

# Is this the moment when financial planning becomes a profession?

A membership organization for certified financial planners could help make it happen

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By Michael Ross



Fifty years ago, a small group of 13 financial professionals came together and put forth the concept of financial planning, a way of delivering financial advice and guidance to the public in a comprehensive manner across multiple financial disciplines. Over time, this has led to the certified financial planner designation and a myriad of professional organizations claiming to be dedicated to financial planning.

Five decades later, there are over 80,000 CFP certificants, some of whom practice comprehensive financial planning. Recently, the Certified Financial Planner Board of Standards Inc. has begun to implement a **revised set of practice standards and ethics rules** that among other things requires all CFP practitioners to act in a fiduciary manner with their clients at all times. A huge step in the right direction, especially if it will be **enforced**.

Yet sadly, financial planning has not yet attained the vision of the original 13 founders. It is not yet a profession that's universally recognized by the general public, the media, or even many of those who earn their living in the financial services industry. The terms financial planning and financial planner are generic and generally undefined and unregulated by any federal or state regulators.

Contrast that to other professions such as accounting, law, medicine, architecture and engineering. They have definitions, rules and standards imposed by the federal and state governments. Most of us cannot call ourselves an architect or physician, let alone practice those professions. Financial planning needs this.

So how do we get there? It's pretty simple. We who practice financial planning and want to see it become a true profession need to take control of the process from those who don't.

Financial planning is not investment management.  
Financial planning is not securities brokerage.  
Financial planning is not insurance sales.  
Financial planning is not law. Financial planning is not accounting. These are professions and services sometimes ancillary to financial planning, but they are not financial planning.

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Recently, the Financial Planning Association, a member organization which claims to represent the "CFP community,"but in fact has less than 25% of the current CFP certificants as members, **appointed Skip Schweiss as its 2020 president.** Mr. Schweiss (whom I have never heard or read a bad word about personally) is an executive of a large national broker-dealer. He is not a financial planner nor a CFP certificant. His firm does not offer or provide financial planning services to the public.

Having an executive from a broker-dealer on the board of directors of the Financial Planning Association, let alone serving as the chairman, as Mr. Schweiss will the year following his term as president, makes about as much sense as an executive from Lexis-Nexis being on the board of the American Bar Association. The relationships are similar — they both provide services to some of the professionals that the respective membership organizations represent.

Unfortunately the FPA is not a democratic organization. Its board is not elected by the membership and is instead an unaccountable, self-perpetuating dictatorship. I fear that they are beyond reform and being pulled in too many directions by constituencies that are not financial planners.

It's time to make financial planning a reality as a profession. We can do this, but we need to do this without outside interference. It's time to form a

CFP membership organization and make it happen. We need a voice.

**[More: The emperor of financial planning has no clothes]**

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