

The Value of CIMA Certification to an Advisor's Practice

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Prepared for:



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IMPACT POINTS

- This report identifies and quantifies the value of the Certified Investment Management Analyst® (CIMA) certification to financial advisors, team practices, and clients. The analysis, commissioned by the Investments & Wealth Institute™ (formerly known as IMCA), is based on an Aite Group financial advisor survey fielded between April and May 2017 to two distinct advisor groups: CIMA professionals and a separate group of financial advisors who work primarily with individuals and families. The CIMA survey gathered input from 436 advisors, including 104 with a CIMA certification.
- Approximately 43% of the advisor population with neither CIMA nor Certified Private Wealth Advisor™ (CPWA) certification has at least two designations, while the majority of CIMA professionals are more likely to have an additional designation (81% have at least two designations).
- Of five prominent designations held by financial advisors, the CIMA certification is rated the most worthwhile investment of time and effort. Fifty-four percent of CIMA designees, compared to 51% of Certified Financial Planner (CFP) and CPWA professionals, strongly agree that obtaining their respective certifications was worth their time and effort.
- The financial advisors who are members of CIMA practices (defined as having at least one practice member with a CIMA certification) report earning a higher annual income compared to financial advisors who are members of practices with no CIMA certification. Twelve percent of advisors at CIMA practices earn more than US\$380,000, while 3% of advisors at practices with no CIMA designation do the same—a significant difference.
- CIMA practices report higher revenue growth over a five-year period than do non-CIMA practices. Twenty-six percent of practices that have at least one CIMA professional report more than 10% revenue growth over the last five years, compared to 18% of practices with no CIMA members.
- Sixty percent of advisors surveyed are satisfied with their careers. CIMA professionals show more satisfaction with their careers than do advisors who lack CIMA or CPWA certifications; over 40% of CIMA professionals surveyed indicate that they are very satisfied with their careers, whereas 21% of non-CIMA financial advisors say the same.
- Surveyed financial advisors with no CIMA designation associate themselves most with an investment management firm, followed closely by a financial planning firm and then by a wealth management firm. The majority of CIMA practices identify themselves as a financial planning firm, followed by an investment manager and wealth manager.
- The average CIMA practice manages US\$385 million in client assets and generates US\$1.9 million in revenue. Team practices generate more assets per client than do

- other practices. CIMA professionals in solo practices generate about five times the assets per client than do other advisor practices.
- CIMA practices' mean assets per client is nearly three times that of non-CIMA practices, and revenue generated over the last 12 months is almost 25% higher for those practices with CIMA professionals than for other financial advisors.
 - Financial advisor team practices with no CIMA team members manage more of their clients' investments on an advisor-directed or discretionary model, whereas CIMA practices manage more of their clients' investments on a nondiscretionary basis. CIMA practices tend to partner with their clients to help them make the right investment decisions. General advisor practices invest in annuities, mutual funds, and individual stocks, whereas CIMA practices invest more of their clients' investments in mutual funds, individual securities, and exchange-traded funds (ETFs).
 - Thirty-one percent of interviewed advisors without a CIMA designation are familiar with the CIMA designation. In contrast, another 21% are not familiar at all with the designation. Of those financial advisors who do not have a CIMA designation but are familiar with it and are not currently working on obtaining it, 36% will possibly start working toward a CIMA certification. The top reason is that they want to advance in their career and expand career options, followed by being able to convey to clients the practice's expertise with managing investments.

INTRODUCTION

Financial advisors can differentiate themselves through academic training and credentials. There are many designations to choose from, each with its own focus and benefits. This report looks at the value of CIMA certification to team practices, advisors, and clients. It compares CIMA professionals to advisors and practices without a CIMA certification. The CIMA designation is not widely held across financial advisors (slightly more than 7,500 professionals hold the designation) but presents significant benefits to financial advisory practices. The CIMA designation is owned and administered by the Investments & Wealth Institute (formerly IMCA), which is a professional association, advanced education provider, and certification board for financial advisors, investment consultants, and wealth managers who continuously strive for excellence and hold themselves to the highest ethical standards. CIMA certification is one of two certifications offered by the Investments & Wealth Institute—the other certification is the CPWA. CIMA certification enhances advisors' skills to build and manage effective investment portfolios that align with clients' investment objectives and life goals.¹

Aite Group was commissioned to identify and quantify the value of CIMA certification to practices, advisors, and clients in Q2 2017. This report presents the findings of Aite Group's independent analysis comparing CIMA professionals and CIMA practices to advisors and practices without a CIMA certification. Quantitative metrics used for the comparisons include the following:

- Financial advisor income and compensation model
- Practice revenue, clients, and assets
- Target client segment
- Share of investment wallet

The report also shares the views of CIMA professionals on the contribution of CIMA certification to their practices, including their investment management knowledge and their confidence with offering investment management services to clients.

THE CIMA CERTIFICATION PROCESS

Obtaining CIMA certification is a rigorous undertaking. Completing the CIMA certification process typically takes nine to 14 months. It involves four requirements: an experience requirement, an ethics requirement, an examination requirement, and completion of an executive education requirement offered by a top-tier business school—currently the University of Chicago Booth School of Business, the Wharton School of the University of Pennsylvania, the

1. Investment & Wealth Institute is a service mark of Investment Management Consultants Association Inc. doing business as Investments & Wealth Institute. CIMA, Certified Investment Management Analyst, CIMC, CPWA, and Certified Private Wealth Advisor are registered certification marks of Investment Management Consultants Association Inc. doing business as Investments & Wealth Institute.

Yale School of Management, or the Investment Management Research Program of the University of Technology—Sydney.

To maintain their certification, CIMA professionals are required to earn and report 40 hours of acceptable continuing education credit over a two-year period, including two hours in the field of ethics.

METHODOLOGY

The research findings in this Impact Report are based on an online Aite Group survey that was fielded between April and May 2017. A total of 436 advisors qualified to participate in the study by indicating that they primarily serve individual and family clients.

Two distinct groups of financial advisors participated:

- Forty-three professionals with CIMA certification were contacted by Investment & Wealth Institute.
- Three hundred sixty-nine financial advisors participated from several established online research panels, representing the general U.S. financial advisor population. Of this group, 61 have the CIMA certification. Participants in the research who hold a CPWA certification but not a CIMA are not included in the analysis.

Throughout the report, comparisons are made between advisors with a CIMA certification and those with neither a CIMA nor a CPWA. The latter group is referred to as “other advisors (non-CIMA).” When comparing the groups, statistical tests of significance were conducted at either the 95% level of confidence or the 90% level of confidence, depending on the sizes of the samples being compared.

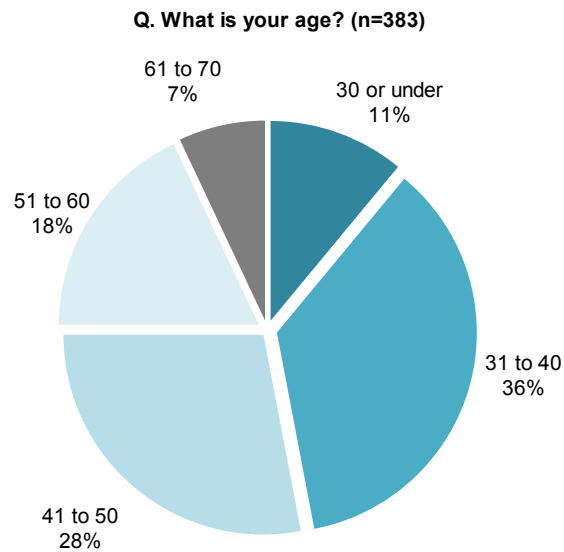
SURVEY POPULATION OVERVIEW

This section compares key demographic and professional characteristics of CIMA professionals and financial advisors from the general population survey.

AGE

Across all advisors surveyed, both CIMA professionals and other advisors, the mean age of respondents is 43 years. The majority of CIMA professionals and the general advisor population fall between the ages of 41 and 70 (Figure 1).

Figure 1: Financial Advisors by Age Group

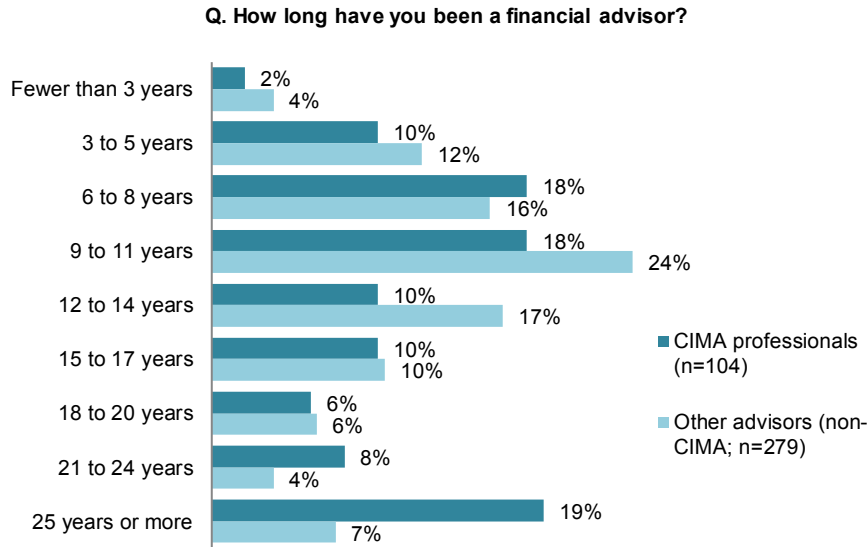


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

INDUSTRY EXPERIENCE

The proportion of advisors with at least 21 years of industry experience is significantly higher among CIMA professionals than it is among the non-CIMA advisor population (Figure 2). CIMA professionals have 2.9 more years of experience than other non-CIMA advisors. The mean CIMA professional has accumulated over 14 years of industry experience, whereas other advisors have accumulated approximately 12 years of experience.

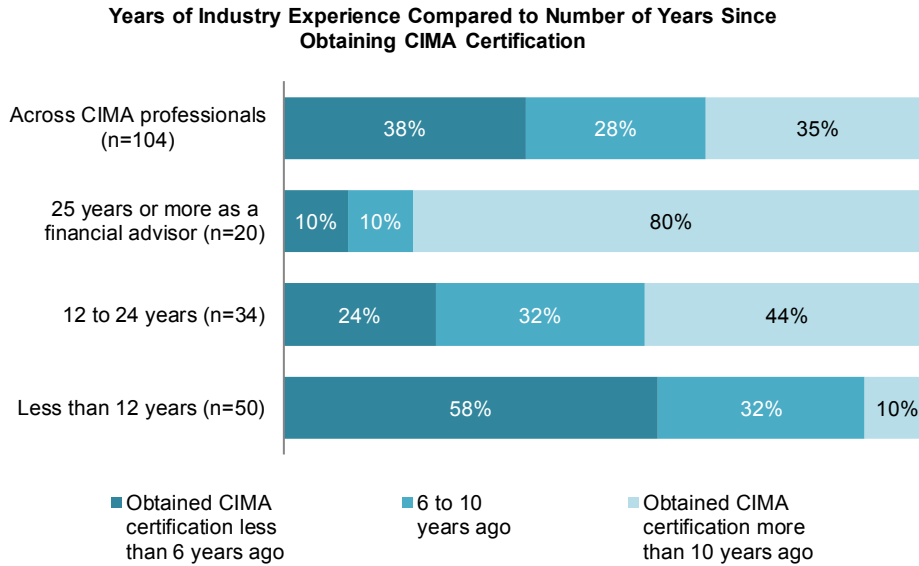
Figure 2: Financial Advisors by Years of Industry Experience



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Of those advisors with 25 years or more of experience, 80% received CIMA certification more than 10 years ago. Also, 44% of the advisors with 12 to 24 years of experience received CIMA certification more than 10 years ago, which may suggest that obtaining the designation can help professionals last longer in their careers (Figure 3). Our research indicates that there is a significant difference between CIMA professionals and the population of non-CIMA advisors obtaining a graduate-level degree (37% versus 24%, respectively). This may reflect that CIMA professionals are more dedicated to obtaining additional levels of education.

Figure 3: CIMA Professionals—Industry Experience vs. Years With CIMA Certification

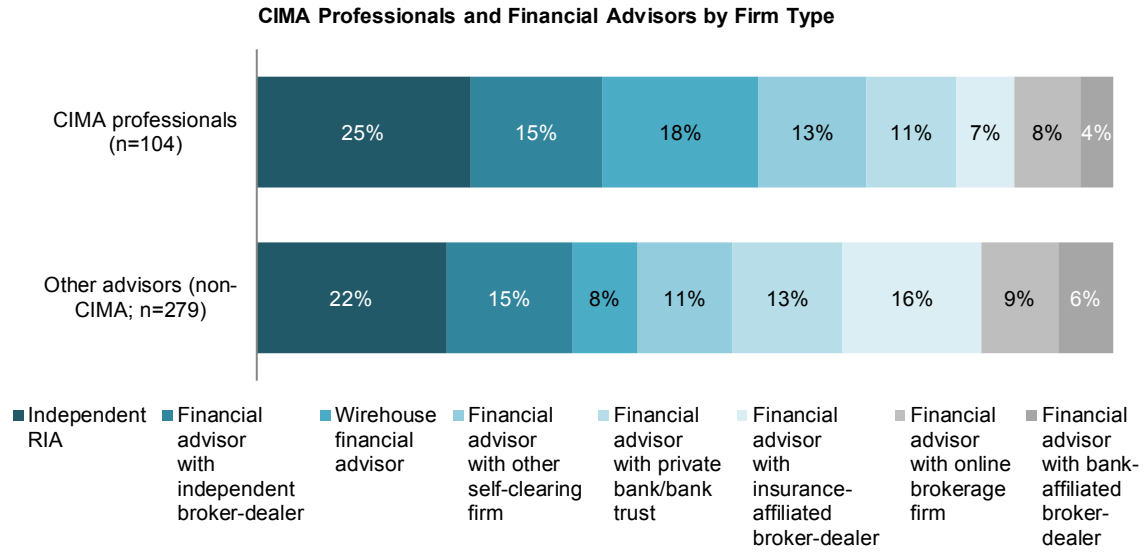


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

COMPARISON BY FIRM TYPE

The advisor survey represents eight types of wealth management firms (Figure 4). The largest share of advisors interviewed falls within the independent registered investment advisor (RIA) space for both CIMA professionals and other advisors (25% and 22%, respectively), followed by wirehouse financial advisors for CIMA advisors (18%) and financial advisors with independent broker-dealers for other advisors (15%).

Figure 4: Representation of Firm Types—CIMA Professionals and Other Advisors



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

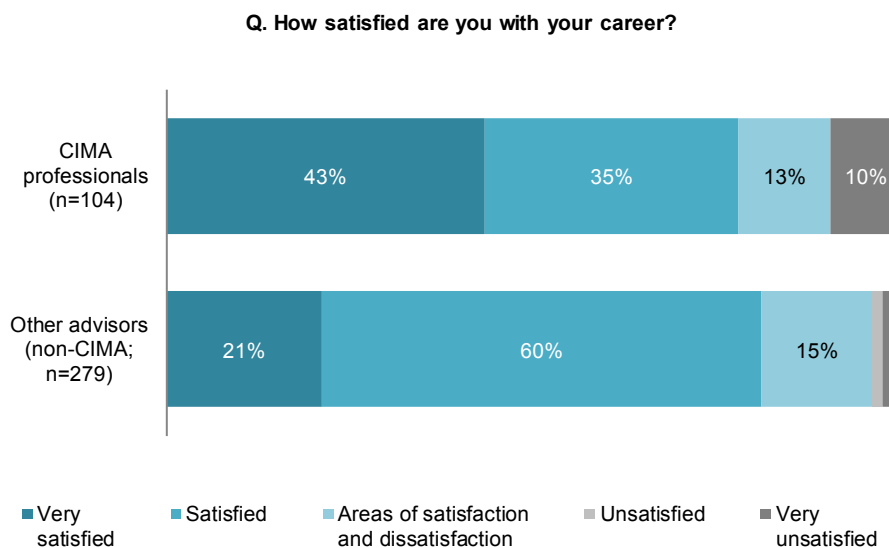
CIMA PROFESSIONALS' CAREER ACHIEVEMENTS

This section compares CIMA professionals' career achievements, including career satisfaction, professional designations earned, and income, to those of non-CIMA advisors.

CAREER SATISFACTION

CIMA professionals show more satisfaction with their careers compared to advisors without CIMA certification; over 40% of CIMA professionals surveyed indicate that they are very satisfied with their careers, whereas 21% of other (non-CIMA) financial advisors say the same (Figure 5).

Figure 5: Career Satisfaction—CIMA Professionals vs. Other (Non-CIMA) Financial Advisors

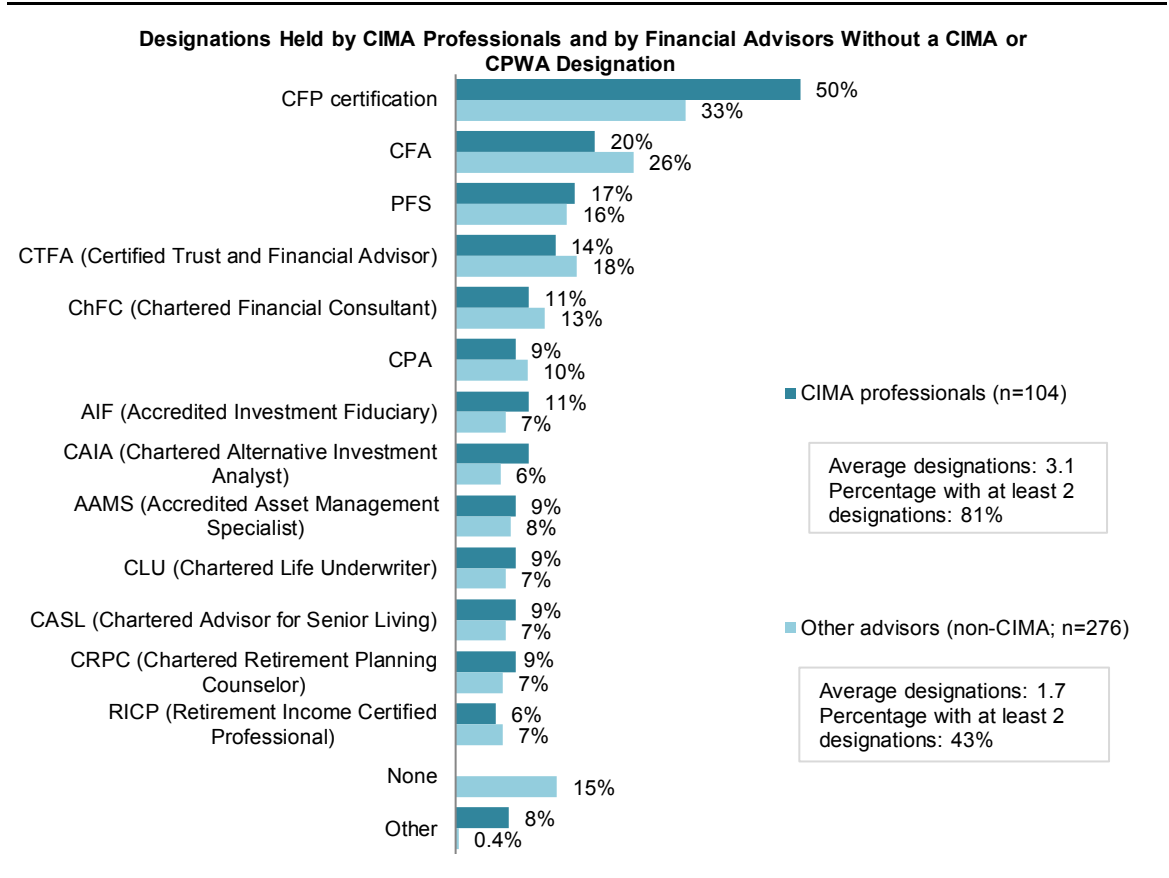


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

OTHER PROFESSIONAL DESIGNATIONS

The majority of CIMA professionals interviewed have an additional designation (81% have at least two designations), while approximately 43% of non-CIMA professionals have at least two designations. The most commonly held designation for CIMA professionals is the CFP certification (50% of CIMA professionals), followed by the Chartered Financial Analyst (CFA) with 20%, and the certified public accountant (CPA)/Personal Financial Specialist (PFS) with 17% (Figure 6). These research results indicate that many CIMA professionals are able to deliver financial planning and investment-focused advice, as the majority of CIMA practices show that financial planning and investment management are equally important for their practices. More details on this subject will be outlined in the section titled "Characteristics of CIMA Practices."

Figure 6: Financial Designations Held—CIMA Professionals vs. Financial Advisors

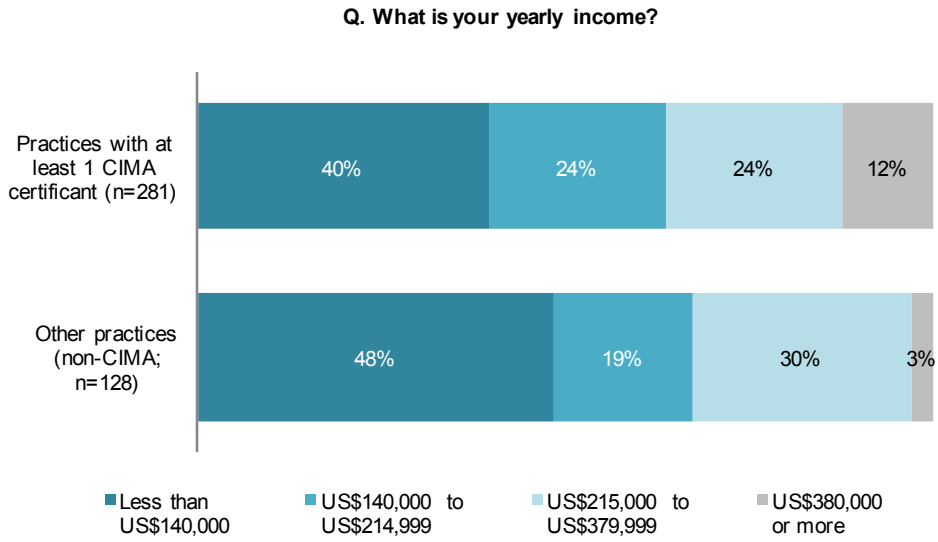


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

FINANCIAL ADVISOR INCOME

The financial advisors who are members of CIMA practices (defined as having at least one practice member with a CIMA certification) report earning a higher annual income compared to financial advisors who are members of practices with no CIMA certification. Twelve percent of advisors at CIMA practices earn more than US\$380,000, while 3% of advisors at practices with no CIMA designation do the same—a significant difference (Figure 7).

Figure 7: Income—CIMA Practices vs. Other (Non-CIMA) Practices



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

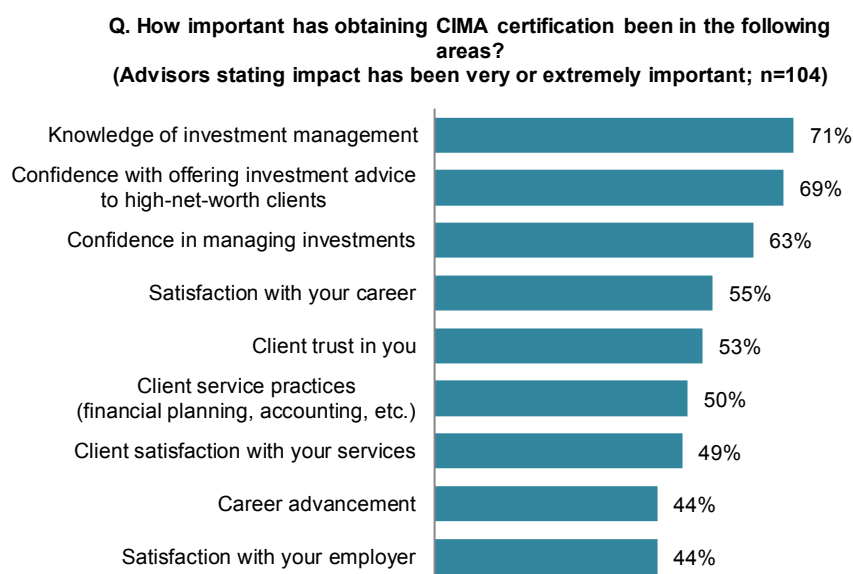
CIMA PROFESSIONALS' PERSPECTIVE ON CIMA

The findings discussed in the previous section imply that CIMA certification has some bearing on the career and financial success of CIMA professionals. This section shares direct feedback from CIMA professionals on their awareness and perception of CIMA and how they see CIMA certification impacting their business and their clients.

IMPACT OF CIMA CERTIFICATION ON ADVISORS AND CLIENTS

Over 60% of CIMA professionals indicate that obtaining CIMA certification had a considerable impact on their knowledge of investment management, their confidence with offering investment advice to high-net-worth clients, and their confidence in managing investments. In addition, more than half of CIMA professionals state that the designation led to greater satisfaction with their career, more trust from the client, and increased client service within their practice. Also high on the list in terms of importance for obtaining CIMA certification are client satisfaction with the advisor's services, advisors' career advancement, and advisors' satisfaction with their employers (Figure 8). From these research results, it is clear that obtaining the CIMA certification plays an important role in key career advancement areas for advisors.

Figure 8: Importance of Obtaining CIMA Certification



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

VALUE OF MULTIPLE CERTIFICATIONS

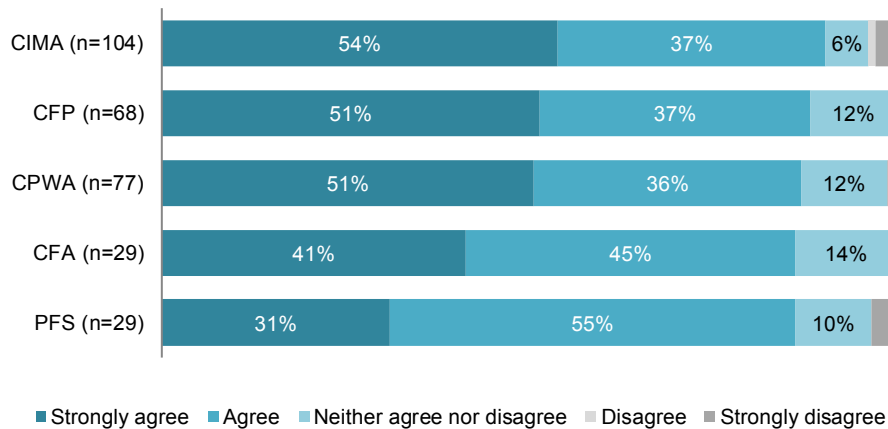
A proliferation of financial designations is available to financial advisors. Obtaining the appropriate credentials can make the difference in being able to build a brand and reach out to sophisticated clientele. Choosing the best certification will depend on a financial advisor's

objectives. For example, advisors choosing the CFP designation will focus on a broad spectrum of areas, including financial planning, retirement, tax, insurance, and estate planning. In contrast, those advisors focusing on CIMA designation are more adept at advanced portfolio construction techniques and delivering investment management services to both retail and institutional clients. Those advisors serving clients with a household net worth in excess of US\$5 million dollars can also expand their services and knowledge as a result of earning the CPWA certification, although this designation requires additional years of experience as an advisor.

Over 80% of advisors agree that obtaining multiple certifications was worth their time and effort. Of five prominent designations held by financial advisors, the CIMA certification is rated the most worthwhile investment of time and effort. Fifty-four percent of CIMA designees, compared to 51% each of CFP and CPWA professionals, strongly agree that obtaining their certifications was worth their time and effort (Figure 9).

Figure 9: The Value of Multiple Certifications

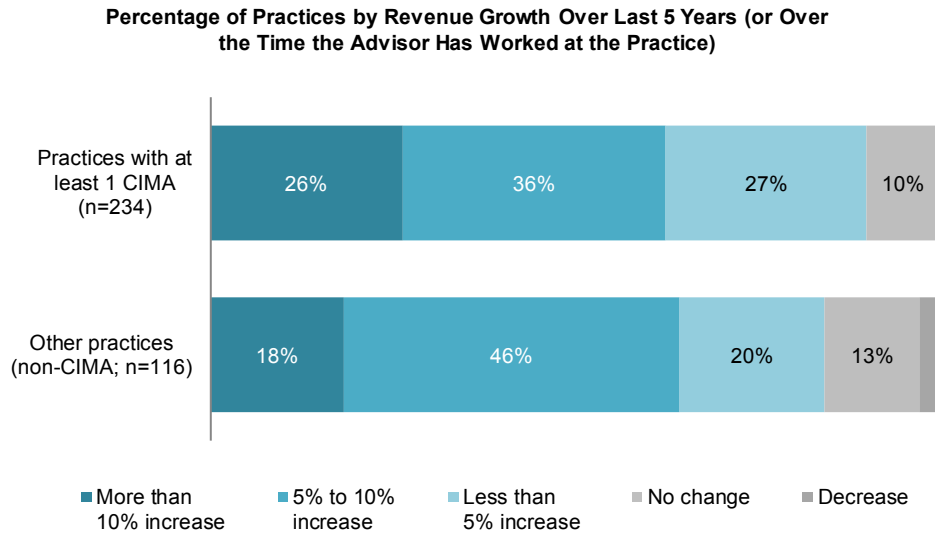
Q. How much do you agree with the following statement? The time and effort required to obtain and maintain the following certification(s) has been worthwhile.



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CIMA practices report higher revenue growth over a five-year period than do non-CIMA practices. Twenty-six percent of practices that have at least one CIMA professional report more than 10% revenue growth over the last five years, compared to practices with no CIMA members (18%; Figure 10).

Figure 10: Last Five Years’ Revenue Growth for CIMA Practices vs. Non-CIMA Practices

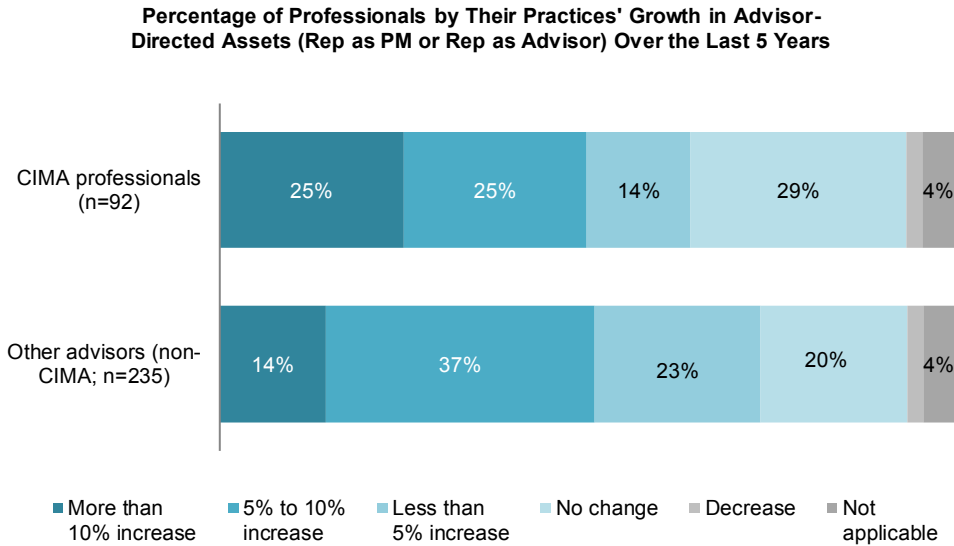


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CIMA professionals also report stronger growth in fee-based assets for advisor-directed assets, including representative-as-portfolio-manager (rep-as-PM) and representative-as-advisor asset management styles. For about half of CIMA professionals, advisor-directed fee-based assets grew at least 5% each year over the last five years (Figure 11).

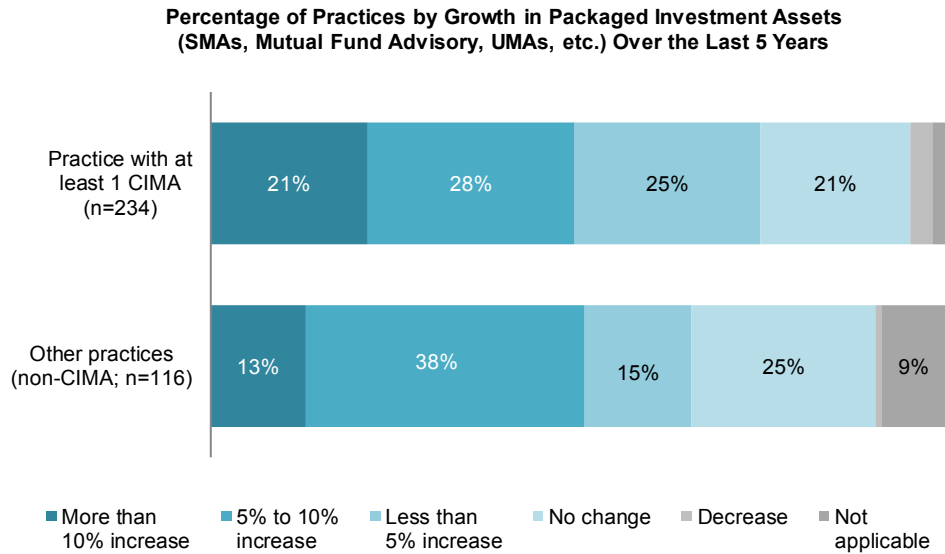
We also analyzed practice growth in packaged investment assets, including mutual fund advisory, ETF advisory, separately managed accounts (SMAs), and unified management accounts (UMAs). Results favor those practices with at least one CIMA member. There is a significant difference between those practices that have at least one CIMA member and report over 10% revenue growth (21%) over the last five years and those practices without a CIMA (13%; Figure 12).

Figure 11: Last Five Years' Growth in Fee-Based Assets for CIMA Professionals vs. Non-CIMA Professionals



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Figure 12: Last Five Years' Growth in Packaged Investment Assets for CIMA Practices vs. Non-CIMA Practices



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CHARACTERISTICS OF CIMA PRACTICES

The next few sections of the report analyze many aspects of practice characteristics, including performance and investment vehicles. Practices can include one client-facing financial advisor, referred to as a “solo practice,” or multiple client-facing advisors, referred to as a “team practice.” Practices that are called “CIMA practices” in this report have at least one CIMA professional on staff.

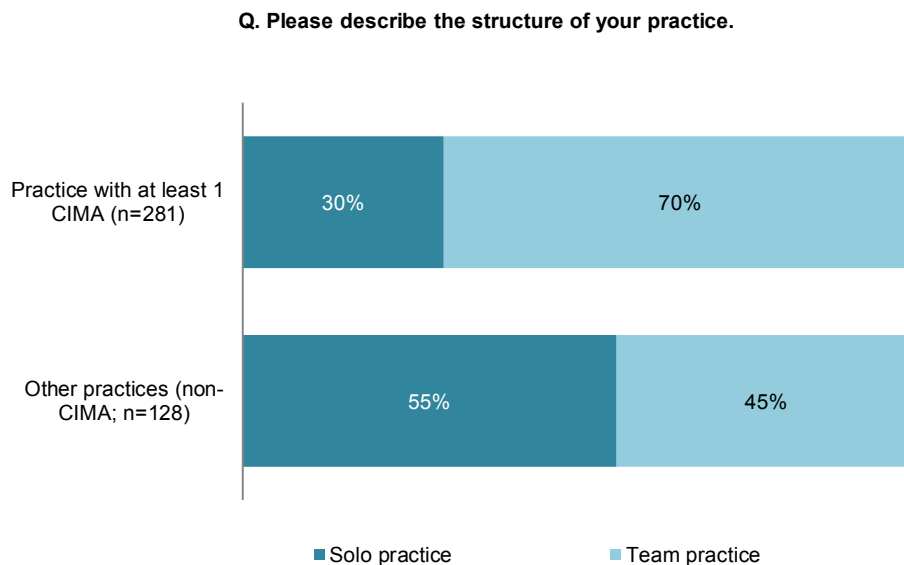
STRUCTURAL CHARACTERISTICS

The most common CIMA practice is a team practice with one CIMA professional and one CFP professional on the team. In CIMA practices, 18% of advisors obtained both a CIMA and a CFP designation, followed by CIMA and a CFA certificate.

TEAM PRACTICES

CIMA practices are more likely to be structured as a team than are other practices; 70% of CIMA practices characterize themselves as team practices, whereas fewer than half of practices without a CIMA professional on staff indicate they are team practices (Figure 13).

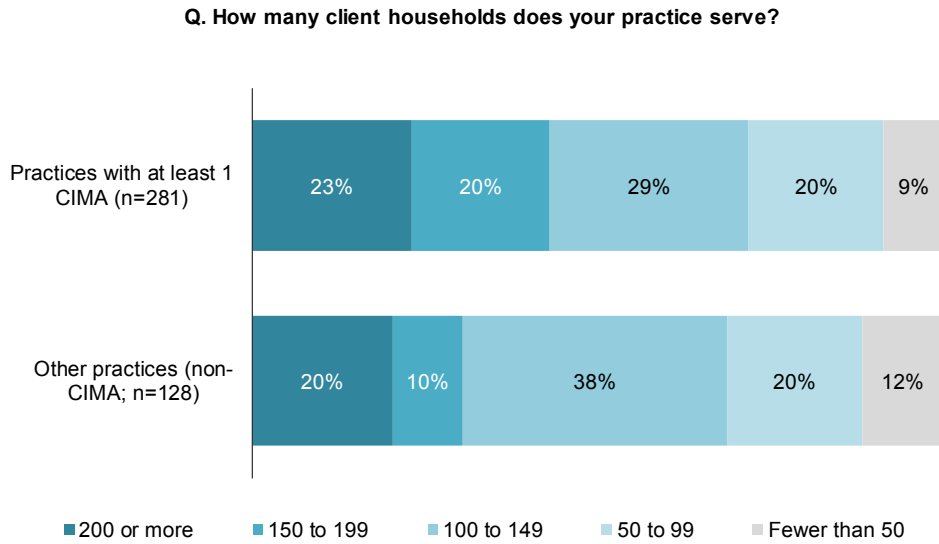
Figure 13: 70% of CIMA Practices Are Team Practices



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Nearly 50% of CIMA team practices handle approximately 100 to 199 client households. The bulk of significant difference between CIMA practices and other (non-CIMA) practices is in the 150 to 199 accounts range, with 20% and 10%, respectively (Figure 14). This means that practices with CIMA members are able to handle more accounts.

Figure 14: Team Practices’ Account Management



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

THE PRESENCE OF OTHER DESIGNATIONS IN CIMA PRACTICES

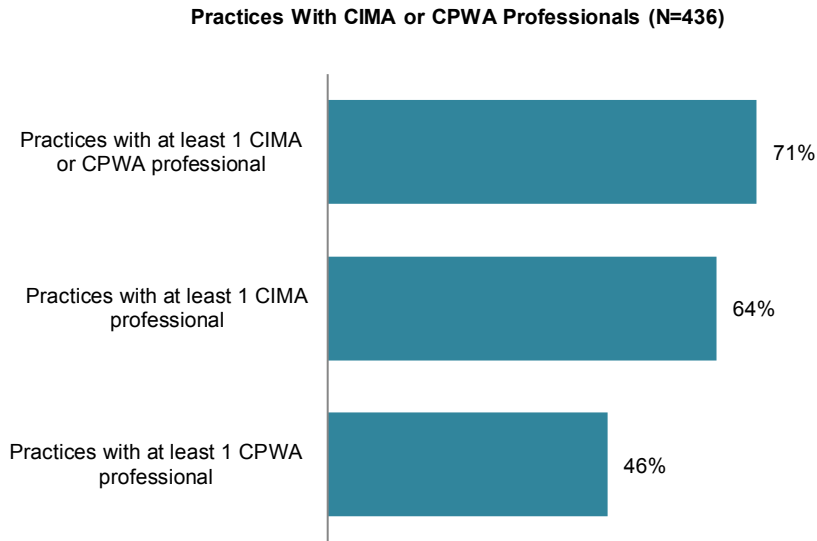
Sixty-seven percent of CIMA team practices have at least one CFP and one CFA professional (Figure 15), and 71% of all practices have at least one CIMA or one CPWA professional (Figure 16). Therefore, it is more likely for a CIMA team practice to have members with multiple certifications, which will provide additional expertise to the team structure.

Figure 15: Designations Represented in CIMA Practices—CFA and CFP Professionals



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

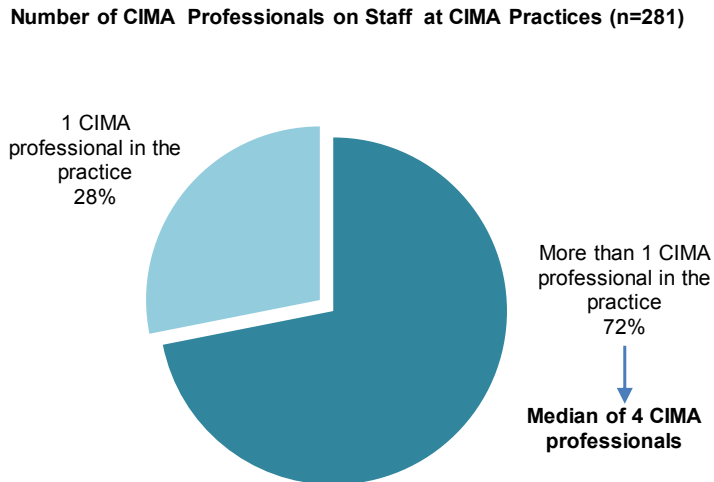
Figure 16: Designations Represented in Practices—CIMA and CPWA Professionals



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

The majority (72%) of CIMA practices have more than one CIMA professional on staff. Those with more than one CIMA professional tend to be large practices and have a median of four CIMA professionals (Figure 17).

Figure 17: Most CIMA Practices Have More Than One CIMA Professional on Staff

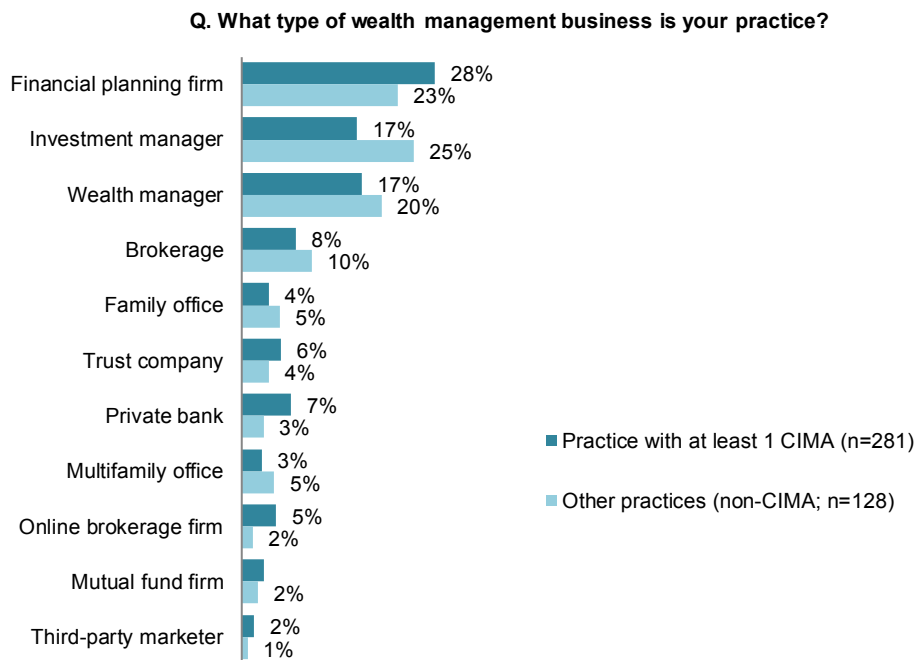


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

BUSINESS MODEL CHARACTERISTICS

Aite Group’s survey also collected information on how CIMA and non-CIMA practice members describe the type of firm in which they work. More CIMA practices identify themselves as a financial planning firm than they do any other type of firm. Three in 10 indicate that their business is financial planning, while two in 10 state that their firm is an investment management or wealth management firm. Non-CIMA practices are nearly evenly divided across the financial planning, investment management, and wealth management categories (Figure 18).

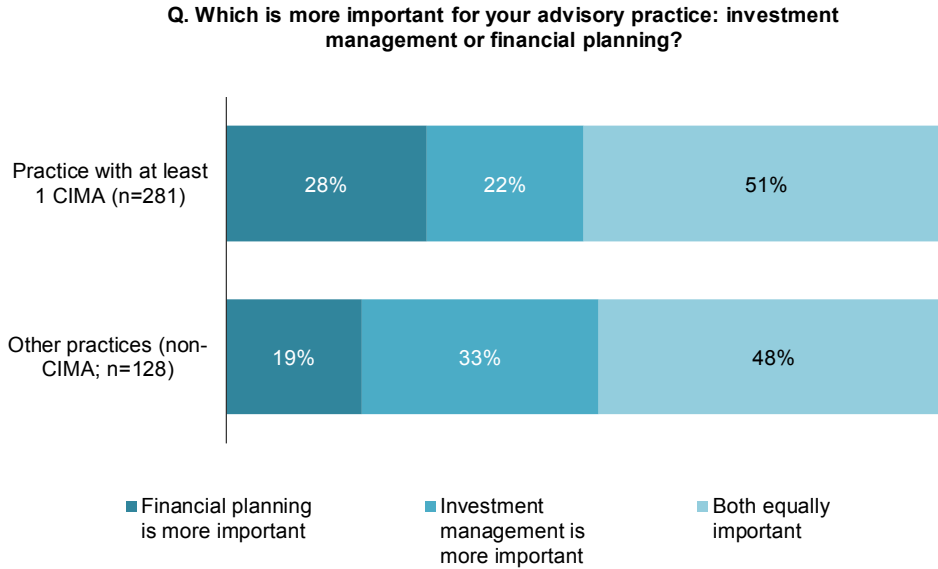
Figure 18: CIMA Wealth Management Business



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CIMA practice and non-CIMA practice members both tend to view financial planning—the process of understanding clients’ complete financial situation and goals, and recommending solutions aligned to these goals—as just as important a service as investment management. Our findings also show a significant difference between how many respondents at CIMA practices place more importance on the financial planning advisory practice than on the investment management practice (28%) and how many advisors at non-CIMA practices do the same (19%; Figure 19).

Figure 19: CIMA Practices View Financial Planning and Investment Management as Equally Important

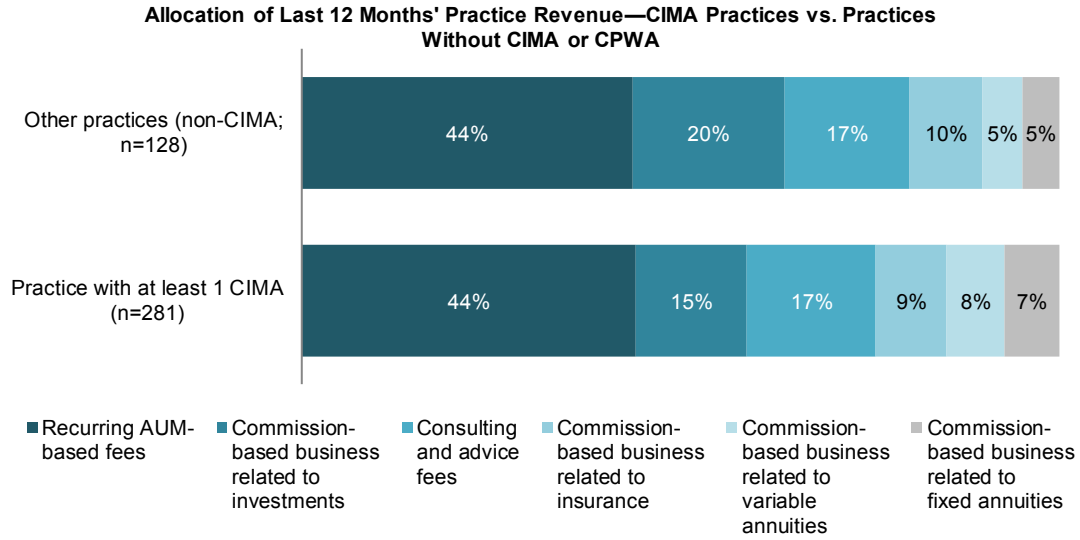


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

REVENUE MODEL

For practices both with and without CIMA professionals, almost half of the last 12 months' practice revenue was generated by assets-under-management (AUM)-based fees, rather than from commission/consulting/advice fees. Despite having less commission revenue as a proportion of total revenue, CIMA practices still are able to generate significantly more revenue from commission-based business related to variable and fixed annuities than are non-CIMA practices (Figure 20).

Figure 20: CIMA Practice Revenue—Commission vs. Fee-Based



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

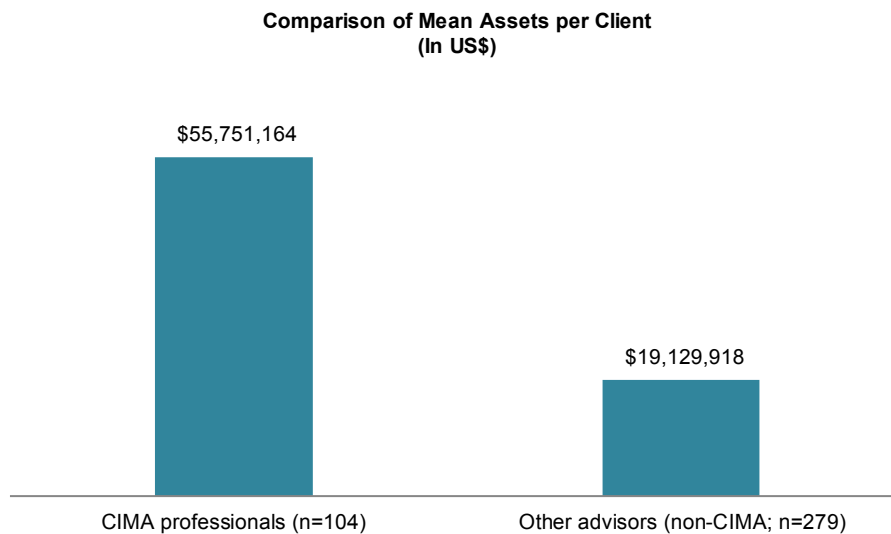
FINANCIAL PERFORMANCE COMPARISON

Findings in this section present overall performance for CIMA practices and advisor practices with no CIMA or CPWA certified professionals (non-CIMA practices/professionals) as well as solo and team practices. Results show that CIMA professionals in solo practices manage more assets than the practices reported by non-CIMA professionals in solo practices. CIMA professionals in team practices manage more assets and higher revenue than the practices reported by non-CIMA professionals at team practices.

OVERALL PERFORMANCE

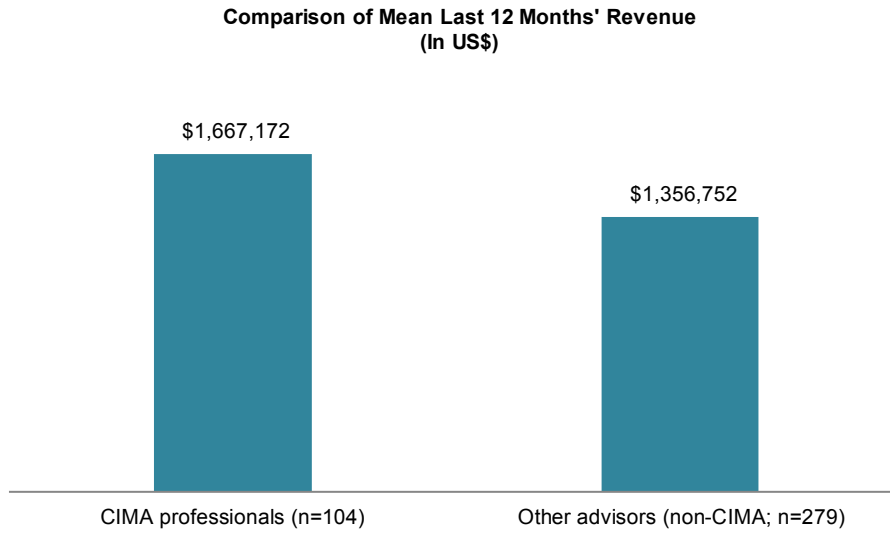
Figure 21 and Figure 22 show the overall practice comparison, combining solo and team practices. The mean assets per client of CIMA practices is nearly three times the assets per client of non-CIMA practices, and revenue generated over the last 12 months is almost 25% higher for practices with CIMA professionals than it is for other financial advisors.

Figure 21: Overall Practice Comparison (Solo and Team Practices)—Mean Assets per Client



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Figure 22: Overall Practice Comparison (Solo and Team Practices)—Revenue From Last 12 Months

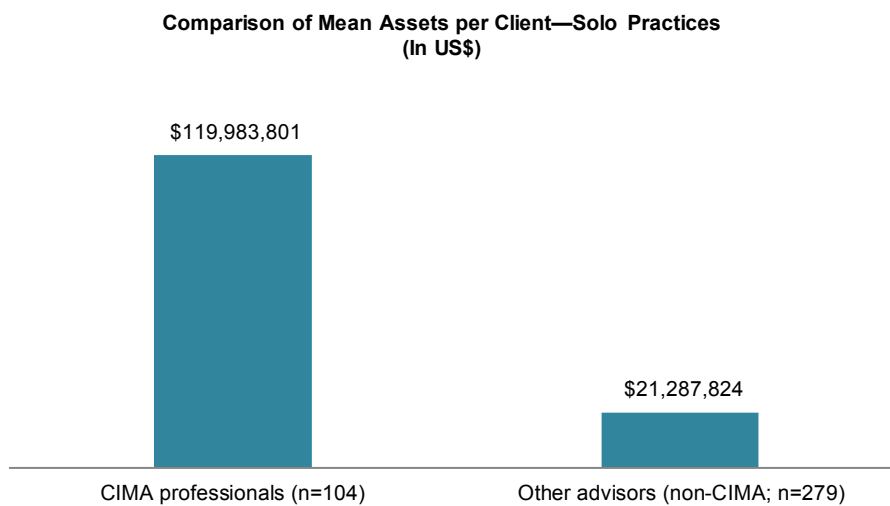


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

SOLO PRACTICES

Figure 23 shows a comparison of solo-practice advisors by mean assets per client. CIMA professionals in solo practices report managing five times more assets than do non-CIMA professionals in solo practices.

Figure 23: Solo-Practice Comparison—Mean Assets per Client

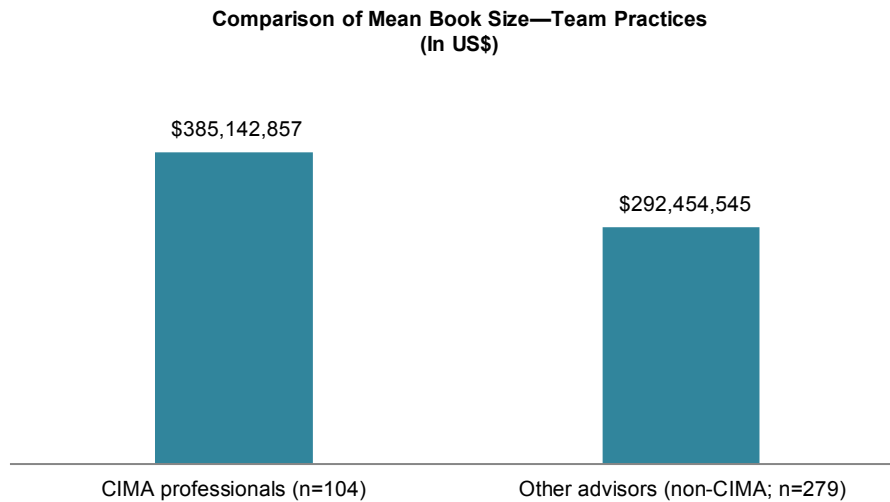


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

TEAM PRACTICES

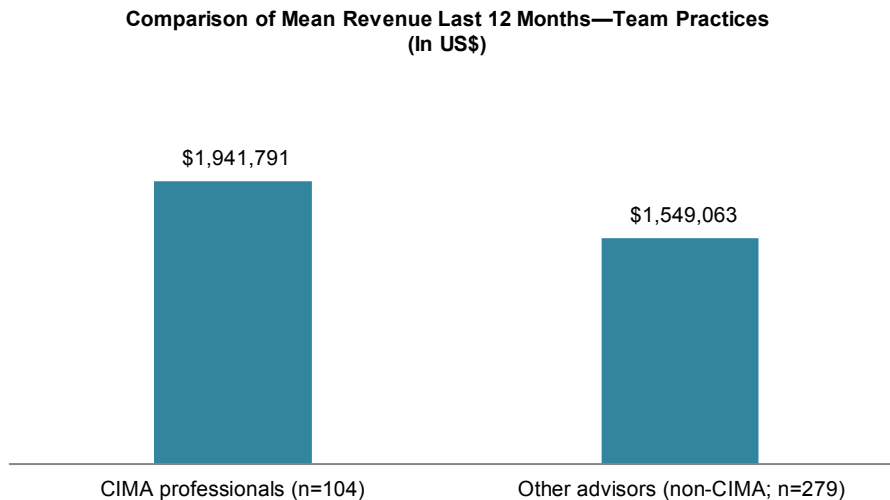
CIMA practices manage more assets and generate more revenue than the practices reported by non-CIMA professionals. The average CIMA practice manages US\$385 million in client assets (Figure 24) and generates US\$1.9 million in revenue (Figure 25). CIMA team practices generate more assets per client than do other practices (Figure 26).

Figure 24: Team Practice Comparison—Mean Assets



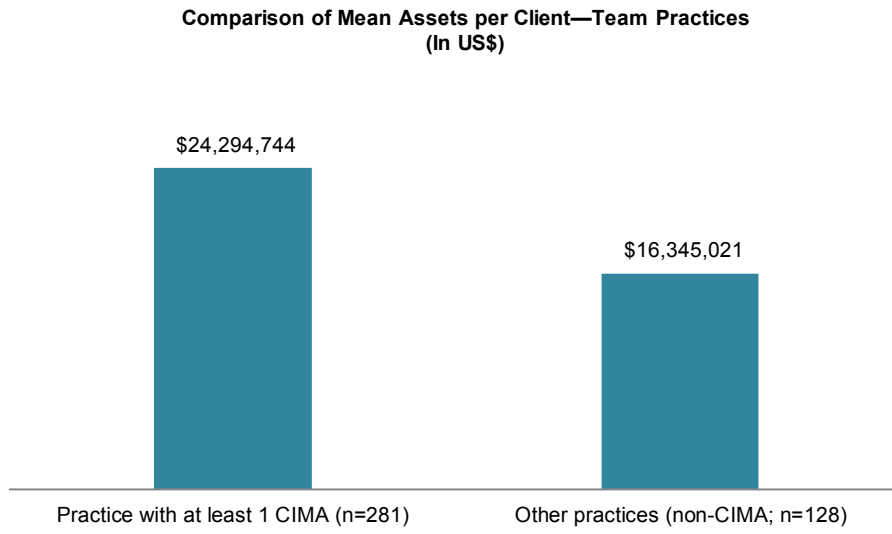
Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Figure 25: Team Practice Comparison—Revenue



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Figure 26: Team Practice Comparison—Mean Assets per Client



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

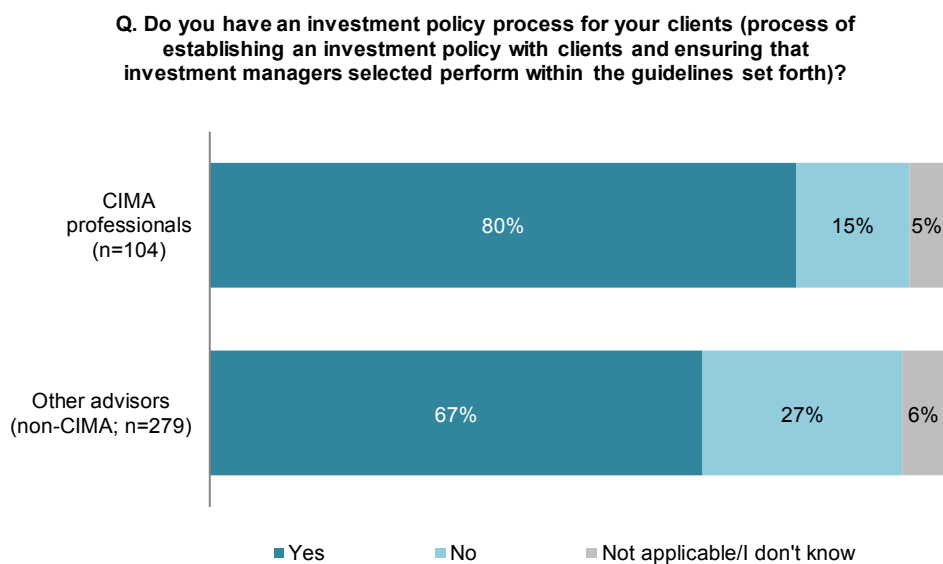
INVESTMENT STRATEGIES AND VEHICLES

This section explores differences between CIMA practices' investment strategies and investment vehicles and those of practices without CIMA professionals. CIMA and non-CIMA practices manage investments in various ways, including advisor-directed, mutual fund advisory, ETF advisory, and non-discretionary accounts, and also leverage external investment managers. The variety of investment processes and strategies they employ indicate that these practices are frequently reviewing their clients' portfolios in line with the established client parameters.

PROCESS AND STRATEGIES

CIMA professionals are more likely to follow an investment policy process for their clients than are other practices. Eighty percent of CIMA professionals indicate they have established an investment policy with which they monitor investment managers' performance. By comparison, 67% of other financial advisors follow the same process (Figure 27).

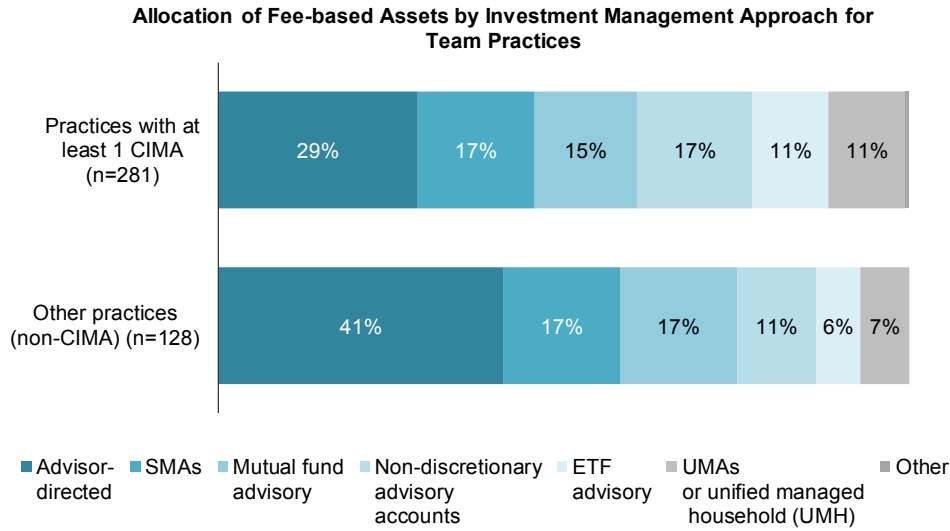
Figure 27: The Practice of Establishing an Investment Policy Process



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CIMA team practices manage more of their clients' investments on a non-discretionary advisory basis compared to practices with no CIMA members, which manage more of their client's investments on an advisor-directed model. In addition, there is a significant difference between the rate at which teams that have CIMA professionals allocate their clients' investments in ETF advisory and UMAs, and the rate at which practices with no CIMA members do the same (Figure 28). The adoption of a UMA strategy shows how those practices employ a single account structure for multiple types of investment approaches.

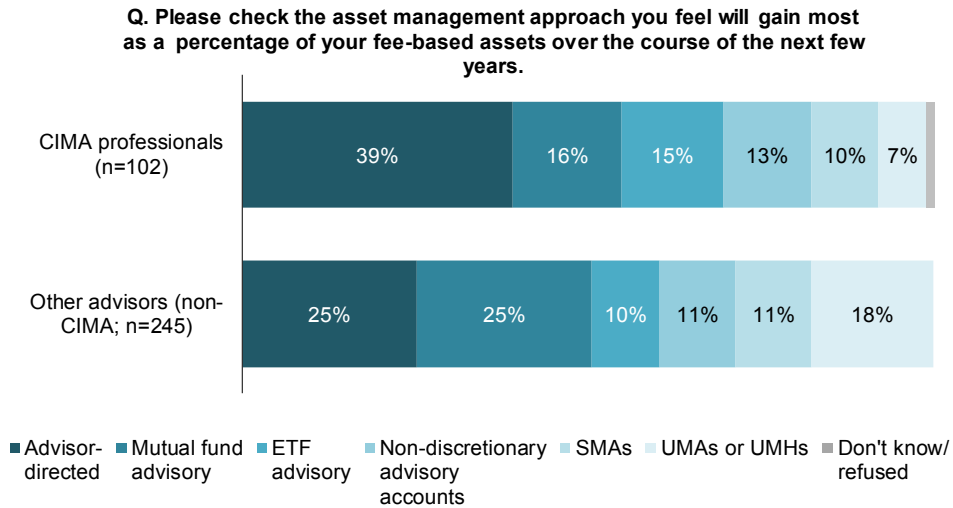
**Figure 28: Allocation of Fee-Based Assets Across Investment Management Strategies—
Team Practices**



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CIMA professionals have very different views on the growth prospects of different asset management styles compared to other financial advisors. They are more likely than other financial advisors to state that the advisor-directed (rep as PM) style will grow the most, with 39% sharing this view versus 25% of other financial advisors saying the same. In contrast, other financial advisors are more likely to opt for a standard mutual fund advisory product than are advisors with a CIMA designation. The rep-as-PM approach will generate scalability and profitability to advisor practices and allow them to manage ETFs and SMAs in a single account (Figure 29).

Figure 29: CIMA Professionals' Views on Investment Strategy Growth for Next Three Years

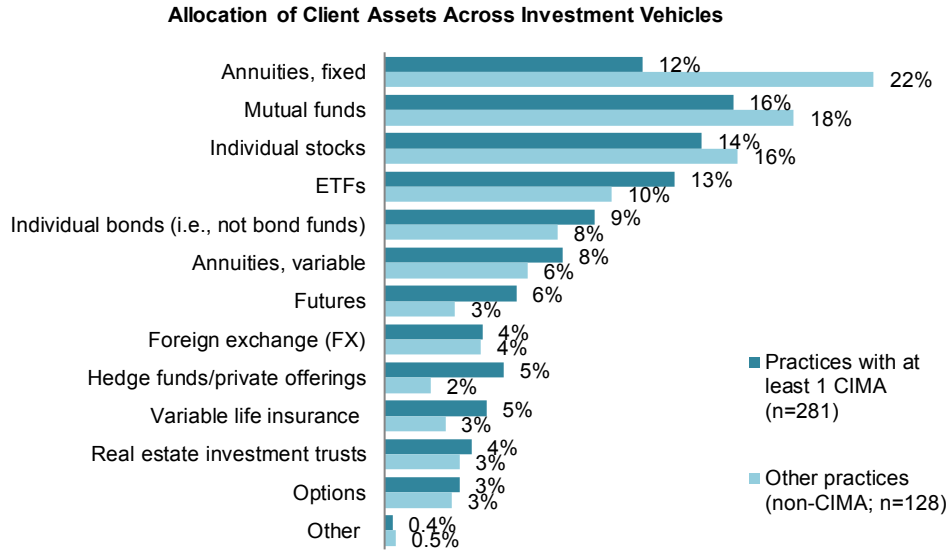


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

INVESTMENT VEHICLES

CIMA practices invest almost half (43%) of their client assets in mutual funds, individual securities, and ETFs. If we compare them to other financial advisor practices, there are significant differences in the allocation of investments, in particular for ETFs (13% versus 10%), futures (6% versus 3%), hedge funds (5% versus 2%), and variable life insurance (5% versus 3%; Figure 30). The focus on ETFs can give investors diversification, as it allows a larger exposure to different types of equities and lower fees than other managed funds. The futures markets also give an advantage to clients, as they are typically very liquid.

Figure 30: Allocation of Client Assets Across Investment Vehicles



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

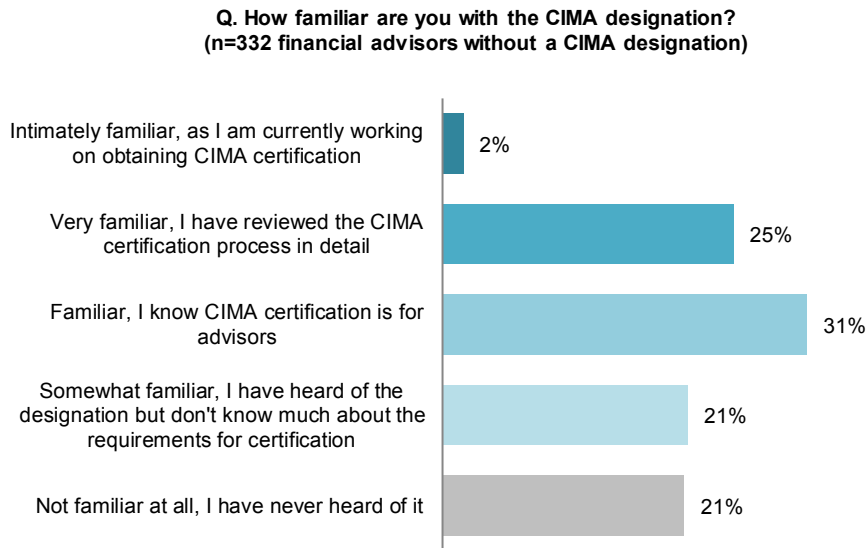
NON-CIMA PROFESSIONALS' PERSPECTIVES ON CIMA

This section shares direct feedback from non-CIMA professionals on their awareness and perception of CIMA and shows how they see CIMA certification impacting their business and their clients.

AWARENESS AND PERCEPTION OF CIMA CERTIFICATION

Most non-CIMA study respondents have some familiarity with the CIMA designation. Specifically, 25% are very familiar with the CIMA designation, 31% indicate that they know something about the CIMA certification, and 21% are somewhat familiar but do not know much about the requirements for certification. Twenty-one percent are not familiar at all with the designation, meaning they have never heard of it (Figure 31).

Figure 31: Familiarity With CIMA Designation

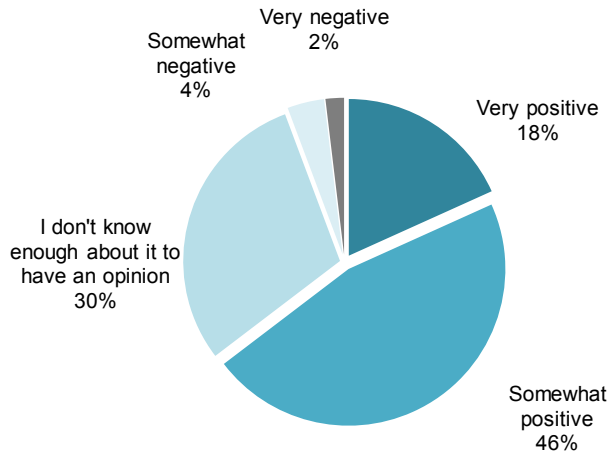


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Over 60% of financial advisors who do not hold a CIMA certification but have heard of it have a at least a somewhat positive perception of the CIMA certification (Figure 32). Most of the remaining advisors indicate that their knowledge is too limited for them to have an opinion.

Figure 32: Perception of the CIMA Certification

Q. What is your perception of the CIMA certification?
(n=263 financial advisors without a CIMA designation but familiar with it)



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

The Aite Group survey asked advisors not holding a CIMA designation to indicate which type of financial services professional the CIMA certification is suited for. Approximately 30% of advisors state that CIMA certification is suited for investment advisors, wealth managers in general, investment/portfolio managers, and wealth advisors. These professionals are closely followed by a financial planner and an independent financial advisor (Figure 33).

Figure 33: Financial Services Suitability of CIMA certification

Q. What type of financial services professionals do you think CIMA certification is suited for? (n=263 financial advisors without a CIMA designation but familiar with it)

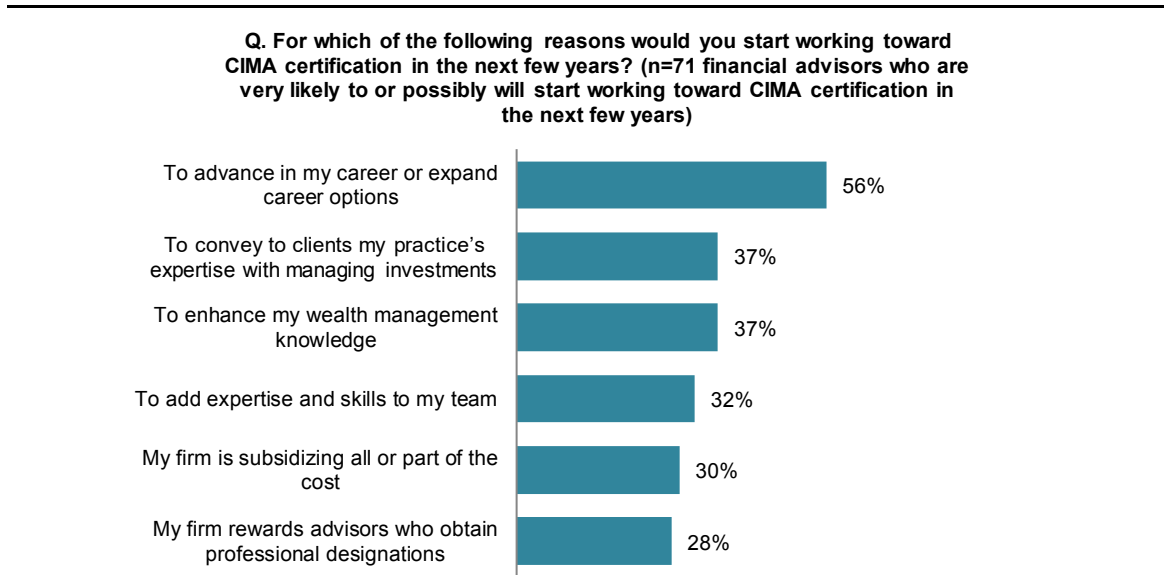


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

INTEREST IN PURSUING CIMA CERTIFICATION

The next three figures focus on financial advisors’ interest in pursuing a CIMA certification, their likelihood of not working toward a CIMA certification, and the reasons that some of the advisors want to start working toward a CIMA certification. For Figure 34, Aite Group considered those financial advisors that do not have a CIMA designation and are not currently working on obtaining it, though they are familiar with it. Of this population, 36% may start working toward a CIMA certification. Approximately 15% state that a CIMA certification is not a good fit given their areas of focus. This may be due to a lack of knowledge on the certification, or perhaps the advisor’s focus is not an appropriate match for this certification.

Figure 34: Likelihood of Starting to Work Toward CIMA Certification

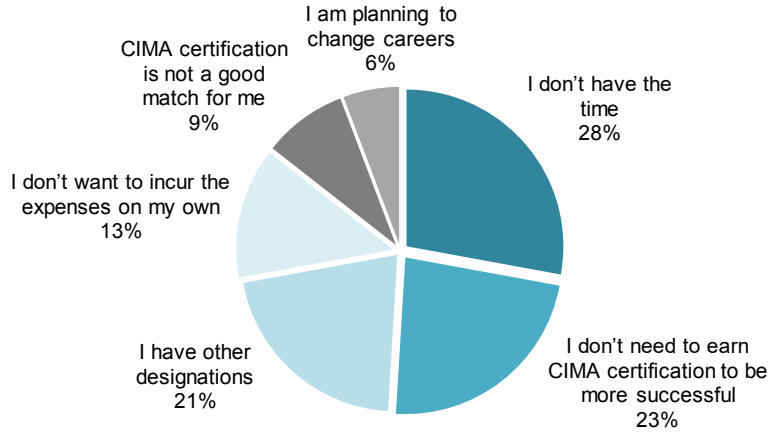


Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

For those financial advisors who never intend to start working on a CIMA certification or are unlikely to start in the next few years, some of the reasons they would not be likely to start working toward a CIMA certification follow: They do not have the time for it (28%), they do not believe they need to earn a CIMA certification to be more successful (23%), and they feel that they have enough other designations (21%; Figure 35).

Figure 35: Likelihood of Not Working Toward CIMA Certification in the Next Few Years

Q. Why are you not likely to start working toward CIMA certification in the next few years? (n=77 financial advisors who are unlikely to start working on a CIMA certification in the next few years or never intend to start)



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

Figure 36 lists reasons why an advisor would start working toward a CIMA certification, in order of priority, from the group of advisors that are very likely or possibly likely to start working toward a CIMA certification in the next few years. The top reason is that they want to advance in their career and expand career options, followed by wanting to convey to clients the practice's expertise with managing investments and wanting to enhance their wealth management knowledge.

Figure 36: Reasons to Start Working Toward CIMA Certification

Q. For which of the following reasons would you start working toward CIMA certification in the next few years? (n=71 financial advisors who are very likely to or possibly will start working toward CIMA certification in the next few years)



Source: Aite Group survey of 436 financial advisors, 104 with CIMA certification, Q2 2017

CONCLUSION

Wealth management firms are engaging different business models to attract a broader segment of the market that ranges from the mass market to ultra-high-net-worth individuals. Some firms are moving upmarket to service wealthier individuals. Those firms already in the upper end of the scale target existing clients and work toward reaching the less affluent. Aite Group believes that firms will need to focus on a number of action items going forward:

- Focus on advisor education and invest in designations that are relevant to service investors' needs. Wealth management firms wanting to diversify in terms of advice they offer to clients should encourage advisors to obtain additional certifications. The CIMA certification will impact advisors' knowledge of investment management, their confidence with offering investment advice, and their confidence with managing investments, and will help advisors obtain more trust from clients.
- Successful advisory practices that focus on adding financial planning to the repertoire of services will be at an advantage over other firms. Obtaining the CIMA certification will enhance the knowledge of this practice.
- Reorganizing the service team structure is a priority for many wealth management organizations. In order to generate more assets and higher revenue, firms should consider forming teams with the appropriate skill sets. Adding CIMA professionals is a clear strategy to achieve this goal.

ABOUT AITE GROUP

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