Looking for Financial Advice, not a Sales Spiel? Why NAPFA is the Place to Start

The National Association of Personal Financial Advisors (NAPFA) was set up in 1984 to help ensure consumers could find unbiased financial advice. Forty years later, it's more relevant than ever.

By David Bromelkamp, Published July 23, 2026

In today's financial advice marketplace, consumers are bombarded with marketing messages from financial advisors, wealth managers, brokers, insurance agents and investment firms — many of whom describe themselves as "fiduciaries," "wealth advisors" or "financial planners." For the average investor, the differences can be difficult to understand.

That confusion is exactly why the National Association of Personal Financial Advisors — better known as NAPFA — was established as a nonprofit trade and membership organization more than 40 years ago.

The organization's original purpose was not complicated. It was designed to help consumers find financial advisors who provide comprehensive financial planning without the conflicts created by commissions or the sale of financial products.

The clearest explanation of NAPFA's original mission can still be found in its Articles of Incorporation dated January 16, 1984. The four founding purposes of NAPFA were:

1. To foster the practice of comprehensive, fee-only financial planning.
2. To provide opportunities for financial planners to increase their skills, knowledge, techniques, methods and tools of practicing financial planning.

3. To promote public awareness of financial planning and the alternative of fee-only financial planning assistance.
4. To establish and enforce criteria for its membership with regard to the sales of financial products.

Defining NAPFA's primary purpose

The first purpose statement may be the most important because it defines NAPFA's central mission: "To foster the practice of comprehensive, fee-only financial planning." This sentence deserves careful attention because the founders of the organization intentionally selected every word.

"To foster"

"Foster" means to encourage, promote, develop and support.

NAPFA was not formed merely to observe the financial planning profession. It was created to actively encourage the growth and advancement of a particular type of financial planning model that the founders believed better served consumers.

The organization was intended to champion and strengthen this approach to comprehensive, fee-only financial planning advice.

"The practice"

"Practice" implies an ongoing professional discipline — similar to the practice of law, medicine, accounting or architecture.

This language reflected the founders' belief that financial planning should evolve into a true profession grounded in professional standards, continuing education, technical competency and ethical responsibility.

Importantly, the focus was on the professional delivery of financial advice — not simply the sale of investment or insurance products.

"Comprehensive"

"Comprehensive" means broad, integrated and complete.

Comprehensive financial planning considers the client's entire financial life rather than focusing on a single product or isolated transaction.

A comprehensive financial plan may include:

- Retirement planning
- Investment planning
- Tax planning
- Estate planning
- Insurance analysis
- Cash-flow and budgeting strategies
- Education planning
- Charitable planning
- Risk management
- Business succession planning

Think about financial planning advice that incorporates your personal net worth statement (with both your assets and liabilities), your income tax return and collaboration with your other professional advisors, such as your accountants, attorneys, bankers and insurance agents. The founders believed financial advice should be coordinated and holistic rather than fragmented or product driven.

"Fee-only"

The term "fee-only" refers to a compensation model in which the client pays the financial advisor directly. The advisor does not receive commissions or other compensation from the sale of financial products.

Under a fee-only model, compensation may include:

- Flat planning fees
- Hourly fees
- Retainer fees
- Asset-based investment management fees

But the advisor does not receive commissions for selling mutual funds, annuities, insurance products or other investment products.

The founders believed this compensation structure could reduce conflicts of interest and improve the objectivity of financial advice.

When NAPFA was founded, this distinction was especially important because most of the financial services industry operated under commission-based compensation systems tied to product sales.

"Financial planning"

Financial planning is the process of helping individuals and families make informed decisions about their financial lives.

True financial planning is typically relationship-based and long-term in nature. It involves analyzing goals, identifying risks, developing strategies and coordinating multiple areas of a client's financial life into a unified plan.

The emphasis is on advice, analysis and planning — not merely product distribution.

Why the entire phrase matters

"To foster the practice of comprehensive, fee-only financial planning" describes a very specific vision for the financial planning profession.

The founders envisioned a profession centered on:

- Objective advice
- Comprehensive planning
- Professional competency
- Consumer education
- Reduced conflicts of interest
- Compensation from clients rather than financial product manufacturers

This mission distinguished NAPFA from many traditional Wall Street brokerage and insurance industry business models that relied heavily on commissions and product sales incentives.

Many financial advisors (and financial advisory firms and standards-setting bodies) like to hold themselves out as "professional" for marketing purposes. But to me, those who are designated as NAPFA-registered financial advisors represent the very small fraction of elite financial advisors who can be called true financial planning professionals.

Why it still matters today

The delivery of financial advice has evolved significantly since 1984.
Technology has improved transparency. Investment management costs have fallen dramatically. Fiduciary standards have become more widely discussed. Consumers have more access to information than ever before.

Yet one issue remains remarkably consistent: Consumers still struggle to determine whether their financial advisor's compensation structure could influence the advice they receive.
That is why NAPFA's original purposes remain relevant. And it's why I like to write articles to explain the benefits of comprehensive, fee-only financial planning advice.

NAPFA was founded as a nonprofit membership organization with a specific mission: To promote comprehensive, fee-only financial planning and to help consumers find advisors who avoid financial product sales conflicts.

For consumers searching for objective financial advice, understanding those original purposes may provide an important starting point.

Because when selecting a financial advisor, compensation matters. Conflicts matter. And understanding the difference between financial planning and financial product sales may be one of the most important financial decisions an investor can make.

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David Bromelkamp is an investor advocate and the founder of AdvisorSmart®, established in 2018 to provide investors with the education they need to access better financial advice. Sometimes referred to as the "Jerry Maguire of Financial Advice," he is passionate about objective financial advice and is leading the charge to educate investors about the best approach to finding objective, fee-only fiduciary financial advisors. His first book, *AdvisorSmart for the Individual Investor: Your Guide to Selecting a Financial Advisor to Get Better Financial Advice* (2025), arms consumers with the knowledge they need to succeed. He is also the author of the Mister Fiduciary blog, which explores what it means for advisors to deliver *great financial advice* by upholding the *highest fiduciary standards*.

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