Credentials to Look for in a Financial Adviser

Professionals who hold the RICP, CRC or RMA designations may be able to help you with retirement-income planning

By Anne Tergesen *The Wall Street Journal*
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Each month, it seems, financial advisers find a new credential to attach to their names, one they hope will help them snag more business. Many of these designations hold little meaning, but at least a few may be worth your time.

In all, there are more than 50 financial designations—typically with "senior" or "retirement" as part of the name—aimed at attracting older adults, according to a 2013 report from the Consumer Financial Protection Bureau. Requirements to get the credentials vary widely, from rigorous college-level courses to little more than paying a fee.

"Many are really just marketing tools," says Stacy Canan, deputy assistant director of the Office for Older Americans at the protection bureau.

Key designations that most investors are familiar with and can benefit from include certified financial planner (CFP) and chartered financial consultant (ChFC). Advisers holdings these titles have extensive training and experience. The following three credentials, while not as comprehensive in scope as those two, may be of interest as a supplementary adviser-screening tool because they focus on an increasingly important topic: how to tap one's savings in later life.

Certified retirement counselor (CRC): This program includes four courses, one of which focuses on retirement-income planning, both with and without annuities. The courses may be taken online, and students study at their own pace.

The emphasis is on topics of concern to "the middle market," a segment that has savings but "not so much that they don't have to be concerned about running out of money," says Kevin Seibert, managing director of the nonprofit International Foundation for Retirement Education, which created the program with the Center for Financial Responsibility at Texas Tech. Examples include long-term-care planning and tax-efficient withdrawal strategies.

With 2,000 graduates and 400 enrollees, the program requires college graduates to have at least two years' experience and those without a degree to have five or more years on the job. It also runs background checks on candidates and requires graduates to complete 15 hours of continuing education annually. (Go to infre.org)

Retirement income certified professional (RICP): This program—with 1,500 graduates and 6,500 people currently enrolled—is the most popular at the American College of Financial Services in Bryn Mawr, Pa., an educator of CFPs and ChFCs.

The program consists of three college-level courses that each take 60 to 80 hours to complete and cover 18 subjects, including life and long-term-care insurance, designing portfolios with and without annuities, and Medicare, Social Security and estate planning. Each course ends with a 100-question exam.

Candidates must have at least three years of experience, and graduates must complete 15 hours of continuing education every two years. (To find one of these professionals, go to designationcheck.com.)

Retirement management analyst (RMA): Advisers with at least three years' experience and a college degree can work toward this designation at a weeklong boot camp at institutions such as Texas Tech University in Lubbock, Texas. Alternatively, advisers can complete a five-week online training course offered by Boston University, where economists Zvi Bodie and Laurence Kotlikoff contributed to the curriculum.

The program requires about 120 hours of study, passage of a three-hour exam and 20 hours of continuing education annually. It teaches graduates—there are 115 in all so far—to understand how to manage investment and other types of risk and create a continuing retirement paycheck via sources such as portfolio withdrawals, bond ladders and annuities. (Go to riia-usa.org/consumer/feedback/.)