

Financial titles can mislead, entrap unwary

Not everyone has expertise or your interests at heart.

What's in a **title** when it comes to selecting a **financial** adviser?

There are now more than 90 designations conferred by 72 associations. Many of these certifications are little more than correspondence courses while others ensure that the professional has studied and practiced **financial** planning for years.

Some of the most rigorous **financial** training is offered through the Certified **Financial** Planner program. Those completing the comprehensive college coursework aren't even allowed to call themselves fully fledged certified **financial** planners without passing a two-day exam and having three years' experience under their belts.

Often accountants can offer you qualified planning services. Certified public accountants who take additional planning courses and an exam through the American Institute of Certified Public Accountants can be accredited as personal **financial** specialists.

Personal specialists need a bachelor's degree in accounting, they have to be a state-licensed CPA and have at least 1,400 hours in financial planning experience. They are rare birds, as there are only an estimated 2,500 of them, compared with more than 55,000 certified **financial** planners worldwide.

Even better are CPAs, lawyers or other advisers who also have the certified-financial planner designation.

The Certified Senior Specialist designation, for example, involves five course modules containing eight to 12 lessons each.

Offered by the Center for Senior Studies Inc., in Coral Springs, Fla., the program claims to provide "a strong foundation upon which to assist people in the 50-plus market with all aspects of the **financial** and retirement planning process from life insurance and annuities to estate and trust planning to long-term care insurance and government entitlement programs," according to the center's Web site.

You can protect yourself and your family by asking a few key questions:

How are they compensated? "Fee-only" certified **financial** planners typically charge by the plan or the hour and don't make money from commissions.

If a professional is earning a commission, they should disclose that upfront. All broker-dealers, insurance agents and registered representatives earn a commission. Since their business is based on selling products, they are often poorly suited to create objective, low-cost plans.

Are they selling mutual funds, insurance products, securities or real estate? They need to have state and often federal licensing.

The best protection is an adviser who is a fiduciary. They must say in writing they are legally responsible for making recommendations exclusively in your best interests. Making you sign a binding arbitration agreement in the event of a dispute isn't the same thing. Keep in mind that most agents, **financial** consultants or brokers aren't fiduciaries.

Wasik, author of "The Merchant of Power," is a Bloomberg News columnist.



JOHN WASIK
COLUMNIST