

A study of for-credit introductory personal financial planning courses

Joel Gold,* Charlotte Pryor, Philip Jagolinzer

University of Southern Maine, Portland, ME 04104-9300, USA

Abstract

The purpose of this study is to ascertain the extent to which certain of the Certified Financial Planning Board of Standards (the Board) prescribed topics are covered in for-credit introductory Personal Financial Planning courses delivered by AACSB accredited business schools. Time value of money, financial planning process, personal financial statements, and mutual funds receive the most emphasis. While many prescribed topics receive significant course time, little coverage is given to many others, such as forms of business organizations and financial services industry regulations. The authors conclude that there is a disparity between the Personal Financial Planning course in the CFP Board Model Financial Planning curriculum and what is taught at surveyed schools. © 2006 Academy of Financial Services. All rights reserved.

JEL classification: G29

Keywords: Financial planning; AACSB finance course; Personal finance course; CFP introductory course

1. Introduction

This study examines the introductory level, for-credit, Personal Financial Planning (PFP) course that satisfies some of the program requirements stipulated by the Certified Financial Planning (CFP) Board of Standards (the Board). Academic institutions register programs with the CFP Board, designed to encourage novices, as well as seasoned professionals, in the financial planning field, to seek the CFP designation. The Board requires that academic institutions, with registered programs, include 101 mandated topics in their curriculum. At

* Corresponding author. Tel.: +1-207-780-4301; fax: +1-207-780-4662.
E-mail address: Jgold@USM.maine.edu (J. Gold).

the time we undertook this study the 101 required topics were grouped into seven content segments that were called: (1) General Principles of Financial Planning; (2) Insurance Planning and Risk Management; (3) Employee Benefits Planning; (4) Investment Planning; (5) Income Tax Planning; (6) Retirement Planning; and (7) Estate Planning. In 2004 the Board, in partnership with the Academy of Financial Services, issued its model curriculum, essentially a reconfiguration for teaching the 101 topics.

Some schools offer an introductory PFP course as part of their curriculum. This course usually includes specific topics that can satisfy some or all of the “General Principles of Financial Planning” or “Personal Financial Planning” content segments. Certain schools do not offer an introductory PFP course, but integrate the material in their other content segments. There are also schools that offer a capstone course, which reviews mandated materials and/or covers those topics not taught elsewhere.

The Guide to CFP Certification (2002) reports that, effective January 1, 2007, the CFP Board will require that candidates must have a bachelor’s degree from an accredited college or university to qualify for CFP certification. Longo’s (1998) study views the CFP designation “emerging as the dominant credential in terms of recognition among not only investors, but also the American press and even many planners.” The CFP credential does not belong to any one financial service sector as those individuals who have earned it have a variety of backgrounds. The CFP designation is marketed very well and professionals with other financial planning credentials have been considering adding this credential. Prime candidates for adding the designation are Chartered Life Underwriters (CLU) and Chartered Financial Consultant (ChFC) in the insurance fields and the Personal Financial Specialist (PFS) in the accounting field. Anthes (2002) believes that the acceptance of the CFP designation has been a result of spreading financial planning education throughout colleges and universities in the United States.

Studies show that the general population has little understanding of basic personal finance issues. Chen and Volpe (1998) state that college students have little knowledge about personal finance. While most college students may not yet be investors, the findings of Chen and Volpe are consistent with Singletary (2002), who reported that “year after year, surveys show that investors get a failing grade when quizzed about their basic knowledge of personal finance.” Encouraging students to take one or more PFP courses may direct them to careers associated with the finance field, or at a minimum, help them make more informed personal finance decisions.

Putnam and Chakravarty (1998) report that, at many colleges and universities, financial planning majors are increasing. Their study results disclose that 61% of enrolled students are females. Their average age is 21, and 94% are in their third year of study or beyond. Only about 20% of enrolled students start out in financial planning. About 72% of their respondents express an interest in a financial services industry career, other than being a planner. Positions of interest are stockbroker, accountant, financial analyst, employee benefit consultant, insurance agent, and portfolio manager or credit bureau agent. About 25% show interest in financial planning as a career, focusing on the following specialties: insurance planning (9%), investment planning (36%), tax planning (6%), retirement planning (3%), and estate planning (12%). Only about 15% of students show an interest in comprehensive planning. The majority of students favor fees and commission compensation. Finally, the researchers

conclude that with the assistance of the CFP Board, they see financial planning education programs continuing to improve and grow. According to Jazwinski (2001), the financial advisory business will continue to grow and offer multiple financial planning services. He believes that the focus for financial planners will be problem solving, rather than selling products. He concludes that successful firms will provide advice about investment planning management, tax planning and preparation, estate and personal financial planning, charitable giving, and insurance.

Our review of college catalogs finds that the primary finance curricula at American colleges and universities are in the areas of corporate and investment finance. Personal financial planning courses and programs typically receive less emphasis as part of a mainstream finance curriculum. Yet indications are that there are opportunities and need for individuals with expertise in PFP.

The U.S. Department of Labor, Bureau of Labor Statistics (2002) expects faster-than-average employment growth of both financial analysts and personal financial advisors through the year 2010. This growth is likely because of an increase in investment by businesses and individuals. The timing for this increase in investment activity suggests that the emerging “baby boom” population may cause it. It is likely that most “baby boomers” will never have had a course in personal financial planning, so that as they begin to retire they will need help evaluating their goals in light of their current and future financial resources. Those employed in PFP related fields should also benefit from the effects of the longevity revolution, which is making traditional retirement periods obsolete. Because retirees will need greater financial resources to fund their longer years of retirement, there will be related opportunities for providing comprehensive financial planning services. The introductory PFP course is a beginning to this process. The course typically provides an overview of all the major components within the financial planning process. It should be valuable for both the future PFP professional and his or her future clients. The information from this study may be of interest to those hiring potential recipients of the CFP designation, university departments currently offering an introductory PFP course, those schools contemplating such a course, or institutions that are interested in delivering courses registered with the CFP Board. The survey results should offer these schools a benchmark to evaluate topical coverage and instructional methodologies.

The remainder of the paper is organized as follows. An overview of the CFP credential and programs registered by the CFP Board is provided in the next section to make available a context for the current study. This is followed by a review of prior literature addressing some of the issues considered in the present study. Next, we describe the methodology used in data collection and analysis. Our findings appear in the next to last section. The last section includes a summary and conclusions.

2. The CFP credential and programs registered by the CFP board

While the insurance and accounting industries have financial planning designations, this study has used the CFP credential as its benchmark because it is preferred by the Financial Planning Association (FPA), the largest national financial planning organization in the

United States. The FPA states that they “welcome into membership all those who advance the financial planning process and promote the CFP mark as the cornerstone of the financial planning profession.” While the CFP designation is dominant in financial planning in the United States, the FPA expects that if it is not already dominant, it will be soon in other countries too.

To obtain the CFP designation, a candidate must pass a 10-hour comprehensive examination covering the mandated 101 financial planning topics included in the seven content segments. The CFP Board bases those topics on periodic job analysis studies. The majority of CFP candidates enroll in a program registered by the CFP Board and satisfactorily complete coursework related to these topical areas. The CFP Board does not mandate the type of delivery or the educational focus of the institution (e.g., associate, bachelors, masters, noncredit), as long as all the topics are covered. Some candidates can satisfy some or entire component topics based on prior experience if they successfully challenge topics. Those individuals do not have to take the related courses but still must sit for the 10-hour comprehensive two-day examination. For example, individuals who hold the CPA license, ChFC, CLU, or CFA designations, or D.B.A. or Ph.D. degrees in business or economics, and licensed attorneys may be exempt from the coursework if they successfully challenge some or all topics.

According to the CFP Board, as of June 2005, there were 36 distance education programs, as well as 190 institutions (including community colleges, bachelor and graduate programs) in 41 states and Guam that are registered with the Board. At the time of our study there were 171 institutions offering programs registered with the CFP Board, 91 of which were American Association of Collegiate Schools of Business (AACSB) accredited schools. But only 25 of the AACSB accredited schools provided degree credit for their introductory course. We selected that smaller group for our survey because we were interested in responses from those required to maintain the high standards in AACSB accredited programs. As a result, respondents represent only a part of the programs registered by the CFP Board, and part of the baccalaureate and graduate population of AACSB accredited business programs in the United States.

3. Literature review

There are few previous studies that examine the content of personal financial planning courses. Petrello (1975) surveys 26 colleges offering personal finance courses in 1973, using a twelve-item questionnaire, sent to heads of departments or deans at colleges offering economics and business administration courses. His study addresses both topical coverage and pedagogy. He finds that all respondent schools teach investments, insurance, borrowing, and savings in their personal finance course. Over 90% of his respondents also cover home buying and banking. Classes are substantial at 19% of his responding schools where more than 100 students per semester are enrolled. At 65% of responding schools enrollments in personal finance classes are increasing. Case problems, visual aids and films, and/or independent assignments are used at 65% of the schools.

Blum (1977) examines 100 college catalogues, but does not send survey instruments to the

colleges selected. Blum's findings reveal that typically the personal finance course is delivered from a large state university or college system rather than a liberal arts or small college. Course offerings include titles such as: personal finance, personal money management, personal economic and financial planning, investments, and survey of investment media. Blum's study reveals the following course content from catalog course descriptions: bank investments, stocks, securities margin accounts, mutual funds, government bonds, life insurance, annuities, pension plans, retirement accounts, home ownership and income-producing real estate, small business ventures, social security, estate planning, tax and legal aspects of investments, and financial statement analysis. He also states that some catalogs mention options, commodities and foreign exchange and inflationary investment hedges. Time allocated to each area is not included in the study.

4. Methodology

This study uses the *Guide to CFP Certification* (revised July 2002) published by the Certified Financial Planner Board of Standards, to identify institutions delivering a program registered with the CFP Board. There are 143 baccalaureate/graduate schools that have registered programs that are matched against the 2001/2002 membership directory of the AACSB. There are 91 institutions delivering a CFP Board registered program that are also accredited by the AACSB. Telephone calls and other inquiry to Deans, chairs, and faculty teaching the CFP/PFP course at the 91 institutions reveal that two are discontinued programs, and only 25 offer a for-credit introductory PFP course from their business school. We exclude the other 64 AACSB accredited schools because they do not offer an introductory level PFP course, a for-credit program registered with the CFP Board or a program registered with the CFP Board through their business school. A survey instrument was sent to each of the 25 identified schools. We received 20 survey responses for an 80% response rate.

The survey includes 17 questions. Respondents are first asked some general questions about their school, their program that is registered with the CFP Board and whether or not they offer a "capstone" course as part of the program. They are then asked several questions related to the introductory PFP course, its academic requirements, a profile of the instructor, textbooks used, pedagogy, the typical student, enrollments, and prerequisites.

In the last section, instructors are asked to indicate the extent of class time spent on numerous personal financial planning course topics. We identified 44 topics for inclusion in the survey by reviewing numerous personal financial planning and personnel finance textbooks, as well as the 101 current topics required by the CFP Board for testing on the CFP examination. When completing the topical coverage section of the survey, instructors are asked to approximate the amount of classroom time spent on each, in 30-minute increments. A response of (1) indicates "in depth" coverage and is defined as 90 min of class time or more, while a response of (5) is associated with "not at all" or no class time spent on the particular topic. Because the population size is small, descriptive statistics are utilized. We do not hypothesize about expected differences nor provide any theoretical reason when differences occur.

Table 1
Sample institutions, courses, and faculty

	Number	Percent
Panel A: Type of institution		
Public	18	90%
Private	2	10%
Panel B: Course characteristics		
Course level		
Undergraduate	14	70%
Graduate	6	30%
Course title		
Personal financial planning	18	90%
Personal finance	2	10%
Course classification		
Finance	16	80%
Accounting	2	10%
Other	2	10%
Panel C: Faculty characteristics		
Education		
PhD	14	70%
MBA	6	30%
Certification*		
Certified Financial Planner (CFP)	13	65%
Certified Public Accountant (CPA)	6	30%
Certified Financial Analyst (CFA)	2	10%
Personal Financial Specialist (PFS)	1	5%

* Total is greater than 100% due to multiple certifications held by some respondents.

Results

Table 1 shows that of 20 schools surveyed, 18 are public institutions and two are private. These 20 institutions represent 80% of all AACSB accredited schools delivering an introductory for-credit PFP course. Fourteen of the surveyed institutions offer the introductory course in their undergraduate program, while six of the courses are for graduate students. At 18 schools (90% of those surveyed) the course title includes the words Personal Financial Planning, and at two schools Personal Finance. Even though some course titles have variations on the two names, such as “Introduction to . . .,” we are able to summarize all 20 into those two general categories. While the definition of Personal Financial Planning is different than Personal Finance, we found that there is little difference in the topical coverage, textbooks and pedagogy used in respondents’ introductory PFP or PF courses; the two are essentially interchangeable. Consequently, for purposes of this study, we considered the two courses as one. Because this course is a precursor to the more specialized courses in the curriculum required of programs registered with the CFP Board, and is not a capstone course, we are surprised to find that only two schools include the word “Introduction” in their course title. Sixteen schools (80% of those surveyed) list their course in their finance curriculum, two consider it an accounting course, and two place it elsewhere.

Most instructors hold a Ph.D. degree (14 respondents) and have earned the CFP designation (13 respondents). Other credentials among the respondents are the MBA (Master of

Business Administration), the CPA (Certified Public Accountant), PFS (Personal Financial Specialist), and CFA (Chartered Financial Analyst).

5.1. Topical coverage

Table 2 summarizes coverage for 44 topics of instruction. The CFP Board prescribed 20 of those topics in the “General Principles of Financial Planning” content area (see Table 2, Panel A). An additional 24 topics are in the survey covering other subjects typically included in most introductory PFP courses (see Table 2, Panel B). When we categorized survey results according to the “Personal Financial Planning” content area of the model curriculum, we found that the data we had collected corresponded to 30 of the Board approved topics (see Table 2, Panel C). We expected to see most of our 44 survey topics in the introductory courses. All but one respondent reported spending more than an hour on the topic Time value of money. Financial planning process and Personal financial statements from Table 2, Panel A, and Mutual funds from Table 2, Panel B, similarly receive considerable emphasis. Only six topics receive some class time coverage by all respondents who provided information: Financial planning process, personal financial statements, cash flow and budgeting, emergency fund planning; and economic concepts from Table 2, Panel A; and goal setting and implementation from Table 2, Panel B. Among respondents who completed the topic coverage portion of the questionnaire, monetary settlement planning, regulation of financial institutions, business law, and forms of business organizations from Table 2, Panel A, and commodity trading: futures, career planning, and professional liability insurance from Table 2, Panel B appear to be the least important topics, in that more than 75% indicated that they devote 30 min or less to those topics. Four of the topics (monetary settlement planning, regulation of financial institutions, business law, and forms of business organization) are included in the CFP Board’s “General Principles of Financial Planning,” as well as in the Board’s “Personal Financial Planning” course in its model curriculum. Respondents did not indicate why so little time is being devoted to those topics in their first course. Perhaps instructors consider that amount of time adequate coverage, or that they revisit the topics in greater depth in later courses. It is also possible that the amount of time devoted to these topics is minimal because they are not included in any of the textbooks referred to in the survey. However, the respondents also did not indicate why they devoted so much time to some of the topics that are not included in the CFP Board’s first content segment. Additional research may be of value in determining answers to these issues.

5.2. Pedagogy and textbooks

Respondents are asked to estimate in-class time allocated to various pedagogy. The total of allocated time sums to 100%. Table 3 summarizes the pedagogical methods employed by the respondents and the mean responses reported. Lecture is by far the preferred method overall, averaging about 49% of class time and used by 18 of 20 respondents (90%). Exams and case studies average about 15% of class time, followed closely by group assignments and outside readings. Educational literature indicates that group activities and teamwork are very popular among teachers (e.g., Ravenscroft, Buckless, McCombs and Zuckerman, 1995). In

Table 2
Class time allotted to each topic

Response	Mean	Number				
		1	2	3	4	5
		>90 min	61–90 min	31–60 min	1–30 min	0 min
Panel A: CFP standards board general principles of financial planning topics						
Time value of money	1.68	9	9	0	0	1
Financial planning process	2.05	8	6	3	3	0
Personal financial statements	2.15	6	6	7	1	0
Cash flow and budgeting	2.30	3	11	3	3	0
Credit and debt management	2.55	3	8	5	3	1
Client attitudes and behavioral characteristics	3.00	3	5	5	3	4
Emergency fund planning	3.00	3	3	4	9	0
Economic concepts	3.00	1	5	6	7	0
Educational funding	3.20	4	2	3	8	3
Quantitative analysis	3.26	2	3	5	6	3
Planning for divorce, disability, job change, special needs	3.50	2	4	1	8	5
CFP Board code of ethics and disciplinary rules	3.63	3	0	4	6	6
Property titling	3.70	0	3	5	7	5
Financial services industry regulations	3.72	1	0	6	7	4
CFP Board's financial planning practice Standards	3.74	3	0	3	6	7
Buying and leasing	3.74	1	2	3	8	5
Forms of business organizations	4.00	0	2	2	10	6
Business law	4.00	1	0	3	8	6
Regulation of financial institutions	4.10	1	0	2	10	7
Monetary settlement planning	4.16	0	1	2	9	7
Panel B: Additional survey topics from introductory financial planning textbooks						
Mutual funds	2.05	8	5	4	1	1
Life insurance	2.21	8	3	5	2	1
Taxes that affect personal finances	2.25	7	6	3	3	1
Retirement planning	2.26	8	4	2	4	1
Investment planning strategies	2.40	6	4	7	2	1
Goal setting and implement	2.50	6	3	6	5	0
Housing: home ownership	2.58	4	6	4	4	1
Introduction to stocks	2.68	3	8	3	2	1
Health insurance	2.79	5	3	3	7	1
Estate planning concepts and strategies	2.85	4	4	6	3	3
Social security	2.95	3	3	8	4	2
Risk management concepts	3.00	3	5	3	5	3
Property and casualty insurance	3.05	3	3	5	6	2
Employee benefits planning	3.15	3	5	2	6	4
Introduction to bonds	3.17	1	5	4	6	2
Long-term care insurance	3.26	2	4	2	9	2
Disability income insurance	3.26	1	4	5	7	2
Will and trusts	3.45	3	1	4	8	4
Annuities	3.53	1	0	8	8	2
Investor real estate	3.55	2	1	5	8	4
Self insurance concepts	3.68	1	2	4	7	5
Professional liability insurance	3.68	2	1	2	10	4
Career planning	3.89	1	1	1	12	4
Commodity trading: futures	4.16	1	1	1	7	9

(Continued)

Table 2
Continued

Response	Mean	Number				
		1	2	3	4	5
		>90 min	61–90 min	31–60 min	1–30 min	0 min
Panel C: Model curriculum: personal financial planning course topics						
1. Introduction to financial planning						
Financial planning process	2.05	8	6	3	3	0
Financial services industry regulations	3.72	1	0	6	7	4
2. Client Attitudes						
Goal setting and implement	2.50	6	3	6	5	0
Client attitudes and behavioral characteristics	3.00	3	5	5	3	4
3. Time value of money						
Time value of money	1.68	9	9	0	0	1
4. Personal financial statements						
Personal financial statements	2.15	6	6	7	1	0
5. Budgeting and emergency fund						
Cash flow and budgeting	2.30	3	11	3	3	0
Emergency fund planning	3.00	3	3	4	9	0
6. Credit and debt management						
Credit and debt management	2.55	3	8	5	3	1
7. Financing asset acquisition						
Housing: home ownership	2.58	4	6	4	4	1
8. Educational funding						
Educational funding	3.20	4	2	3	8	3
9. Risk management						
Life insurance	2.21	8	3	5	2	1
Health insurance	2.79	5	3	3	7	1
Risk management concepts	3.00	3	5	3	5	3
Property and casualty insurance	3.05	3	3	5	6	2
Long-term care insurance	3.26	2	4	2	9	2
Disability income insurance	3.26	1	4	5	7	2
10. Retirement						
Taxes that affect personal finances	2.25	7	6	3	3	1
Retirement planning	2.25	8	5	2	4	1
Social security	2.95	3	3	8	4	2
11. Investments						
Mutual funds	2.05	8	5	4	1	1
Investment planning strategies	2.40	6	4	7	2	1
Introduction to stocks	2.68	3	8	3	2	3
Introduction to bonds	3.17	1	5	4	6	2
Annuities	3.53	1	0	8	8	2
12. Special circumstances						
Planning for divorce, disability, job change, special needs	3.50	2	4	1	8	5
13. SWOT Analysis (not in survey)						
13.5. CFP Board code of Ethics and disciplinary rules						
CFP Board code of ethics and disciplinary rules	3.63	3	0	4	6	6
14. Financial service regulations						
Financial services industry regulations	3.72	1	0	6	7	4
15. Revisiting the financial planning process (not in survey)						
15.5. Business entities and practice management						
Professional liability insurance	3.68	2	1	2	10	4
Forms of business organizations	4.00	0	2	2	10	6

Table 3
Instructional methods used in the introductory CFP course

Method	Number	Mean percentage of class time
Lecture	18	49.00
Exams	16	15.67
Case studies	9	15.00
Group assignments	6	14.00
Outside readings	13	13.50
Student presentations	3	11.66
Financial planning project	14	10.00
Homework assignments	8	10.00

this study, less than one-third of respondents indicate that they use group work on a frequent basis in the classroom.

Table 4 shows that the most widely used textbook is by Gitman and Joehnk (2002); however, 10 of 15 respondents use 5 other books. This suggests that there is apparently no “leader” in PFP textbooks, and that instructors are fortunate to have a variety of them from which to choose. In the use of textbooks, we found evidence supporting our contention that there is little distinction between the way introductory PFP and PF courses are taught. For example, instructors in five courses titled “Personal Financial Planning” use textbooks titled “Personal Finance.” Apparently, faculty think that there is not a significant difference between Personal Financial Planning and Personal Finance at the introductory level.

The study results indicate that the textbooks listed are the primary sources of information presented. However, based on the CFP Standards Board requirements, we believe that other materials need to be used to cover certain nontraditional topics. Examples of topics not found in most PFP textbooks are: CFP Board’s code of ethics and disciplinary rules, CFP Board’s financial planning practice standards, regulation of financial institutions, educational fund-

Table 4
Textbooks used

Text	Number
Lawrence J. Gitman and Michael D. Joehnk, <i>Personal Financial Planning</i> (South Western Publishing Company)	5
Michael A. Dalton and James F. Dalton, <i>Personal Financial Planning: Theory and Practice</i> (Dalton Publishing, LLC)	3
Arthur J. Keown, <i>Personal Finance</i> (Prentice Hall)	2
E. Thomas Garman and Raymond E. Fogue, <i>Personal Finance</i> (Houghton Mifflin Company)	2
Jack R. Kapoor, Les R. Diabay, and Robert J. Hughes, <i>Personal Finance</i> (McGraw Hill Publishers)	2
Sid Mitra, Jeffrey Kirman, and George Sefert, <i>Practicing Financial Planning: A Complete Guide for Professionals</i> (Mitra & Associates)	1
None specified	5

Table 5
Characteristics of the introductory CFP course

Number	Percent	
Panel A: Status of course as a degree requirement		
Required	10	50%
Elective	6	30%
Both?	4	20%
Panel B: Course prerequisites*		
No prerequisites	7	35%
A finance course	9	45%
An economics course	5	25%
An accounting course	4	20%
College math	3	15%
Sophomore class standing	1	5%
Panel C: Student characteristics*		
Graduate	6	30%
Senior	6	30%
Junior	9	45%
Sophomore	2	10%
Freshman	1	5%
Panel D: Annual enrollments*		
25 or less	4	20%
26–50	1	5%
51–75	6	30%
76–100	4	20%
101–200	4	20%
Mean enrollment is 77, median enrollment is 65 (range, 15–200 students)		
Panel E: Enrollment trends		
Increasing	12	60%
Remaining about the same	5	25%
Decreasing	2	10%

* Total is greater than 100% due to multiple responses.

ing, regulation of financial services industry, business law, quantitative analysis, and monetary settlement planning.

5.3. Degree requirements and course prerequisites

Table 5 lists the degree requirements and prerequisites for the introductory course at the respondents' institutions. At 10 of the responding institutions, the course is required for one or more degrees, at 6 it is strictly an elective, and at 4 it is required for some degrees and is elective for others. A finance course is the most frequent prerequisite required for the introductory course. Other prerequisites are an economics course, an accounting course, college math, and sophomore class standing. At seven institutions, there are no prerequisites for the introductory course.

5.4. The typical student and class enrollments

The majority of students taking the introductory course are juniors, followed by graduates and seniors. It appears that freshman and sophomores are either discouraged from taking this course or need prerequisites before being admitted.

The results of this study indicate that the introductory course can be popular. The median annual enrollment in this course is 65 students. According to respondents, class sizes range from 15 to 200. They indicated that enrollments for this course over the last three years have been increasing at 12 institutions, decreasing at 2, and remaining about the same at 5. Thus, at about 63% of responding schools there is enrollment growth. We suspect that, like most courses, what is covered and who teaches it, impact its popularity. While most AACSB accredited schools do not offer the introductory course, and fewer offer it for credit, many instructors think highly of it and some propose that it, or a traditional PFP course, be required of all students.

6. The capstone course

A capstone course is used at some schools to bring together material spread out over many courses, and over time, to teach topics “missed” elsewhere, to go into greater depth, and to review, summarize, or synthesize coursework up to that point. We asked whether or not the surveyed institutions offered a PFP capstone course as part of their program registered with the CFP Board. Such a course is offered at 7 of the 20 responding schools. An eighth school offered a two-semester course that is considered their capstone. The titles of the eight courses are: Financial Planning Investments, Financial Planning Insurance, Personal Financial Planning; Financial Planning in the Information Age, Financial Counseling, Seminar in Personal Financial Planning, Seminar in Financial Planning, Advanced Studies in Personal Financial Planning. We did not inquire as to whether the introductory and the capstone courses are complementary. We suspect, however, that at some institutions those two courses are used to survey and summarize the required topics while other courses provide depth.

7. Summary and conclusions

This study examines information from 20 AACSB accredited colleges that offer an introductory, for-credit PFP course, delivered as part of programs registered with the CFP Board. Its primary purpose is to determine the time allocated to each topic taught in the introductory course. Half or more of the respondents indicated that they allocate more than one hour to 12 of the 44 topics listed in the survey. Of these, six topics were allocated more than one hour of coverage by 65% or more of respondents: Retirement planning, taxes that affect personal finances, mutual funds, cash flow and budgeting, financial planning process, and time value of money (allocated more than one hour of coverage by 94.7% of respondents). Topics receiving the least amount of emphasis are: Commodity trading: futures; Monetary settlement planning, regulation of financial institutions, business law, form of business organizations, career planning, and professional liability insurance.

The CFP Board permits institutions flexibility to determine topic coverage in ways that they deem appropriate. Yet they have issued a model curriculum providing for a series of courses. The courses are grouped into seven content areas that are called: (1) Personal Financial Planning, (2) Investment Planning, (3) Insurance Planning, (4) Income Tax Planning, (5) Estate Planning, (6) Retirement Planning, and (7) Personal Financial Planning

Capstone. The model curriculum appears to be essentially a reconfiguration of the 101 topics. It seems to us that the Board is recommending, but not mandating, the “Personal Financial Planning” segment of the model curriculum as the first course. Many schools prescribe a minimum of topics to be covered in some courses, permitting instructors to use their creativity in delivery, pedagogy and emphasis. This may be occurring at the surveyed schools. We found that none of the academic institutions surveyed are utilizing either the General Principles of Financial Planning or the Personal Financial Planning topics for their first course. The disparity between what the CFP Board is recommending and what is being taught in the first course at the surveyed schools, suggests that the CFP Board may need to review and reassess those topics or the flexibility allowed institutions in their coverage. Without a mandate to include model curriculum topics in a prescribed manner we would expect that a similar study to ours, in 2010, would produce similar results

For schools considering starting a program to be registered with the CFP Board there is recognition that it should make sense under the right circumstances. This is not an easy task in today’s environment of tight budgets. Revenue from a program registered with the CFP Board can be generated through noncredit or credit coursework and by required continuing education for those with the CFP designation. Developing a registered program involves committed faculty for sponsorship, strong internal marketing, and sufficient faculty and resource capacity. An important academic issue is the tradeoff between prescribed content, program goals and cost. What is the purpose of the program? One that develops only CFP designation candidates may be too narrow focused. Market analysis needs to be employed which evaluates demand for each alternative. For example, a stand-alone form of financial services/planning program may be more flexible and less costly to an institution.

Further study might help to discover the reasons why so few institutions have instituted PFP courses or a program registered with the CFP Board.

References

- Anthes, W. L. (2002). P. Kemp Fain award winner William L. Anthes: advocate for the profession. *Journal of Financial Planning*, 15, 98–101.
- Blum, S. H. (1977). Education for personal investment: a survey of college programs and course content suggestions, ERIC# ED 142107. CFP Board of Standards (2002). *Guide to CFP Certification*, 6.
- Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. *Financial Services Review*, 7, 107–128.
- Gitman, L. J., & Joehnk, M. D. (2002). *Personal financial planning*. Ohio: SouthWestern Publishing Company.
- Jazwinski, R. C. (2001). Estate & personal financial planning. *Pennsylvania CPA Journal*, 71, 14–15.
- Longo, T. (1998). Goodbye, alphabet soup: if the CFP mark is becoming the industry standard, where does that leave everyone else? *Financial Planning*, 1, 39–48.
- Petrello, G. J. (1975). *A status report on the personal finance course*. ERIC# ED 110714.
- Putnam, K., & Chakravarty, S. (1998). Building relationships with the next generation of financial planners. *Journal of Financial Planning*, 11, 117–122.
- Ravenscroft, S. B., Bückless, F. A., McCombs, G. B., & Zuckerman, G. J. (1995). Incentives in student team learning: an experiment in cooperative group learning. *Issues in Accounting Education*, 10, 97–109.
- Singletary, M. (2002). Financial illiteracy is sadly the norm. *Maine Sunday Telegram*, 10, F1.
- U.S. Department of Labor, Bureau of Labor Statistics. (2002). Securities, commodities, and financial services sales agents. *Occupation Outlook Handbook, 2002–2003 edition*, 51.