



## Pillars of the Profession

Greater Phoenix FPA  
September 27, 2017

LIVE BIG

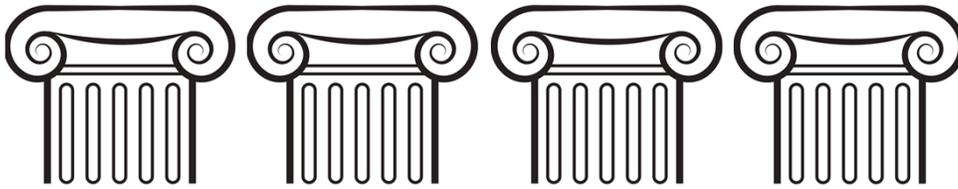
### Pre-Requisites

- One Profession, One Designation: Fain (1987)
- To Think Like a CFP: Wagner (1990)
- To Feel Like a CFP: Buie (2000)
- To Act Like a CFP: Robinson and Hughes (2009)
- To Learn Like a CFP: Yeske and Buie (2011)
- A Concise History of the Financial Planning Profession: Yeske (2016)



## The Pillars

- To Think -> Vision
- To Feel -> Values
- To Act -> Ethics/Fiduciary
- To Learn -> Science-backed BOK



YESKE  BUIE

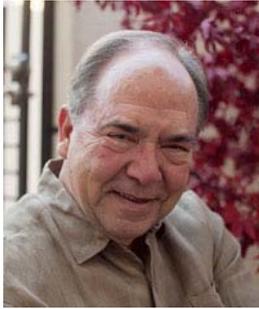
## Fain

- Called for professionalizing the financial planning segments of the financial services industry.
  - Built on the CFP because of its requirements for significant educational and experience requirements and exam(s)
  - High professional standards of practice and ethical conduct

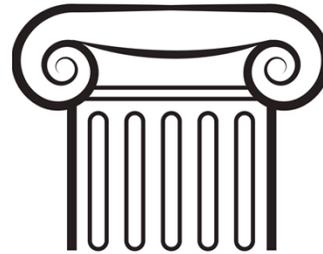
YESKE  BUIE

## To Think ...

- Laid out a vision for what it would look like to be a profession.
- <https://youtu.be/h0BipZMYQo0>



YESKE  BUIE



## Profession Common Law Definition

- Esoteric Body of Knowledge
- Altruism
- Code of Ethics
- Minimum Education Curriculum

YESKE  BUIE

## Profession (Wagner)

- Deal with the intangible necessities of life
- Have characteristics of working with ambiguity
- Integrate form and function with the mental, physical, and spiritual well-being of the individual and society
- Do not do what they do just for money

YESKE  BUIE

## Profession (Wagner)

- A calling



YESKE  BUIE

## Wagner

- Classic definition of a profession that goes beyond merely earning a living. Specifically:

***“A profession entails the conviction of divine influence, an altruistic motive, a strong ethical context, intense academic preparation, an esoteric body of knowledge, and an education curriculum.”***

YESKE  BUIE

## Wagner Called For

- An esoteric body of knowledge developed of FP Theory through internal debate
- Education curriculum
- Altruistic motive
- Strong ethical context
- Divine influence
- Intense academic preparation

YESKE  BUIE

## And what we'd need to leave behind

- Being a subset of the financial services industry
- Confusing financial planning with product advice or placement
- Accepting when others pretend they are doing what we do
- More on this, but first ...



## Yeske

***“Being a member of a profession means having a shared understanding of our history.”***



## History

- Deregulation: cross-licensing. “Buy term and invest the difference”
- 1969: Loren Dunton - the Chicago confab
- IAFP / College for Financial Planning
- 1973: first CFP class forms ICFP
- 1983: NAPFA
- 1985: College for FP + ICFP = CFP Board
- 2000: ICFP + IAFP = FPA

YESKE  BUIE

## Wagner's Challenges to the Would-Be Profession

- Establish an identity
- Develop basic financial planning theory through internal debate
- Explore the concept of fiduciary
- Improve the educational training beyond a mail-order education to a rigorous ... academic program

YESKE  BUIE

## Identity

- We need to develop a professional identity, not one defined by those who are not true planners (i.e. those who are part of a product delivery system) [W]
- We must build an actual profession, not a subset of the financial services industry [F]

YESKE  BUIE

## Identity

***“If we want to talk abominations, then consider the travesty (and tragedy) of allowing financial planning, and our counsel, to be relegated to the status of a delivery system for financial products.”***  
(Wagner)

YESKE  BUIE

## Identity

- Pathetically we still tolerate the claims of accountants, attorneys, stockbrokers and insurance (agents) that these other industries have been engaged in our profession for years. [T]

YESKE  BUIE

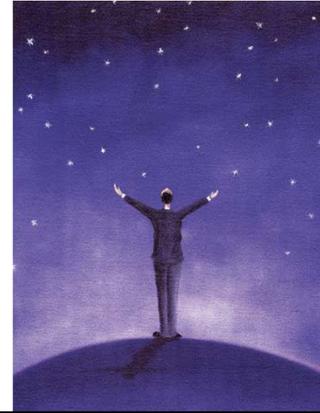
## Identity

- We must remain true to financial planning and not just its component parts [F]
- It's the space between the component parts, and the strategy that ties them together, that makes it financial planning [Yeske]

YESKE  BUIE

## Identity

- The relationship between professionals and those they serve is not transactional, but rather, transformative. [A]



YESKE  BUIE

## This is What We Do

- Combine skills that, individually, would literally create careers in a multitude of other sectors [T]
- Combine an exquisite, even spiritual, sensitivity and zest for life with extraordinary aptitude [T]
- Strategy is fundamentally a creative act in which we render the components ... into something greater than the sum of their parts [L]

YESKE  BUIE

## This is What We Do

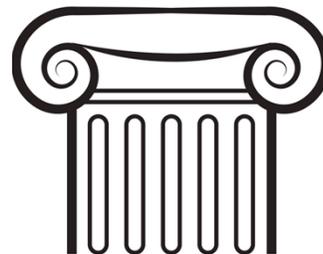
- We combine our true understanding of finances with our understanding of and care for the client to provide recommendations that come from the heart and that provide opportunities for clients' lives that might otherwise go unconsidered. This is a unique ability of the financial planning profession. It is what makes this profession distinct from the purveyors of its component parts.

[F]

YESKE  BUIE

## From Thinking to Feeling

- Between “To Think ...” and “To Feel ...” the Life Planning movement had been identified and named



YESKE  BUIE

## George Kinder, CFP



“Financial Planning is the creation of material objectives to meet personal and spiritual goals. . . Where dreams and dollars cross, the surface and the soul connect. ”

YESKE  BUIE

## From Thinking to Feeling

- “To Feel ...” challenged planners to go deep into their hearts
  - For their Clients
  - For themselves
  - For their staffs
  - For the profession

*“To integrate what we do with who we are”*

YESKE  BUIE

## To Feel ...

- BE a CFP (not just *have* one)

***“It is this state of being that all financial planning professionals need in order for the profession to grow to its fullest potential.” (Buie)***

YESKE  BUIE

## To Feel ...

- Relationships come from the heart, not the head [F]



YESKE  BUIE

## To Feel ...

- Our clients know we have knowledge. They know our heads work well on their behalf. They need to know that our hearts are dedicated to them as well. [F]



## To Feel ...

- To know someone has to do with thoughts. To understand someone has to do with feelings. [F]
- We must see life through their eyes
- We must feel life through their hearts

***Platinum Rule: Do unto others as they would have you do unto them.***



## To Feel ...

*If we set a goal of bringing joy to ourselves and our staffs clients, we will set the stage for creating a truly grand profession*



YESKE  BUIE

## To Feel ...

- Feeling allows you to be part of the whole body of persons engaged in the calling of financial planning [F][T][A]
- We are called to this work, and it is a sacred trust; you can't just think your way to that state of being, you have to feel your way there [F]

YESKE  BUIE

## To Feel ...

- It was a call to value ourselves and the profound services we provide
- *Appreciative inquiry of a time when you positively impacted a Client's life*

YESKE  BUIE

## From Feeling to Acting

- Between “To Feel ...” and “To Act ...” the concept of fiduciary had gained traction



YESKE  BUIE

## From Feeling to Acting

- Remember - in 1990 Dick Wagner wrote:
  - “We can’t scream our professionalism when we never explore the concept of fiduciary”
- 1999 - The “F” Word



## From Feeling to Acting

- NAPFA Fiduciary Oath (2000)
- FPA spins off B/D Division (FSI) (2003)
- Dave Yeske’s speech as FPA President (2003)
- FPA sues SEC and wins (Merrill Lynch Rule) (2005)
- FPA Standard of Care (2008)



## From Feeling to Acting

- But remained “squishy”
  - CFP Board allowed wearing of different hats
  - Public wasn’t (isn’t) clear



## To Act ...

- More recent developments around fiduciary
  - 2016 - DOL Rule
  - 2017 - Change to CFP Board Standards

CFP	FIDUCIARY?	PRACTICE STANDARDS?
No financial advice (i.e order taker)	NO	NO
Financial Advice	YES	NO
Financial Planning	YES	YES



## To Act ...

- “Being” is the consciousness of *thinking, feeling* and *acting* and it permeates how we carry out our responsibilities
- Behaving as professionals could develop a client-first culture which, over time, could transform the thinking and behavior of succeeding generations of planners

YESKE  BUIE

## To Act ...

- Further, they challenged us to stop self-proclaiming that financial planning is a profession because that status can only be conferred by the public
- Just do it: This commitment to act as a fiduciary, to act always in the best interests of the client, drives the very spirit of professionalism
- They told us to earn a living as professionals

YESKE  BUIE

## Earning a Living as Professionals

- Success in business is defined in terms of profit for the firm and personal advancement. The success of a professional ... is defined in terms of service to clients [A]
- The relationship between professionals and those they serve is not transactional, but rather, transformative. [A]

YESKE  BUIE

## Earning a Living as Professionals

- As Wagner said: The moral legitimacy of earning a living within the context of a profession derives from a core conviction that the rules of the profession cannot be altered even if it means that a “living” might not be optimized or even earned at all. To violate this means to put oneself outside of the profession.

YESKE  BUIE

## Earning a Living as Professionals

- As Wagner said: The moral legitimacy of earning a living within the context of a profession derives from a core conviction that the rules of the profession cannot be altered even if it means that a “living” might not be optimized or even earned at all. **To violate this means to put oneself outside of the profession.**

YESKE  BUIE

## From Acting to Learning

- They also teed up “To Learn ...”

*“The hallmark of professionalism is specialized knowledge ... an accumulated and ordered knowledge, built up over time by the experience, analysis, and insight of predecessors in the field.”*



YESKE  BUIE

## To Learn ...

- Body of Knowledge (BOK) from best practices
- BOK from the rear-view mirror
  - CFP Board Body of Knowledge process
  - The battle for CEs

YESKE  BUIE

## To Learn ...

*“Without underlying buttressing theory,  
how can we practice as a profession?”*

*Wagner: 1990*



YESKE  BUIE

## To Learn ...

*“as one approaches the content of financial planning (CFP Board’s 101 topics) from a view of higher cognitive level, it becomes clear that we have poor theory to guide the practice of financial planning”*  
Warschauer (2002)

YESKE  BUIE

## To Learn ...

*“The PFP field has evolved largely devoid of a theoretical foundation and we know of no respected profession without academic underpinnings and recognized academic standing”*  
Black Jr. et al (2002)

YESKE  BUIE

## To Learn ...

*“for the most part, we have not closely examined our presuppositions, often settling for bland aphorisms rather than critically examining our assumptions”*

*Wagner (2007)*

YESKE  BUIE

## To Learn ...

- Time has come to commit ourselves as a profession to a more scientifically grounded and evidence-based approach to expanding our body of knowledge and assessing and adopting best practices



YESKE  BUIE

## To Learn ...

- Remember Wagner called for:
  - An esoteric body of knowledge developed of FP Theory through internal debate



YESKE  BUIE

## To Learn ...

- FP best practices have developed from “self-evident” propositions or the accumulation of observations that seem to form a pattern
- This evidence is anecdotal
- We must form our beliefs into hypotheses, then gather appropriate data and formally test those hypotheses

YESKE  BUIE

## To Learn

- As a profession we must commit to scientifically supporting our advice and best practices
- Not every practitioner needs to become a scientist and conduct research
- All practitioners should be good consumers of research

YESKE  BUIE

## To Learn ...

- True for the Interior and the Exterior Sciences

### **Interior Sciences**

- Psychology
- Sociology
- Neuroscience
- Neuroeconomics
- Behavioral finance
- Communication

### **Exterior Sciences**

- Finance
- Economics
- Investment theory
- Complexity theory
- Risk management

YESKE  BUIE

## To Learn ...

***“In the artful application of the science,  
financial planning transcends mere  
financial advice”***

*Buie and Yeske*



YESKE  BUIE

## And so where are we now?

- Vision: Where are we going and who do we aspire to be?
- Values: Where is our heart's core? What are we not willing to tolerate?
- Fiduciary: How does putting Clients first become the fundamental basis of our identity?
- Science: What do we know and how do we know it?

YESKE  BUIE

## And so where are we now?

- We still tolerate the claims of accountants, attorneys, stockbrokers, bankers, insurance agents and others that they do financial planning
- Some relationships that consumers identify as financial planning are still transactional
- Financial planners are still regulated by the SEC as investment advisors

YESKE  BUIE

## And so where are we now?

- DOL Rule is potentially a step backwards to rules based (vs. principles based) regulation
- The public remains confused
- Do we have an agreed-upon definition of financial planning?

YESKE  BUIE

## And so where are we now?

- “Secret Society of Real Financial Planners” Ron Lieber
- Who is leading us, with a vision for our next phase?



YESKE  BUIE

## And so where are we now?

- We have made progress
  - It is expected that we address the interior
    - And there are tools for doing so
    - New CFP Board FP Process
  - Fiduciary is gaining ground
    - Required of CFPs giving any financial advice
  - CE is available for research-based learning
  - CFP is it, and interest in it is growing among large firms

YESKE  BUIE

## And so where are we now?

- We have made progress
  - BS requirement for CFP license
  - BS, MS and Doctoral programs for CFP
  - Ties with academia



YESKE  BUIE

## Challenges to Address

- Pipeline
- Succession
- Generational issues
- Dumbing down of fiduciary
- Conflict of acting as a fiduciary while placing product
- Growth for the sake of growth

YESKE  BUIE

## Challenges

- Difficulty in identifying the results of a high-credence service (UGA, Financial Planning Performance Lab)
- Intensive aspect of real financial planning
- Building a body of knowledge with a million moving parts
- ...

YESKE  BUIE

## Financial Planning 3.0

- We've come full spiral back to Dick Wagner.



YESKE  BUIE

## Finology (“fine” ology)

- Encompasses all aspects of our relationship with money, including from the perspective of
  - History
  - Literature
  - Art
  - Religion
  - Anthropology
  - Sociology
  - Economics
- Financial Planning as the ultimate liberal art



YESKE  BUIE

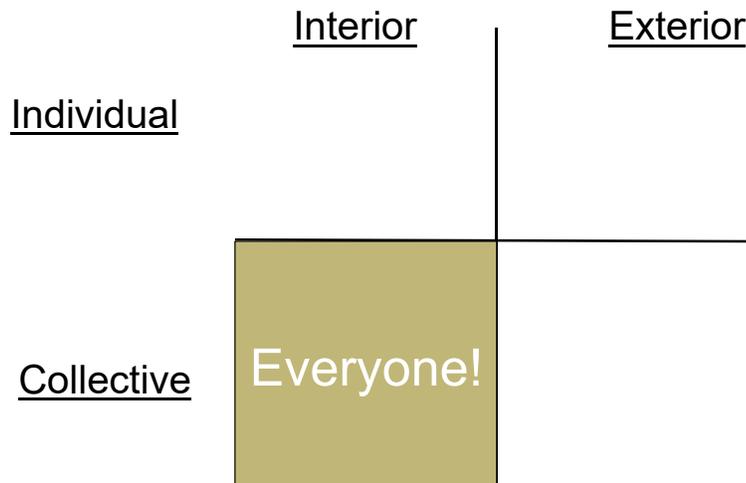
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## What will the future bring?

- Worldviews
  - What might it look like to undersell and overimagine?
  - *“No matter how far we extend our FutureThink scenarios, they all have money in them, together with people’s relationship with it.”*
  - Connecting clients to their “future self”
  - Planning is more profound as verb than noun  
tactics/strategies arrange/prepare/design
  - *“Plans are nothing, planning is everything”*
- DDE

YESKE  BUIE

## Who else is in the room?



YESKE  BUIE

## Pastors in the Church of the Holy CFP?

- Money is a belief system
- Pastors are to theology  
as  
Financial planners are to economics
- *“We all work to relate ordinary human beings with the demands of mysterious, unseen, powerful forces.”*
- Do planners need to integrate pastoral functions?

YESKE  BUIE

## 21<sup>st</sup> Century Secular Pastors

Pastoral Duties	Financial Planner's Duties
Worship	Helping clients understand their relationship w/money
Counsel	Counsel
Leadership	Leadership including strategizing
Knowledge	Knowledge and wisdom

*“Counseling is to therapy as snorkeling is to scuba diving”*

YESKE  BUIE

## Treasure

- Treasure = Time, Talent, Money

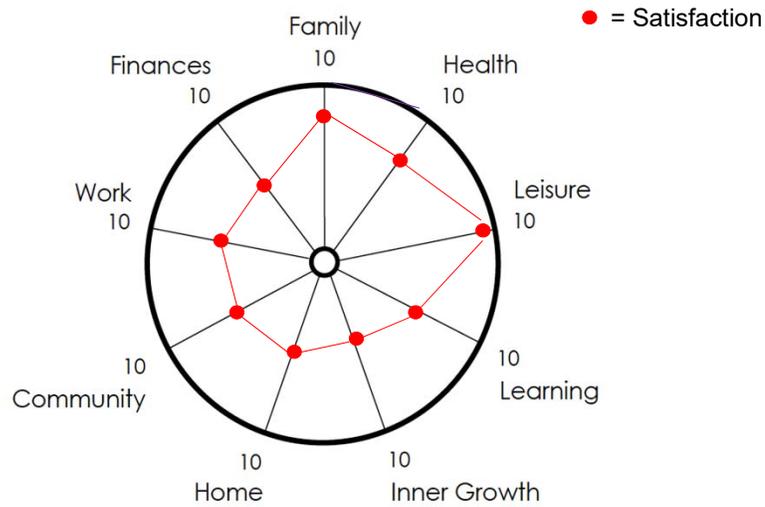
Treasure Net Worth Statement	
Assets	Liabilities
<b>Time</b>	
<b>Talent</b>	
<b>Money</b>	
<b>Other</b>	

YESKE  BUIE

# Treasure

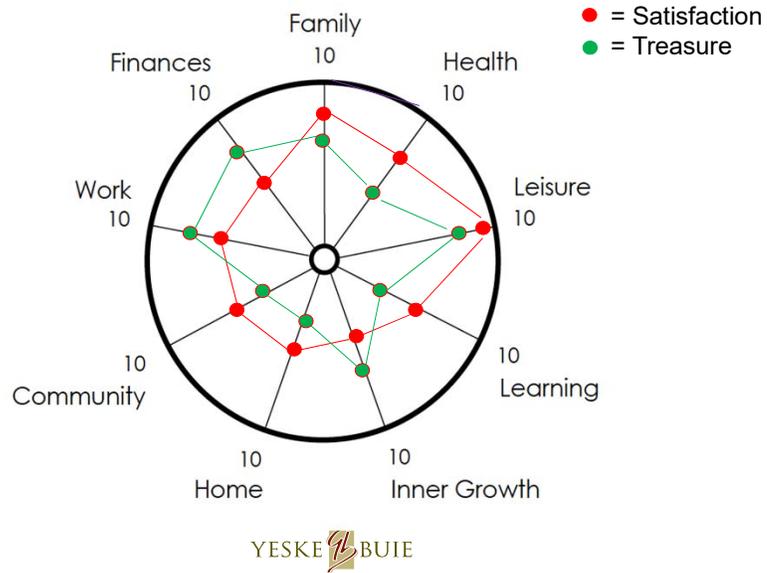
Treasure Net Worth Statement	
Assets	Liabilities
<b>Time</b>	
- Good time management systems/processes/policies - Youth	- Lack of sleep - Difficulty connecting to future self
<b>Talent</b>	
- Education and Practice - Human capital	- Poor health
<b>Money</b>	
- Assets - Employee benefits / SS	- Debts - Lack of medical insurance
<b>Other</b>	

# Aligning Heart and Treasure



YESKE  BUIE

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