

# Benefit broker alphabet SOUP

## NEW INDUSTRY DESIGNATIONS LACK ACADEMIC NOURISHMENT

The overabundance of industry designations makes it difficult for benefit brokers to separate the proverbial wheat from the chaff. Programs that claim to adhere to strict academic and ethical standards often are little more than a one-day seminar and certificate.



In fact, one company recently offered a course at a Mexico resort destination. After a long weekend of beach volleyball and pinā coladas, the candidate walked away sun-burned, hung over and with a new designation for his business card.

“Too many people are trying to buy instant credibility,” says Dan Graham, senior director of the Certified Employee Benefit Specialist program, sponsored by

Brookfield, Wis.-based International Foundation. “If that’s what the broker is looking for, there are plenty of designations that will accommodate him.”

Since its inception in 1977, the CEBS designation has had little trouble maintaining its reputation for quality and rigor, working with the Wharton School of

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the University of Pennsylvania. Besides counting Donald Trump among its prestigious alums, Wharton ranks second among the top business schools in the country, according to *U.S. News & World Report*, and is consistently included in the top 10.

Wharton develops the CEBS program's curriculum and all test material. The International Foundation is responsible for marketing the program and all administrative tasks, such as maintaining student records.

"We market the designation through the traditional methods, such as direct mail," he explains. "We also go to a number of insurance gatherings throughout the year, such as the Million Dollar Round Table. We recently started going to the financial shows, like the Financial Planning Association's annual show. We've been doing this so long that we know which ones have the quality attendees we're looking for and those that do not. Some of the insurance meetings out there are simply not good for us."

Graham sees an increasing number of corporate plan administrators and human resource people getting the CEBS designation in order to more accurately evaluate benefit brokers who solicit their businesses.

"Benefit brokers are constantly calling on them," he says. "They want

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– Dan Graham, senior director, Certified Employee Benefit Specialist (CEBS) Program.

to have the knowledge and comfort level to be able to separate those that know what they are talking about from those that do not.”

He likens the CEBS to the Certified Financial Planner, Chartered Life Underwriter and the Chartered Financial Consultant, in that they are all academ-



## Designations that matter

### **Certified Employee Benefit Specialist (CEBS)**

Partners with the Wharton School of the University of Pennsylvania. The Group Benefits Associate (GBA), Retirement Plans Associate (RPA) and the Compensation Management Specialist (CMS) form the core of the CEBS curriculum.

### **Certified Financial Planner**

(CFP) The CFP designation is not easy to obtain. Professionals with a CFP designation will have broad knowledge of all aspects of financial planning. The CFP must undergo years of testing and continuing education.

### **Certified Fund Specialist**

(CFS) The Institute of Business and Finance (IBF) offers this designation to financial services professionals who successfully complete its course and pass the comprehensive exam. This designation focuses on mutual funds. >>

ically rigorous. He sees a growing relationship between benefit brokers and financial advisors. As a result, CEBS developed a relationship with the Denver-based CFP Board of Standards.

After obtaining the CEBS, brokers now can take two additional courses on basic financial planning and then challenge the CFP exam.

"We're accredited through the National Commission for Certifying Agencies," says Anne Kern, director of professional alliances with the CFP Board. "They require comprehensive documentation and paperwork to be filed on our members on a routine basis. And our board of governors meets regularly to make sure our curriculum and requirements track with the industry."

#### THE TEST OF TIME

Dr. Gordon Williamson, executive director of La Jolla, Calif.-based Institute of Business and Finance, practices what he preaches. The author of more than 30 industry books has so many designations and academic distinctions that he ends with "etc." after listing the first nine. The Institute, which he founded in 1988, is perhaps best known for the Certified Fund Specialist.

"The Certified Fund Specialist was the first designation in the mutual fund space," Williamson says. "We tried to fulfill a niche with the CFS. I was disenfranchised with the quality

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of the educational programs and I wanted to develop one that provided advisors with the practical information to help them explain products and concepts to their clients.” >>



## Designations that matter

### Certified Public Accountant

(CPA) Becoming a CPA is no easy task. Besides obtaining an accounting degree, CPAs must meet a 150 semester hour credit requirement, pass a four part exam, and complete at least one year of relevant experience (requirements vary by state) CPAs can offer financial services, but their specialty is tax issues.

### Chartered Financial Analyst

(CFA) This designation is one of the toughest to obtain. The CFA has passed three examinations and accumulated three years of professional work experience. This is a common designation for mutual fund and money managers.

### Chartered Financial Consultant (ChFC)

Similar to CFPs, the Chartered Financial Consultant must complete multiple years worth of examinations and has knowledge in all areas including tax, estate, insurance, financial planning and portfolio management.

### Chartered Life Underwriter

(CLU) Professionals with a CLU designation have completed a ten course curriculum covering life insurance products.

### Certified Senior Advisor

(CSA) Targets multiple professional disciplines. Help seniors with their financial, health and social needs.

Source: About Inc.

According to Williamson, every year a number of new designations are offered. The question for brokers is how long they'll last.

"The American College, the College for Financial Planning, the Institute of Business and Finance, and even the Certified Senior Advisor — the designations these organizations offer will be around in 50 years, but most others will not," he says.

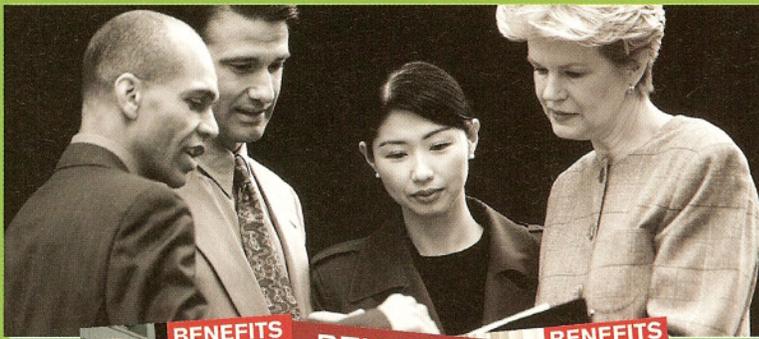
The Society of Certified Senior Advisors' CSA designation to which Williamson refers has been striving for industry street cred since its inception in 1996. With 12,000 members, it has taken a unique approach to the professionals it targets.

"The CSA is the only designation that involves multiple professional disciplines," explains Edwin Pittock, the



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organization's president. "This means that a financial advisor, a nurse, an elder law attorney or anyone else who deals with seniors would be an appropriate candidate. The program is set up to deal effectively with the health, financial and social aspects of aging."

Pittock says the different disciplines can then connect to cross-market their services. The society has a marketing system called the Senior Resource Alliance, where a number of CSAs get together to discuss the issues of aging and solutions that address them.

He claims his organization receives about 100 calls a week from clients checking on their advisor. Sometimes, Pittock says, advisors misrepresent their status, claiming to be a CSA when in fact they are not. At that point, the society's law firm gets involved.



"We have a screening process that candidates go through before they get started," he says. "Some advisors don't even get to the point where they begin the process."

Ultimately, Graham says, the most appropriate and credible designation comes down to what the broker is trying to accomplish. If he is looking for knowledge and respect, he should look for something academic to help him help his client. And the designation should have a successful track record.

"I've seen so many designations by a person's name that they continue on the back of their business card," Graham concludes. "At that point, you have to wonder if they're making the best use of their time. They should be doing what they do best, which is getting in front of the client." ■

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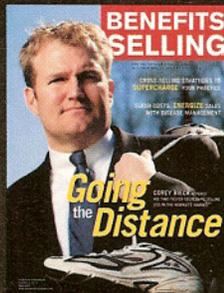
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