Careers in Financial Planning: The Good, the Bad, and the Downright Awesome!

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NAPFA Genesis Chair, Owner of Serenity Financial Consulting, LLC

Background

Professor

or

Financial Planner?

Background

Georgia

South Dakota

Wisconsin

Wisconsin & Montana

My Firm – Serenity Financial Consulting, LLC

- Lifestyle based practice
- Plan to grow to 40 ongoing clients
- Goal is to work <20 hours/week
- Virtual team

What is Financial Planning?

- FPA - Financial planning is the process of developing a strategy or program to assist in the achievement of at least one financial goal or need. The process starts by gathering and analyzing relevant financial data, client values and goals, and it results in an action plan or recommendations, including acknowledgement of other financial issues that may deserve attention.
- Wikipedia – [Financial planning] is a series of steps or goals used by an individual or business, the progressive and cumulative attainment of which are designed to accomplish a financial goal or set of circumstances, e.g. elimination of debt, retirement preparedness, etc.

What is Financial Planning?

- My Definition – Financial Planning is about helping people make good financial decisions, and live the life they want to live

What is Financial Planning?

Can Also Include:

- Cash Flow
- Real Estate
- Career
- Psychological Aspects
- Anything that touches a clients' financial life

Notice that "Money" isn't in the center

Compensation Structures

- Commission Only
- Fee Only
- Fee Based / Fee & Commissions
- Fiduciary vs. Suitability Debate

The Bad

- What do you think of when I say “I’m a financial planner”?

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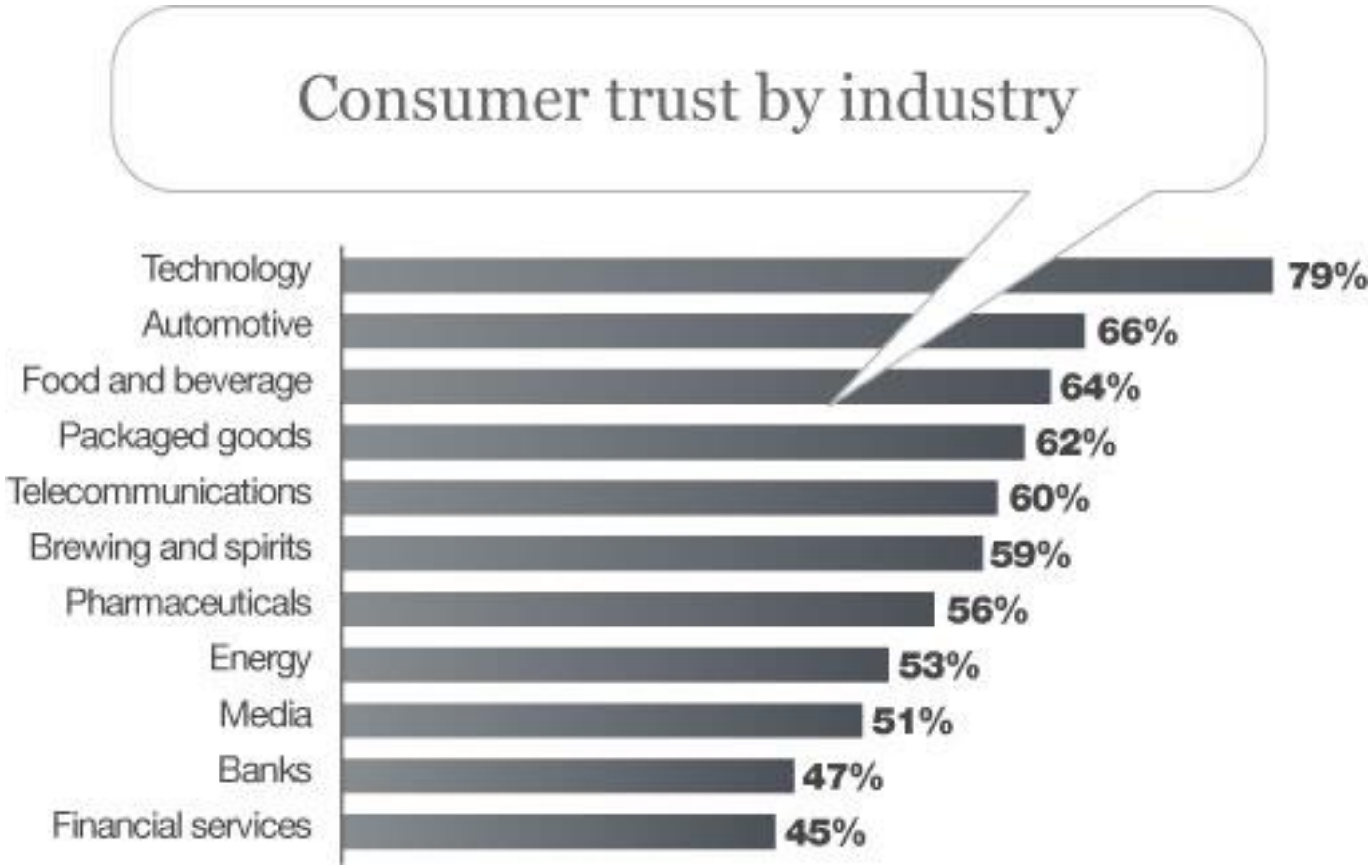
The Bad – Distrust of Financial Services



The Bad – Job Shortages

- Only 17% of financial advisors actually work in their clients best interest all of the time
- Fee-only firms tend to be very small – 2 CFP's on staff on average
- Limited number of jobs in preferred city

The Good – What Graduates Want

According to Pershing study of college graduates:

- 82% want a career that has a positive impact on others' lives
- 88% want to work in a career where their job cannot be outsourced
- 90% want to work in a growing field
- 97% are willing to work hard to earn more money

The Good – Current Demographics

- 237,000 advisors will retire in the next 10 years
- 3,000 pass the CFP exam each year
- You do the math

The Good – Current Demographics

- 3% of CFP's are under 30
- 21% of CFP's are under 40
- Average age of financial advisor is 56 years old

The Good – Transfer Of Wealth

- Gen Y / Millennials are the largest generation in history
  - 92 million to the 76 million baby boomers
- $30 trillion will pass from boomers to Millennials over the next 30 years
- 42% of NextGen investors prefer to work with someone within 10 years of their own age

But I don't want to be an advisor!

Job opportunities go well beyond Financial Advisor:

- Paraplanner
- Investment analyst
- Operations
- Compliance
- Marketing
- Business development
- Technology management or sales
- Writer/Blogger/Reporter

But I don’t want to manage investments!

- Hourly Financial Planning
  - www.GarrettPlanningNetwork.com

- Working on the “planning side” of a firm

- Work with a Turnkey Asset Management Platform (TAMP)

Changing World of Financial Planning

- Rise of the robo-advisors
- Look into:
  - LearnVest
  - Betterment
  - Personal Capital
  - Wealthfront
- Traditional firms must innovate, and you can help them
- Or, you can do it yourself

What This All Means To You

- HUGE opportunities – but you need to be flexible
- You can create the life you want, and get exactly what you want out of your career
- Realize you may have to create it yourself – can't rely on existing advisors or career paths
- "It just can't be done... no one will work with a 25 year old planner" – They were wrong, and so is everyone else that says something can't be done

Job Boards

- NAPFA Career Corner:
  - http://www.napfa.org/career/opportunities/index.asp
  - Currently have over 50 fee-only job opportunities posted
- FPA Job Board:
  - http://careers.fpanet.org/home/index.cfm?site_id=14954
  - Over 800 job opportunities posted
- New Planner Recruiting
  - http://newplannerrecruiting.com/job-opportunities/
  - Top head hunter for new financial planners
- Remember that most jobs are never posted – It is all about who you know

NAPFA Genesis

- Largest organization for fee-only financial advisors
- NAPFA Genesis – For NAPFA members under 33 years old
  - $35 to join as a student member
- Exclusive member benefits:
  - Monthly Webinars
  - Conference Scholarships
  - CFP Exam Scholarships
  - Student Membership Scholarships
  - Mentorship Program
  - Local & Virtual Study Groups
  - Private Forums
  - Networking and Career Events at Conferences
  - www.napfa.org/NAPFAGenesis.asp

NAPFA Membership Scholarships

- 10 NAPFA membership scholarships to students here tonight
- E-mail Dr. Nelson and/or Dr. Harness with a paragraph explaining why you deserve a scholarship, and how you would benefit for receiving it
- They will select the 10 winners

Next Steps

- Must get the CFP
- Join networking group(s) such as NAPFA & NAPFA Genesis, FPA & FPA NexGen
  - Get involved!
- Attend a conference – Can be regional or national, but both are great ways to find a job
- Start looking for internships – This is the best way to find out what you want to do with your career
- Get on Twitter

Questions?

Contact Me

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