
A Comparative Analysis of the CFA and CFP Designations

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The growth in the number of financial services credentials has created confusion for the general public and finance students alike. Students may wonder whether and which of these numerous credentials to pursue. The two most numerous, and perhaps best known, of these designations are the CFP and CFA. This research focuses on these two credentials, first by presenting a consolidated comparison of the educational, content, and other requirements for CFA designation and CFP certification, and secondly, by presenting survey results from a sample of financial professionals who hold both the CFA and the CFP designations. This survey examines why individuals earned both designations, the perceived effort required to obtain each designation, and, most importantly, their perceptions of the specific financial services that each designation best prepared them to perform. These survey insights along with the comparative analysis of the designations should enable students to make a more informed career choice.

INTRODUCTION

The growth in the number of financial services credentials has created confusion for the general public and finance students alike. The two most numerous designations are the CFA and CFP, which curriculums are now found in a growing number of colleges and universities.¹ For example, the CFP curriculum can be found in 300 undergraduate, graduate, and certificate programs in 190 colleges and universities. The CFA curriculum has been adopted by 11 universities including the University of Chicago, Harvard, and Yale, and other universities are currently in the process of adoption or consideration of adoption. Relying primarily on anecdotal information, Nalley (2000) discusses the differences between these two designations in terms of public perception, exam requirements, expertise, and job duties, and concludes there is a relative lack of awareness of the CFA designation as compared to the CFP designation. Interestingly, in 2004 the organizational body of CFA charterholders voted to change its name from the

Association for Investment Management and Research (AIMR) to CFA Institute in an effort to promote CFA brand awareness. This is part of a bigger effort outlined in the CFA Institute 2004 Annual Report to “protect and build the CFA brand.”

This research addresses the CFA and CFP designations by examining the educational, program content, and other requirements for each. While this information is readily available for either designation at the respective organizations’ websites, we present a comparative analysis. A more significant contribution is to present survey results from a sample of financial professionals who hold both the CFA and the CFP designations. This survey examines why individuals earned both designations, the perceived effort required to obtain each designation, and, most importantly, their perceptions of the specific financial services that each designation best prepared them to perform. These survey results represent valuable information that is not otherwise available to students, and thus should enable more informed career choices.

OVERVIEW OF CFA DESIGNATION AND CFP CERTIFICATION AND REGULATION

The CFA® and CFP® marks are both registered. Because of the frequency of use in the text and simplicity we omit the ® from each. In addition the CFA holder is a “charterholder” and the CFP holder is a “certificant.” Technically a person is not a CFA or CFP, but rather has earned the CFA designation or CFP certification. Thus, for the CFP the mark is technically a certification and for the CFA the mark is a designation. For simplicity we often refer to both marks as “designations” and we sometimes refer to persons as a CFA or CFP. While technically not correct, our usage makes the text less cumbersome to read.

Traditionally individuals pursuing the CFA designation have specialized in investment and portfolio management and have found employment in security analysis, institutional money management, or in corporate finance. Generally speaking, there are no regulatory requirements for individuals performing these services. In fact, see the discussion below concerning motivation for seeking the designation, where the primary motivators for those seeking the CFA are to “broaden and deepen investment knowledge” and to “establish professional credibility.” Those seeking the CFP designation have tended to be generalists that may also specialize in one or more of the specific areas (i.e., estate planning, retirement planning, and investments). Those holding the CFP designation have typically found employment with financial planning firms, insurance companies, banks and accounting firms. There are also no regulatory requirements for financial planning activity in general. Similar to the CFA designation, a primary motivator for those seeking the CFP certification is to “establish professional credibility,” as discussed further below.

While neither the security analysis, portfolio management or corporate finance activities of the CFA’s, nor the financial planning activities in general of the CFP’s are

regulated, there is increasing overlap between the two professions involving portfolio management for high net worth individuals and in particular in the offering of investment advice. The offering of investment advice is regulated. Investment advisors are individuals who provide securities advice for compensation as part of a regular business of providing investment advice and must register with the Securities and Exchange Commission (SEC) or appropriate state securities agency. The Investment Advisors Act, sometimes called the “40 Act,” requires the SEC to oversee ‘large’ investment advisors and requires states’ securities agencies to oversee ‘small’ investment advisors. (Broker/dealers are usually exempt because they are primarily sales agents who fall under the regulation of the National Association of Securities Dealers (NASD).) The “40 Act” does not address portfolio management or financial planning activities in general. Currently 43 states require investment advisors to pass the NASAA Uniform Investment Advisor Law Examination (Series 66) and the General Securities Representative Examination (Series 7). All states that require the Series 66 examinations have exempted CFP certificants from taking these exams. In addition, financial planners who also sell products, such as insurance, annuities, or financial securities, must be licensed to sell such products.

To summarize, the CFA designation and CFP certification are voluntary designations that are not required by regulation to perform the general duties of each profession.² The provision of investment advice for compensation as part of a regular business of providing investment advice, however, is regulated by the SEC or state securities departments and requires licensing. The sale of financial products is regulated and requires licensing.

Demographics

The US Department of Labor, Bureau of Labor Statistics, projects that employment of personal financial advisors will increase 21% to 35% through the year 2012, while employment of financial analysts is expected to increase 10% to 20% over the same period. However, based on the number of exam takers and the percentage passing, the potential near-term growth rate approximates 10% for the CFA designation and 5% for the CFP certification. Both designations have grown significantly over the last decade, based on membership numbers reported on their respective websites. In addition, the number of international candidates has increased tremendously for both designations. For example, the percentage of enrolled candidates for the CFA exams from outside the United States and Canada increased from 10% in 1990 to 53% in 2005.³ While comparable data are not available for CFP Exam takers, O’Conner (2003) reports that in the early 1990’s there were fewer than 100 CFP certificants outside the United States, while as of March 2003 there were over 33,000. Nearly half of these CFP certificants are in Canada. Table 1 presents some demographic information about the designations. As indicated in the table, as of the latest reported numbers there were approximately nine thousand more CFP’s than CFA’s in the United States.

Table 1. CFA and CFP Demographics ⁴

	CFA	CFP
Number with Designation	67,472	79,000 – 82,000
Nationality		
US Citizen	40,041	49,060
International	27,431	30,000 – 33,000
Exam Takers ⁵ (Pass Rate):		
CFP – 7/04, 11/04, 3/05		6,561 (60.2%)
CFA – Level III, June 2005	12,903 (55%)	
Gender:		
% Male	81	76
% Female	19	24
Average Age	Age 31 – 40: 50%	Not available
Education: Bachelors or higher	98%	90%

Requirements for Certification and Curriculum

As indicated in Table 2 both the CFA and CFP have education requirements, testing requirements, and experience requirements to achieve the designations. Although the CFP does not currently require a college degree, it does require the candidate to have successfully completed a college curriculum in financial planning at a registered college or university or to have completed the equivalent coursework from approved education providers. Starting in 2007 CFP designees will need a college degree. The CFA designation requires three exams that may be taken over a two and a half to three year period. Level I exam is offered each Spring and Fall, while Level II and Level III are offered in the Spring. The CFP designation now requires a comprehensive exam that covers all the specific financial planning areas. Prior to 1991 there were separate exams in each of the specific planning areas. In addition, the CFP certification has a continuing education requirement.

As their names suggest, the two designations imply somewhat differing knowledge requirements. Chartered Financial Analyst (CFA) implies a body of knowledge grounded in financial analysis. Table 3 lists the broad topics that are included in the CFA Candidate Body of Knowledge™ (CBOK) and the Topic List for CFP Certification Examination. As the table indicates, the CFA body of knowledge focuses on analysis of

Table 2. Initial Certification Requirements

	CFA	CFP
College Degree Required	Yes	Yes, beginning 2007
Testing Requirement	Three 6 hour exams	10 Hour Comprehensive Exam
Experience Requirement	Three Years; Four Years after 2005	Three Years; Five years without college degree
Continuing Education Requirement	None	30 hours every two years

Table 3. Curriculum ⁶

CFA - Candidate Body of Knowledge (CBOK)	CFP – Topic List
Ethical & Professional Standards	General Principles (8%)
Quantitative Methods	Insurance & Risk Management (10%)
Economics	Employee Benefits (8%)
Financial Statement Analysis	Investment Planning (19%)
Corporate Finance	Income Tax Planning (17%)
Analysis of Equity Investments	Retirement Planning (18%)
Analysis of Debt Investments	Estate Planning (15%)
Analysis of Derivatives	
Analysis of Alternative Investments	Note 1: Percentages indicate proportion of topic list represented by specific area.
Portfolio Management and Performance Presentation	Note 2: General principles includes ethics.

investments and the tools necessary for such analysis. Certified Financial Planner (CFP) on the other hand focuses on the major areas of financial planning necessary for a comprehensive approach to individuals. The two bodies of knowledge intersect primarily in the areas of investments and portfolio management, areas where CFA's specialize and where CFP's may perhaps spend the largest fraction of their time. The two fields also overlap in that both have significant ethical and professional standards that are similar in principle but differ as to specifics.

Curriculum – common areas

The CFA and CFP knowledge requirements overlap in the areas of:

1. Time value of money
2. Economics
3. Ethics
4. Investments and portfolio management

Both require a thorough understanding of the time value of money, though the applications differ. In the area of economics the CFP requires knowledge of broad concepts for purposes of understanding how the external environment might affect the individual. The CFA requires extensive knowledge of economics because economic forces drive corporate cash flows, interest rates, and hence values. With respect to ethics, both professions have a code of ethics and standards of professional conduct that encompass such broad principles as integrity, competency, objectivity, confidentiality and fairness. The CFP has, in addition, a set of financial planning practice standards that govern the provision of financial planning services. Because CFA's are more routinely making investment recommendations and managing money, their ethics and professional standards address fiduciary duties, potential conflicts of interest, insider trading, and the basis and reasonableness of investment recommendations.

The largest area of overlap, nominally, is in the area of investments. Investments account for nearly one fifth of the CFP knowledge requirement, while for the CFA investments represents the majority of the body of knowledge apart from ethics and analysis tools. While on the surface there is much overlap, in depth there is less. The CFP curriculum exposes candidates to many of the same topics (i.e., risk, asset pricing models, valuation, security types, etc.) as the CFA curriculum; however, the CFA curriculum demands a much deeper understanding of the topics. Where in the CFP curriculum the candidate must recognize certain concepts, define them and understand their relevance to personal financial planning, the CFA curriculum requires thorough understanding of the topic necessary for its application. As an example, the CFP curriculum would require a candidate to know what a callable bond is. The CFA curriculum would require the candidate to not only know what a callable bond is, but also know how to value a callable bond and to understand its use in portfolio management. In fact, the CFA curriculum requires the candidate to be able to value most securities, not just know what the security is. As another example, the CFP curriculum requires the candidate to know what derivative securities are, whereas the CFA curriculum requires the candidate to know how to value options, futures and swaps and how to use them in portfolio management. A final example involves portfolio management. The CFP topic list contains one half page of topics related to portfolio

Table 4. Curriculum Summary

Distinguishing Characteristic	CFA	CFP
Overall Curriculum	Depth	Breadth
Expertise	Specialist	Generalist
Primary Emphasis	Corporate	Personal
Specializes in:	Investments and portfolio management	Retirement & Estate Planning

management, while the CBOK list for the CFA exam contains five pages of topics related to portfolio management.

In sum, while there appears to be significant overlap in the area of investments, the CFA CBOK requires the candidate to be a specialist in the area, while the CFP body of knowledge seeks a general understanding of the area.

Curriculum – Exclusively CFP

As Table 3 indicates, the CFP body of knowledge contains several topics that are excluded from the CFA CBOK. These topics include estate planning, insurance planning and personal risk management, personal income tax planning, retirement planning (apart from the investment aspect), college planning, and employee benefits. These topics enable the CFP to take a big picture approach that is necessary for preparing a comprehensive personal financial plan.

Curriculum – Exclusively CFA

As discussed above, the CFA curriculum differs significantly from the CFP curriculum in depth of coverage for topics that otherwise appear common to both. The CFA curriculum also addresses topics that are not part of the CFP curriculum. For example, the CFA curriculum addresses many international issues, including international asset pricing models, foreign currency issues, and international portfolio management. The CFA exam covers in depth corporate financial statement analysis and corporate finance issues. Table 4 summarizes the curriculum differences.

SURVEY RESULTS AND ANALYSIS

We obtained from the CFA Institute a list of all CFA's who also held the CFP certification and mailed the survey to these 882 individuals. We surveyed these individuals

Table 5A. Descriptive Statistics for Responses: Client Related

Client Type:	
Exclusively or Primarily Private	64.9%
Exclusively or Primarily Institutional	13.1%
Even mix	10.1%
Other	11.9%
Client Size: (Minimum level of assets accepted)	
\$1,000,000 or more	28.5%
\$500,000 - \$999,000	12.7%
\$499,000 or less	39.2%
. Not applicable	19.6%
Client Size: (Median Client Account Size)	
\$5,000,001 or more	15.4%
\$1,000,001 - \$5,000,000	24.0%
\$999,999 or less	42.1%
Not applicable	18.7%

to examine why they earned each designation, the perceived effort required to obtain each designation, and, most importantly, their perceptions of the specific financial services that each designation best prepares them to perform. We received responses from 306 of the individuals, of which 272 were usable, representing a 31% usable response rate. The survey is available from the authors upon request. Of those who responded to the survey, 210, or 77% obtained the CFP certification prior to obtaining the CFA designation. Survey results did not differ significantly depending on the order in which the designations were obtained. We highlight the few instances where they differ.

Tables 5A-C contain descriptive statistics related to client attributes, business attributes and education attributes. The tables are self explanatory, but we note a few highlights. Respondents' clients are primarily private, high worth individuals. For example, nearly 40% of the respondents have a median client account size of over \$1,000,000 and over 15% have a median client account size of over \$5,000,000. A significant number of respondents work as investment advisors or investment consultants. Over 63% of the respondents work in firms with 500 or fewer employees. Respondents were highly educated, with over 59% having at least a masters degree. Not surprisingly, over 80% of the respondents were business majors and nearly 40% majored in finance.

Table 5B. Descriptive Statistics for Responses: Business Related

Job Title:	
Financial or Investment Advisor	28.7%
Portfolio or Fund Manager	17.9%
Investment Consultant	9.0%
Financial Planner	8.2%
CEO/Principal	8.6%
Broker/Registered Rep	4.5%
Analyst, Buy or Sell Side	2.6%
Academic	3.0%
Other	17.5%
Firm Description:	
Commercial/Retail Bank/Insurance Company	14.1%
Investment Bank/Broker Dealer	10.0%
Institutional Investment Manager/Mutual Fund	13.8%
Financial Planner/Advisor	21.5%
Private Client Wealth Manager	21.8%
Other	18.8%
Firm Size - # of Employees:	
1 – 10	34.2%
11 – 500	28.9%
501 or more	36.9%

Table 5C. Descriptive Statistics for Responses: Education Related

Education:	
High School or Some College	0.7%
Bachelor	32.5%
Some post bachelor	7.5%
MBA or Master in Finance or Economics	42.5%
Other Graduate	16.8%
Major:	
Accounting	11.9%
Business	15.7%
Economics	13.1%
Finance or Financial Services	39.6%
Other	19.8%

Table 6. Motivation for Obtaining the CFA Charter or CFP Certification
Percentage of Responses Given

	CFA	CFP
Broaden or Deepen Knowledge in Investment Analysis & Mgmt.	87.1%	
Broaden or Deepen Knowledge in Personal Finance		73.9%
Establish My Professional Credibility	83.8%	74.6%
Increase My Earning Power	57.0%	34.9%
Help Me Advance in My Career or Get Promoted	56.3%	34.2%
Certify Existing Knowledge in Investment Analysis & Mgmt.	42.6%	
Certify Existing Knowledge in Personal Finance		39.3%
Help Me Change Careers or Get Established in New Career	23.9%	18.4%
<u>Employer Required or Strongly Encouraged</u>	<u>13.6%</u>	<u>14.3%</u>

Percentage of Responses Given. More than one response allowed.

Motivation

Table 6 contains the survey results for questions relating to the motivation for obtaining the CFA designation or CFP certification. The primary reasons for achieving each designation were to broaden or deepen their knowledge in their respective areas, with 87.1% citing this reason for the CFA and 73.9% citing this reason for the CFP, and to establish professional credibility, with 83.8% citing this reason for the CFA and 74.6% citing it for the CFP. As discussed above in the section on regulation, neither security analysis nor financial planning has specific regulatory requirements so that individuals obtaining the designations are doing so voluntarily. Over 56% obtained the CFA designation either to increase earning power or advance in their careers, while only 35% gave this as a reason for obtaining the CFP certification. Certifying existing knowledge in the respective areas was cited as a motivation by 42.6% of the respondents for the CFA and 39.3% for the CFP certification.

Establishing professional credibility, increasing earning power, and advancing in their careers were significantly (5% level) more important motivations for obtaining the CFP certification for those individuals who obtained the CFP certification prior to the CFA designation. Stated differently, these factors were less important motivations for obtaining the CFP for those individuals who already held the CFA designation. Helping change careers or establish a new career was a more significant motivating factor for obtaining the CFA for those who obtained that designation first.

Since so few individuals hold both designations, the more interesting question to ask

is: “Why did you choose to obtain both designations.” Unfortunately we did not ask this question on the original survey, and thus we cannot directly answer it. However, we can hypothesize an answer based on some of the characteristics of those who answered this survey. As stated previously, of those who responded to the survey, 210 or 77% obtained the CFP certification prior to the CFA designation. A significant number of the respondents have high net-worth individuals for clients. Those who already held the CFP likely recognized the need for more in-depth training in the investments and portfolio management areas. Those holding the CFA designation first were likely managing portfolios for high-net worth individuals and recognized the need for training in the areas of estate planning, insurance and retirement planning. This conclusion is supported by the fact that the client type of our sample is nearly 65% exclusively or primarily private, whereas for CFA charterholders in general the client type is 63% institutional and only 37% individual. Thus, it appears that these individuals perceive the complimentary benefits of both designations when it comes to serving high net-worth clients.

Exam Difficulty and Preparation

There is a stark contrast between the perceived difficulty level and preparation time needed for successful completion of the CFA and CFP examinations. Table 7 presents results for perceived exam difficulty and estimated preparation time. While 97% of the respondents felt that the CFA exams were either very or extremely challenging, only 13.5% felt that way about the CFP Comprehensive Examination. The mean response did not differ significantly depending on which designation the individual obtained first. In addition, respondents reported significantly more time to complete and more studying time for the CFA exams. We should note that because of the specific curriculum requirements (e.g. estate planning, insurance, retirement planning) our survey results overstate the actual difference in the total amount of effort required to obtain the CFA versus the CFP.

In 1991 the CFP Board changed the examination requirements. Prior to 1991 there were individual examinations in each of the personal financial planning areas. Beginning in 1991 the CFP Board introduced a comprehensive exam. Consequently, we segregated the sample into those who took the CFP exams prior to 1991 and those who took the CFP Comprehensive Examination in 1991 or after. These results are presented in Table 8. The number finding the CFP examination “not challenging” decreased significantly in the post-1991 period, while those finding it “somewhat challenging” increased significantly.

Skill Preparation

Of fundamental importance is how well the CFA designation or CFP certification prepares financial professionals to perform certain financial services. Respondents were

Table 7. Perceived Difficulty and Time Related to Examination

	CFA	CFP	Difference
Not or Somewhat Challenging	3.0%	86.5%	-83.5%**
Very or Extremely Challenging	97.0%	13.5%	83.5%**
Number of Months to Complete	42	21	21**
Avg. Number of Hrs. Studying	845	266	579**

** Significant at 1% level

Table 8. Perceived Difficulty of CFP Exam: Pre and Post 1991

	Pre 1991	Post 1991	Post - Pre
Not Challenging	26.4%	12.7%	-13.7%**
Somewhat Challenging	62.1%	72.9%	10.8%**
Very Challenging	10.3%	12.7%	2.4%NS
Extremely Challenging	1.1%	1.8%	.7%NS

** Significant at 1% level; NS – not significant at conventional levels

asked a series of 20 questions regarding the skills and knowledge set that each designation provided them. They answered with “not at all”, “somewhat”, “very well”, or “extremely well”. The means for each question were calculated with a one for “not at all”, a two for “somewhat”, a three for “very well” and a four for “extremely well”. The CFP and CFA questions were compared using a paired sample t-test.

The results in Table 9 are consistent with the knowledge requirements listed in Table 3 to obtain the respective designations. According to our sample, the CFP program prepared individuals better than the CFA in the following areas: overall financial advisory services to individuals and families, advice on insurance planning, tax planning, retirement planning and estate planning. These differences are significant at the .01 level. Conversely, the CFA program better prepares individuals in the following areas: overall financial advisory services to corporations and non-profits, investment advice and services to individuals, small business pension advice, corporations and non-profits, corporate finance and advice, corporate financial statements, individual securities, forecasting investment markets, managing investment portfolios for private individuals and families, developing investment strategies, providing international services and making better judgments on ethical and professional conduct issues. These are significantly different from the CFP skills at the .01 level.

Table 9. How Well Did the CFA Charter Program or CFP Certification Program Prepare You for Each of the Following

	CFP	CFA	Significant
Overall Financial Advisory Services to:			
Individuals and Families	2.9	2.4	**
Small Businesses	2.0	2.1	NS
Corporations	1.6	2.2	**
Non-Profit Entities	1.6	2.1	**
Provide Advice on:			
Insurance Planning	2.5	1.2	**
Tax Planning	2.5	1.5	**
Retirement Planning	2.9	1.8	**
Estate Planning	2.7	1.3	**
Provide Investment Advice & Services to:			
Individuals and Families	2.5	3.3	**
Small Businesses; Pension Advice	2.0	3.0	**
Corporations	1.6	3.0	**
Non-Profit Entities	1.6	2.9	**
Provide Corporate Finance and Advice	1.3	2.6	**
Analyze Corporate Financial Statements	1.4	3.5	**
Analyze Individual Securities	1.4	3.6	**
Forecast Investment markets	1.4	3.0	**
Manage Investment Portfolios for Private Individuals & Families	2.0	3.5	**
Develop Investment Strategies and Manage Investment Portfolios for Institutional Investors	1.5	3.5	**
Make Professional Decisions in Global Context; Provide Services Internationally	1.4	3.1	**
Make Better Judgments on Ethical and Professional Conduct Issues	2.4	3.1	**

Mean Calculated: 1 = Not at all, 2 = Somewhat, 3 = Very Well, 4 = Extremely Well

** Significant at .01; NS – not significant

The areas in which the CFA program excels in preparing the individual include: analyzing individual securities, analyzing corporate financial statements, managing investment portfolios for private individuals and families, and developing investment strategies. These four skills were rated 3.5 or better by respondents meaning that most

respondents felt that it prepared them “very” or “extremely well”. The CFP program’s best ratings involve: overall financial advisory services to individuals and families, and providing advice on retirement planning. Both skills have a mean rating of 2.9. The presence of such high means for the CFA program and absence of such high means for the CFP program is another indication of the specialist versus generalist nature of the two programs.⁷ The only area not statistically significantly different between the two programs was overall financial advisory services to small businesses: both programs scored a 2.0 which means that overall both programs of study only prepared respondents somewhat well.

The CFA program does not prepare the individual very well in the areas of insurance planning and estate planning. Both of these were rated just above “not at all” at 1.2 and 1.3, respectively. Although all but one of the 20 areas show significantly different ratings between the two designations, three in particular show sizable mean differences indicating that the CFA program prepares the individual very well for these areas whereas the CFP does not. These areas include: analyzing corporate financial statements (2.0 mean difference), analyzing individual securities (2.2 mean difference) and developing investment strategies and managing investment portfolios for institutional investors (2.0 mean difference).

Those in the sample who obtained the CFP certification first had a significantly higher mean than those who obtained the CFA first in feeling the CFA program prepared them for: providing investment advice to individuals and families, to small businesses, to corporations and non-profits, and managing investment portfolios for private individuals and families. This supports our hypothesis that those obtaining both designations perceive the complimentary nature of each. Those first holding the CFP and advising high net-worth individuals recognize the need for investment/portfolio management expertise, and those first holding the CFA see the need for insurance and estate planning.

CONCLUSION

This research, using a survey of those who have obtained both the CFA and CFP designations, has examined the perceived differences in exam difficulty, motivations for obtaining the designations, and how well each designation is perceived to prepare the individual for specific job skills. Not surprisingly, the survey results on job skills almost identically match the specific knowledge requirements of each designation. In particular, the CFA designation was perceived as a specialist designation that best prepares individuals for investment analysis and portfolio management. The CFP designation on the other hand was perceived as a generalist designation that provides the best preparation for comprehensive personal financial planning. The primary motivations for obtaining the designations were to broaden knowledge in each of the respective areas, and to establish professional credibility in each of the areas.

This sample consists of individuals holding both the CFA and CFP designations. Because these individuals have prepared for and taken both exams, they are probably best suited to differentiate between the knowledge skills provided by each designation. Their insights as reflected in the survey results thus provide additional information to students who are making career choices. The survey results have an interesting further implication for both CFP's and CFA's who cater to high-worth individuals. Specifically, the two designations are highly complementary with respect to these individuals, with the CFP providing the broad overview and specific skills in insurance and estate planning and the CFA providing the necessary investments and portfolio management skills.

ENDNOTES

¹ The number of persons holding the Chartered Financial Consultant (ChFC) designation was a little less than those holding the CFP designation. The ChFC, which is awarded by the American College, involves the completion of eight distance-learning courses that are offered by the College. Five of the eight courses are approved by CFP Board as preparation for the CFP certification and include financial planning, investments, estate planning, tax and retirement planning. The ChFC includes more emphasis on insurance and risk management. The authors have decided to focus on individuals holding both the CFA and CFP designations.

² In addition, the Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU) are voluntary designations awarded by The American College based on the completion of eight distance learning courses each.

³ See CFA Institute website, CFA Program facts.

⁴ Information obtained from CFA Institute 2004 Annual Report, CFA Institute website, CFA Institute, Certified Financial Planner Board of Standards, Inc. 2003 and 2004 Annual Reports, and Certified Financial Planner Board of Standards, Inc. website. CFA breakdown into US and International is estimated based on percentage of CFA Institute members who are US.

⁵ CFA Candidate Body of Knowledge obtained from CFA Institute website. Topic List for CFP Certification Examination obtained from Certified Financial Planner Board of Standards, Inc. website. Note that in 2005 the CFP Topic List was revised from 101 topics to 89 topics.

⁶ The survey contained room for open responses, which due to their volume are not reported in this paper. However, in describing the two designations perhaps the most frequently cited descriptions were "broad" with respect to the CFP designation and "in depth" with respect to the CFA designation.

⁷ Exam takers for the 7/04, 11/04 and 3/05 CFP Certification exam, and for the June '05 CFA Level III Exam. Based on the number passing the June '05 CFA Level II Exam, nearly 18,000 more candidates would be eligible for Level III in 2006.

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