

How To Choose The Right Modeling Certification



We believe it is important for candidates and the financial modeling community to understand the differences between the various financial modeling certifications that are available.

1 Does the organization that offers the certification also provide training?

Separation of training from certification is aligned with The International Standards Organization (ISO) for designations.

FINANCIAL MODELING INSTITUTE (FMI)

- The FMI was established for the exclusive purpose of offering rigorous, in-person testing for Financial Modeling.
- The FMI does not offer training but there are external training organizations that deliver preparatory courses (see Question 3 below).

OTHER MODELING CERTIFICATIONS

- Other modeling certificates are provided by training companies whose primary business is to sell financial modeling training programs.
- To achieve these certifications, candidates must first purchase the training programs from the company offering the certificate.

2 Who is responsible for governance?

FINANCIAL MODELING INSTITUTE (FMI)

- The FMI is run by a team that is employed exclusively by the FMI.
- The FMI also has an independent advisory council consisting of modeling professionals from banks, professional services firms and training firms around the world.

OTHER MODELING CERTIFICATIONS

- These programs are run and managed by the training firms that offer the certification.

3 Is it mandatory to purchase a training course?

FINANCIAL MODELING INSTITUTE (FMI)

- Candidates are not required to first purchase training in order to register for an FMI exam.
- However, for candidates who would like preparatory training, there are 20+ approved training providers (ATPs) around the world that offer training geared towards helping candidates pass the FMI exams.
- The ATPs are not compensated by the FMI. They earn their income by offering training programs.

OTHER MODELING CERTIFICATIONS

- Candidates must purchase the associated training program before they can achieve the certification.

4 What can I expect on exam day?

FINANCIAL MODELING INSTITUTE (FMI)

- FMI exams are in person and offered in 30+ cities around the world.
- The exams are closed-book, proctored, and hosted in a controlled environment without internet access.
- Candidates are required to bring government-issued photo ID to the exam as proof of identification.
- Upon arrival at the exam centre, candidates sign in with the proctor.
- Candidates may bring their own keyboard (it must be a quiet keyboard), but the computer will be provided at the exam centre.
- Phones are prohibited during the exam.
- When the exam is over, the proctor will ask each candidate to verify their submission and to sign out.
- If future FMI exams are conducted remotely, this will only be done in a proctored and secured setting.

OTHER MODELING CERTIFICATIONS

- Tests are taken remotely on each individual's computer in an online format.
- Some certifications may require a third party proctor.

5 How long is the exam? How challenging is the exam?

FINANCIAL MODELING INSTITUTE (FMI)

- The FMI exams are four hours in length.
- Most candidates require the full four hours.
- For the Level 1 AFM exam, candidates are expected to build a financial model from scratch in order to demonstrate their modeling skills.
- For the Level 2 CFM exam, candidates solve challenging real-world modeling problems.
- Exam participants need to demonstrate proficiency in financial model design, structure, accounting, financial concepts and Excel skills.
- Participants also need to work quickly and efficiently as there are significant time pressures during the exam.

OTHER MODELING CERTIFICATIONS

- In most cases, following the various training videos, participants are provided with online multiple-choice questions, or short answer questions / exercises.

6 How are the exams graded?

FINANCIAL MODELING INSTITUTE (FMI)

- Exams are graded manually and the grading team includes FMI graduates from around the world.
- There is a formal grading rubric and each exam takes approximately 1 hour to grade.
- Grading is anonymized so that the graders do not know whose exam they are grading.
- Each exam is graded by at least two graders.
- If there are any conflicts between the two graders, an independent committee evaluates the exam and makes a final decision.

OTHER MODELING CERTIFICATIONS

- Grading is typically done automatically by the online testing system.

7 What are the exam pass rates like?

FINANCIAL MODELING INSTITUTE (FMI)

- For the Level 1 AFM exam, the historical pass rate is approximately 50%.
- Many candidates pass the Level 1 AFM exam on their second or third attempt.

OTHER MODELING CERTIFICATIONS

- Historical pass rates have not been publicly disclosed.
- The expectation is that everyone passes, and that if someone doesn't pass, they can re-write the online test until they pass.

8 Can the certification be verified?

FINANCIAL MODELING INSTITUTE (FMI)

- The FMI has a public candidate directory on the FMI website that lists everyone who has successfully completed the Level 1 AFM exam and Level 2 CFM exam (candidates can choose not to be listed).
- All successful candidates are mailed a physical certificate.
- AFM and CFM holders are provided a digital badge which they may use on social media.

OTHER MODELING CERTIFICATIONS

- These organizations have not published a directory of people who have attained their certifications.
- These organizations issue certificates of completion and they may also provide digital badges.

9 Which is the best option for me?

FINANCIAL MODELING INSTITUTE (FMI)

- The FMI exams are extremely rigorous and those who pass have clearly demonstrated a high proficiency in financial modeling.
- In most cases, people who attain modeling certificates from other organizations require additional preparation time in order to adequately prepare for the FMI exams.

OTHER MODELING CERTIFICATIONS

- If you are looking for training in financial modeling and you would like to receive a certificate indicating that you completed the course, these other certificates may be what you need.
- Usually you can complete the training and receive the certificate very quickly.