. The first option is better suited to students who are just beginning their college education, whereas certificate programs may be more appealing to career changers and financial services professionals who already have a bachelor's degree in another field. Let's now look at these two options in a bit more detail.

## FINANCIAL PLANNING DEGREE OPTION

If you are entering college and already know that you want to pursue a financial planning career, there are many financial planning undergraduate and graduate programs (including master's and doctorate degree programs) that are registered with CFP Board and meet the education requirement for CFP® certification. These programs provide you with the fundamental education, competencies and fluency needed for a successful financial planning career and prepare you to sit for the CFP® exam after graduating. Once you have passed the exam and met the experience requirement, you will be a CFP® professional as well as have an academic degree in your chosen field. If your university does not offer a CFP Board Registered Program but you are confident that you would like to pursue a financial planning career, you should consider transferring to another university that does, or consider the certificate option.

**COST:** The tuition and fees to your university, as well as the cost of living to support yourself during your study.

**TIME:** The typical timeframes to complete financial planning degrees are the same as degrees in other fields.

### DEGREE:

Bachelor's	4 years
Master's	1 to 2 years
Ph.D.	3 to 5 years

## CERTIFICATE OPTION

If you have already earned a bachelor's degree in another field and do not wish to pursue a graduate degree in financial planning, the education coursework requirement for CFP® certification can be met through a certificate-level CFP Board Registered Program. You may also choose to explore the certificate-level coursework path if you are studying at a university that does not offer a financial planning program registered with CFP Board. These certificate programs specialize in offering the courses and topics you need to master to pass the CFP® exam and become a CFP® professional, and most can be completed within 1 year. They are also offered in a variety of formats (e.g., in person, online, recorded sessions, live lectures) so you can choose the program that best suits your learning style and your schedule.

**COST:** Program costs vary depending on the certificate provider and the options included, such as an exam review course. In many cases, companies reimburse the costs associated with completing a certificate program.

**TIME:** Usually 12 to 18 months, though some programs offer accelerated options, including self-paced study.



Find a CFP Board Registered Program at [CFP.net/Education](https://www.cfp.net/Education)



## Exploring Financial Planning Careers

Perhaps you have been considering a financial planning career, but you are not quite ready to commit. It is perfectly normal and may be desirable to explore the financial planning career path by seeking a non-financial planning position first. This allows you to familiarize yourself with the financial services industry, or a particular company, and determine whether it is a good fit before deciding to pursue a financial planning career in earnest.



Many financial planning companies are willing to hire job applicants based on their current skill sets as long as they show a strong desire to serve clients. These companies will then support and assist their employees as they pursue CFP® certification at a later date, should they elect to follow that career path. Many employers will provide reimbursement for obtaining CFP® certification.

Pursuing this exploratory path toward a financial planning career may require a longer-term commitment because of the limitations on your time that result from pursuing CFP® certification while working full time. That said, you are gaining experience, knowledge and paychecks as you work toward becoming a CFP® professional, so this is an attractive option for professionals who need a bit more time to decide if financial planning is the right field for them.

**MATT  
AARON, CFP<sup>®</sup>,  
RICP<sup>®</sup>, ChFC<sup>®</sup>**

**Founder & Chief Executive Officer**  
LUX Wealth Planning in partnership  
with Northwestern Mutual  
Washington, D.C.



**Q. Why did you decide to be a financial planner?**

I decided to be a financial planner because I saw a career that allowed me to help people in a very meaningful way that's based on outcomes, that allows you over time to have flexibility, and that allows you to make a good living while making an impact on people's lives.

**Q: What's the biggest misconception about the financial planning career in your opinion?**

The biggest misconception is that there's one way to do it. There are so many different ways to approach a career in financial planning. And I think the other one is financial planning is investments—but that's not really true. Financial planning is a process in which you pull all the different strategies, tools and tactics, and align it with clients' objectives to plan for the desired outcome. I think that once someone gets into our profession, they realize there are all of these different ways I can build and be successful in this career.

**IT'S ONE OF  
THE MOST  
NOBLE THINGS  
YOU CAN DO.**

**Q: If you were talking to someone who is thinking about becoming a financial planner, why would you recommend this career to them?**

I would recommend this career to someone because I feel like it's one of the most noble things you can do. It's as noble as being a doctor saving lives. If you think about it, it's our health and our wealth that are some of the most important things. We foster that wealth aspect, which really allows people to accomplish goals that are not necessarily money goals, but money is a factor in most of the decisions we have to make in life. Being able to wake up daily knowing that you're doing noble work is extremely gratifying. So, if you're looking at this career, just know that you're about to embark on a journey of everlasting impact that never expires.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM) and its subsidiaries, including Northwestern Long Term Care Insurance Company (NLTC), Northwestern Mutual Investment Services, LLC (NMIS), a registered investment adviser, broker-dealer, and member of FINRA (finra.org) and SIPC (sipc.org), and Northwestern Mutual Wealth Management Company\* (NMWMC), a federal savings bank. NM and its subsidiaries are in Milwaukee, WI.

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## Where to Find Financial Planning Jobs

Financial planning provides enormous benefits to consumers. The field is growing and the public needs more competent and ethical professionals to help them navigate their financial future.

You will find that your interest in a financial planning career is not only welcome, but eagerly encouraged. Financial planning companies regularly advertise positions on all the major online job-searching sites under job headings such as Financial Planner, Financial Advisor, Wealth Advisor, Investment Advisor and Financial Planning Analyst, among others. For entry-level positions you could search for: Analyst, Client Support Specialist, Paraplanner, Support Advisor or Advisory Associate. Note that some of these terms and positions are also used in corporate finance jobs, where the focus will be very different, so be sure to confirm that a job listing is specific to personal financial planning before applying.

The [CFP Board Career Center](#) is the premier job website in financial planning that connects employers with job seekers and enables candidates for CFP® certification to gain the necessary work experience through jobs and internships. The Career Center includes a job board where companies from around the U.S. post positions they currently have open for candidates who are pursuing or have completed their CFP® certification.

Additionally, each year the Career Center hosts virtual career fairs that enable employers and job seekers to connect in real time through one-on-one video chats. These online events allow candidates from all backgrounds and experience levels to network and apply for open positions all over the country.



**There are a variety of other valuable resources and sites where candidates can search for job and internship positions, including:**

- **Career offices of colleges and universities with a CFP Board Registered Program**

University career centers employ a number of advisors and counselors who can help you find relevant employers, job and internship postings, or recruiting events to network with potential employers in your area.

- **Financial services companies' career websites**

Most financial services companies welcome the interest of professionals seeking a financial planning career and maintain a career section on their websites. You can also compile a list of companies that interest you and reach out directly to seek informational interviews or opportunities. Larger companies typically have a human resources department that receives such inquiries, while smaller companies are often managed by owner-advisors who field those requests directly.

Many companies that provide financial planning are growing, so most companies are consistently needing more talent to assist with some part of the client service process. When the companies aren't hiring, sometimes they are in a position to provide good mentors, networking or even referrals to other companies in the field that are looking to hire. They may also provide guidance and encourage you to take steps that will make you a more attractive candidate for their next round of searches.

- **Financial Planning Association® (also known as FPA®) career board**

The FPA® maintains a career board that contains many job postings specific to the financial planning profession at [fpajobboard.org](https://fpajobboard.org).

- **FPA® local chapters**

In addition to the national FPA® career board, local FPA® chapters often maintain their own job listings and host their own localized meetings where new professionals can network and search for job opportunities. For example, the FPA® of Puget Sound lists opportunities in the Seattle area [here](#). A list of FPA® local chapters is available at [here](#).

- **Other professional organizations**

Organizations such as the National Association of Personal Financial Advisors ([napfa.org](https://napfa.org)) and Society of Financial Services Professionals ([national.societyoffsp.org](https://national.societyoffsp.org)) also provide opportunities and events for new professionals to connect with a variety of employers.

- **LinkedIn**

LinkedIn is a resource for both job seekers and companies that are recruiting, and many financial planning companies prefer it for their job postings.

- **Specialized recruiters**

There are several recruiting companies that specialize in the placement of financial planning professionals. For example, New Planner Recruiting ([newplannerrecruiting.com](https://newplannerrecruiting.com)) focuses on placing new CFP® professionals in their first job opportunities.



- **Job websites**

Due to the shortage of existing financial planner talent, many financial planning firms must also post job opportunities on more traditional job search websites and seek talented prospective hires there that they can train and onboard over time. Examples of these websites are Indeed, Monster, CareerBuilder, Brokerhunter and Google for Jobs.

## SHAWN LIU, CFP®

**Vice President and  
Financial Consultant**

Charles Schwab  
Oakland, California



**IT WAS VERY  
REWARDING TO  
SEE MYSELF  
GROW WITH  
THE CLIENT.**

**Q. Why did you decide to become a financial planner?**

I decided to become a financial planner to help educate my clients to become more financially responsible. I think this is something that should be taught in school, but was not, so I believe there is a need for my advice.

**Q. Why did you choose to work in this particular financial planning business model?**

I tried a different model, and it did not work for me. I love the fact that I can now focus on taking care of clients instead of marketing. I think this model is the best way for a young person to enter this profession.

**Q. Can you describe a favorite client experience where you think you made a difference in the client's life?**

One of my first clients I worked with came to me as a single man, knowing nothing about investing. I helped him set up a financial plan to accumulate assets both in and out of retirement plans. Over time, he was able to save and invest enough to put a down payment on a house and get married, and I now work with both him and his wife. It was very rewarding to see myself grow with the client.



## What Can I Expect in the Early Years?

In the early years of your professional journey, you will most likely be performing more support-oriented tasks in client service or operations, where your primary responsibilities are to leverage the time of senior financial planners, teams or partners while learning the business. As you build your base of knowledge and learn the client service processes, your responsibilities and opportunities should expand.

It is common to start your career supporting a financial planner by gathering and maintaining client data, entering it into financial planning software, and then analyzing and examining financial plans with the financial planner or the financial planning team. Although most companies do not allow their newest hires to start working with their key clients or more complex cases, they will sometimes allow you to work with clients who have simpler needs or questions. Some companies may have you start out working with the children of primary clients who may have less complex financial planning needs. Sometimes these future generations will also have a long-term relationship with the company.

Large national companies tend to have a distinct training program where future advisors spend a year or two obtaining their certifications and licenses while attending classes and coaching sessions. Some programs may extend up to 5 years of training. Typically, there is fixed compensation in the form of a salary during the training period.

In other companies, there is no formal training program but the new professionals are assigned to a client service team where they receive on-the-job instruction and coaching as they contribute to the activities of the team. Usually, this becomes the first step of the career track described in the [Careers in Financial Planning](#) chapter on [page 14](#).

Finally, companies that provide planning and advice through a remote or virtual relationship with the client may also assign new recruits to call centers or virtual teams where they handle more basic questions as they accumulate training and experience.

Indeed, early in your career is the opportunity to explore a variety of roles, company types and approaches to financial planning until you find a fit and style that suits your needs. To advance in the career you will need to steadily increase your knowledge, skills and abilities that will help the company better serve its clients.

## Where You Start Isn't Where You Have to Stay

With the wide variety of employers and types of jobs, it can be overwhelming trying to decide where to start. It's important to keep in mind that where you *start* is not nearly as important as where you *finish*.

It's not essential to find your perfect fit right away in your first job or internship. Each place you work should provide you with valuable experience, education and training that will help you learn more about your own preferences and shape where you pursue future growth, either with that company or in an entirely different type of company.

Many financial planners started in an entirely different field and changed careers. After joining the financial planning profession, it's common for professionals to move around between multiple company types and roles until they find their best fit. This demonstrates that regardless of your background, there is a path for you to join this profession.

## KEY TAKEAWAYS

- ✓ Financial planning is a fast-growing field with many different career opportunities for students, recent graduates and career changers.
- ✓ Financial planners help individuals and families make sound financial and investment decisions to maximize their chances of achieving critical life goals.
- ✓ Careers in financial planning provide many benefits, including the personal fulfillment of helping others, the potential for financial rewards and the flexibility to build the work-life balance you want.
- ✓ A wide variety of companies employ financial planners, from large financial services firms with many different lines of business, to small companies where financial planning may be the primary service. You may also elect to build your own practice.
- ✓ The traditional financial planning practice career track enables you to move from technical positions, such as Analyst or Paraplanner, to service positions, such as Financial Planner or Financial Advisor, to eventually operating a practice as a Lead Advisor or owning a practice as a Principal/Partner.
- ✓ Depending on your employer, you may be able to specialize in a certain component of the financial planning process. Possible specialties include relationship support (focused on client interactions), technical support (focused on research and analysis), management and business development.
- ✓ Specific licenses and/or professional certifications may be required or recommended by your employer. Most companies will guide you through this process and provide financial or other support to obtain the needed credentials.
- ✓ Aspiring financial planners are encouraged to pursue CFP® certification. Financial planning companies actively seek and support candidates pursuing CFP® certification because it is the standard of excellence for financial planners.
- ✓ Where you start your career is not necessarily where you will end up. Many financial planners will move around to different companies and fill different types of positions during their careers.



## APPENDIX

### Questions to Ask in a Job Interview

As you explore a possible career in the financial planning profession, here are some questions to ask to help you better understand a company's work, culture, compensation and development opportunities.

#### **Nature of the Work**

- What kind of work will I be doing? (It would be great to obtain a job description.)
- What is the onboarding process for new hires?
- What does a typical week look like for someone in this role?
- Will I be working directly with clients or behind the scenes? What percentage of my role involves direct work with clients? How much time will be spent developing and presenting financial plans?

- What licenses and professional certifications are required and/or recommended by the company? When will I be expected to obtain those qualifications?
- What is the scope of the financial planning work at the company?

#### **Company Culture**

- Does the company have a financial planning philosophy?
- Will I be part of a team or expected to function on my own?
- How does the company define and measure success, both for the company and its employees?

## Compensation Structure

Compensation methods vary across companies. Most companies offer guaranteed compensation to entry-level hires or trainees, though some companies require trainees to convert to variable compensation (i.e., a percentage of revenue generated) after 1 to 3 years, once the training program is complete. Compensation questions fit well into a second interview, when there is already a sense that the candidate is a good fit for the position (and vice versa).

- What is the compensation structure for the position? What factors determine the starting salary?
- Does salary “phase out” as the employee progresses, or is it always part of compensation?

## Career Development

- Is this position on a career track to enable me to become a financial planner?
- What is the career path for a financial planner at this company?
- How does the company support and promote personal and professional growth? What professional development opportunities are available?
- Does the company offer support or reimbursement for CFP® certification?
- Do you make accommodations for a new employee in this role to study for the CFP® exam?
- What opportunities are available to learn from or work side-by-side with other advisors?
- Is there a formal mentoring program? How can I best find and partner with a mentor to help me develop my career?



# IN GRATITUDE

## PARTICIPATING COMPANIES AND PROFESSIONALS

The CFP Board Center for Financial Planning thanks the following companies and individuals for their contributions to this publication:

### **Abacus Planning Group**

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### **Addepar**

Colin Hardy, Solutions Consultant

### **Ameriprise**

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### **AssetMark**

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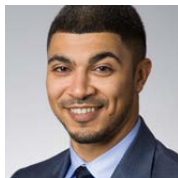
The CFP Board Center for Financial Planning is grateful to members of its Workforce Development Advisory Group for their contributions to this publication.



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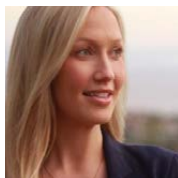
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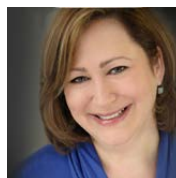
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# ABOUT

**The Research:** The CFP Board Center for Financial Planning commissioned a team of academic scholars and industry experts to conduct research that captures the workforce development practices of a broad variety of financial services companies as they recruit, train and develop the next generation of financial planning professionals. Forty-two companies participated in the research and 77 interviews were conducted with company executives, talent recruiters and new professionals to gather robust information about financial planning careers at these firms. The research also examined data from the Center's *Financial Planning Career Paths: Building More Sustainable and Successful Businesses*, *The Ensemble Practice*, *Cerulli Associates* and the *2020 InvestmentNews Adviser Compensation & Staffing Study*.

**The Researchers:** The research was conducted by a team of prominent scholars and those with expertise in financial planning and experience working with the next generation of talent joining the profession.



**Luke Dean, Ph.D.**  
**Principal Researcher**

Luke Dean, Ph.D. is an Associate Professor of Financial Planning at Utah Valley University and creator of the “12 Tribes of Financial Planning.” He was named among the 40 most influential professionals under the age of 40 by *InvestmentNews*. Luke has served as the Director of Financial Planning degree programs at William Paterson University and Utah Valley University.



**Rachel (Qianwen) Bi, MBA, Ph.D.** is the Chair of the Department of Finance and Economics at Utah Valley University and an Associate Professor of Financial Planning. Rachel is renowned for her expertise on FinTech and her experience working with students developing innovative FinTech prototypes.



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**Philip Gibson, Ph.D., CFP®** is an Associate Professor of Finance and the Director of the Financial Planning program at Winthrop University. His research specialties are asset management, mutual fund performance and investment advisor relationship with households.



**Michael Guillemette, Ph.D., CFP®** is an Assistant Professor and the MS Program Director in the School of Personal Financial Planning at Texas Tech University. He is the academic advisor for Texas Tech's FPA® Challenge Team, which placed first nationally in 2020 and 2018. His research on investment risk and insurance has been quoted in media outlets such as CNBC, Bloomberg and *The Wall Street Journal*.



**Ajamu Loving, Ph.D., CFP®** is an Assistant Professor of Finance at the University of North Texas at Dallas and the Founder of Loving Consulting, LLC. Prior to academia, Dr. Loving was a consultant at LaSalle Bank (now Bank of America) in Chicago, IL.



**Deborah Nason, MA** is a freelance business journalist covering personal finance and the investment advice industry. She has written for *InvestmentNews* and CNBC, and has authored the book “The People’s Guide to Finding the Right Financial Advisor.” Deborah is also an adjunct professor at Post University.

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**About the Contributor:** The Ensemble Practice LLC is a prominent business consulting firm for the financial services industry. It is committed to helping independent financial advisors create multi-professional ensemble firms with strong organic growth and sustainable profitability. The firm also hosts the G2 Leadership Institute—a training program for the future leaders of advisory firms. The firm is founded by Philip Palaveev, a highly regarded industry expert, thought leader and author of the book “The Ensemble Practice.” For more information, visit [ensemblepractice.com](http://ensemblepractice.com).

**About CFP Board:** Certified Financial Planner Board of Standards, Inc. is a professional body for personal financial planners in the U.S. CFP Board sets standards for financial planning and administers the prestigious CFP® certification—one of the most respected certifications in financial services—so that the public has access to and benefits from competent and ethical financial planning. CFP Board, along with its Center for Financial Planning, is committed to increasing the public’s awareness of CFP® certification and access to a diverse, ethical and competent financial planning workforce. Widely recognized by firms as the standard for financial planning, CFP® certification is held by over 90,000 people in the U.S. Learn more at [CFP.net](http://CFP.net).

**About CFP Board Center for Financial Planning:** The CFP Board Center for Financial Planning seeks to create a more diverse and sustainable financial planning profession so that every American has access to competent and ethical financial planning advice. The Center brings together CFP® professionals, firms, educators, researchers and experts to address profession-wide challenges in the areas of diversity and workforce development, and to build an academic home that offers opportunities for conducting and publishing new research that adds to the financial planning body of knowledge. More about the Center and its initiatives can be found at [CenterforFinancialPlanning.org](http://CenterforFinancialPlanning.org).



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