



## **Distinguishing a Financial Advisor from a Financial Planner**

### **Financial Advisor**

### **Relevant Characteristics**

- Heterogeneous
- Anyone selling any financial product, licensed or not
- Providing any financial advice, licensed or not
- Over 100,000 self-appointed “financial advisors” in Canada
- No clear, unique, singular scope, role or competencies
- No standards associated with the title

### **Qualified Individual**

Banker/Investment Advisor  
Accountant  
Tax Lawyer  
Financial Planner  
Mortgage Broker  
Insurance Advisor  
Tax Specialist  
Credit Specialist, Etc.

*Any individual can be called a financial advisor. Financial advisors can be recognized professionals. No particular education or training is required for the title. These individuals may not be objective in the advice they provide not only if limited in the level of competency when faced with complexity when problem solving. The client's best interest may be compromised.*

### **Financial Planner**

### **Relevant Characteristics**

- Homogeneous
- Specific subset of the financial services industry
- Clear standards of professional ethics and conduct
- Clearly defined scope of knowledge, skills and abilities
- Over 22,000 qualified financial planners
- Held accountable to professional obligations in Canada
- Taught as a specific university or other post- secondary program

### **Qualified Individual**

Financial Planner

*A financial planner is an individual who possesses the requisite knowledge, skills and abilities and professional judgment and is capable to provide objective financial planning advice at the highest level of complexity required of the profession. They must agree to be accountable to a professional oversight organization's practice standards and code of ethics that includes an obligation to put his clients' interests before their own.*

### **Financial Planning:**

Financial planning is a disciplined, multi-step process of assessing an individual's current financial and personal circumstances against his future desired state and developing strategies that help meet their personal goals, needs and priorities in a way that aims to optimize their financial position. Financial planning takes into account the interrelationships among relevant financial planning areas in formulating appropriate strategies. Financial planning areas include financial management, insurance and risk management, investment planning, retirement planning, tax planning, estate planning and legal aspects. Financial planning is an ongoing process involving regular monitoring of an individual's progress toward meeting their personal goals, needs and priorities, a re-evaluation of financial strategies in place and recommended revisions, where necessary.