

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

January 15, 2012

Warning issued on financial designations for senior advisors

It is not uncommon to see financial advisors who market themselves to seniors with impressive sounding credentials such as “certified senior advisor,” or “certified retirement counselor.” It would appear that these advisors have specialized training, experience, and skills to assist older Americans with their financial planning, including retirement and long term care issues. However, a recent article in Elder Law Answers (<http://www.elderlawanswers.com/resources/article.asp?id=6373&Section=4&state>) summarizes a report by the Financial Industry Regulatory Authority Inc. (FINRA) issuing a warning to seniors not to be fooled by fancy titles.

FINRA is the brokerage industry’s largest regulator. They surveyed 157 of its member firms, which resulted in a warning (Regulatory Notice 11-52) stating, in part, that “in certain instances, senior designations approved by firms or widely used by registered persons did not require rigorous qualification standards.” The foregoing is an understatement, since often these designations are obtained by attending a three and one half day seminar for which attendance (and completion) did not require even a high school diploma.

The survey revealed that 68 percent of FINRA member firms allow the use of senior designations. While 66 percent of those firms require approval and verification of any credentials, another 23 percent require approval but no verification, and 11 percent require neither approval nor verification. FINRA notes that the practice of using these designations is very widespread, although the survey just went to their member firms. They suggest that member firms consider putting into place procedures that would permit credentials only for those who truly have the substantial knowledge and experience to advise seniors, in order to better serve and protect our aging population.

Titles such as “certified senior advisor,” “certified investment counselor,” “certified retirement financial adviser,” and “registered financial gerontologist” are some of those designations that imply expertise but really only take a few days to earn. Graduates of these programs are often used by insurance companies to sell insurance contracts to seniors, particularly deferred annuity contracts that may not be in the senior’s best interest.

It is easy to be fooled by impressive sounding titles. When looking for quality financial advice, Elder Law Answers suggests seeking advisors with titles such as “certified financial planner,” “chartered financial consultant,” or a “master in financial services (MSFS).” Years of study, as well as a college degree, are required for those who use these designations. They also suggest asking for references and to check with the Better Business Bureau and the National Ethics Association for complaints filed against the advisor. Do not wait until it is too late, and your hard earned money is poorly invested to seek advice. To learn more see “When Getting Financial Advice, Don’t Be Fooled by Impressive-Sounding Credentials” at <http://www.elderlawanswers.com/resources/article.asp?id=6373&Section=4&state>.