



FPA Names Chapters In New Network Beta Test

OCTOBER 31, 2019 • ERIC RASMUSSEN

The Financial Planning Association has released the names of 11 local chapters that will participate in an ambitious plan to centralize its functions. The sometimes-controversial plan—known as the OneFPA Network—would allow the national organization to integrate staff and technology and oversee financials at the chapter level. The idea is to iron out disparities in the ways the chapters operate and pay for services and vendors.

The staff members of these chapters will become staffers of FPA, said Evelyn Zohlen, the 2019 association president. “We’ll also be helping them adopt a standardized chart of accounts so that we can start to share accounting and finance information,” she said. “The idea would be that if all these 11 chapters are on the same chart of accounts on a monthly basis, they can share all their accounting and finance information with our accounting and finance team at FPA headquarters, who will prepare standardized reports to push back down to share with the chapters. After a couple of months, we can start to develop some benchmarking and best practices for chapter leaders to use.”

In cases where association management consulting firms are doing the work “we would simply take over that contract,” said Lauren Schadle, the FPA’s CEO. “The whole point is to have the staff of the management and the local levels in beta tests integrated and aligned.” Better integrated staffs will lead to better integrated PR, membership and education programs, she said. The single chart of accounts will hopefully be in place by the first quarter of next year. “We will essentially have one chart of accounts where we will map the line items from their [profit and loss statements] to this new chart of accounts. The reason that is important is that it will allow us to do benchmarking chapter to chapter.”

Early next year, the association will be rolling out the centralized technology stack, said Zohlen.

She said that the ideas for centralization started with the worry that one hand at the FPA doesn’t always know what the other is doing—that different chapters didn’t know what others were doing or what they were paying for services.

“When I was the president of an FPA chapter in Orange County [California],” said Zohlen, “we were building our budget. I’m looking at line items like the rents for event space to have our quarterly education meetings. I’m looking at this and muttering to my colleagues on the board, ‘Holy smokes, our event space is costing us 25% of our annual budget. Is that normal? Is that what everybody else is paying? Or should we be looking at something else?’”

Boosting membership is also on their minds, Schadle concedes. The FPA has famously suffered a membership decline, what many have said stemmed from its advocacy for fiduciaries but also turf disputes over whether CFP license holders are the preferred members. The membership has reportedly declined from 30,000 at its founding two decades ago to its current levels of 22,000 to 23,000.

The FPA originally floated a plan to dissolve *all* its chapters into the national organization. That model drowned in criticism after some high-profile industry participants like Michael Kitces and Bob Veres complained about money and power grabs by the Denver headquarters and the newspeak terminology the board was using that led some to wonder whether it was hiding its true motives to control more money at national. The association scrapped the plan. The new model is to keep the chapters as separate legal entities, but that hasn’t kept voices from wondering if the FPA’s leadership’s goals are self-serving.

Michael Ross, a CFP with Financial Connection in Boca Raton, Fla., and former president of the South Florida chapter of the FPA, questions the whole national model. The ground war for networking and education is being done by the local organizations, he says, that the national organization is bloated and the centralized money is going only to sustain that. All told, \$375 in membership goes to the national organization in dues while a fraction of that goes to the local chapters. He says it should be flipped.

“Let me use my chapter as an example,” he says. “Our dues were \$450 [before a recent merging of chapters],” he says. “\$375 went to Denver, and we were left with \$75 to provide all the local programming. Of the \$375 I think the average member of the association scratches their head and goes ‘I don’t know what I get for \$375. I get a magazine. I think that’s the real problem. And now they are going to make Denver even bigger.’”

The chapters participating in the beta program include:

FPA of Charlotte

FPA of Colorado
FPA of Illinois
FPA of Greater Kansas City
FPA of Northern New England
FPA of Metro New York
FPA of New Jersey
FPA of Orange County
FPA of Philadelphia Tri-State Area
FPA of Middle Tennessee
FPA of the Triangle
