

FPA overhauls its structure to combat 'dysfunction'

The association is changing how it works with local chapters in a bid to survive and remain relevant, officials say

By **Greg Iacurci** | November 5, 2018 - 2:50 pm EST

The Financial Planning Association is overhauling its organizational structure to fight what its officials view as the unsustainable and ineffective way the trade group of financial planners has been operating.

The association is changing the relationship between its dozens of local chapters around the country and FPA leadership by centralizing functions such as technology, accounting and finance, and opening up its governance to more stakeholders.

The overarching goals of the [initiative](#), called OneFPA Network, are to create a better experience for group members and a "more potent FPA," according to a document obtained by *InvestmentNews* that outlines the overhaul. The FPA describes it as a "systemic paradigm shift" in its operations and plans to implement the changes in 2020.

"After several years of information gathering and assessments, FPA Board and groups of local leaders have concluded that the current system is inherently

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dysfunctional, primarily due to a lack of integration and alignment," the document said.

"Without a transformational change in the fundamental structure of FPA, we will not be able to withstand the landscape challenges that are intensifying at a rapid pace," it added.

Currently, the Financial Planning Association is made up of 86 local chapters nationwide. Each chapter is a separate, legal nonprofit entity that conducts business according to an affiliation agreement with the FPA.

These legal entities will be dissolved at the local level and become part of the FPA legal entity. The local groups will not be subsumed into the national FPA organization but can continue to operate as they do now, with the same leadership titles and elections, responsibilities for local programming and legal protections, according to officials.

(More: [FPA splits with CFP Board over state regulation of financial planners](#))

However, there will be more coordination between the national organization and local FPA groups, which will temporarily be called TNCs – short for "the new chapters." FPA headquarters will essentially become the accounting arm for these TNCs and, along with the FPA board of directors, will manage membership renewal and dues collection. The OneFPA Network will also have more uniform technology and back-office systems in place, where possible.

Representatives from the TNCs will also be part of a council, the OneFPA Council, meant to promote greater democracy within the national FPA.

The council, which initially will have roughly 90 to 100 members, will give input on strategy and help select the national board of directors, among other things. It will be made up of a representative from each local TNC as well as other leaders and members of FPA groups like NexGen.

Chapters that choose not to integrate with the national FPA will no longer exist as an FPA-affiliated group or have FPA members.

"By doing this, FPA can empower volunteer leaders and staff, deliver a consistent member experience across all communities, elevate FPA's brand awareness, secure a more impactful voice with key influencers and realize greater buying power to support all FPA members and communities," Lauren Schadle, FPA's executive director, said of the OneFPA Network initiative.

The changes are part of a multiyear development, Ms. Schadle said, and do not relate to the [messy divorce](#) the national organization [had with its New York chapter earlier this year](#).

At least one local chapter leader is skeptical of the potential success of the announced changes.

"I don't think they will be successful in getting very many of the 75% of CFP certificants to join the organization just because they are rearranging the deck chairs on the Titanic," said Michael Ross, president of the group's South Florida chapter.

An average 22% of those holding a certified financial planner designation are members of the FPA, according to an internal document.

A listening tour that takes place from Nov. 13 through February 2019 will allow the boards of FPA chapters to provide feedback to FPA officials on the initiative.

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