

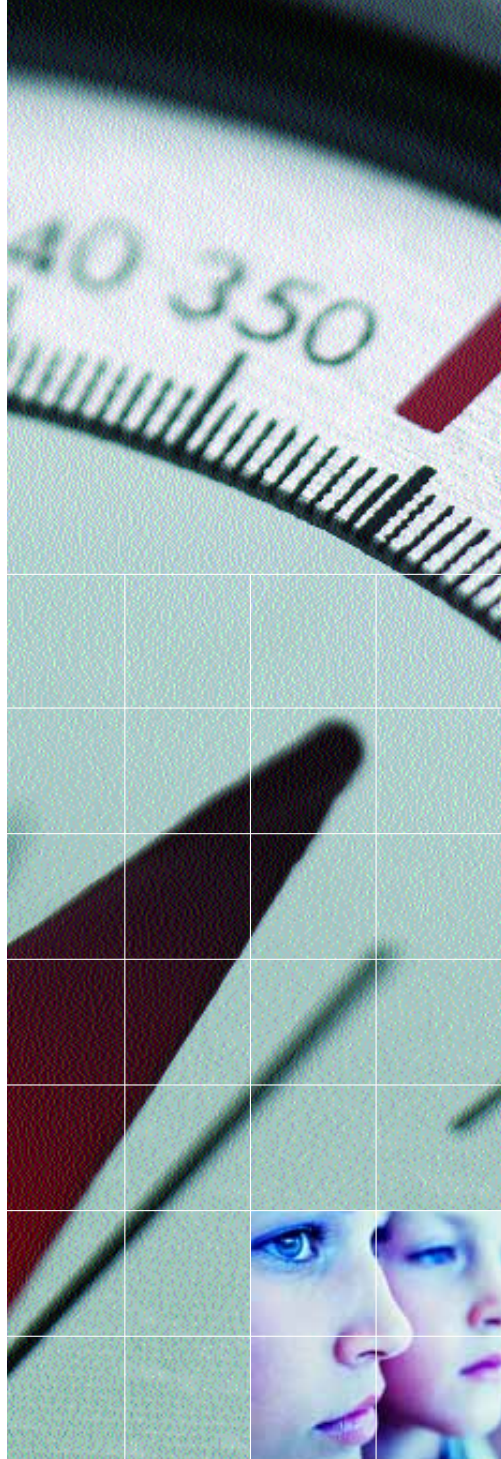
# A career in financial planning

Your questions answered



FPA

Why  
consider  
financial  
planning  
as a  
career?





*As a financial planner you will be part of one of Australia's most dynamic and fastest growing professions.*

Working in financial planning offers:

- Job satisfaction
- Challenge
- Personal and professional growth
- The chance to generate a good income
- Career opportunities
- A way to help Australians fulfil their financial lifestyle dreams

*As a financial planner you are not just working with numbers but also with people. Some may remain your clients for many years.*

You will learn about your clients' hopes and goals and create strategies to help them achieve those goals by:

- Providing a holistic approach to financial planning
- Having an extensive knowledge of financial markets
- Understanding trends and identifying potential risks
- Taking a global outlook

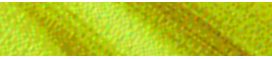
*Financial planning as a career.*

This overview covers most of the frequently asked questions concerning a potential career within the financial planning sector. For a broad insight into the Australian financial services and investment industry the following websites may be of interest:

[www.fpa.asn.au](http://www.fpa.asn.au)

[www.asic.gov.au](http://www.asic.gov.au)

[www.fido.asic.gov.au](http://www.fido.asic.gov.au)



### ***What is the FPA?***

*The Financial Planning Association of Australia (FPA) is the peak professional body for financial planning in Australia.*

*It has a network of 31 Chapters across the country, which provide a focus for business networking and professional development activities for some 12,000 members.*

*FPA practitioner members manage the financial affairs of more than 5 million Australians.*

## What is financial planning?

Financial planning is investigating and deciding on the best way to make your money work for you. This is done by working out what you want to achieve, how you might achieve it and understanding any problems you might encounter along the way.

To assist you with this, a professional financial planner may offer advice on investments, estate planning, superannuation, taxation and risk management and use a six-step process to help you work out what you may need to do now and in the future to reach your financial goals.

## What does a financial planner do?

Financial planners determine a client's short, medium and long-term aspirations then work on an agreed financial plan to meet individual needs. They have strong people skills and are good listeners.

The financial planner and client review the plan regularly to keep it on track and update it as appropriate. As a financial planner who is a representative of an Australian Financial Services (AFS) licensee, you will use the six-steps of the financial planning process. These are:

1. Gathering your client's financial data, including details on income, debt levels, financial commitments and so on
2. Identifying your client's goals. These may include buying a house, funding education, travel, etc
3. Identifying any financial issues
4. Preparing a financial plan that identifies recommended investments and pays heed to the client's attitude to risk
5. Implementing the financial plan
6. Reviewing and revising the plan to ensure it stays up-to-date and relevant to the economic climate and the client's changing lifestyle

## What are the specific services a financial planner provides?

A financial planner can offer general wealth-creation advice and assistance across all financial markets, or specialise in areas such as:

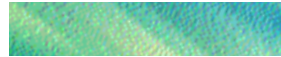
- Retirement planning
- Superannuation
- Estate planning
- Small business financial management and planning
- Trusts
- Taxation
- Investing on the share market
- Debt and risk management
- Core, life and general insurance
- Managed investments, securities and futures markets

## How do I become a financial planner?

Whether you have just finished secondary school or are of mature age and looking for a new career, financial planning may be the career for you.

As a first step, undertake an entry-level education program recognised by the FPA. These are specifically designed to:

- Provide the knowledge, skills and qualifications for you to become a financial planner
- Help practising financial planners maintain their credentials
- Keep financial planners up to date with the changes affecting the sector
- Provide a pathway to CFP® certification.



### *The FPA's vision*

*Through industry and professional leadership, the FPA and its members strive to improve the financial well being of all Australians.*

*In support of this vision, the FPA builds public awareness of the need for objective and professional advice in making secure financial decisions. It provides members with education, training, and information to enhance their provision of good advice.*

*The FPA also assists in the development and maintenance of high ethical standards for members and represents members' views to Government, media and key stakeholders to ensure effective input into major policy and regulatory issues affecting the financial planning industry.*

## What is a CERTIFIED FINANCIAL PLANNER™?

A CERTIFIED FINANCIAL PLANNER™ takes a holistic and comprehensive approach to preparing a financial plan, covering all financial aspects. CFP® is the highest professional designation that can be given to a financial planner.

CFP® practitioners have demonstrated extensive industry experience, have undergone rigorous study and must maintain high standards of continuing professional development.

## What kind of education and qualifications do I need to become a financial planner?

You will need to comply under ASIC's Policy Statement (RG) 146 which has set a minimum requirement to become a financial planning practitioner.

This can be met by the successful completion of a training program that provides the knowledge, skills and integrity requirements of ASIC RG 146, and can be achieved by undertaking the Diploma of Financial Services (Financial Planning).

To then retain your representative status with an AFS licensee, it is necessary to undertake Continuing Professional Development (CPD) on an ongoing basis.

To achieve the internationally recognised CFP® designation, practitioners must then undertake and complete the CFP® Certification Program. In line with FPA's continuing efforts to raise professional standards in financial planning, an undergraduate degree is required for entry to the CFP® Certification Program.

### *Code of Ethics*

*The FPA's Code of Ethics sets out mandatory and enforceable standards to ensure continuing high levels of honesty and integrity in conducting financial planning businesses and in the provision of financial planning services.*

*Each general standard applies to all classifications of membership.*

*The Code of Ethics covers:*

*Integrity,  
Objectivity,  
Competence,  
Fairness,  
Diligence,  
Professionalism,  
Confidentiality and  
Compliance.*

# How do I become a CFP® practitioner?

CFP certificants have met the rigorous education, examination, experience and ethical behaviour requirements necessary to call themselves CERTIFIED FINANCIAL PLANNER™ professionals or practitioners.

To satisfy the education and examination criteria you must successfully complete the CFP Certification Program. Offered as a distance learning course, the Program covers areas such as professionalism, ethics and compliance, applied financial planning strategies and investment strategies.

## Admission requirements

The CFP Mark differentiates financial planners who have achieved the high standards for accreditation. CFP certification is based on four admission requirements:

### Education

The minimum education requirements are an Undergraduate or Masters degree and completion of the CFP program modules 1 to 4

### Examination

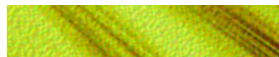
Pass the CFP certification examination (CFP 5)

### Experience

Complete three years financial planning experience with Authorised Representative status for the full period

### Ethics

Agree to adhere to the FPA Code of Ethics and Rules of Professional Conduct



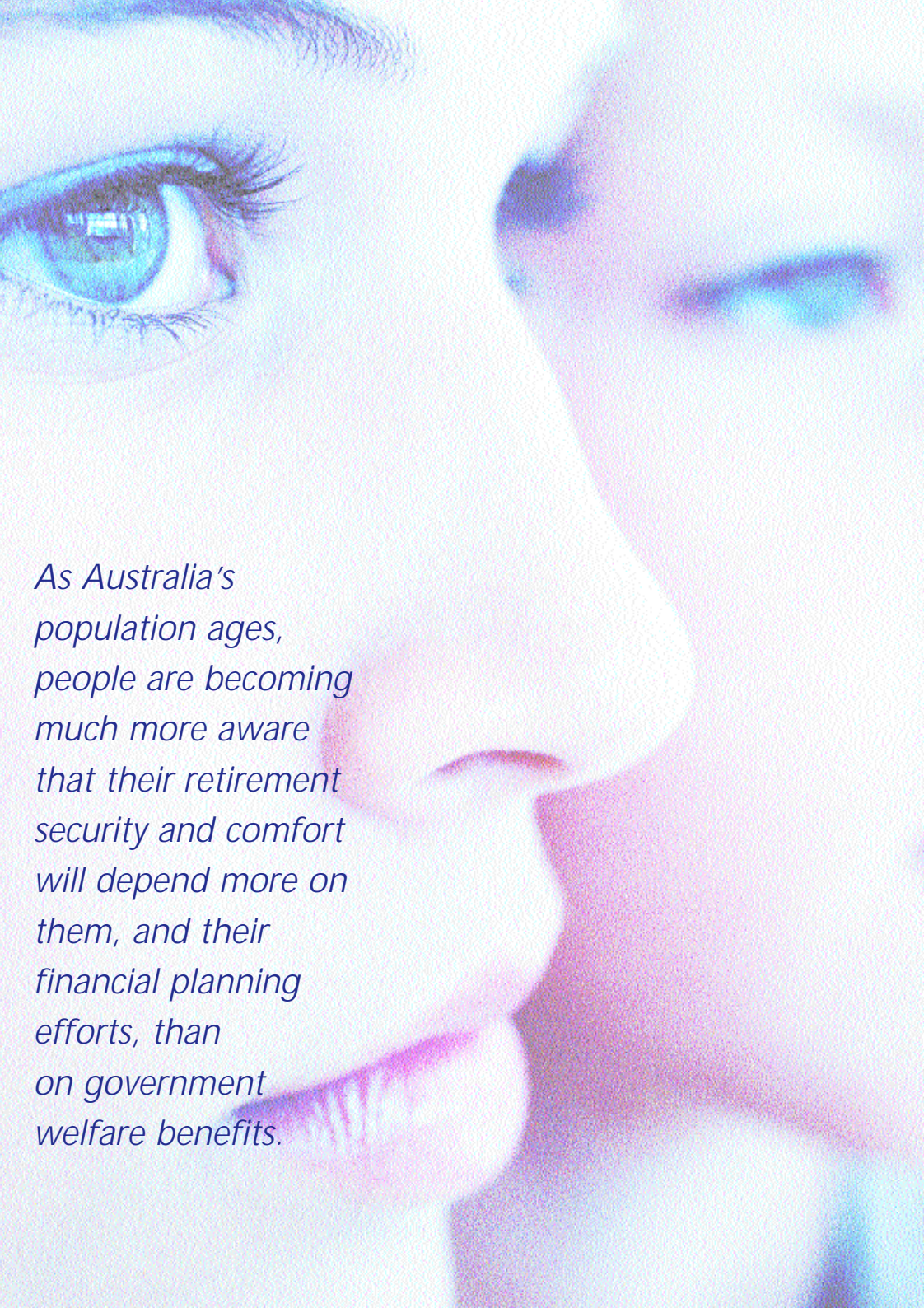
### *Who are FPA members?*

*The size and stature of the FPA reflects the rapid growth of the financial planning sector. The FPA's membership consists of companies and individuals who practise within or support the financial planning profession.*

*There are two broad membership categories – practitioner and non-practitioner. Many FPA members are specialists in other disciplines such as accountancy and stockbroking who have then gained qualifications as financial planners, and are reorienting their businesses to meet the growing need for professional financial planning.*

*Practitioner members of the FPA must:*

- meet the FPA's strict assessment criteria*
- meet educational and experience standards that are higher than those required by law*
- adhere to the FPA's Code of Ethics and Rules of Professional Conduct.*



*As Australia's population ages, people are becoming much more aware that their retirement security and comfort will depend more on them, and their financial planning efforts, than on government welfare benefits.*



## Is financial planning a growth industry?

Yes! Financial planning is a dynamic profession in which strong careers can be established.

As Australia's population ages, people are becoming much more aware that their retirement security and comfort will depend more on them, and their financial planning efforts, than on government welfare benefits.

The growth in practitioner membership of the FPA, and of CFP® professionals in particular, clearly indicates an increasing demand for well trained and qualified professionals.

## How is the financial planning sector regulated?

In response to legislation, the Australian Securities and Investments Commission (ASIC) sets the licensing and educational requirements necessary for companies and individuals to offer financial product and planning advice and services (see [www.asic.gov.au](http://www.asic.gov.au)).

AFS licensees must meet relevant education, experience and ethical requirements. Financial planning practitioners who represent licence holders must also meet minimum education requirements prescribed by ASIC.

## Where would I work as a financial planner?

You may choose to establish your own licensed financial planning practice. Alternately, you may work for a:

- Bank
- Credit union
- Life insurance company
- Accounting or law firm
- Stock broker
- Funds manager
- Credit counselling organisation

## What could I expect to earn?

In Australia, income levels range depending on qualifications, experience and regional variation from approximately \$55,000 to over \$100,000\*.

Financial planners earn income in a variety of ways:

- Fees charged on an hourly rate, a flat rate per plan, a percentage of the value of the client's assets and/or income, or a combination of these methods
- Commissions from investment or insurance companies for insurance products sold as the financial plan is implemented
- A combination of fees and commissions
- Salary for those employed by financial organisations or other institutions

\* Source: Financial Recruitment Group (FRG) survey conducted for Money Management (2007)

## What should I do next?

You can learn more about becoming a financial planner, future career opportunities and the Financial Planning Association of Australia by calling **Freephone 1800 626 393** or logging onto the FPA website, **[www.fpa.asn.au](http://www.fpa.asn.au)**.

Alternatively, talk to your careers adviser or a practising financial planner. Become part of this dynamic industry and enter an exciting and rewarding career!

FPA, PO Box 109  
Collins Street West  
Melbourne 8007

1800 626 393

[www.fpa.asn.au](http://www.fpa.asn.au)



CFP® and CERTIFIED FINANCIAL PLANNER™ are certification marks owned outside the U.S. by the Financial Planning Standards Board Ltd. Financial Planning Association of Australia Limited is the marks licensing authority for the CFP marks in Australia, through agreement with FPSB.

Information contained herein was correct at the time of printing but may be subject to change without notice.

© FPA May 2008



FPA