

Exam Content Outline

The AFC® Core Competencies serve as an outline for the AFC exam. Table 1 displays the 9 competencies and the question types the test-taker will encounter in each category. Table 2 displays the content details of each competency.

The AFC exam consists of 165 multiple choice questions, 150 of which are graded. Test takers will answer 15 trial questions that are being evaluated for future exams. These questions are not marked or identified in any way. Trial questions do not contribute to the candidate's score.

There are three types of questions on the exam:

- **Recall-** Requires the candidate to draw from memorized facts to determine the best response.
- **Application-** Candidates must interpret, classify, or translate information to determine the best response.
- **Analysis-** Requires an understanding of relationships between multiple pieces of information to determine the best response.

Please see the [AFC Exam Guide](#) for additional information.

	Question Type			Total
	Recall	Application	Analysis	
a. Set the Stage and Gather Client Information	3	6	6	15
b. Assist a Client in Creating an Action Plan	4	6	8	18
c. Develop Financial Statements, Ratios, and Spending Plans	3	3	9	15
d. Manage Money	4	14	4	22
e. Manage Credit and Debt	4	13	5	22
f. Educate a Client about Major Acquisitions	3	9	3	15
g. Manage Financial Risks	3	8	3	14
h. Discuss Investment Basics with a Client	8	7	0	15
i. Educate a Client about the Financial Aspects of Retirement and Estate Planning	6	7	1	14
Totals:	38	73	39	150

Table 1: AFC Core Competencies (overview)

Table 2: AFC Core Competencies (detailed)

	Question Type			Total
	Recall	Application	Analysis	
1. Set The Stage and Gather Client Information	3	6	6	15
A. Establish the Counseling Environment				
1. Create an inclusive, welcoming, and private space				
2. Establish a rapport with a client				
3. Provide an overview of the financial counseling process				
4. Inform client of the terms of the client-counselor relationship (for example: confidentiality, privacy, ethics, client and counselor roles and responsibilities, fiduciary)				
5. Answer initial questions from client about the process				
B. Gather Client Information				
1. Determine what a client wants to accomplish				
2. Determine a client's current financial and socio-economic situations (for example: demographics, income, expenses, debt, savings, assets, liabilities, risk management products)				
3. Help client identify personal resources and gaps (for example: knowledge, skills, abilities, support systems)				
4. Clarify the client's interests, experiences, values, money personalities, and cultural norms				
C. Form a Strategic Counseling Plan				
1. Choose a counseling approach (for example: remedial, productive, preventive)				
2. Assist a client to move through the counseling process (for example: initiating, exploring, understanding, acting)				
3. Identify a client's preferred learning style(s) (for example: auditory, visual, kinesthetic)				

	Question Type			Total
	Recall	Application	Analysis	
4. Use counseling strategies congruent with a client's learning style(s)				
5. Model effective communication and listening techniques (for example: verbal, nonverbal, pacing, restating, summarizing, clarifying)				
6. Assess the ongoing effectiveness of the counseling process for a client (for example: checking in with a client, responding to the client-counselor dynamic)				
2. Assist a Client in Creating an Action Plan	4	6	8	18
A. Assist a Client in Establishing Goals				
1. Confirm the client's goals are under their control				
2. Assist a client to prioritize his or her goal(s)				
3. Align a client's actions to his or her goal(s)				
4. Assist a client in setting measurable objectives to achieve goals				
5. Follow up with the client as needed to monitor progress towards goals				
6. Discuss the influence of a client's culture and values on goal setting				
B. Assist a Client to Identify Strategies to Attain Goals				
1. Brainstorm possible strategies with a client				
2. Evaluate the possible strategies to determine the best option				
3. Identify how the strategies fit within the client's stated value system				
4. Identify action steps to implement the chosen strategy				
5. Help a client develop a system to monitor strategies (for example: track daily spending, track progress towards goals)				
6. Educate a client about the effect of the prevailing economy on strategies (for example: inflation, economic cycles)				

	Question Type			Total
	Recall	Application	Analysis	
3. Develop Financial Statements, Ratios, and Spending Plans	3	3	9	15
A. Educate a Client About a Cash Flow Statement				
1. Explain the purpose of a cash flow statement				
2. Describe the process to create a cash flow statement				
3. Analyze a cash flow statement with a client				
4. Address a client's cash flow concerns				
5. Discuss the impact of cultural values on the client's interpretation of the cash flow statement				
B. Educate a Client About a Net Worth Statement				
1. Explain the purpose of a net worth statement				
2. Describe the process to create a net worth statement				
3. Analyze the net worth statement with a client				
4. Address a client's net worth concerns				
5. Discuss the impact of cultural values on the client's interpretation of the net worth statement				
C. Educate a Client About Personal Financial Ratios				
1. Assist a client to calculate financial ratios				
a. debt to income				
b. basic liquidity (savings vs. expenses)				
2. Discuss the impact of cultural values on the client's interpretation of their financial ratios				
D. Educate a Client About Spending Plans				
1. Explain the purpose of a spending plan				
2. Explain various budgeting methods				
3. Assist a client in distinguishing wants vs. needs				

	Question Type			Total
	Recall	Application	Analysis	
4. Assist a client to develop options to fund expenses				
a. fixed				
b. variable				
c. non-monthly				
5. Assist a client to develop a spending plan aligned with goals				
6. Assist a client in identifying strategies to manage a spending plan				
7. Brainstorm strategies for increasing income with a client				
8. Assist a client in evaluating their budgeting process				
9. Discuss the impact of cultural values on the client's interpretation of their spending plan				
4. Manage Money	4	14	4	22
A. Educate a Client About Financial Services				
1. Describe saving methods including interest-earning checking accounts, savings accounts, certificates of deposit, and money market accounts				
2. Brainstorm non-traditional savings and lending strategies for the unbanked				
3. Assist a client in understanding the need to accumulate and manage an emergency fund (for example: job loss, medical emergencies, major car repairs, major household expenses)				
4. Guide a client through the components of electronic money management (for example: online banking, debit card use, personal financial management software, financial applications)				
5. Educate a client on using and managing a checking account				
B. Familiarize a Client About Basic Tax Management				
1. Evaluate a client's previous year income tax returns				
2. Assist a client to determine potential withholding adjustments				
3. Discuss strategies to maximize deductions and credits				

Table 2: AFC Core Competencies (detailed)

	Question Type			Total
	Recall	Application	Analysis	
4. Discuss the implications of the current tax regulations				
5. Encourage a client to organize paperwork for tax preparations				
6. Assist a client in identifying reputable and qualified tax preparation services (for example: Volunteer Income Tax Assistance, Tax Counseling for the Elderly, IRS/State eFile sites)				
7. Encourage a client to file income taxes in a timely manner				
8. Encourage a client to optimally use a tax refund				
C. Discuss Employment Considerations with a Client				
1. Identify sources of income (for example: full time job, part time job, self-employment, seasonal employment)				
2. Discuss the impact of a client's culture and values on employment considerations				
3. Assist a client in identifying and understanding employment benefits (for example: flexible spending account, Health Savings Account, retirement account, insurance coverage, paid time off, employee stock purchase plan)				
4. Illustrate strategies to maximize employment benefits				
5. Assist a client in interpreting information in a pay statement				
6. Discuss options for increasing income (for example: promotion, raise, tax exemptions, additional employment)				
7. Encourage a client to prepare for possible unemployment				
8. Inform a client of unemployment resources (for example: unemployment insurance, COBRA, severance package, government assistance programs)				
9. Refer a client to workforce development center(s) to develop a resume, and search and apply for employment				
10. Assist a client in comparing details from job offers (for example: pay, insurance, retirement plan, sick and vacation leave)				

	Question Type			Total
	Recall	Application	Analysis	
5. Manage Credit and Debt	4	13	5	22
A. Educate a Client about Uses of Credit				
1. Educate a client on the productive uses of credit				
2. Educate a client on the counterproductive uses of credit				
3. Educate a client about criteria to obtain credit				
4. Discuss the influence of a client's culture and values on credit considerations				
B. Educate a Client about Credit Reports and Scores				
1. Educate a client about information included in credit reports				
2. Educate a client about factors affecting credit scores				
3. Educate a client on how/why to build, rebuild, or maintain a strong credit report				
4. Assist a client who is attempting to address a credit report error				
5. Educate a client on how to obtain and monitor credit reports				
6. Educate a client about credit repair scams				
7. Educate a client on how to obtain and monitor credit scores				
C. Educate a Client about Credit Products				
1. Educate a client about types of credit (for example: secured debt, unsecured debt, open-end credit, closed-end credit)				
2. Educate a client about installment loans (for example: furniture, vehicle, student, mortgage) and credit lines (for example: personal, business, home equity)				
a. describe types				
b. explain the terms (for example: prepayment penalty, acceleration clause, balloon payment)				
c. compare offers				
d. complete the application process				
e. review amortization schedule				

Table 2: AFC Core Competencies (detailed)	Question Type			Total
	Recall	Application	Analysis	
3. Educate a client about credit cards				
a. evaluate credit card offers (for example: usury laws, annual fees, interest rates)				
b. apply for a credit card				
c. verify critical information within credit card statements (for example: purchases, fees, disclosures)				
d. dispute credit card charges				
e. protect credit card information				
f. identify different interest rates (for example: teaser rate, balance transfer, cash advance)				
g. identify credit card fees				
h. take advantage of the grace period				
4. Educate a client about student loans				
a. discuss types of loans with a client (for example: Federal, private)				
b. explain other options for funding education (for example: scholarships, grants, work study, tuition reimbursement, gifts)				
c. explain repayment options (for example: loan forgiveness programs, balance forgiveness, income-based repayment plans, pay as you earn)				
d. explain deferment and forbearance options				
e. explain consequences of default				
5. Educate a client about the advantages and disadvantages of fringe lending (for example: payday loans, title loans, pawn shops, sub-prime lending, rent to own, tax refund anticipation loans)				
6. Educate a client about responsible uses of credit				
D. Educate a Client on Debt Management				
1. Assist a client to evaluate the level/cost of indebtedness				
2. Assist a client to set his or her own debt limit				

	Question Type			Total
	Recall	Application	Analysis	
3. Educate a client about avoiding over-indebtedness				
4. Assist client in identifying strategies to reduce debt				
5. Discuss consequences of default (for example: repossessions, garnishments, judgments, liens, deficiency balances, foreclosures)				
6. Educate a client about debt consolidation, restructuring, and rolling over debt				
7. Educate a client about debt management scams				
8. Educate a client about the advanced stages of the collection process (for example: third party collectors, litigation, collection practices)				
9. Educate a client about bankruptcy basics (for example: options, process, consequences, legal resources)				
E. Educate a Client about Identity Theft				
1. Minimize the risks (for example: personal information protection, document shredding credit freezes, financial statements monitoring)				
2. Recover from identity theft (for example: police report, FTC affidavit, creditor contact, fraud alerts)				
6. Educate a Client about Major Acquisitions	3	9	3	15
A. Acquire Property				
1. Assist a client to determine the feasibility of a major purchase (for example: vehicles, appliances, furniture, electronics)				
2. Educate a client about pre-purchase research				
3. Discuss acquisition options with a client whether to purchase, lease, or rent-to-own				
4. Discuss property protection options (for example: warranties, service contract)				
5. Discuss how major purchase values are determined				
6. Discuss the implications of rolling negative equity into a new purchase				
7. Educate a client on price negotiation				
8. Educate a client about the consumer complaint process				

Table 2: AFC Core Competencies (detailed)

	Question Type			Total
	Recall	Application	Analysis	
B. Educate a Client about Renting a Home				
1. Assist a client in determining an affordable rent				
2. Educate a client on how to compare rental options based on wants and needs				
3. Educate a client about rental agreements				
4. Educate a client about the rights and responsibilities of landlords and tenants				
C. Educate a Client about Purchasing a Home				
1. Facilitate a client's consideration of pros and cons of owning or renting a home based on current and future needs and wants				
2. Assist a client in determining affordable housing expenses (for example: principle, interest, taxes, insurance, maintenance, HOA, improvements, utilities)				
3. Educate a client about the home buying process				
a. discuss search strategies (for example: prequalification, realtor selection)				
b. discuss the mortgage application process (for example: banks, credit unions, mortgage lender, mortgage broker)				
c. discuss the mortgage selection process (for example: Private Mortgage Insurance, down-payment, escrow accounts, amortization, closing costs)				
d. discuss the types of loans (for example: fixed vs. variable, duration of loan, contract for deed, interest only)				
4. Help a client calculate the front-end and back-end ratios				
5. Educate a client about refinancing a mortgage				
6. Educate a client about a mortgage workout (for example: short sale, modification, deed-in-lieu of foreclosure)				
D. Educate a Client about Selling a Home				
1. Describe the selling process to a client				
2. Explain a seller's disclosure obligations				
3. Explain the role of comparable properties in the assessment of value				

	Question Type			Total
	Recall	Application	Analysis	
4. Explain the role of contingencies in a purchase agreement				
5. Review options with a client about what to do with the proceeds of a home sale				
E. Educate a Client about Consumer Rights and Responsibilities				
1. Explain basic consumer rights under Federal and state laws (for example: the Fair Credit Reporting Act, Fair Debt Collection Practices Act, statutes of limitation of debt collection, cooling-off period, free annual credit report)				
2. Identify consumer advocate resources (for example: attorneys general, Federal Trade Commission, Consumer Financial Protection Bureau)				
7. Manage Financial Risks	3	8	3	14
A. Educate a Client about Financial Risk				
1. Identify sources of risk (for example: home ownership, income loss, medical expenses, liabilities)				
2. Assist a client in determining risk management strategies (for example: insurance, risk avoidance, loss control)				
3. Review insurance needs with a client				
4. Encourage a client to implement risk management				
5. Assist a client in evaluating a risk management plan				
6. Encourage a client to periodically review insurance needs				
7. Discuss the influence of a client's culture and values on risk management				
B. Educate a Client about Insurance Products				
1. Educate a client about insurance terms (for example: premiums, deductible, copays, limits, coverage)				
2. Manage property and liability insurance				
a. major property (for example: vehicle, boat)				
b. dwelling (for example: renters, homeowners)				
c. liability (for example: umbrella, professional)				

	Question Type			Total
	Recall	Application	Analysis	
Table 2: AFC Core Competencies (detailed)				
3. Manage health insurance				
a. collaborate with a client to determine needed healthcare coverage (for example: health, dental, vision, prescription, supplemental policies)				
b. educate a client about health insurance products (for example: Medicare, Medicaid, HMO, PPO)				
4. Evaluate life insurance				
a. assist a client in evaluating the need for life insurance				
b. help a client determine the factors that influence the amount of life insurance needed				
c. differentiate among types of life insurance policies for a client (for example: cash value, term)				
d. educate a client about the importance of beneficiary selection and review				
e. identify beneficiary changes likely associated with life-changing events				
f. Evaluate disability insurance (for example: long-term, short-term, own-occupation, any-occupation)				
8. Discuss Investment Basics with a Client	8	7	0	15
A. Educate a Client about Investment Fundamentals				
1. Assist a client in determining saving and investing goals within a client's spending plan				
2. Assist a client with determining goals, priorities, and risk tolerance				
3. Explain the positive role of asset allocation, diversification, rebalancing, and dollar cost averaging to achieving goals				
4. Explain the rationale behind short-term, mid-term, and long-term investments				
5. Explain the types, roles, and fiduciary responsibilities of investment professionals (for example: Certified Financial Planner, Registered Investment Advisor, Chartered Financial Consultant)				
6. Explain the process, criteria, and resources for selecting an investment professional				

	Question Type			Total
	Recall	Application	Analysis	
7. Explain the terminology related to investments (for example: rule of 72, compounding, time value of money)				
8. Explain the various expenses involved with investments (for example: loads, fees, commissions)				
9. Explain the difference between active and passive investment approaches				
B. Educate a Client about Investment Choices				
1. Educate a client about the characteristics, advantages, and disadvantages of investment alternatives				
a. stocks				
b. bonds				
c. mutual funds				
d. real estate (for example: rental properties, commercial, retail, real estate investment trust)				
e. alternative investments (for example: venture capital, commodities, tax-sales, collectibles, options, futures)				
f. Educate a client about investment resources and evaluation tools				
g. Discuss the influence of a client's culture and values on investment choices				
C. Educate a Client about Investor Protection				
1. Describe the role of investor protection resources (for example: state, Federal, industry)				
2. Educate a client about how to use resources to check professionals' credentials and history (for example: broker, financial advisor, insurance salesperson)				
3. Educate a client about investment fraud (for example: affinity, Ponzi, cold-call, Internet)				

	Question Type			Total
	Recall	Application	Analysis	
9. Educate a Client about the Financial Aspects of Retirement and Estate Planning	6	7	1	14
A. Educate a Client about Retirement Planning				
1. Assist a client in determining preferred retirement lifestyle				
2. Assist a client in short-term and long-term retirement planning				
3. Educate a client about retirement calculation tools				
4. Educate a client about income sources in retirement (for example: social security, defined benefit plan, employer-sponsored plan, IRA, SEP-IRA, SIMPLE-IRA, downsizing primary residence, reverse mortgage, business ownership, rental income, employment, savings and investments, annuities)				
5. Illustrate the advantage of using tax-sheltered retirement accounts				
6. Educate a retired client about redeveloping a spending plan				
7. Educate a retired client about how to prioritize account withdrawals				
8. Encourage a client to periodically review his or her retirement plan				
9. Discuss the influence of a client's culture and values on retirement planning				
B. Educate a Client about Estate Planning				
1. Educate a client about tools associated with end-of-life decision making (for example: advance directives, trusts, wills)				
2. Explain the estate planning process and terminology (for example: guardian, beneficiary, executor, intestacy, trustee, power-of-attorney)				
3. Educate a client about specific estate planning issues (for example: providing for minor children or dependents, property transfer, business succession)				
4. Encourage a client to generate appropriate documents (for example: wills)				
5. Assist a client to determine when legal assistance is necessary to set up an estate planning strategy				
6. Educate a client how to select legal assistance				
7. Encourage a client to periodically review his or her estate plan				

Table 2: AFC Core Competencies (detailed)

	Question Type			Total
	Recall	Application	Analysis	
8. Discuss the influence of a client's culture and values on estate planning				
Totals	38	73	39	150