Abstract:

The field of financial planning has gone through a series of changes since the early 1960s. Financial planners who first began simply as stockbrokers or insurance agents have turned into much more. Over the past 50 years there has been a push for financial advisors to become more comprehensive in their practices. The roles of stockbroker, insurance salesman, personal budgeter, and retirement planner have merged into the single idea of fiduciary responsibility. The modern day financial advisor is encouraged to give holistic advice in all areas of personal finance. There is a need for a greater understanding of these changes, the field of financial planning, and how different factors have caused the role of a financial advisor to become what it is today. Professional and personal financial advice can play an important role in the success or failure of an individual’s financial well being. Thus, it is important that individuals should understand the history of the role of a financial advisor.

The role of the modern day financial planner is vastly different from that of the financial planner in the early 1960s. The area of personal financial planning has changed over the past 50 years. It has become more complex, experienced regulation, and personal finance decisions have become interrelated and require expertise. The shifting in the field of personal finance has necessitated a shift in the role of a financial advisor, which has, in turn, caused a shift in the overall industry of
personal finance. This project explored the evolution of this role, the factors that facilitated this evolution, and the ultimate results of this evolution which is the modern day financial advisor. The research leads to three conclusions regarding the modern financial advisor. First, it is highly likely that the fiduciary responsibility, even if it is not legally applied to all advisors, will play a heavy role in an advisor’s business. Second, it is likely that the field will continue to diversify in ways that create new identities and new roles, just as the role of advisor was created in the early 1970s. Finally, it is likely that the field will continue to grow, evolve, and expand just as it has over the past fifty years.