

What I've Learned on my (Still Ongoing) CFP® Journey

**JIM
HAYMAN**

DISCLOSURES

- **I am an employee of Aptus Financial, an advice-only flat-fee Registered Investment Advisor**
- **Still a newcomer to financial services, not an expert**
- **My observations, experiences, opinions (and biases)**
- **Hopefully, no major errors or omissions**

OUTLINE

- **What it takes to become a CFP[®]**
- **Potential benefits of professional advice for DIYers**
- **Greater understanding of financial services channels**

EARLY YEARS

- **Grew up in NE Massachusetts**
- **Father owned an independent pharmacy**
- **McGill University**
- **University of Chicago (Pritzker and Booth)**
- **Evanston Hospital (Northwestern)**
- **Harvard Joint Center for Radiation Therapy**

MEDICAL CAREER: U of M (1996 – PRESENT)

- **Clinical/Leadership track with focus on quality and safety**
- **Clinical: Busy practice**
- **Leadership: 20+ yrs Clinical Director**
- **Research: 180+ publications**
- **Education: 75+ residents**
- **Volunteer: 25+ ASTRO/ASCO committees, ASTRO BOD**
- **Quality: APEx, MROQC**

FINANCIAL PLANNING EXPERIENCES

- **1991: Inheritance (intro to sales)**
- **1996: 1st job with retirement plan (chasing performance)**
- **2003: Private practice (almost!)**
- **2006: Financial advisor (fee-only AUM → advice-only)**
- **2011 -2017: Investment manager**
- **2018: Approaching work optional**

EARLY EXPLORATION (2018-2019)

- **Fritz Gilbert's "Retirement Manifesto" blog**
- **Nancy Langdon Jones' "So You Want to Be a Financial Planner – Your Guide to a New Career"**
- **Micheal Kitces' "Nerd's Eye View" website and "Weekend Reading for Financial Planners" blog**
- **Met with 3 financial planners in Ann Arbor area**

MY PLAN: APPLY MEDICAL MODEL

MEDICINE

- Medical school
- Licensing exams
- Internship/Residency
- Board certification exam
- Independent practice

FINANCIAL PLANNING

- CFP® education
- CFP® exam
- Entry-level paraplanner
- Licensing exams
- Independent practice

CFP[®] REQUIREMENTS

- **Education**
 - **Bachelor's degree or higher from accredited college or university**
 - **Complete 7 courses through CFP[®] Board registered program**
- **Exam**
 - **170 question 6-hour multiple-choice pass/fail exam at a testing center over 1 day offered three times a year**
 - **Pass rate ~65%**

CFP® REQUIREMENTS

- **Experience**
 - **6,000 hours related to different aspects of financial planning process OR**
 - **4,000 hours of supervised comprehensive planning**
 - **Up to 10 years before or 5 years after exam**
- **Ethics**
 - **Agree to adhere to high ethical and professional standards (fiduciary)**
 - **Pass background check**

MY CFP® EDUCATION (2019-2024)

- **Boston University (2019-2020)**
 - **Online textbook plus COVID-19**
- **American College of Financial Services (2023-2024)**
 - **Seven 8-week courses with 4-week exam window**
 - **Planning, Insurance, Tax, Retirement, Investments, Estate Planning, Case Analysis**
 - **Straight As!**

CFP[®] EXAM (2024 - 2025)

- **No practical experience**
- **Danko Education CFP[®] Exam Live Review**
 - **Three months of solid studying**
 - **Pre-study material, 4 days of classes (8 AM – 7 PM), quizzes, case studies, mock exams**
- **Passed on 1st attempt!**

JOB SEARCH (APRIL – OCTOBER 2025)

- **CV, LinkedIn profile**
- **Unique situation: Older, part-time, "residency", choosey (fee-only)**
- **Not interested in starting own practice**
- **Job boards: CFP[®], NAPFA, SimplyParaplanner**
- **Networking both locally (A2 Fee-Only) and virtually**
- **Lucky break (via Bogleheads connection!)**

THE 2025 EXTERNSHIP (JUNE - JULY 2025)

- **Amplified Planning/Hannah Moore**
- **Watch series of 8 actual planning meetings with volunteer couple**
- **50+ presentations on all aspects of financial planning**
- **“Finding Your Path” by Caleb Brown**
- **Weekly assignments, quizzes**
- **Access to software (eMoney, Redtail, Asset-Map, etc.)**
- **500 Standard CFP experience hours**

APTUS FINANCIAL (JAN 2026 - PRESENT)

- **Advice-only flat-fee Registered Investment Advisor**
- **Based in Little Rock AK**
- **17 employees**
- **Part-time (10-15 hrs/wk)**
- **Financial planning for early- to mid-career physicians nationally**
- **Financial wellness for AK healthcare workers (PSLF)**
- **Retirement plan advisor for AK businesses**

SERIES 65 (APRIL 2026)

- **Exam to become Investment Advisor Representative at Registered Investment Advisor**
- **Specifically focused on investments and state and federal regulations related to giving investment advice**
- **Less rigorous than CFP[®] exam**
- **Passed at end of April!**

MEDICAL VS FINANCIAL PLANNING MODEL

MEDICINE

- Medical school
- Licensing exams
- Internship/Residency
- Board certification
- Independent practice

FINANCIAL PLANNING

- Licensing exam(s)
- Practice (+/- training)
- +/- CFP[®] education
- +/- CFP[®] exam
- Continue practice

OUTLINE

- **What it takes to become a CFP®**
- **POTENTIAL BENEFITS OF PROFESSIONAL ADVICE FOR DIYERS**
 - **Carolyn McClanahan - Bogleheads Conference 2024**
- **Greater understanding of financial services channels**

FINANCIAL PLANNING: INVESTING AND...

INVESTING

- Asset allocation
- Buying financial products
- Investment policy statement

VALUE ADDED

- Setting financial goals
- Creating savings plans
- Setting retirement savings target
- Setting education savings target(s)
- Insurance
- Work benefit selection
- Tax planning
- Estate planning

EXPERTISE BEYOND INVESTMENTS/RETIREMENT

- **Tax prep (CPA) vs. tax planning (financial planner) and how 2 differ**
 - **Avoiding cliffs (IRMAA, ACA Credits)**
- **Insurance**
 - **Right type and amount of coverage (e.g., disability, umbrella)**
- **Estate planning – not just the documents...**
 - **Titling assets, funding trusts, beneficiary designations**

EXPERTISE ON INVESTMENTS/RETIREMENT

- **Investments**
 - **Goal-based planning (vs. a larger #)**
- **Retirement**
 - **Retirement readiness assessment**
 - **Deaccumulation (really hard!)**
 - **Withdrawal strategy, creating retirement paycheck, permission to spend**

QUANTITATIVE ASSISTANCE

- **Asset allocation & selection**
- **Asset location**
- **Roth conversions**
- **4% rule**
- **SS claiming strategies**

QUALITATIVE ASSISTANCE – COGNITIVE BIASES

- **Overconfidence bias**
- **Loss aversion**
- **Anchoring bias**
- **Confirmation bias**
- **Recency bias**
- **Herd mentality/FOMO**

N = 1

- **Personal >>> Finance**
- **Confirmation bias bubble**
- **Blind spots**
 - **Nonfinancial aspects of retirement**
- **Niche advisors**

FOCUS ON STRATEGY, NOT JUST TACTICS

- **Individuals: Focus more on tactics than strategy**
- **Planner: Uses tactics to execute a strategy**
- **Examples:**
 - **Satisficer (rather than maximizer)**
 - **Simplicity**

SECOND OPINION

- **Recommend all the time in medicine**
- **Helpful to have someone looking over my shoulder (sometimes literally!)**
- **“Coach”**
- **Sounding board (confidential)**

ACCOUNTABILITY

- **Big difference between:**
 - **Knowing what to do...**
 - **Doing it!**
- **Analysis/Choice paralysis**
- **More likely to follow through with a nudge**

ACCESS TO AND EXPERIENCE WITH TOOLS

- **Goal-based planning software**
 - **RightCapital, eMoney, MoneyGuidePro**
 - **Lots of assumptions**
- **Taxes**
 - **Holistiplan**

LESS INVOLVED PARTNER

- **Good planner can...**
 - **Encourage their participation**
 - **Educate them**
 - **Increase engagement**
- **Might have to assume primary responsibility**

COGNITIVE DECLINE

- **Poor insight into decline (denial...)**
- **Poor decision making**
- **Increased risk of financial fraud**
- **Need plan for day when can no longer DIY**

OUTLINE

- **What it takes to become a CFP®**
- **Potential benefits of professional advice for DIYers**
- **GREATER UNDERSTANDING OF FINANCIAL SERVICES CHANNELS**
 - **SC Gutierrez - Bogleheads Conference 2025**

LEGAL DEFINITION OF...

- **Financial Advisor**
- **Financial Planner**
- **CERTIFIED FINANCIAL PLANNER®**
- **Registered Representative/Agent**
 - **Works for a Broker-Dealer**
- **Investment Advisor Representative**
 - **Works for a Registered Investment Advisor (RIA)**

FINANCIAL ADVICE: SIX CHANNELS

- Insurance company – SELL insurance products (Northwestern Mutual)
- Wirehouse – SELL financial products (Morgan Stanley)
- Asset management firm – SELL financial products (Schwab)
- Bank/Credit Union – SELL financial products (Huntington National Bank)
- Fee-only RIA firm – PLANNING (+/- investment management) for a fee
- Fee-based/Dually registered firm – SELL financial products plus PLANNING (+/- investment management for a fee (Raymond James)

COMPENSATION MODELS: THREE

- **Commission-Only (43%)**
 - **Payment solely by companies to advisor upon product sale (%)**
- **Fee-Only (12%)**
 - **Payment solely by clients to advisor**
- **Fee-Based (45%)**
 - **Payment by both commissions by companies and fees by clients to advisor**

SUITABILITY VS. FIDUCIARY VS. BOTH

- **Commission-Only/Registered Representatives (sales) → Suitability Standard**
 - **“Reasonable”, not necessarily in client’s best interest**
- **Fee-Only/Investment Advisor Representative (advice) → Fiduciary Standard**
 - **Legal requirement to always put client’s interests first**
- **Fee-Based/Dually Registered (sales & advice) → Both**
 - **Switch between Suitability and Fiduciary Standard**

SUITABILITY VS. FIDUCIARY VS. BOTH



OR



SUITABILITY VS. FIDUCIARY VS. BOTH



AND



FEE-FOR-SERVICE MODELS

- **Assets Under Management (AUM)**
 - **1% on average**
 - **Puts focus on investing**
- **Fixed/Flat Fee**
 - **Upfront, then ongoing annual or monthly**
- **Hourly**
 - **“Taxi Meter Effect”**

AUM FEATURES

- **Expensive:**
 - **\$500K: \$5,000/yr**
 - **\$1M: \$10,000/yr**
 - **\$2M: \$20,000/yr**
 - **\$5M: \$50,000/yr**
- **High asset minimums**
- **Potential conflicts**
 - **Pay off \$100K mortgage → -\$1K/yr**
 - **Buy \$300K vacation home → -\$3K/yr**
 - **Keep \$1M in workplace retirement plan → -\$10K/yr**

DIFFERENT TYPES OF FIDUCIARY

- Investment Advisor Representative
 - Legally required to always put client's interests first
- CFP®
 - Pledge to always put client's interests first

DIFFERENT TYPES OF CREDENTIALS

- **FINRA Professional Designations List: 154!**
- **Look up requirements (and compare to CFP®)**
- **Some of most respected besides CFP®**
 - **CFA: Chartered Financial Analyst**
 - **CPA: Certified Public Accountant**
 - **CLU®: Chartered Life Underwriter**
 - **EA: Enrolled Agent**

ADVICE SPECTRUM – THREE CLIENT TYPES

- **DIYer – you plan and you invest**
 - **Continuous self-education, tools, not \$0**
 - **Comprehensive**
- **Validator/Collaborator – someone else plans and you invest (easiest part)**
 - **Advice-only, \$3,000-\$10,000 1st year then less**
- **Delegator – someone else both plans and invests**
 - **AUM, \$5,000-\$50,000+/yr**

FEES – THINK ABOUT VALUE, NOT AMOUNT

- “It’s not free, it’s at no additional cost”
- **Quantity**
 - Hourly rate for financial advice: \$200-\$400 per hour
 - Hours worked = Fee ÷ Hourly rate
- **Quality (probably more important)**
- **Are you getting good value for your \$\$\$???**

WHAT WOULD I WANT FOR A (GOOD) FRIEND?

- **CFP[®] (education, experience)**
- **IAR at RIA firm (legally required fiduciary)**
- **Fee-only/Advice-only**
 - **Validator/Collaborator – Advice-only**
 - **Delegator – Fee-only/AUM**

FINDING A FEE-ONLY FIDUCIARY

- **National Association of Personal Financial Planners (NAPFA)**
- **XY Planning Network (XYPN)**
- **Garrett Planning Network**
- **Alliance of Comprehensive Planners (ACP)**
- **Advice-Only Network**

CHECK ADVISERS OUT

- **FINRA's BrokerCheck**
 - **Anyone associated with a broker-dealer**
- **Investment Advisor Public Disclosure**
 - **Anyone associated with an RIA**
 - **Form ADV**
- **Verify a CFP[®] Professional**
 - **Just CFP[®]s**

CONCLUSIONS

- **What it takes to become a CFP®**
- **Potential benefits of professional advice for DIYers**
- **Greater understanding of financial services channels**

QUESTIONS
