

Seniors can't make head or tails of alphabet soup

44 different designations used by financial advisers specializing in helping older clients are confusing at best



By Liz Skinner InvestmentNews

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America's oldest citizens don't have an effective way to choose a financial adviser they can trust, and are confused by the alphabet soup of certifications that claim to be focused on seniors, according to a survey of 750 professionals who regularly witness elder financial abuse.

About 58% said seniors are not very able — or not able at all — to evaluate the legitimacy, value or authenticity of designations that financial advisers and planners hold, the survey found. Nearly 60% reported that the policing mechanisms of groups offering “senior” credentials aren't effective at deterring misuse of the designations, the study determined.



The online survey was completed by the Investor Protection Trust and Investor Protection Institute after the Consumer Financial Protection Bureau said in June that it was seeking comment about the quality of senior financial adviser certifications and about how seniors learn about and look for financial advisers. The study screened state securities regulators, financial planners, social workers and health care providers. Brokerages last year reported that firms are using 44 different senior-related designations, including those covering retirement planning and pension plans.

“The CFPB is looking at the wide range of older Americans at every social and economic level to figure out how to help keep the different groups safe when it comes to financial management needs,” said Don Blandin, chief executive of the Investor Protection Trust.

The results of the survey released Wednesday, which cover a range of issues concerning elder financial abuse, will be submitted to the CFPB, Mr. Blandin said. All comments are due Monday.

The Dodd Frank financial reform legislation requires the CFPB to monitor the designations of financial advisers who serve seniors, and alert federal and state securities regulators of unfair or deceptive certifications. The 2010 legislation also gives the bureau authority to recommend that Congress or regulators create rules regarding how information is provided to seniors about the legitimacy of certifications and methods for a senior to identify a financial adviser most appropriate for his or her needs.