10 Questions

Michael Branham on Unifying the Profession and Building the Next Generation of Planners

by Lance Ritchlin

WHO: Michael Branham, CFP®

WHAT: 2013 president of the Financial Planning Association

WHAT'S ON HIS MIND: "We need to provide value to our young professionals. We need to show them that this organization more than any other can provide the tools they need to have a long and successful career. And we need to develop a pipeline within the various degree programs to prove our worth."

PODCAST: Check out our podcast with Branham at www.FPAnet.org/Journal/Home/PodcastPage.

Michael Branham, CFP®, 2013 FPA president, has served on FPA's Board of Directors since 2009 and has chaired its Professional Issues and Financial Integration Committees. He also has served on several key board committees, national workgroups, and task forces. In 2008, Branham was president of FPA NexGen, a national organization of young financial planners. He also has volunteered at the regional level on FPA of Minnesota's board and led its Career Development and Member Services Committees. He also was a member of the chapter's Government Relations and Nominating Committees.

Branham is a financial planner at Cornerstone Wealth Advisors Inc., based in Edina, Minnesota, where he specializes in retirement planning, income tax, cash flow, and estate planning needs, and he plays an integral role in implementing the firm's investment portfolio strategies. He also worked in financial planning capacities at Minneapolis-based White Oaks Wealth Advisors and Waddell & Reed. Recently, the *Journal* asked him about plans for his term as FPA president.

1. *What do you view as the top priorities for FPA in the coming year?*

The first priority is for us as a board and for me as an executive leader to support Lauren [Schadle, FPA's CEO] in implementing the new organizational structure related to our strategic directive.

We're trying to align everything that we do in FPA to what best serves our members. And we've designated four service lines that we presented to the board. So, now we need to build the structure of FPA around that, rather than molding what we want to do to the existing structure, and that's everything from staff and leadership, to committees, to how we approach the work we do, to the board conversations we have. There's going to be a period of adjustment there that I think we need to focus on as an organization.

The second thing is that we've got a lot of work to do with chapters and members in integrating that same strategic directive to drive value to our members. And those conversations started [in November] at the Chapter Leaders Conference.... And we've got more of that work

to do, so we'll be pretty active in listening to our chapters and our leaders over the next year and getting their ideas on how to fill in the strategic framework we have with a lot of the different implementation pieces that we'll need in the coming years.

The third piece, I think, is to begin to accelerate the conversation on the next generation of financial planning—how they can best carry the torch of the profession forward, and that's going to take engagement from the previous generation of planners, the founding generation of planners, and the generations to come. So that's a larger conversation. It's not going to be something we close out or finish in the course of a year, but we need to find a better way to come up with solutions and communicate how that torch is passed.

And then the final piece, I believe, is looking at the long-term future of FPA and how we can expand our value proposition to the planners of the future, the students studying to enter the profession in the coming years—getting into the colleges and universities, and talking to those students, and the program directors, and the staff, and faculty to see how FPA and the profession can aid in the education and development of future financial planners.

2. *What inspired you to seek leadership in FPA?*

Our firm and its founder, Jon Guyton, have a long history of involvement with FPA and with the profession, so it was a no-brainer from the time I joined and began to work with Jon in 2001 that there would be some path of involvement for me. I've chosen to be active in the profession, in some small part to play a role in shaping the future I'll very much be a part of.

I started in my mid-20s. I'm now in my—we'll call it late 30s—in the profession. We've seen a lot of changes, but I've got a long ways to go before my career is over, and I wanted to make sure that I was part of the relevant conversations in shaping what that might look like.

And I've had great support from a lot of friends and colleagues along the way, and without the encouragement of many of those people, I probably wouldn't be talking to you right now. I wouldn't have taken full advantage of the opportunities that have presented themselves to me.

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3. *How do you see FPA's role in supporting the concept of "one profession, one designation?"*

Well, I think it's a big piece. And I think our focus on CFP practitioners is just a start. And I think, as an organization, we've always pushed and should continue to push more high standards and principles [that] would ultimately benefit the end client, but also help build the credibility for the profession as a whole, which is still young.

We need to help our practitioners build strong and viable businesses with life cycles that extend beyond our own careers. And we need to engage in willing partners outside of FPA as the profession moves forward, to find and coalesce around common goals and standards.

I see FPA as the leader in those aims. I see us as right now the one professional membership organization that can get this done, but we can't do it on our own, so we need to be willing to enlist others in that end.

4. *I'm told that you're the youngest individual and the first former NexGen member to be elected FPA president. And, unlike some of the traditional career changers who built the profession, you targeted a career in financial planning from early on. How do those differences shape your perspective on the profession?*

I've been told the same thing: that I'm the youngest individual, and I know that I'm the first former NexGen member, given how recently that group was started. But I know Dan Moisand and Elissa Buie were pretty young when they took office, too.

I've been pretty fortunate to have a host of great mentors and leaders from whom I can learn. Some of them I've named already; some of them I haven't. But it's been the wisdom and knowledge that's been passed down to me that allowed me to do this and build the perspective I have.

The key to our perspective, to this generation's perspective, is that we didn't have to fight the initial battles just building legitimacy for financial planning. So we have a real advantage. We didn't have to go and dream up and start a credential that could be used for financial planners, or get the ball rolling.

That foundation has been laid for us, and that allows us to focus on how the profession moves forward—how to best serve clients, and the little fine detail that's needed as the profession continues to build, and building a body of knowledge, and finding pathways that allow new generations in.

So the hard work, the really hard work, has been done before us. There's a lot of hard work left to do, but we have an advantage in that we have our arms around what it is we're actually trying to build.

5. *Many financial planners are nearing retirement themselves. What are FPA's responsibilities for ensuring the profession's continued growth?*

If you look at the average age of a member of FPA, we're in our mid-50s. And there are other organizations in financial planning whose average ages are even higher. For any of us to stay relevant, we need to find a way to attract and engage with that next generation for our own sake and for the growth of the profession.

For FPA to do that, one of the things we need to do is this: we need be the place where the conversation about the transference of wisdom and skill and knowledge can take place between the generations.

We need to provide value to our young professionals. We need to show them that this organization more than any other can provide the tools they need to have a long and successful career. And we need to develop the pipeline within the various degree programs to prove our worth to brand-new professionals from the very start.

The big key is connection with, and providing value to, a demographic that might be a little bit more challenging to reach or might not be as receptive as maybe some have been in the past.

6. *We hear that young professionals these days are less inclined to join membership organizations in general. What can FPA do to engage those folks? Does the concept of membership need to be redefined?*

That's a great question and, quite frankly, I think the answer differs between each individual potential member. Everybody joins for different reasons, but the reality is, as a generation, membership organizations are less appealing. And so we do need to develop and innovate and define the concept of membership in order for us to continue to attract new people.

We need to spend some time and research to figure out what the younger planner needs and how we can best deliver that to them. I don't think we have a full grasp of that yet.

I joined FPA because of the connection that I get, the knowledge that I get, and the people that I meet, and not everybody's looking for that. So what was right for me might not be right for the next young member who's out there.

But I do think technology will play a critical role going forward, and the same old method of delivery of the service lines that we have won't cut it. So it's going to be a situation where we have to be on our toes if we're ever to evolve and innovate and devote some time and energy to that question.

7. *We talked a little bit about the founders and veterans of the profession approaching retirement. Are we at risk of losing part of their legacy?*

Yes, of course. If we're not careful and we don't engage them in the proper ways, we're going to lose all that they've done and all that they know. FPA and the profession at large need to find ways to catalog that extensive base of knowledge. Projects like Texas Tech University's history of financial planning archives are one way to do that.

You can kind of codify book knowledge or learned knowledge in that way, but I really think the most effective way for FPA to make sure we don't lose that legacy is for the generations to engage in conversation mentoring.

That was the whole purpose of NexGen, and there are other groups out there on the other side of the generational gap that are saying the same thing, that they're looking for people to pass those skills and knowledge down to. And I think by connecting these generations it allows us to remember the past but be open to innovation as we move forward.

8. *How do you plan to help younger and more experienced planners work together to advance the profession during your tenure as FPA president? How can those dialogues take place?*

I think it would be a mistake for me to think I can represent an entire generation and handle all of that myself. So the best role I can play is as facilitator of those larger conversations that you refer to. I don't pretend to know all the answers in that stage, but I'm a willing participant.

What I think it's going to require is all the generations to check preconceptions and ego at the door and find a way to transfer knowledge constructively. The founding generation didn't start the financial planning movement to see it end with their career cycle. So we know that they want to share what they've learned and what they've done. And the younger generation didn't jump on board to be a financial planner for 15 years only to see that profession die. So we know they want to learn.

The question is: how do we best engage them in a conversation that's constructive and forward-thinking without getting into some of the old [patterns]? For years we've heard younger generations saying, "Oh, that older generation, they're grumpy and think I need to do it the way they did." And the pioneer generation is saying, "Oh, those young kids, they're not willing to learn and work hard like we were."

There are probably generalizations you can apply to all groups, but the reality is everybody is here for a reason, and we all want to be part of this profession. How do we connect those generations in a way that allows the proper conversation to take place to make sure that all generational goals are achieved?

9. *Your firm, Cornerstone Wealth Advisors, employs two recent graduates as financial planning residents. Tell us about*

what that means and how those positions might be creating career paths for new graduates.

As a firm, we're really excited about the concept and how it's evolved. We wanted to find a way to meet our firm's need. In our firm structure, we have planners at the top of our flow chart, if you will, who can engage with clients and work with them in an ongoing fashion. In fact, we work in teams so there are two planners available to each client.

But we have a lot of things that need to be done within the firm from a planning standpoint that maybe we don't want to devote planner time to doing. So we had to create a position where basically you bring in a paraplanner or planning professional who is young or new to start and learn their way through the process of becoming a planner.

The issue we ran into was, at the time, we weren't really sure if we brought those young folks in, if we [would] have the capacity for them to expand into a planner's role with the firm.

When we were at FPA Retreat a couple years ago, I think Carolyn McClanahan—who's a former doctor—said, "We'd really like to see financial planning have some kind of residency program, like with doctors, where young doctors or, in this case, young planners come in and have a track that gets them through the learning stage and gets them the experience they need to go out and hone and do their craft in the broader market."

And we thought, "That's a great idea! That meets a lot of needs for us." So we set up this program that will do two things: it will meet the needs of the firm in the short term, but it will also build these young financial planners who come into our firm for three years, and that's specific. It's based largely on the medical residency, but it also happened to be— prior to recent changes—the amount of experience you needed in the workplace to use or claim the CFP marks.

So these residents start off as paraplanning professionals or planning associates. They work for three years. They learn how to be a financial planner, what it takes to be a financial planner. And then, after three years, they'll have taken their CFP [Certification Examination], they've presumably passed it, they'll have the work experience they need, and they can launch and join another firm that has the capacity to add them as advisers.

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So, it meets a couple of needs: it meets our firm's needs immediately, it meets the needs of the next generation in providing those career paths, and it meets the needs of the profession by having some of those [career] paths available in relatively non-traditional places, because most of our training for young advisers up until now had been done at the large or major firms' model. There are a lot of advisers coming out of school who want to work in a smaller firm or learn a different way. And it's not that one is right and one is wrong; it's just that they're different.

So, this different path or this different program creates a career path within smaller firms that will help build that pathway of professional growth I was talking about earlier within the larger profession.

10. *What are the most important things FPA can do to help ensure opportunities for individuals who are entering the profession?*

The first thing I'd say is don't ignore them or their needs. Recognize who they are, that they're different, and that they do think differently, and that we have to approach them differently as members and future planners.

Second, create space for them to live and learn as a generation. The power of NexGen is it connects peers together and gives them a place to feel a little bit safe and say, "Hey, I'm not really sure I know what I'm doing yet. Help me out here," where they might not feel safe saying that to somebody of a different generation who's above them.

The third is to connect them with mentors and guides that can help shape their careers—that's that bigger conversation piece I talked about—and one-on-one individualized mentoring and guidance that often comes with the multi-generational communication.

The fourth thing is for the organization to be a leader in the ongoing efforts to build the profession itself. So, with a strong, viable profession, aided by the work of FPA, that gives these younger planners even more of a focus or more of an ability to come in and build their own careers. I think we can do those four things to help new planners out. ■

Lance Ritchlin is editor of the Journal of Financial Planning.