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College for Financial Planning Annual Survey Shows Rebound of Financial Advisor Earnings, Demand for Comprehensive Plans, and Shift to Fees

Financial advisors say they are taking a more holistic consultative approach to planning, with a greater emphasis on higher education; Cerulli Associates lends expertise in survey's 13th year.

Greenwood Village, Colo., July 06, 2009 – Financial advisors are making more money, seeking more education, and providing more holistic advice to clients as compared to a year ago, revealed the College for Financial Planning's 2009 [Survey of Trends in Financial Planning](#).

Responses, provided by hundreds of financial advisors surveyed by the College, indicate a shift to greater customer service. Advisors are charging fees rather than commissions, creating more comprehensive plans, and emphasizing client interaction.

“As people watch their retirement savings or child's college fund shrink, they are increasingly asking advisors for solutions to help live their lives, rather than simply grow their stock investments,” said Bing Waldert, Director of [Cerulli Associates](#). “That requires a more comprehensive approach with a greater emphasis on customer service and better training.”

Key findings include:

- *Salaries are rebounding after a soft 2008.* Average earnings rose to \$215,345, up from \$195,394 in 2008. Although average earnings were reported at \$232,995 in 2006 and \$283,079 in 2007, the 2009 findings are remarkable given market conditions in 2008 and early 2009.
- *Advisors value education more than ever.* Eleven percent more advisors listed education as a key driver of success than the year before (49 percent in 2009, up from 38 percent in 2008), the biggest increase of any category. Interpersonal skills and client referrals topped the list.
- *There is a shift toward fees and away from commissions.* More than half of respondents receive most of their compensation from fees. One-fourth (26 percent) are fee-only, and nearly one third (30 percent) receive at least half their revenue from fees.
- *Advisor allocations to money markets and cash have nearly doubled over past usage.* However, the greatest number of advisors plan to increase their usage of equity mutual funds and exchange-traded funds in coming months, mapping a road to recovery for asset managers and other product providers.

- *Clients are demanding more comprehensive plans that tailor a broad set of strategies to meet their overall financial goals.* More than one third (36 percent) of advisors' clients are receiving comprehensive written plans. Another 46 percent receive modular plans, both written and unwritten.

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

Advisors cited “helping clients improve their lives,” solving client problems and client interaction as the top drivers of career satisfaction. They also identified a significant opportunity for makers of financial planning software, citing cumbersome technology as the second-greatest obstacle to their job. Despite difficult capital markets and economic challenges facing the financial services industry, the top obstacle was clients’ reluctance to pay planning fees.

For the first time in the survey’s 13-year history, the College for Financial Planning partnered with Cerulli Associates, a Boston-based research firm specializing exclusively in the financial services industry. The survey was sent to advisors from Discovery Database who received Certified Financial Planner™ and other designations from the College. The College received 390 responses.

“We see a lot of reason to be optimistic in these survey results,” said John Sears, president of the College. “Our industry continues to mature and adapt to people’s needs. Advisors are getting away from a sales-based model and adopting a broader approach... and they are recognizing the value of education in making that transition.”

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 United States having earned the designation.

In addition to its CFP® Certification Professional Education Program, the College offers a Master's Program for more in-depth knowledge of the finance industry and Professional Designation Programs in Asset Management and Retirement Planning. The College for Financial Planning is accredited by the Higher Learning Commission and is a member of the North Central Association.

In total, more than 120,000 students have graduated from the College’s programs. For more information on the College for Financial Planning, please visit www.cffpinfo.com.

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