

# Easing college students' transition into the financial planning profession

Joseph W. Goetz\*, Joseph W. Tombs, Vickie L. Hampton

*Division of Personal Financial Planning, Texas Tech University, Lubbock, TX 79409-1162, USA*

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## Abstract

Like law, accounting, and medicine, financial planning is an applied profession. A mastery of “book knowledge” is insufficient preparation for a student entering an applied profession. The traditional model of financial planning education is inefficient in that it leaves students with a long and expensive transition into professional practice. This article proposes a new model that shortens this transition and includes an overview of various teaching techniques designed to integrate the professional world with the financial planning curriculum. Contact information for select educational programs already working to ease the transition is provided for those desiring to model effective teaching techniques. © 2005 Academy of Financial Services. All rights reserved.

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## 1. Introduction

Warschauer (2002) emphasizes the important role universities play in the emergence of personal financial planning as a legitimate profession. The number of colleges and universities offering educational programs in personal financial planning is growing. Currently, there are 191 colleges and universities offering 310 CFP Board-Registered Programs (D. Livran, personal communication, November 2, 2004). This represents significant growth as compared to the original 20 programs registered in 1987. As the discipline continues to

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\* Corresponding author. Tel.: +1-806-742-5050; fax: +1-806-742-5033

*E-mail address:* j.goetz@ttu.edu (J.W. Goetz).

evolve, educational programs designed to prepare students for practice should make a concerted effort to evaluate and improve their curricula on a continual basis. Indeed, the students of today are the professionals of tomorrow and higher education is responsible for preparing students to meet the challenges of a financial planning career.

The financial planning profession requires a wide array of skills involving aspects of psychology, counseling, leadership, marketing, and motivation. Financial knowledge alone is insufficient preparation for students to be competitive in the profession. Beyond the adequate technical skills that new employees typically possess, employers desire graduates with already-developed skills in leadership, communication, problem solving, and teamwork (Oblinger & Verville, 1998; Rao & Sylvester, 2000). Certified Financial Planner Board of Standards (CFP Board) continues to discuss how to assist and encourage academic programs to teach the “soft side” of being a competent CFP professional. Communication skills and the ability to interact effectively with clients are important, but these skills are difficult to teach and harder still to assess. The CFP Board also stresses the importance of internships and other ways students can gain practical experience.

CFP Board-Registered Programs are required to include in their curricula specified topics in the areas of financial planning fundamentals, risk management, investments, taxes, retirement planning, employee benefits, and estate planning. Therefore, students must acquire a broad knowledge of various facts and concepts, and most college-level financial planning programs depend primarily on the traditional lecture method to relay this knowledge base to students. However, the CFP Certification Exam is a practice exam rather than an educational exam. It requires more than “book knowledge.” It also requires the ability to apply and synthesize knowledge. Furthermore, the practice of financial planning requires an entire new set of skills, many of which are not addressed in university programs or on the CFP Certification Exam. It is common for students to graduate from university programs without any financial planning experience, as well as being unlicensed, uncertified, and without good job prospects in the financial planning profession. In addition, students often graduate with little understanding of the realities of the financial planning business.

Financial planning is a challenging business, and it is often difficult to gain entrance into the profession. Because most clients do not want to hire a recent graduate with little practical experience, employers often place recent graduates into positions involving only entry-level work. These positions typically include either back-office work or financial sales. Graduates often view back-office work such as data-entry, report generation, filing, and updating tax bases as a tedious *raison d’etre*, and it is unlikely to pay a wage consistent with the rigors of completing a university financial planning program. Commission-based financial sales can be intimidating to young graduates who are afraid to live on an uncertain income. The employer typically pays the graduate for several months while the graduate takes several licensing exams required before the new hire can begin his or her career.

Currently, the transition into financial planning is difficult and expensive to both students and prospective employers. It may take years for a new graduate to become worth more than an entry-level wage; therefore, the employer pays a wage in excess of the value actually contributed by the graduate. In addition, employers incur costs in the form of in-house training, certification and licensing, supervision, and turnover. Employers hope to recoup these expenses when the graduate becomes more productive by paying a wage that is lower

than the value of the employee to the firm at that time, typically within two to three years. It is at this point that many employees leave their original mentors for greener pastures with employers more willing to recognize the current value of their newly acquired skills. This tendency leaves the graduate's mentor less willing to hire inexperienced candidates in the future.

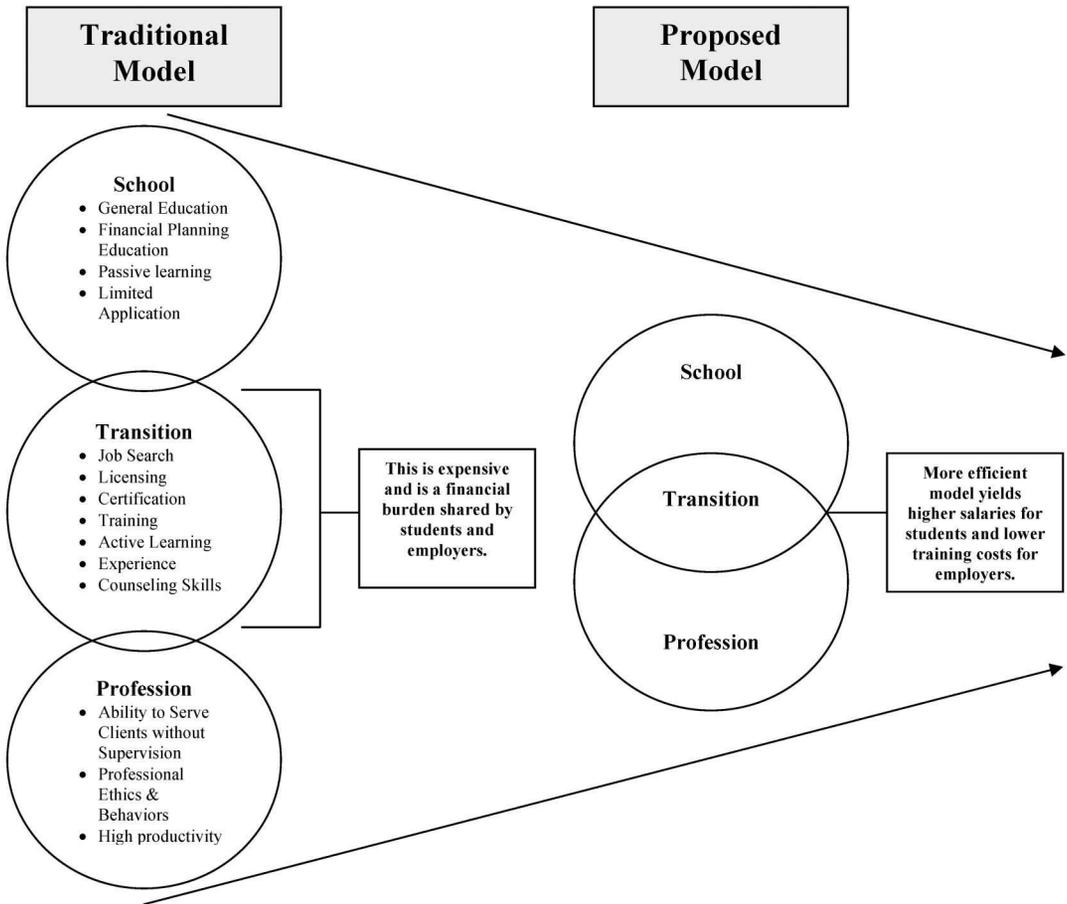
In the interest of breaking this unfortunate cycle, an important goal of financial planning programs should be to ease college students' transition by closing the gap between professional productivity and classroom work. The traditional model of financial planning education is not meeting the demands of the marketplace and is consequently hindering the growth of the financial planning profession. Personal financial planning is an applied academic area requiring greater thought and creativity in the development of appropriate pedagogic approaches. Beyond the core competencies required by CFP Board, educational programs should emphasize skill development in the areas of ethics/professionalism, professional software applications, financial planning business practices, marketing, communication/counseling, along with opportunities to obtain licensures and certifications concurrently with education.

While the focus of this paper is on the changes that educational organizations can make to ease the transition of students into the profession, the transition will remain difficult unless the industry moves to embrace and reward a heightened level of preparation. For example, it is common practice for large financial institutions to take students graduating from financial planning programs and to place them into the same training program as students who did not study financial planning in college. Although this does give financial planning students a chance to shine in comparison to the students with different academic backgrounds, it is hardly optimal. Most firms do not invest in different training programs designed specifically to supplement the knowledge base that financial planning graduates already possess. As a result, the industry fails to offer higher salaries to entice financial planning students, because the firms are not equipped to take full advantage of their increased readiness.

The goal of this paper is to provide a model that academics and professionals can utilize to promote students' seamless transition from academia to the professional world. The proposed model, illustrated in Fig. 1, shows that the reward for curriculum reform is a more efficient assimilation into the profession. This compression serves the interests of students, the firms that hire graduates, and the academic programs supporting this higher level of learning. Ultimately, implementation of the model improves the profession as a whole. This improvement can occur from the activities of educational programs and the financial planning industry. Table 1 provides an overview of the various techniques that educational programs can utilize to close the gaps in the model and ease students' transition into the financial planning profession.

## **2. Techniques that bring the profession into the classroom**

An important part of shortening the transition between university coursework and professional practice involves bringing the profession into the classroom. Research and the



authors’ experience support the effectiveness of a number of educational strategies that financial planning instructors can utilize in the proposed model to achieve this transition. The educational techniques and strategies proposed are based in Experiential Learning Theory, which purports the most effective learning takes place when a person is actively involved with an experience (Kolb, 1984). Recent research indicates the need for a shift to experiential learning in the classroom and provides evidence for its effectiveness and benefits over traditional models of passive learning (Ellis & Letourneau, 2001; Gold, 2002; Hakeem, 2001). Kolb (1984) defines experiential learning as a “process whereby knowledge is created through the transformation of experience” (p. 5).

Experiential Learning Theory advocates active learning techniques that encourage students to become more involved in course content by applying what they learn to real situations. The theory serves as a valuable and practical pedagogic framework for educators to develop techniques to integrate the profession and the classroom. Pulling from authors’ experience as well as research on experiential learning and pedagogy, the following list presents methods that can help bring the profession into the classroom. Techniques are broadly categorized as incorporating problem-based learning, adding additional courses, and

Table 1  
Outline of topics and techniques

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Techniques that bring the profession into the classroom

- Incorporate problem-based learning (2.1.)
  - Case studies (2.1.1.)
  - Class assignments (2.1.2.)
  - Games and simulations (2.1.3.)
  - Financial planning software (2.1.4.)
  - Exams (2.1.5.)
- Add additional courses to the financial planning curriculum (2.2.)
  - Capstone course (2.2.1.)
  - Professional practices & internship course (2.2.2.)
  - Communications/financial counseling course (2.2.3.)
  - Student managed investment fund (2.2.4.)
  - Ethics seminar (2.2.5.)
  - Research problems in financial planning (2.2.6.)
- Bring professionals into the classroom (2.3.)
  - Guest speakers (2.3.1.)
  - Program advisory committees (2.3.2.)
  - Media (2.3.3.)
- Encourage professional standards in the classroom (2.4.)
- Sponsor student professional organizations (2.5.)

Techniques that bring the classroom into the profession

- Facilitate work experiences in the financial planning/services profession (3.1.)
  - Internships, practica and cooperative programs (3.1.1.)
  - Part-time jobs (3.1.2.)
  - Shadowing (3.1.3.)
  - Service-learning (3.1.4.)
- Establish a financial planning/counseling clinic (3.2.)
- Peer education programs and community presentations (3.3.)
- Affiliating with professionals (3.4.)
  - Student participation in professional organizations (3.4.1.)
  - Mentoring relationships with professionals (3.4.2.)
- Encourage students to earn certifications and licenses (3.5.)

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bringing professionals into the classroom. Providing systematic instruction for each technique is beyond the scope of this paper. However, valuable references and contacts offering more specific implementation guidelines for the listed teaching techniques are described throughout the paper and in Table 2. In addition, the authors hope this paper will serve as an impetus for future papers that outline specific methods of implementation for many of the techniques described.

### *2.1. Incorporate problem-based learning*

Problem-based learning (PBL) is a method of creating knowledge via students' use of research, investigation, and discussion to solve real world problems. PBL works by introducing a problem to students before presenting the information needed to solve the problem, whereas in a traditional lecture style students are first exposed to information and then problems, such as on an exam. The PBL technique forces students to process information at

Table 2

Self-reported teaching techniques from CFP Board-Registered Programs (list of programs is not all-inclusive)

	Student managed investment fund	Financial counseling or planning clinic	Peer education outreach program	Use of financial planning software	Service-learning program	Capstone (case study) course	Curriculum advisory committee	Internship or practicum program	Sponsored student professional organization	Mentoring/shadowing professionals	Games and simulations
California Lutheran University Dr. Somnath Basu (805) 493-3980 ww2.clunet.edu/financial_planning		■		■	■	■		■	■		■
Central Michigan University Mr. R. Gene Stout r.gene.stout@cmich.edu (989) 774-6459 www.fin.cba.cmich.edu	■					■	■	■	■		■
Fort Hays State University Dr. Tom Johansen tjohase@fhsu.edu (785) 628-5805 www.fhsu.edu/econ/	■					■	■		■		■
Georgia State University Dr. Conrad Ciccotello cciccotello@gsu.edu (404) 651-1711 www.pfp.gsu.edu						■	■	■	■		
Kansas State University Ms. Joyce Cantrell cantrell@ksu.edu (785) 532-1480 www.ksu.edu/ipfp	■			■		■	■		■		
Montana State University Dr. Deborah Haynes dhaynes@montana.edu (406) 994-5013		■	■		■	■		■	■	■	■
Purdue University Dr. Sharon DeVaney sdevaney@purdue.edu (765) 494-8300 www.cfs.purdue.edu/csr				■		■		■	■	■	
Texas Tech University Dr. Vickie Hampton vickie.hampton@ttu.edu (806) 742-5050 www.depts.ttu.edu/pfp	■	■	■	■	■	■	■	■	■		
University of Akron Dr. David Redle redle@uakron.edu (330) 972-6329	■					■	■	■			■

(continued on next page)

Table 2  
(continued)

	Student managed investment fund	Financial counseling or planning clinic	Peer education outreach program	Use of financial planning software	Service-learning program	Capstone (case study) course	Curriculum advisory committee	Internship or practicum	Sponsored student professional organization	Mentoring/shadowing professionals	Games and simulations
University of Alabama Dr. Milla Boschung mboschun@ches.ua.edu (205) 348-6250				■	■	■		■	■	■	
University of Dallas Mr. Alan Goldfarb alang@gsm.udallas.edu (972) 448-6971		■	■				■				■
University of Georgia Dr. Lance Palmer lpalmer@fcs.uga.edu (706) 542-4916 www.fcs.uga.edu/hace/a_ffm.html			■	■	■	■		■	■		■
University of Idaho Dr. Terrance Grieb tgrieb@uidaho.edu (208) 885-7140							■	■	■		■
University of Missouri-Columbia Dr. Robert Weagley weagleyr@missouri.edu (573) 882-9651 www.missouri.edu/~cfewww			■		■	■		■	■	■	
University of Missouri-St. Louis Dr. Tom Eyssell eyssellt@msx.umsl.edu (314) 516-6273				■				■			
University of Wisconsin-Madison Dr. Michael Gutter msgutter@wisc.edu (608) 262-5498 www.sohe.wisc.edu		■	■	■	■	■	■	■	■		
Virginia Tech Dr. Ruth Lytton rlytton@vt.edu (540) 231-6678 www.ahrm.vt.edu/ffm				■		■		■	■	■	

a higher cognitive level when initially exposed to new information. With PBL, students can practice critical thinking skills and develop skills necessary to be self-directed learners. In addition, research illustrates that PBL improves analytical skills, library use and class attendance (Albanese, 1993; Kaufman & Mann, 1997). This technique can be used in both small and large classes with instructors facilitating learning by circulating through divided groups of students and helping to guide the process. Financial planning students can be presented with real problems they may face with future clients and then be required to research, investigate and discuss those problems with their peers and ultimately present solutions. Local financial planning professionals can be surveyed to identify real problem scenarios they regularly face with clients and subsequently introduced into the classroom.

### *2.1.1. Case studies*

Saunders (1997) provides evidence for the value of the case study as an effective experiential activity to promote learning. Students often take a more intense interest in learning a subject when they are given the chance to apply their knowledge to a real situation, even when a case study is fictitious, as cases expose real-life complexities. Educators have tried various approaches to case studies. The most realistic of these methods involves either using real clients who come into the classroom or requiring each student to find a volunteer “client.” For example, at The Ohio State University and University of Wisconsin-Madison, students find non-student clients, typically relatives or friends, and develop a comprehensive financial plan (S. Hanna, personal communication, June 16, 2004; M. Gutter, personal communication, November 8, 2004). However, there are obvious trade-offs in the form of liability issues, loss of control of case facts, and instructor workload. Another approach involves students preparing their own personal financial plans, but many students live financially uncomplicated lives providing insufficient depth for more advanced classes. Some professors prefer to develop their own cases, which can be quite work-intensive. The American Express Financial Planning Invitational case may be used after the competition is completed, and there are now at least two textbooks (published by The American College and BISYS) that provide written cases. In addition to using modular cases across the curriculum in the topic-oriented classes, many financial planning programs now require students to complete a “capstone” course, discussed later in this paper.

### *2.1.2. Class assignments*

Professors can give students assignments that will connect them to the financial planning profession, such as interviewing a financial planner, producing a brochure, developing the format of a financial plan, or writing a proposal for providing specific financial planning services. One of the authors requires his graduate-level “Introduction to Financial Planning” class to develop a business plan for a new financial planning firm. This assignment requires students to comply with regulatory requirements, decide upon a compensation method, choose a broker-dealer or custodian, select intermediaries, design the financial planning office, plan the appropriate staffing, and project revenues and expenses. Students receive a significant dose of reality when working on this project as they begin to see the scope of being entrepreneurial and learn about the business of financial planning.

### 2.1.3. *Games and simulations*

Games and simulations provide students with an experiential learning environment that allows for active experimentation with focused learning objectives (Birnbaum, 1982). Research provides evidence that using games and simulations in the classroom has a positive impact on learning outcomes (Gosen & Washington, 1999; Wolf, 1985). More specifically, they provide a complex environment that illustrates to students the impact of their decision-making and the importance of clearly defined goals (Petranek, Corey, & Black, 1992). Simulations allow the importance of deadlines, decisions, and financial constraints to become more salient to students. Games allow competition to be introduced, which can provide an extra incentive to learn. Simulations can be devised for financial planning students to see the adjustments that must be made in a financial plan when the planning situation changes in unanticipated ways. Marcus (1997) reviews five universities with open trading rooms that allow students to put finance theory into practice. Numerous other publications are available to assist faculty in effectively utilizing gaming and simulations (see Finkel, 2000; Gredler, 1992; Greenbalt & Duke, 1981).

### 2.1.4. *Financial planning software*

One area where traditional college graduates can often add immediate value to a financial planning firm is in technology. Students should master all of the tools in the Microsoft Office Suite, especially Excel. Graduates are also expected to be able to use the computer software used by their employers. However, it is unlikely that students will have experience using planning software before graduation unless it is introduced in the classroom. Professors are often reluctant to allow major projects to be completed using professional software because they want to make sure that the student has mastered the skills necessary to analyze and synthesize the information that is included in a financial planning report. However, with some imagination and the access to software packages, professors can work the use of some software packages into the curriculum without sacrificing the student's learning experience. Most software vendors will discount the price of their product or even allow an educational institution free use of their product. University of Missouri-St. Louis has experimented with the use of various planning software in the classroom and currently uses Frontier Analytics to demonstrate portfolio allocations (T. Eysell, personal communication, June 17, 2004). University of Wisconsin-Madison currently uses NaviPlan and financeware.com in their advanced courses. Texas Tech University also uses a variety of software applications in the classroom including Morningstar Principia, and recently began offering a course designed solely to train students on financial planning software. The authors regularly receive calls from alumni and their employers who are delighted by the technological skills of recent graduates.

### 2.1.5. *Exams*

Another way to bring the professional world into the classroom is to make most or all exam questions apply to case scenarios. Instead of asking questions that require students to regurgitate basic knowledge learned from textbooks, instructors can ask students to apply their knowledge to mini-case scenarios. While these questions can be more difficult to write

and even more difficult to defend, their use will better prepare students for practice and for the CFP Certification Examination.

## 2.2. *Add additional courses to the financial planning curriculum*

### 2.2.1. *Capstone course*

A capstone course generally includes one or more case studies for which students develop written, comprehensive financial plans. The course is intended to give students a chance to integrate and apply the knowledge gained in their core courses and present that plan in a written or oral format. Problem-based learning in the form of a capstone course is a valuable tool to connect knowledge to its application in the workplace. Coverage of the financial planning process, practice standards, and ethics can also be incorporated into a capstone course. The Academy of Financial Services and CFP Board have developed a seven-course model curriculum that includes a syllabus and teaching schedule for a capstone course, available through CFP Board.

### 2.2.2. *Professional practices and internship course*

It is often assumed that students possess the basic business skills needed to obtain an internship/job and to excel in a professional environment. However, the authors find that these skills are frequently lacking among traditional college students. A professional practices course can be added to the curriculum at the junior/senior level in which students learn business practicalities such as producing a resume, contacting potential employers, networking skills, professional etiquette, sensitivity issues, and dealing with office politics. The importance of planning a career, needs-based selling skills, negotiating techniques, and practice management can also be emphasized. If the curriculum does not allow for an additional course, the recommended topics can be successfully incorporated into student group meetings or other courses. Internships are covered later in this article (Section 3.1.1.).

### 2.2.3. *Communications/financial counseling course*

Good communication with clients leads to trust and trust leads to commitment (Christiansen & DeVaney, 1998). Employers often note that recent graduates lack the ability to communicate effectively with clients. Students need to learn and practice the interviewing skills that will help them work successfully with clients. More specifically, students need to learn the art of building client trust and rapport. Students often mistakenly believe that if they create a good plan, their clients will trust them, and fail to realize the importance of the interpersonal side of the relationship. Establishing client rapport and trust is perhaps one of the most important skills required of a planner, yet few academic programs offer any training in this area.

While many programs will not be able to offer this type of class in their program, there are often similar types of courses offered in psychology, communications, and other departments. In addition, local practitioners can be invited to campus to speak about the importance of client-planner communications and techniques for success in this area. Ideally, this is a

course designed and taught by someone with experience as a financial planner, who also has advanced training in communications, perhaps even possessing an advanced degree in counseling, or marriage and family therapy.

With the recent and insightful research from the field of behavioral finance, it is evident that individuals are subject to psychological and cognitive biases in their financial decision-making; therefore, it is imperative that financial planning students become aware of their own biases as well as those of clients. This topic could be presented as a component of a financial counseling course or as a course of its own.

Marketing/sales skills are valuable assets when entering the profession. These skills can be addressed as a component of a communications/counseling course, professional practices course, or as a course of its own. One assignment may be to have students work for a set number of hours in the university's development office making calls to alumni and asking for donations/selling products to give them the experience of "warm/cold calling."

#### *2.2.4. Student managed investment fund*

Student-managed investment funds (SMIFs) can provide students another "live fire" exercise. SMIFs effectively supply students with an environment to learn decision-making skills similar to those needed in the profession. The number of educational programs in business that integrate SMIFs into their curricula is increasing (Kahl, 1998; Lawrence, 1994). Block and French (1991) introduce a prototype for a SMIF explaining in detail how to successfully initiate a fund of this type. Grinder, Cooper, and Britt (1999) describe how SMIFs and student investment clubs can be integrated into an overall financial education curriculum. However, many of these funds focus primarily on fundamental analysis, which is not sufficient for a SMIF within a financial planning program because families and individuals use investments to meet specific goals rather than to make the highest rate of return. In a financial planning program, SMIF monies can be segregated into subaccounts, each invested in an appropriate portfolio with short-term, intermediate and long-term objectives. A course can be developed around the SMIF with an advisory committee of local financial professionals enlisted to provide guidance to students. As students participate in a personal financial planning SMIF at Texas Tech University, they realize the burden of being a fiduciary because the size of scholarships received by fellow students is directly affected by their investment decisions. University of Idaho features security analysis and portfolio management courses that require the management of an active, real stock market portfolio (T. Grieb, personal communication, August 2, 2004). Financial planning students at the University of Missouri-St. Louis have the opportunity participate in the Student Investment Trust (T. Eyssell, personal communication, June 17, 2004). For the contact information of programs currently offering SMIFs, please refer to Table 2.

#### *2.2.5. Ethics seminar*

Ethical considerations should be integrated into each financial planning class. A class devoted entirely to ethics, as well as regulatory and compliance issues may be useful in preparing students for the sizeable body of ethical issues that financial planners regularly face. CFP Board requires professionals to adhere to strict ethical guidelines that students

should begin to understand and follow during their academic tenure. Debating ethical issues increases students' verbal expression skills and gives students the opportunity to decide how they will handle various ethical dilemmas before they are faced with them in the professional world. Educators should work to instill in students a sense of ethics before those students enter the profession. For example, Purdue University requires students to complete an "ethics in financial planning course" (S. DeVaney, personal communication, November 11, 2004) and Texas Tech University covers this subject matter in its professional practice course. The American College currently publishes a textbook on ethics specifically designed for financial service professionals.

### *2.2.6. Research problems in financial planning*

Through the development of research skills, students can become successful practitioners who can learn from their own practice and become knowledgeable consumers of research. The problem solving, critical thinking, and writing skills utilized in the research process are equally beneficial to the practicing financial planner. Participating in research is a valuable opportunity for students to make an impact on the profession, as additional scholarly research is strongly needed to guide the application of financial planning tools and to support the theoretical underpinnings of financial planning as a distinct profession (Black, Ciccotello, & Skipper, 2002). Most importantly, the student-faculty interaction that takes place when students are involved in research has a profound impact on learning. Astin (1993) examined a sample of 159 academic institutions and found that out of 88 environmental factors affecting 22 outcomes, "student-faculty interaction" was the second most significant factor affecting students' overall academic achievement and personal development.

## *2.3. Bring professionals into the classroom*

### *2.3.1. Guest speakers*

Local professionals and those with a national reputation can make a valuable contribution to the classroom experience, whether they cover a topic on the syllabus or discuss what he or she feels is most important in the profession. Professors can invite professionals to speak to classes or student meetings whenever they come to campus to interview students. People occupying prominent positions in the industry such as the leaders of CFP Board, National Endowment for Financial Education, Society of Financial Service Professionals, National Association of Personal Financial Advisors, or the Financial Planning Association are particularly valuable in giving students a sense of the how the financial planning profession is evolving and what to expect when they enter the workforce. Professors often notice that students hang on a professional's every word as he or she describes entry into the profession, the setup of practice, and the current problems faced by clients. Professionals in the classroom help students assimilate what they are learning by illustrating the importance of being able to use their knowledge in practice. There are also numerous fringe benefits involved in having professionals interact with students, including networking opportunities and making financial planning professionals aware of the talented pool of students currently studying financial planning.

### 2.3.2. *Program advisory committees*

A group of advisors of national prominence who have a vested or philanthropic interest in the success of the program can be an invaluable resource, such as keeping the curriculum cutting edge, relevant, and thorough. For example, the University of Idaho, which just recently registered a program with CFP Board, relied heavily on alumni boards for advice in developing their program and utilized input from brokerage, insurance and accounting professionals in the development of their curriculum. Although guidance and input should be sought, the professor-observers will know the institutional limitations and implementation problems better than the committee. A program advisory committee can also improve the transition of graduating students into the workforce by assisting in fundraising efforts for the program and as a strong political ally when internal campus issues arise.

### 2.3.3. *Media*

Television, print media and the Internet represent external classrooms that can supplement the financial planning curriculum. Michelson (1999) provides explanation on how to create and modify a web page that can be used to efficiently reach students, and describes its importance and benefits in financial education. Media can be utilized across the curriculum or a class can be developed in which students are assigned to read important trade books, watch financial television, and report on their findings in class or through writing assignments. The *Wall Street Journal*, *Financial Planning Magazine*, *Investment Advisor*, *Journal of Financial Planning*, *Journal of Financial Services Professionals*, and *Kiplinger's Washington Letter* are obvious resources. These connect students to their environment and help them develop the important habit of monitoring major financial events and evaluating the impact of such events.

### 2.4. *Encourage professional standards in the classroom*

There are many steps that faculty can take to easily implement changes in their classrooms to mirror expectations as they exist in the professional environment, in turn creating a smoother transition for students as they enter the workforce. An assignment that represents professional malpractice or is otherwise not of professional quality should not be given a 'C' grade; instead, it should not be accepted. Assignments should be received on time or not at all unless the reason for delay is something that would cause practitioners to reschedule client appointments. Students can be assigned to work in groups with their peers and to evaluate each other. In addition, students should be encouraged to report any unethical or unprofessional behavior.

### 2.5. *Sponsor student professional organizations*

Student professional organizations offer students opportunities to be part of peer organizations that reach beyond a single campus or an individual region. Students often have opportunities to speak, collaborate, plan and lead meetings, interact with professionals and faculty, and hear practicing professionals. For example, students at Purdue University

participate in the Purdue Collegiate Financial Planning Club, which hosts professional speakers from the surrounding areas. Student financial planning societies offer future planners another medium to develop professional relationships with future colleagues, employers and industry professionals. Student groups can also assist faculty and staff with activities such as working with an advisory group, assisting with a program newsletter, and organizing student trips to financial planning related national conferences.

### **3. Techniques that bring the classroom into the profession**

#### *3.1. Facilitate work experiences in the financial planning/services profession*

##### *3.1.1. Internships, practica, and cooperative programs*

Experience through an internship gives students valuable perspectives that help them evaluate different career paths and prospective employers, as well as enabling students to relate their coursework to the practice of financial planning. Learning from experience provides students with opportunities to evaluate their performance in a variety of contexts. Students report that internships enhance communication and interpersonal skills needed for negotiating with others when working in teams (Raymond, McNabb, & Matthaei, 1993). Based on a national study, the skills developed most frequently by student interns include critical thinking, resilience to the pressures of professional work, gaining a perceived edge in the job market, improved communication skills, career direction clarification, learning to work in teams, learning about politics in the workplace, and the application of classroom learning (Page, Geck, & Wiseman, 1999). With appropriate supervision, student interns learn how to reflect on their own experiences as a way to more fully understand their actions and behaviors resulting in improved work performance (Cromwell, 1993; Grantz & Thanos, 1996). In addition, employers commonly report that internships are the most effective way for students to gain practical experience and be prepared to transition into the workplace (Oblinger & Verville, 1998).

Ideally, internship activities should be paid to increase the probability there will be significant responsibilities given to the student and that they are given adequate instruction and supervision. It is important for the internship coordinator to follow-up with both students and internship sponsors, require reports of experience and a daily log, and to perform on-site visits. Internship sponsors should be given the opportunity to provide meaningful evaluation of the student intern. If a student plans to enter the profession through an avenue that will require securities and insurance licensing, these activities can be started or completed during the internship, so that the student can hit the ground running upon graduation.

The National Society for Experiential Education discusses key strategies for creating strong internships (Inkster & Ross, 1995). This resource provides in-depth guidance for faculty interested in developing internship experiences within their academic program. Walker, Turner, Shoffner, and Gibson (2001) provide suggestions on how internship experiences can be enhanced through utilization of specific experiential learning activities. Holton

(1992) provides excellent instruction on integrating internships and other experiential activities into a curriculum. Eyssell (1999) provides valuable information on developing a practicum that will allow financial planning students to gain experience working directly with clients. The personal financial planning program at Texas Tech posts its financial planning internship manual on its web site, which can be a source of information for other schools.

### *3.1.2. Part-time jobs*

Part-time jobs may provide a meaningful experience similar to that of an internship. The part-time work may be at a remedial level, such as answering phones, filing, or copying. However, even the most mundane job in a financial planning firm can offer valuable lessons in such topics as client service, productive work habits, and regulatory compliance. Sometimes these jobs offer work that includes interacting with clients, having input on financial plans, or marketing activities. Contacts that develop at a part-time job may yield future full-time career opportunities.

### *3.1.3. Shadowing*

A student may benefit from exposure to a financial planning firm before that student is ready to accept a paid internship or part-time job. It is feasible to find professionals willing to be shadowed to allow students to observe a professional's daily activities. The student can be directly involved in the work to the extent that the professional is willing to delegate tasks, but the experience is primarily intended to be that of observation. A student who shows promise in this environment will easily make the transition to a paid internship when the time is right.

### *3.1.4. Service-learning*

Differing from the concepts of "volunteerism" and "community service" that are typically one-directional in nature, service learning is characterized by a focus on reciprocity and learning from experience. More specifically, service-learning is defined as "a form of experiential education in which students engage in activities that address human and community needs together with structured opportunities intentionally designed to promote student learning and development" (Jacoby, 1996, p. 5). It is a form of experiential learning that fosters partnerships between academic programs and the community. Over the past decade, service learning has grown dramatically as a tool to get students real-world exposure and assist with community problems (Jacoby, 2003). Furthermore, there is substantial evidence supporting the positive outcomes of this pedagogic technique, such as promoting multicultural education and sensitivity, leadership development, teamwork, and a sense of social responsibility (Batchelder & Root, 1994; Giles & Eyler, 1994).

Guidelines and models of practice are available to those desiring to incorporate service learning into their curricula (e.g., Calleson, Serow, & Parker, 1998; Hofer, 1990; Jacoby, 2003; Sigmon, 1990). Financial planning students can apply their financial knowledge to address real community issues, such as financial illiteracy and poverty. More specifically, they might engage in direct services such as tutoring, mentoring, advising or teaching in

places such as tax clinics, bankruptcy courts, professional organizations, or social service agencies. For example, the University of Missouri-Columbia and the University of Wisconsin-Madison both participate in a Volunteer Income Tax Assistance Program (VITA). Students might also do advocacy or policy-level work for a professional or government organization to address issues and problems currently facing the financial planning industry. Financial counseling services and outreach financial education, discussed below, are also excellent mediums for service learning.

### *3.2. Establish a financial planning/counseling clinic*

Implementing a financial planning/counseling clinic within an academic program may be the most effective technique for integrating the classroom with the professional world. Students experience direct contact with real clients and apply their knowledge to real situations. In addition, the experience students receive in such a clinic could allow them to obtain licenses and experience toward certifications. Such a clinic may be staffed by students receiving academic credit and supervised by faculty. Students undergo additional training to prepare themselves to work in such a clinic. The clinic could focus on providing financial counseling/planning to the students, staff, and faculty of the college or university. In fact, research on college students' increasing levels of debt and low level of financial literacy indicates that colleges and universities are in great need of this type of service for their students. Individual and group counseling can be provided to students in need of financial guidance as a free service, sponsored either by the department or by other university organizations. Students with financial problems can be referred from several sources on campus, such as the credit union, residence halls, financial aid and other student affairs offices. Financial planning students could also provide planning services to low-to-middle income families that are typically not served by financial planners in the community.

The CFP Board-Registered program at University of Wisconsin-Madison currently runs a peer counseling office out of their financial aid building, where students use PowerPay software and help students, faculty, and staff with spending plans and debt management. Texas Tech University also has a peer financial counseling program called Red-to-Black ([www.orgs.ttu.edu/r2b](http://www.orgs.ttu.edu/r2b)), in which upper-class personal financial planning students provide financial counseling and planning to students, faculty, and staff. University of Dallas and California Lutheran University also report having financial counseling/planning clinics on their campuses (A. Goldfarb, personal communication, 2004; S. Basu, personal communication, 2004).

### *3.3. Peer education programs and community presentations*

A peer education program could be structured as a component of a financial planning clinic or as a stand-alone program. A peer education program with financial education as its focus provides financial planning students a great opportunity to gain professional experience. Presentations are developed by students covering a variety of financial issues and are accessible to groups on campus and in the surrounding community, such as residence halls,

academic classes, Greek and other student organizations, local elementary and high schools, investment clubs, and churches. A peer education program fosters development of many skills students need to successfully transition to the profession (e.g., program development, communication, and presentation skills). Students at the University of Wisconsin-Madison facilitate workshops on campus and the surrounding community. The program has grown substantially, attracting sponsorship, and is now offered on other University of Wisconsin campuses. Other schools with outreach financial education programs and their contact information can be found in Table 2.

Public speaking is an important professional skill, but is one that many people avoid and fear. Students can be required to give public presentations as part of their coursework or as a volunteer activity. Presentations can be given at professional meetings or to various audiences on campus and in the community. Students can be encouraged to join organizations that provide training and experience in public speaking such as Toastmasters International to help them improve their presentation skills.

### *3.4. Affiliating with professionals*

#### *3.4.1. Student participation in professional organizations*

Membership in professional organizations gives students many opportunities to attend national and regional meetings where they can develop relationships with financial planning professionals. Students learn the importance of networking and continuing education, as well as gaining knowledge of current events and how to influence regulatory initiatives, and they build an overall sense of identity with the profession.

The symbiosis between students and professional organizations is obvious. The associations get a chance to expand their membership by planting the seeds of the association into future professionals. Students involved with these organizations often receive opportunities for volunteer work, internships, and eventual career opportunities. Professors should actively seek opportunities to have their students attend meetings. Professors can reward or require attendance at these meetings, and should work with the student professional associations to secure the funds needed to participate in these meetings.

#### *3.4.2. Mentoring relationships with professionals*

Students can be paired with professionals who can serve as career coaches and advisors. Professionals can help students understand the industry and the importance of networking with others. This relationship can continue beyond an educational program, as many practitioners have noted the importance of a mentoring relationship for those beginning a career as a financial planner (Katz, 1999; Rattiner, 2000).

### *3.5. Encourage students to earn certifications and licenses*

Nothing shortens the period between graduation and becoming productive as a financial-services professional more than graduating with certifications and licenses. Securities and insurance licenses are needed in many types of employment, and more employers are requesting students who have passed the CFP Certification Examination. The Chartered Life Underwriter

(CLU) is valuable in the insurance industry, Accredited Financial Counselor (AFC) is useful as a financial counselor, and the Certified Retirement Counselor (CRC) makes sense for a graduate who wants to be a retirement counselor. Because most certifications require two to three years of experience, the new graduate must wait a period to use the credential, but having the education and examinations completed is a valuable asset to both the student and the firm.

It is ideal to include a review course for the CFP Certification Examination in the financial planning program curriculum. This review course should be more than a mere run-through of the program; it should homogenize the information learned in the classroom with the practical applications of financial planning to prepare graduates to demonstrate synthesis of the knowledge in an assessable format.

#### **4. Importance of professors getting out of the ivory tower**

Closely related to the need to get students out into the profession is the need to get the professors into the professional world. A significant difference often exists between the issues important to professionals and academic perceptions of those problems. Many professors begin teaching financial planning without having first practiced it. Others leave financial planning to teach and conduct research without maintaining their ties to the profession. Knowledge of the profession can soon deteriorate and become obsolete. New products continually come onto the market. For example, it is rare to find an investments professor discussing exchange traded funds, separate account programs, private placement life insurance, investment policy statements, or Monte Carlo analysis. However, these subjects are now commonplace in the profession.

Lectures, discussions, and class assignments should reflect what financial planners currently face, and this is unlikely to occur unless professors have a clear window into the current professional marketplace. Professors should consider doing faculty internships or sabbaticals in which they participate in the financial planning industry in some capacity. Some professors maintain a part-time consulting practice. This practice should be encouraged or even required of professors in such an applied field. Another way faculty can become more aware of the needs of the profession is by visiting interns at their places of employment. Discussions with the principals in the firm can enable a professor to ask questions and assess areas of weakness in the training of the intern. Attending professional meetings and volunteering in the profession are also important ways to stay in touch. Practicing financial planners often make excellent adjunct professors, as their knowledge can be used to bring current practices into the curriculum.

#### **5. Summary**

This paper describes curriculum recommendations designed to prepare students for transition into the professional world. The paper also provides numerous references to other literature that may assist with implementation of the techniques. Table 2 provides a list of schools currently using many of the educational techniques discussed in the paper, as well as the contact information to learn more about how those programs implement and manage

those educational strategies. Educational programs can share with other programs what works and what does not, facilitating the most effective preparation of students and most efficient advancement of the financial planning profession.

There is a need for articles that delve more deeply into the specific processes associated with implementation and evaluation of various pedagogic techniques used in the personal financial planning curriculum. Determining what professionals can do to shorten the transition in the proposed model would also be valuable. Examination of the skills and knowledge employers' desire in new employees and analysis of the learning experiences that facilitate these characteristics can provide the foundation for easing college students' transition into the financial planning profession.

Financial planning is an applied field and financial planning education can be viewed as a professional program. Entering the field can be daunting to a new graduate. There is not yet a well-defined road map to entering the financial planning profession. However, there are numerous entry points into the profession for those students who are truly prepared. The transition from student to practicing professional can be shortened when an effort is made to integrate the classroom with the profession, thus improving the financial planning curriculum and increasing students' preparation for their careers. Students of today are the professionals of tomorrow, and educational programs in personal financial planning need to make every effort to prepare students to meet the challenges of a financial planning career as competent professionals. The financial planning profession is strengthened by educational programs working toward the proposed model of promoting a seamless transition for students moving from academia to the professional world.

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