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Book Review: CFP Board Financial Planning Competency Handbook

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Book Review

CFP Board Financial Planning Competency Handbook

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Certified Financial Planner Board of Standards, Inc. (2013). *CFP Board Financial Planning Competency Handbook*. Wiley Publishing, 768 pp., \$125.00. ISBN: 978-1118470121

Over the last decade, the field of personal financial planning has evolved significantly in terms of professional and academic objectives, education, and professional practices. The steady growth in size of financial planning academic programs across the nation, the adoption of a revised stringent professional code of ethics and standard of professional conduct, and internationalization of the certification and membership affiliation are just a few examples of such developments and advancements within the profession.

In 2013, the Certified Financial Planning Board released the *CFP Board Financial Planning Competency Handbook*. This seminal work—written by 22 academic and professional contributors and edited by Charles R. Chaffin—delineates the integration of theory and practice in the area of financial planning and provides a comprehensive body of knowledge, actions, and contexts in financial planning. The book covers diverse topics from the main domain in the profession (i.e., fundamentals, investing, retirement, taxation, insurance, and estate planning) to the general financial planning framework, education planning, professional conduct standards, and other practical implications for the field.

This inclusive handbook is divided into two main parts. The first part summarizes and reviews the theoretical framework and content upon which the profession of financial planning is based. The second segment of the handbook illustrates daily-life tasks performed in the actual practice of financial planning.

The first portion of this book is an overview of theory and practice in financial planning. Subsequent chapters (chapter 2-77) present relevant topics that financial planners and those interested in the profession should know. Topics from each of the following domains in financial planning are covered, and to cite some examples: financial statements, economic concepts, consumer protection law, types of investment risk, income tax law fundamentals, and retirement needs analysis. An interesting feature included within the chapters of the first part of the book is a connection diagram illustrating the connection between the topic presented and the main areas in financial planning (i.e., fundamentals, investing, retirement, taxation, insurance, and estate planning). In addition, vignettes are offered at the end of these chapters and these scenarios might serve as a practice exercise reinforcing the application of the topic reviewed in each chapter.

The second section of the book (chapter 78 to 84) discusses issues relevant to the process that financial planners actually execute in practice. These chapters offer an overview of the financial planning actions followed in practice and the basis for such actions. Practical issues of the steps from the general financial planning process (e.g., establishing and defining the client-planner relationship, gathering data, communication of financial planning recommendations, etc.) are presented. Finally, at the end of each chapter, hypothetical situations within the context of the main domains in financial planning are provided in order to illustrate some of the practical issues discussed in the chapters.

In summation, this book is a potentially helpful resource not only for financial planners, but also for financial professionals in general (financial therapists, counselor, coaches, advisor, etc.), as well as for researchers and professionals in other disciplines (marriage and family therapists, social workers, psychologists, etc.) who are interested in the field of financial planning. The handbook may be used as a reference for exploration about the main theoretical and topical content and practical issues in the field of financial planning, as well as the integration of both, theory and practice.