

## Frequently Asked Questions: CFP Board's Evolution

### Q1: What is changing at CFP Board, and why now?

To achieve our [2022-2026 Strategic Priorities](#), and in alignment with current IRS guidance for nonprofit certifying bodies, the Board of Directors has directed CFP Board to establish a new 501(c)(6) nonprofit professional organization. With this change, CFP Board will be in a better position to promote the benefits of a financial planning career and to take other actions that benefit the financial planning profession. CFP Board will have two affiliated organizations, one entity with 501(c)(3) tax status and another with 501(c)(6) tax status, both of which will be focused on achieving our Strategic Priorities.

This does not affect the CFP® certification requirements or our work to set and enforce the CFP® certification standards. CFP Board is not establishing a traditional membership association for financial planners, creating member communities or chapters, publishing a member magazine, or providing affinity marketing or practice support services. CFP Board is not creating a Political Action Committee.

As we prepare to recognize the 50<sup>th</sup> anniversary of the first class of CFP® professionals, it is time for CFP Board to evolve and lead the financial planning profession to realize its full potential. CFP Board's evolution will increase the value of CFP® certification for those who pursue and hold the CFP® mark, and ultimately benefit the public.

### Q2: What are the names of the two organizations?

The newly created 501(c)(6) organization will be called CFP Board of Standards. The 501(c)(3) organization will be called CFP Board Center for Financial Planning.

### Q3: What does the change allow CFP Board to do that it couldn't do before?

CFP Board will be in a better position to promote the benefits of a financial planning career and to take other actions that benefit the financial planning profession without the limitations of 501(c)(3) tax registration. We will develop programs supporting our Workforce priority, including a groundbreaking new program to increase awareness of financial planning careers among college-bound students. We will be able to communicate more directly about the value the public receives from hiring a CFP® professional.

**Q4: How does this impact me as a CFP® professional?**

This change will have little impact on the way CFP® professionals and others interact with CFP Board. CFP® professionals, candidates for certification, organizations and educational institutions will continue to use the same online portals and work with the same staff at CFP Board. This does not change the CFP® certification requirements or our work to establish and enforce the CFP® certification standards, and our work remains focused on our Strategic Priorities. CFP® certification will continue to be *the standard* for competent and ethical financial planning.

With this change, CFP Board will be able to communicate more directly about the value the public receives from hiring a CFP® professional. Strengthening the financial planning workforce will benefit everyone in the profession, and will help generate future talent. Greater awareness of financial planning as an attractive, viable career will facilitate recognition of financial planning as a profession akin to other established, respected professions such as accounting, architecture and engineering.

**Q5: Is CFP Board reducing its focus on the public?**

No. We are not forming a traditional membership organization. The Board of Directors has been clear that the public benefit of CFP Board's work remains paramount. The public interest is a core element of our work to advance the profession. To ensure the ongoing strategic alignment of the two organizations, the individuals on the Board of Directors for the 501(c)(3) will also be the members of the Board of Directors for the 501(c)(6), with the Directors of the 501(c)(3) serving as the sole voting members of the 501(c)(6).

**Q6: How do CFP Board's workforce initiatives benefit me as a CFP® professional?**

The financial planning profession is facing a workforce crisis. Firms are increasingly challenged to find sufficient talent to meet the growing public demand for competent and ethical financial planners. Cerulli reports 37% of advisors across all business channels plan to exit the profession over the next 10 years. To address this crisis, one of CFP Board's Strategic Priorities is to develop a sustainable and diverse financial planner workforce.

CFP Board's workforce initiatives will generate awareness among younger demographics about the rewarding, in-demand careers CFP® professionals enjoy as they help people achieve their financial goals. This will strengthen the pipeline of future CFP® professionals — something that will not only advance CFP Board's workforce development priority, but also provide great value for financial planning educators and firms. The financial planning profession will be able to better compete with other professions for new talent. Strengthening the financial planning workforce will benefit everyone in the profession and will help generate future talent for your firm. And greater awareness of what financial planning careers involve will also help establish financial planning as a recognized and respected profession.

**Q7: Will I be a member of the new CFP Board of Standards?**

No. The sole members of the new 501(c)(6) CFP Board of Standards will be the Board of Directors of the existing 501(c)(3) organization. CFP Board is forming a 501(c)(6) organization to focus on the organization's Strategic Priorities, not to establish a traditional membership organization for financial planners. CFP Board is not establishing local chapters, publishing a member magazine, or providing affinity marketing or practice support services. These services will continue to be handled by the profession's existing membership associations, which serve important roles in the profession. CFP Board plans to continue working collaboratively with these membership organizations to advance the profession, for the public's benefit.

**Q8: Does this change involve increasing my certification fee?**

No. This change does not alter the annual certification fee. CFP Board's work will continue to focus on the same five Strategic Priorities for 2022-2026, and the 2022 updates to the certification fee and other fees provide investments needed to support those Strategic Priorities.

**Q9: Does this involve changes to the staff I'm accustomed to working with at CFP Board?**

No. You will continue to be able to contact and work with the same staff at CFP Board.

**Q10: Does this change how my organization interacts with CFP Board?**

This change will have little impact on the way you interact with CFP Board. Candidates for certification, CFP® professionals, organizations and educational institutions will continue to use the same online portals and work with the same staff at CFP Board.

**Q11: Does this mean CFP Board will actively pursue lobbying activities?**

We will continue to advocate for public policies that benefit clients of financial planners. CFP Board will also be able to advocate for policies that benefit the financial planning profession. CFP Board is not creating a Political Action Committee.

**Q12: Will any of the fees paid by public colleges and universities to CFP Board be used for lobbying or political purposes?**

No portion of any fees paid by any educational institutions to establish or maintain the registration of their academic programs with CFP Board will be used for lobbying or political purposes. We have updated our *Terms and Conditions of Registration for CFP Board Registered Programs* to incorporate this restriction on the use of fees that CFP Board receives from educational institutions.

**Q13: How does this change affect my pledge/multi-year sponsorship to the CFP Board Center for Financial Planning?**

The change does not impact donations and sponsorships to the CFP Board Center for Financial Planning. CFP Board retains a 501(c)(3) charitable organization, and donations to the Center are fully tax deductible to the extent allowed by law. If technical changes are required to any donation or sponsorship documentation, the Center's staff will reach out to those donors and sponsors individually.