

Decoding advisor titles

How to find someone whose expertise is the right fit for your needs.

By Gail Bebee | 04/09/15

What is the job title of the individual who provides you with personal financial advice? Perhaps it is financial advisor, financial services representative, investment specialist or financial planner. Investment counsellor, money coach, wealth manager and financial consultant are other possibilities. In fact, there are dozens of different job titles used in the financial advice business in Canada.

Many are unregulated. Even someone with very little relevant education, training or experience could hold such titles. Some are little more than a marketing tactic designed to give the impression that the advisor is experienced and trustworthy. A job title is not a reliable indicator of the expertise you are buying. For a better measure of competence, Canadians should consider the financial certifications held by advisors.

A financial certification indicates the attainment of a certain level of education and/or training and, in some cases, relevant work experience. To qualify, candidates may need to pass standardized exams. Continuing education could be required to maintain active status. The organization that issues the certification may have a complaint process to address concerns from the public regarding anyone who holds the certification. Some of these organizations have a process to discipline members who do not meet the ethical and professional standards embodied in the certification.

It is important to understand that a financial certification does not signify that an advisor is legally able to do business in a specific province or territory. To do so, she must be registered or licensed with the appropriate regulatory body.

Financial certifications abound in Canada. The [Glossary of Financial Certifications](#) assembled by the Investment Industry Regulatory Organization of Canada lists more than 50 financial certifications and designations commonly used in Canada, and this list is not comprehensive. Some represent real achievement and are well regarded, while others have few requirements and are little more than a revenue-generating vehicle for a savvy entrepreneur. The challenge for those seeking financial advice is to determine which certifications are meaningful and which are relevant to their financial situation. Broadly speaking, personal financial advice falls into two main categories: financial planning and investment management.

For financial-planning advice such as preparing a comprehensive financial plan, [Certified Financial Planner \(CFP\)](#) is the "go to" credential according to [Noel D'Souza, a money coach and fee-only financial planner with Money Coaches Canada](#). D'Souza, who has earned the CFP designation, says that this certification is the most widely recognized international standard for financial planning.

The other well-known financial planning certification in Canada is [Personal Financial Planner \(PFP\)](#). PFP has its origins in the Canadian banking industry, and it is the designation of choice for many bank employees.

While these two certifications are accredited by different organizations, they are quite similar. Both have educational and relevant work experience requirements, standardized exams to write, a code of ethics to abide by and continuing-education obligations.

For investment-management advice such as security analysis and recommendations and portfolio management, the gold-standard certification is [Chartered Financial Analyst \(CFA\)](#). Requirements for this globally recognized accreditation include educational prerequisites, self-study courses, three qualifying exams and four years of qualified work experience. The other main certification for investment-management expertise in Canada is [Chartered Investment Manager \(CIM\)](#). Advisors can qualify by completing three or four courses and having two years of acceptable work experience. Before September 2011, CIM stood for Canadian Investment Manager. This designation is still recognized, but holders can transfer to the new designation.

Both CFA and CIM holders must agree to follow a code of ethics, but only the newer CIM designation has mandatory continuing-education requirements.

While financial advisors generally possess basic accounting and tax knowledge relevant to personal finance, individuals with complex tax issues may need the services of an advisor with accounting expertise. The premier professional accounting certification in Canada is the relatively new [Chartered Professional Accountant \(CPA\)](#). CPA is replacing three legacy accounting designations which may be more familiar to readers: Chartered Accountant (CA), Certified General Accountant (CGA) and Certified Management Accountant (CMA).

There are numerous certifications that imply expertise in a specific area of personal finance. For example, if estate planning and setting up a trust is on your agenda, an advisor with the well respected [Trust and Estate Practitioner \(TEP\)](#) should have the expertise you need.

In the growing area of retirement planning and advice, there are several distinct certifications vying for standing:

- [Elder Planning Counsellor \(EPC\)](#)
- [Registered Retirement Consultant \(RRC\)](#)
- [Certified Retirement Counselor \(CRC\)](#)
- [Certified Professional Consultant on Aging \(CPCA\)](#)
- [Certificate in Retirement Strategy](#)

"I would not rely on any one of these retirement-planning certifications in isolation," says Heather Holjevac, a senior wealth advisor at TriDelta Financial Partners. Holjevac who holds both the CFP and EPC designations, recommends that consumers view them as add-ons to fundamental financial-advice qualifications such as CFP, PFP, CFA or CIM.

How do you decide which financial certifications to trust? I highly recommend a visit to the issuing organization's website and an online search to learn about the history, reputation and the requirements to qualify for the certification. Seeking out the opinion of trusted friends and associates could prove useful, as could asking the advisor why she obtained the credential. Your goal is to confirm that the certification is legitimate and respected, and is relevant to the Canadian milieu and the expertise you are seeking.

Holjevac says that a potential client should also verify that the advisor actually holds the certification(s) she advertises to the public. This is not a difficult task, since many organizations issuing certifications have a searchable online membership directory, or, if contacted, will indicate a person's membership status.

Certifications are a useful indicator of an advisor's expertise, but they are not a guarantee. The advisor's reputation, the services provided, references from existing clients, and the extent of her experience in helping clients in situations similar to your own, should also inform your choice of advisor.