



NEWS

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Contact: *Benjamin Lewis*
Perception, Inc.
(301) 963-7555

Consumers Understand “Fiduciary” ... And They Care About It *NAPFA completes fiduciary understanding survey of more than 900 consumers*

ARLINGTON HEIGHTS, IL (May 2, 2007) – Do consumers really understand what a fiduciary standard means in the financial services industry and, more importantly, do they care? A new survey by the National Association of Personal Financial Advisors (NAPFA) answers these questions definitively.

The 922 consumers from 48 U.S. States and 6 foreign countries who participated in the **2007 Consumer Understanding of a Fiduciary Standard Survey** clearly indicated that they do understand the fiduciary issue and prefer advisors who adhere to a fiduciary standard. NAPFA, a long-time advocate of a fiduciary standard in the financial services industry, conducted the Web-based, 11-question survey from December 11, 2006 until February 28, 2007.

In the survey, 92% of respondents answered that they have heard the term “fiduciary” from a variety of sources. Since 57% of those surveyed are not presently working with a financial advisor of any kind, it is apparent that the fiduciary message is gaining widespread attention among consumers.

When presented with NAPFA’s definition of a “fiduciary standard,” 98% of those surveyed responded that they understood the term. NAPFA defines a “fiduciary standard” as:

A financial advisor held to a Fiduciary Standard occupies a position of special trust and confidence when working with a client. As a Fiduciary, the financial advisor is required to act with undivided loyalty to the client. This includes disclosure of how the financial advisor is to be compensated and any corresponding conflicts of interest.

After reading NAPFA’s definition, 97% indicated they would seek the counsel of a financial advisor who adheres to a fiduciary standard.

“Based on the data we have collected, the average investor clearly understands the importance of a fiduciary standard,” said NAPFA National Chair Dick Bellmer. “People want to be treated fairly and

honestly. They do not want to worry about the motivations or loyalty of their financial advisor. A fiduciary standard is the only way for advisors to minimize the worry and concern consumers may have about working with them.”

However, consumers are still often ill-served by advisors who are not explaining the term “fiduciary” to them, or not discussing its importance. The survey revealed that 34% of respondents indicated that their financial advisor did not explain the term to them.

“It’s possible that the consumers who have not discussed the term with their financial advisor are working with an advisor who is not upholding a fiduciary standard with the client. That advisor would not want to highlight the difference,” said Bellmer.

If you are interested in obtaining a copy of the **2007 Consumer Understanding of a Fiduciary Standard Survey Report**, or you would like to discuss the findings with a NAFPA representative, please contact Benjamin Lewis of Perception, Inc. at (301) 963-7555 or Benjamin.lewis@perceptiononline.com.

ABOUT NAPFA

Since 1983, financial planners who are members of the National Association of Personal Financial Advisors (NAPFA) have provided Fee-Only advice to consumers across the country. NAPFA-Registered Financial Advisors follow some of the strictest guidelines possible for professional competency, comprehensive financial planning, and Fee-Only compensation. With more than 1,600 members across the country, NAPFA has become the leading professional association in the United States dedicated to the advancement of Fee-Only financial planning.

For more information on NAPFA, please visit www.napfa.org.

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