



Decoding Advisor Designations

When selecting an advisor, you'll likely encounter a lot of acronyms and abbreviations that seem to blend together. What do they all mean? What's the difference, anyway?

According to the Securities and Exchange Commission (SEC), titles are generally marketing tools and don't necessarily provide information about someone's qualifications. Decoding advisor designations will help you understand their experience, credentials, knowledge, or training so you can make an informed choice about the best professional to hire for your unique needs.



Certified Financial Planner™ (CFP®)

An advisor with a CFP® has spent years of study, preparation, and practice to be able to provide comprehensive financial planning services to clients. The designation is awarded by the CFP Board, and earning CFP® marks requires sitting for and passing a board exam after completing all coursework.

Someone with CFP® marks can help you look at your entire financial life and create a plan that takes into account your needs, challenges, resources, goals, and more. They provide a robust, comprehensive approach to managing your finances while adhering to a strict code of conduct to put your interests first.



Chartered Financial Analyst® (CFA)

CFA®s are financial analysts with college degrees, at least four years of experience working in finance or investments, and have passed a series of exams to prove their competency. CFA®s are held to a standard of conduct as outlined by the CFA Institute, the organization that awards charters.

If you're interested in hiring an advisor to actively manage and grow your wealth with specific investment strategies, a CFA® might be a good choice. They have deep knowledge on financial analysis, securities, allocation, alternative investments, portfolio management, and more.



Chartered Financial Consultant® (ChFC®)

Awarded by the The American College of Financial Services, a ChFC® designation means that advisors who hold these letters have successfully completed the equivalent of 27 semester credit hours of college-level courses that cover over 100 topics on financial planning, an exam with each course, and three years of full-time business experience within the last five years.

This designation is often considered an alternative to the CFP® marks. Those with ChFC®s work through similar coursework, but requirements are less rigorous and there is no board exam required.



CDFA® – Certified Divorce Financial Analyst®

A CDFA® is a financial professional with specific expertise in analyzing financial issues that often come up in divorce, and advising clients on the right moves to make with their money around this life change. They're certified and regulated by the Industry of Divorce Financial Analysts.

Someone with a CDFA® can examine data and provide recommendations to both clients and the clients' attorneys so people are better informed about the decisions they make within the divorce process.



Series 7 Registered Representative

The Series 7 is a license issued by the Financial Industry Regulatory Authority (FINRA). It allows a financial professional to sell securities, and is a basic requirement for entry-level brokers. Series 7 holders sell securities like stocks, bonds, funds, but cannot sell things like life insurance or commodities.

Series 65 Investment Advisor Representative (IAR)

FINRA also administers the Series 65 license, which requires an exam and a fee that's paid to the SEC. IARs are regulated by the SEC, and can provide investment-related advice.

CFP®, ChFC®, and CFA®s can receive a Series 65 license without taking the examination. They simply pay the fee to the SEC to receive their Series 65. All license holders are registered with both federal and state agencies.

When you go to select a financial advisor, ask about their designations. Seek out a professional with specific knowledge and expertise that applies to your unique situation. Keep in mind that many advisors hold multiple designations, too.

FINRA.org lists countless other professional designations. If you didn't see a particular set of letters listed here, check out their database to look up what a designation stands for, and what it means about someone's qualifications.