



CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

June 21, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File Number 4-626, Comment Request on Existing Private and Public Efforts to Educate Investors

Dear Ms. Murphy:

Certified Financial Planner Board of Standards, Inc. (CFP Board) appreciates the opportunity to respond to the Securities and Exchange Commission's (the Commission) request for comments on existing private and public efforts to educate investors. CFP Board is a 501(c)(3) non-profit organization that acts in the public interest by fostering professional standards in personal financial planning through setting and enforcing education, examination, experience, and ethics standards for financial planner professionals who hold the CFP® certification. CFP Board's mission is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning. We currently oversee nearly 63,000 CFP® professionals who agree to comply with our competency and ethics standards and subject themselves to the disciplinary oversight of CFP Board.

CFP Board believes the current level of investor understanding of financial services and financial products is less than desirable, and has supported the investor education efforts of a number of government agencies.¹ At a minimum, investor education should consist of the following components: (1) education on basic financial concepts and (2) education on professional resources available. To that end, CFP Board has focused its investor education efforts on the benefits of financial planning and the ability of CERTIFIED FINANCIAL PLANNER™ professionals to help individuals meet their financial life goals.

I. Benefits of Financial Planning

CFP Board believes it is important for Americans to be aware of the role financial planning can play in providing for financial security. Financial planning is the process of determining whether and how an individual can meet life goals through the proper management of financial resources. Financial

¹ See, e.g., Letter from Kevin R. Keller, CEO, Certified Financial Planner Board of Standards, Inc. to Department of the Treasury (Sept. 13, 2010), *available at* http://www.CFP.net/downloads/Treasury_FinEd_Core_Competencies_Comments.pdf (agreeing that "more needs to be done to create a baseline of knowledge on personal finance topics for consumers and financial education providers"); Letter from Kevin R. Keller, CEO, Certified Financial Planner Board of Standards, Inc. to Employee Benefits Security Administration (May 3, 2010), *available at* <http://www.dol.gov/ebsa/pdf/1210-AB33-675.pdf> (strongly supporting increased participant-level education regarding retirement planning and the use of annuities and lifetime income options).

planning typically covers investments in addition to the many other areas that affect the financial situation of individuals and families, including income tax, education, insurance, employee benefits, retirement, and estate planning. The process involves gathering relevant financial information, setting life goals, examining the current financial status, and developing a strategy or plan to meet life goals. Life goals can include buying a home, saving for a child's education, or planning for retirement.

Financial planning provides direction and meaning to an individual's financial decisions, and allows for an understanding of how each financial decision can impact other areas of an individual's finances. For example, buying a particular investment product might help an individual pay off her mortgage or it might delay her retirement significantly. Viewing each financial decision as part of a whole allows for consideration of the short- and long-term effects on an individual's life goals, easier adaptation to life changes, and a greater sense of security about one's ability to meet those goals.

While some individuals may be capable of performing their own financial planning, the vast majority of Americans either do not have the requisite expertise or the necessary time to plan for their futures in a comprehensive manner. We believe that Americans need to be aware of the role financial planners can play in managing financial resources. CERTIFIED FINANCIAL PLANNER™ professionals are individuals who can provide comprehensive financial advice—integrating knowledge and practices across all aspects of an individual's financial situation—and help educate investors about budgeting, debt management, education planning, retirement planning, and other key personal finance concepts.

A. Public Advocacy Efforts

In 2008, CFP Board joined with the Financial Planning Association (FPA) and the National Association of Personal Financial Advisors (NAPFA) to form the Financial Planning Coalition. The Coalition shares the following goals:

- Financial planning services are delivered to the public with fiduciary accountability and transparency, serving the client's best interest first and always.
- Financial planning services are specifically regulated to distinguish and differentiate professionals who have met essential requirements to practice, including examination, education, experience, and ethics as modeled and enforced by the CERTIFIED FINANCIAL PLANNER™ certification (CFP® certification).
- The public can easily identify who is a financial planner and subject to these standards.
- The public understands the benefits of and values the services provided by financial planners; views financial planning as a legitimate and accepted profession; and demands competent and ethical professional services provided by financial planners.

We believe investors are confused about the services financial planners provide and the standards of care applied to financial planning services. Comprehensive regulation of financial planners is necessary to protect America's investors, who deserve the tools and support necessary to make sound financial decisions on their path to the American dream. Investors should easily be able to identify competent and ethical financial planners to help them make that dream a reality. Unfortunately, the current regulatory regime for financial planners leaves investors without the tools necessary to identify a trusted financial

planner and without the consistent investor protections expected when financial professionals provide similar services.

Increased transparency and rigorous standards would benefit both investor and industry alike. Bringing all financial planners under the same regulatory “umbrella” and eliminating the current silo approach will only serve to enhance harmonization efforts. We believe that comprehensive regulation of financial planning advice—through functional oversight, competency standards, and meaningful enforcement mechanisms—will fill a crucial regulatory gap, decrease confusion, and protect investors.

B. “Let’s Make a Plan” Public Awareness Campaign

CFP Board recently initiated a multi-year public awareness campaign designed to raise Americans’ awareness of CFP® professionals. As part of the campaign, CFP Board is placing advertisements in national cable television, print, and online media channels, as well as engaging in extensive public relations and consumer outreach activities in support of the campaign. The “Let’s Make a Plan” campaign highlights the importance of pulling one’s finances together in a coordinated manner and directs consumers to a new Web site, www.letsmakeaplan.org. This Web site provides information about the numerous areas that affect one’s financial situation, the importance of coordinating all of those areas to work together toward one’s goals, and the availability of competent and ethical CFP® professionals to assist with the planning process. The campaign began in April 2011 and will continue for four years, with a review period at the two-year mark.

II. CFP Board’s Investor Education Efforts

CFP Board engages in a number of investor education efforts designed to enhance understanding of the benefits of financial planning. These include the Consumer Advocate Program, the CFP Board Ambassador Program, Financial Planning Days, publications, partnerships with government agencies and public interest organizations, and consumer Webcasts.

A. Consumer Advocate Program

In 2009, CFP Board initiated its Consumer Advocate program to encourage Americans to take responsibility for their personal finances and create a plan to help meet their financial goals. CFP Board’s Consumer Advocate, Eleanor Blayney, CFP®, is a noted author and personal finance expert. The program has several components aimed at engaging consumers on a national basis, including media, a newsletter, and speaking appearances.

A key focus of CFP Board’s Consumer Advocate program is to ensure that average investors have basic information about investing, understand the risks and benefits of investing, and are aware of how investing can be part of an overall financial plan as a way to meet life goals. Through Ms. Blayney and CFP Board’s Consumer Advocate activities and publications, we also seek to educate investors on working with an advisor who is competent, ethical, and held to a fiduciary standard of care.

Media: Ms. Blayney is often quoted by national and regional media on personal finance topics such as paying down debt, making smart investment decisions, and creating a financial plan. CFP Board distributes a monthly press release with informative tips from Ms. Blayney about a particular topic,

and has developed a multimedia “Lifelong Financial Strategies” initiative that includes podcasts, videos, and tip sheets from Ms. Blayney about financial concerns faced during various life stages. A number of media outlets rely on Ms. Blayney for her timely and insightful views, including *The Wall Street Journal*, *The Washington Post*, *Kiplinger’s*, CNBC, and AOL’s *Daily Finance*.

Newsletter: CFP Board’s consumer newsletter, “It’s Your Turn,” is distributed monthly to about 26,000 subscribers and provides news and information about personal finance topics, including a column from Ms. Blayney.

Speaking Appearances: Ms. Blayney frequently speaks at conferences and on panels around the country about the need for financial planning and how to help meet one’s financial goals. Recent speaking appearances include the AARP annual conference and the Consumer Federation of America’s (CFA) annual financial services event.

CFP Board Ambassadors: In the fall of 2010, CFP Board created the CFP Board Ambassador program as an extension of the Consumer Advocate program. Through the program, CFP Board enlists CFP® professionals in key markets in the United States (e.g., Phoenix, Miami, Cleveland, San Francisco, Atlanta, Detroit, and Boston) to interact with the media, community organizations, and other interested parties regarding CFP Board, financial planning, and consumer finance topics. CFP Board Ambassadors are provided monthly press releases and talking points to conduct outreach with local media outlets. CFP Board also actively seeks media opportunities for CFP Board Ambassadors in national publications to provide the media with regional perspectives.

B. Financial Planning Clinics and Financial Planning Days

Since 2006, CFP Board has sponsored free Financial Planning Clinics in cities across the country, providing thousands of Americans with the opportunity to consult one-on-one with volunteer CFP® professionals about their personal finance questions and concerns, and to attend educational workshops on diverse and popular financial topics, including investment strategies, budgeting, retirement planning, income taxes, and estate planning.

Building upon the success of CFP Board’s Financial Planning Clinic program, CFP Board joined with a consortium that includes FPA, the Foundation for Financial Planning, and the U.S. Conference of Mayors to create the national Financial Planning Days initiative. Now in its second year, the Financial Planning Days initiative organizes Financial Planning Day events in over 30 cities nationwide. The events are provided with no strings attached—volunteer financial planners do not sell products or services, give out business cards, or solicit business from participants.

Each event features professional financial planners who volunteer their time and expertise to provide free one-on-one counseling and classroom-style educational presentations addressing key personal finance topics. Consumers come away with personalized information and advice on a wide range of topics, including general financial planning, investment and insurance planning, and retirement and estate planning. According to post-event surveys, 98% of attendees indicated they would recommend a Financial Planning Day to a friend or family member.

C. Publications

CFP Board, in partnership with various government agencies and public interest organizations, has developed educational publications that provide information about financial planning and guidance for consumers seeking a competent and ethical financial planning professional. The brochures are available at no cost in electronic and print format.

Financial Planning Resource Kit: CFP Board's Financial Planning Resource Kit includes educational brochures such as "What You Should Know About Financial Planning," "10 Questions to Ask When Choosing a Financial Planner," "Why You Should Choose a CERTIFIED FINANCIAL PLANNER™ Practitioner," and "Your Rights as a Financial Planning Client."

What You Should Know About Financial Planning: This brochure helps consumers learn about financial planning and its benefits, and answers some common questions about financial planning. It also describes what they should expect from a financial planner and highlights the importance of the consumer's role in the financial planning process.

10 Questions to Ask When Choosing a Financial Planner: This brochure helps consumers interview and evaluate financial planners to select a competent, qualified financial planning professional with whom they feel comfortable and whose business style suits their financial planning needs. An interview checklist is included for convenience.

Why You Should Choose a CERTIFIED FINANCIAL PLANNER™ Practitioner: This brochure focuses on choosing the right financial planner and explains why CFP® certification is widely recognized as the gold standard in the financial planning profession.

Your Rights as a Financial Planning Client: This brochure describes the kind of treatment consumers deserve from a financial planner and helps them recognize when a financial planner is putting their interests and needs first. Consumers can take an active role in shaping their financial future when they know their rights and what to expect.

Consumer Guide to Financial Self-Defense: CFP Board's "Consumer Guide to Financial Self-Defense" is designed to help consumers identify and avoid an unqualified financial advisor. It provides tips and a list of the top ten "red flags" that may signal unethical behavior from an advisor as well as information about filing a complaint if unethical or incompetent practices are suspected. The brochure is available to consumers at no cost through the General Services Administration's (GSA) Federal Citizen Information Center. The publication was released in the fall of 2010 and, to date, more than 20,000 copies have been distributed to the public.

Savings Fitness: A Guide to Your Money and Your Financial Future: Developed in partnership with the Department of Labor (DOL), this brochure educates employees on how to manage and save their money, and to protect it so it will be there for retirement. The brochure is available at no cost through the GSA's Federal Citizen Information Center and is one of their most popular publications at over 800,000 distributed. The publication is also available in Spanish, and CFP Board and DOL have partnered with the National Council of La Raza to launch an educational Webcast on June 22, 2011, to promote the publication to the Spanish-speaking audience.

D. Partnerships

CFP Board engages in a variety of partnerships with government agencies and public interest organizations to educate their stakeholders and the general public about the benefits of competent and ethical financial planning.

AARP: CFP Board has partnered with AARP on a number of initiatives designed to connect CFP® professionals with AARP members on a pro bono basis, including: financial planning clinics at AARP national conventions, recruiting CFP® professionals to volunteer with AARP's LifeTuner online platform, and working with AARP's Financial Freedom events around the country where AARP members can address retirement planning issues with CFP® professionals and attend educational presentations.

Jump\$tart Coalition for Personal Financial Literacy: CFP Board has worked with Jump\$tart to host a financial planning clinic at the national teachers' conference and has made educational materials available through the Jump\$tart Clearinghouse online resource center.

Consumer Federation of America: CFP Board has worked with CFA to organize financial planning clinics during America Saves Week and to promote the week through media tours with CFP Board's Consumer Advocate.

Department of Defense: CFP Board has been engaged with MHN Government Services, a Department of Defense contractor, to recruit CFP® professionals for MHN's financial counseling programs for military personnel and their families, including financial planning clinics held at various military bases across the country and abroad.

E. Consumer Webcasts

As part of an ongoing effort to educate consumers on the benefits of sound financial planning, CFP Board has released consumer Webcasts featuring CFP® professionals addressing key financial planning topics. Each Webcast discusses a specific area of financial planning and includes practical information and tips that consumers can apply to their personal finances. Some of the Webcast topics include "Investment Planning for Retirement Assets," "Planning for Your Financial Goals," and "Debt Management."

The Webcasts contain videos recorded during educational workshops that were part of CFP Board's Financial Planning Clinics in 2008 in Washington, DC, and Miami, FL. At those Clinics, thousands of consumers came away with information and advice on a wide range of financial planning topics, and hundreds more benefitted from viewing the Webcasts online. The 50-minute videos are available in English and Spanish and include synchronized PowerPoint slide shows that make it easy for consumers to follow the presentations. The Webcasts are available at www.CFP.net/learn/webcasts.asp.

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The American public has a great need for information and assistance with financial matters. We believe investor education is important and that Americans should have a strong understanding of basic financial

concepts. We also recognize that personal finance is *personal*—one person’s life goals and financial resources may differ dramatically from those of another person, and there is no one investment strategy or financial plan that will fit all situations. CFP Board’s efforts in investor education center around educating investors about personal financial issues and the benefits of connecting the public with CERTIFIED FINANCIAL PLANNER™ professionals who are qualified to provide objective financial planning advice and who are held to a fiduciary standard that places the best interests of their clients ahead of their own.

CFP Board appreciates the opportunity to respond to the Commission’s request for comments on existing private and public efforts to educate investors. We would be happy to meet with the Commission or its staff to discuss this important issue further. If you should have any questions regarding this comment letter, CFP Board, the financial planners it certifies, or the CFP® marks, please contact Marilyn Mohrman-Gillis, Managing Director, Public Policy and Communications, at (202) 379-2235, or visit CFP Board’s Web site at www.CFP.net.

Sincerely,

A handwritten signature in black ink that reads "Kevin R. Keller". The signature is written in a cursive style with a large initial "K".

Kevin R. Keller, CAE
Chief Executive Officer