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Despite Decrease in Earnings, Personal Financial Advisors Still Satisfied with Career Choice

2011 Survey of Trends in Financial Planning shows 94 percent of advisors still satisfied with career choice, despite 12.7 percent decline in earnings compared to 2009; survey also highlights shift toward no- and low-cost plan preparation and importance of continuing education

Greenwood Village, Colo., March 31, 2011 – Emerging from one of the worst economic climates in decades, financial advisors have yet to see their incomes rise above pre-recession levels, an industry survey released today shows.

However, despite lower earnings, a majority of personal financial advisors are still satisfied with their career choice according to the [2011 Survey of Trends in Financial Planning](#), conducted by the College for Financial Planning. Many advisors are evolving their businesses to stay current with the market and client needs; for example, the survey shows an increased reliance on a mix of fees and commissions for compensation, a continued decline in single-focus plans, and an increase in the number of advisors offering no- and low-cost plan preparation.

Responses, provided by hundreds of financial advisors surveyed by the College, also illustrate an ongoing emphasis on continuing education, with more than half of polled advisors holding one of the College's certifications or designations. Results show that one year after completing the College's Certified Financial Planner® (CFP) Education program, advisors saw their earnings increase by 30 percent on average. Advisors holding other professional designations also earned more.

“On the heels of one of the worst recessions in US history, salaries for personal financial advisors are not at historical levels, certainly, but what data continues to show is tremendous job satisfaction, the unparalleled importance of the human component in advisors' careers, and the value advisors place on education,” said John Sears, president of the College. “By almost every measure, advisors are taking a long-term view and putting their client relationships first, both as a key aspect of a satisfying career and as a sound business strategy.”

The 2011 Survey of Trends in Financial Planning marked the 13th year the College has conducted the survey. Additional key findings include:

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- *Advisor earnings have fallen from their peak in 2009 to slightly below 2008 levels.* Average annual earnings fell to \$190,922 during the survey period from \$215,345 in 2009 and \$195,394 in 2008. Researchers suggest that the lingering effects of the economic recession are likely to blame for the decrease in earnings.
- *Advisor compensation is trending toward a mix of fees and commissions.* Since 2008, the percentage of financial advisors reporting fees and commissions as their primary method of income has risen by almost half, from 43 percent to 60 percent. During that same period, the percentage of planners reporting income from fees only has dropped commensurately, from 30 percent to 17 percent in 2011. Regarding hourly rates, 64 percent of survey respondents indicate that they have not changed their rates since 2008.
- *Advisors are routinely offering low- and no-cost single-focus and comprehensive financial plans.* Thirty-six percent of advisors indicate they do not charge for single-focus plans, and 37 percent do not charge for comprehensive plans. Among advisors who prepare single-focus plans, 27 percent charge between \$100 and \$699, and 34 percent of advisors who charge for comprehensive plans require less than \$2,000 for preparation.
- *Advisors rate people skills, referrals and education as the three most important components of success.* Holding steady from previous studies, people/communications skills, client referrals and education retain their dominance as critical aspects of a successful financial advising business.
- *Completing a professional designation program from the College shows a strong correlation with increased earnings.*
 - Certified Financial Planner[®]: 30 percent higher one year after program completion
 - Accredited Wealth Management AdvisorSM: 41 percent higher than average
 - Chartered Mutual Fund CounselorSM: 38 percent higher than average
 - Chartered Retirement Planning CounselorSM: 12 percent higher than average
- *Clients' key concerns remain health care costs and saving for retirement.* Advisors identify health care costs as their clients' most significant concern in 2011, a change from the last survey. As in previous years, however, health care costs and retirement savings continue to figure most prominently among client concerns, edging out worries over tax burden and investment growth.
- *Clients continue to differ with planners in their retirement expectations.* Nearly 90 percent of clients anticipate their standard of living will remain the same or improve after they retire, an expectation that, for many, contrasts with reality. Advisors predict that only 75 percent of clients will maintain or improve their standard of living in retirement.

For complete survey results, visit: <http://www.cffpinfo.com/>.

To generate information for the Survey of Trends, the College for Financial Planning surveyed all Certified Financial Planner[®] certificants and recent graduates of the College's Professional Education Program, returning a total of 345 responses. The study, with minor modifications, has been conducted for the past 13 years.

About the College for Financial Planning

Founded in 1972, the College for Financial Planning provides accessible and flexible degree, non-degree, and continuing professional education programs to students nationwide. Shortly after its founding, the College introduced the CERTIFIED FINANCIAL PLANNER[™] certification, which has evolved into the world's most recognized and respected financial planning credential, with more than 50,000 professionals in the U.S. having earned the designation.

In addition to its [CFP Certification Education Program](#), the College offers a [Master of Science degree program](#) for more in-depth knowledge of the finance industry. Professional designation programs are also available, with specializations from asset management to retirement planning. College for Financial Planning is accredited by the Higher Learning Commission and is a member of the North Central Association.

More than 120,000 students have graduated from the College's programs. For more information, visit www.cffpinfo.com.

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