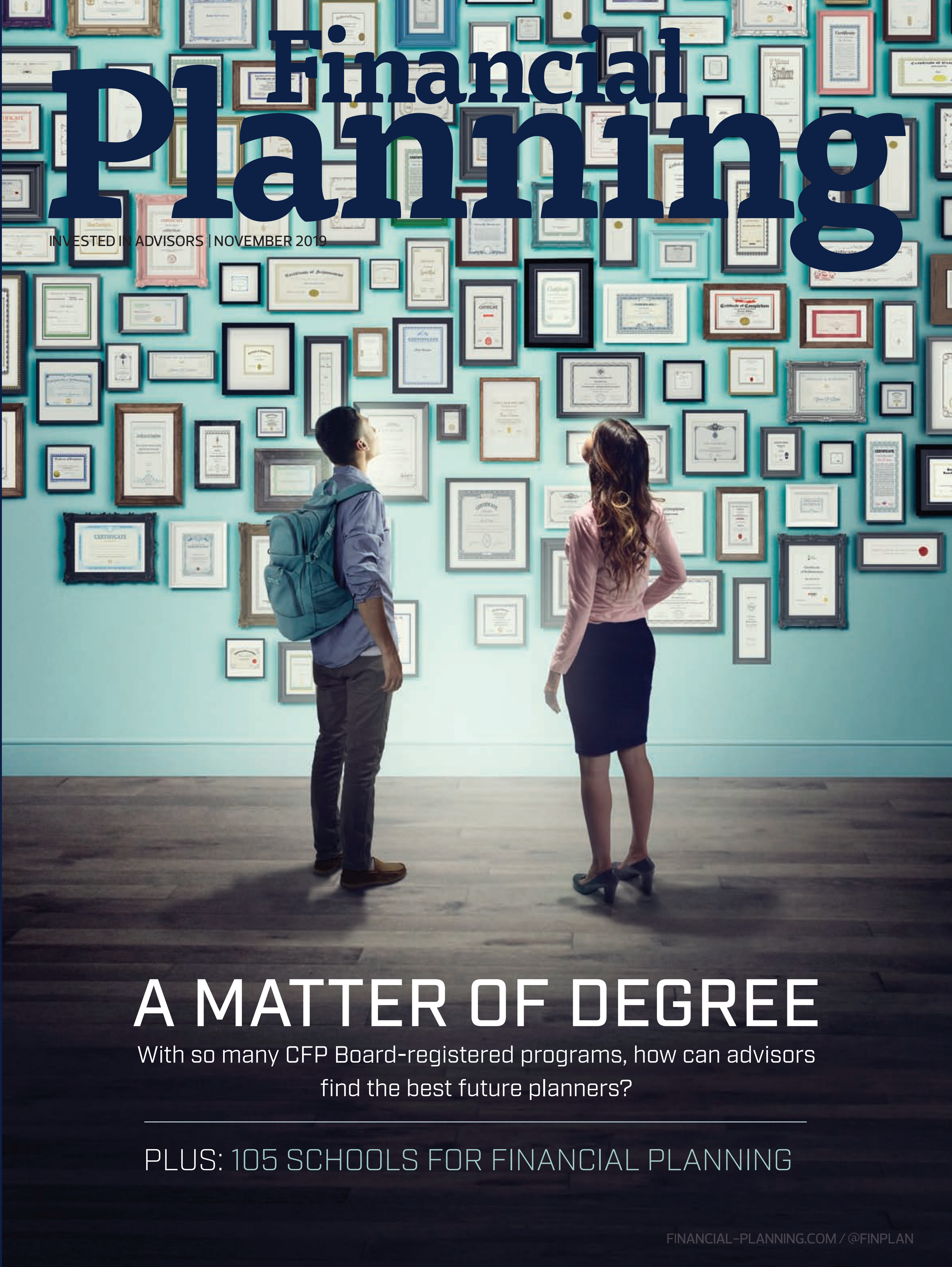
Financial Planning

November 2019



Financial Planning

INVESTED IN ADVISORS | NOVEMBER 2019

A MATTER OF DEGREE

With so many CFP Board-registered programs, how can advisors find the best future planners?

PLUS: 105 SCHOOLS FOR FINANCIAL PLANNING

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NOVEMBER 2019 Financial Planning Vol. 49/No.11

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PHOTO ILLUSTRATION BY C.J. BURTON

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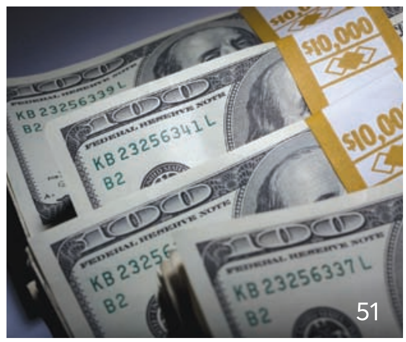

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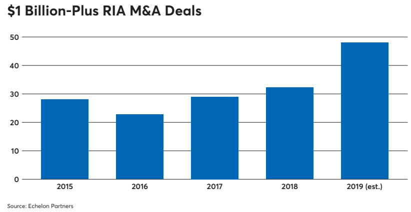
WEB SPECIAL

Pershing Unleashes AI Tools

Advisors' ability to use the newest tech will revolve around three factors: training, compliance department approval and openness to learning new processes, says Michelle Feinstein, director of technology and client engagement at BNY Mellon Pershing. Listen to the podcast here: https://bit.ly/2kLmhpD

GUIDE TO GROWTH



RIA M&A Market Changes

While some in the wealth management industry worry about a deal bubble, few believe the enormous demand for advisory firms will abate anytime soon. What has changed over the past year as a result of this unprecedented activity? Find out here: https://bit.ly/2kAzIZz

EVENTS

Dec. 5-6
In|Vest West
San Francisco
https://bit.ly/32aR1jZ

Dec. 9-12
MarketCounsel Summit
Miami Beach, Florida
https://bit.ly/2PlsWW0

Jan. 27-29
FSI OneVoice
San Diego
https://bit.ly/345GLeR

Feb. 17-20
T3 Advisor Conference
San Diego
https://bit.ly/2IdJckE

Financial Planning

Editor's View

Should There be a Single Planning Degree?

I had a strong opinion. Then our reporting changed my mind.

How many is too many? Students considering a financial planning career have a pick of about 145 different baccalaureate CFP Board-registered programs, Maddy Perkins, *Financial Planning's* assistant managing editor, found while reporting this year's annual special report on planning schools.

"In the five years I've worked on the schools list, I've noticed there are many different types of degrees available to prospective planners," Perkins tells me. "I wondered if having so many choices was detrimental or helpful to the growth of the profession. Is it confusing that there are so many ways to study planning academically?"

I had my own answer immediately when she posed the question: Of course there should be fewer degrees. Less choice means less confusion for students, firms and clients alike. Right? But Perkins' reporting softened my hard stance.

For one, different pathways means more students can find their way to this uniquely interdisciplinary career. Prospective advisors who want to focus on technology, finance and entreprenuership can graduate with a B.B.A. in financial services from Berkeley College in New York. Or, if they want to build a holistic planning practice, they can seek an M.S. in human development and family science with an emphasis in family financial planning from North Dakota State University in Fargo.

"Students who want to study other subjects in college — but still want the option of becoming planners — may want to opt for programs that offer minors," Perkins says. "Those who are already committed to planning might want to opt for a bachelor's degree in the subject. It all depends on what they want to do and learn."

The number of degrees will likely consolidate over time, Perkins says. "Do I think a single degree will emerge at some point? Probably," she tells me, akin to other professions. "But I'd be surprised if we saw it happen in the next decade. There's too much work to be done first."

Industry leaders first need to establish guidelines on how the profession should evolve and grow. Hiring managers and educators alike should conduct research, speak with students and listen to clients and other advisors. Hard stances crumble in the face of hard evidence. **—Chelsea Emery**

Retirement Advisor Confidence Index

Clients Regain Risk Mojo

However, this “return to normalcy” has not allayed fears of a potential global recession fueled by trade wars and other geopolitical tensions.

By Kenneth Corbin

After a recent spasm of anxiety, clients saving for retirement are channeling money back into that strategy with what appears to be a renewed appetite for risk, according to the latest Retirement Advisor Confidence Index, *Financial Planning's* monthly barometer of business conditions for wealth managers.

Following a dismal month that saw clients' risk tolerance plunge to the lowest level of the year, the more recent month “returned to normalcy with consumer confidence in regards to investing and risk tolerance,” one retirement advisor says.

Planners reported a sharp increase in overall dollars contributed to retirement accounts, accounting for a RACI score of 60.2, a 5.6-point increase from the previous month, and marking the first time since April that this component of the index posted a mark of 60 or higher.

RACI scores below 50 indicate a drop in confidence, while scores above that signify an increase.

Some increased asset movement may be attributed to the turning of the calendar. With the end of the year approaching, one advisor notes, clients are thinking more about their tax picture.

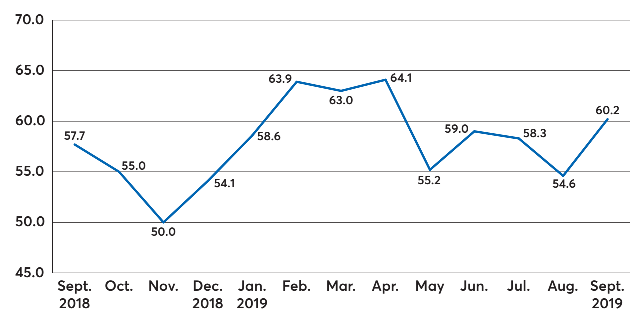
“As we get closer to year-end, more clients begin SEP IRAs and traditional IRAs,” the advisor says, explaining that in the waning months of the year, investors are looking to “lower 2019's tax liability where possible.”

The overall composite index checked in at 49.9, reversing two months of decline, to edge back toward the 50-point threshold — one which the index had consistently topped for the first half of the year.

The most recent month's composite was off 1.7 points from the same period last year.

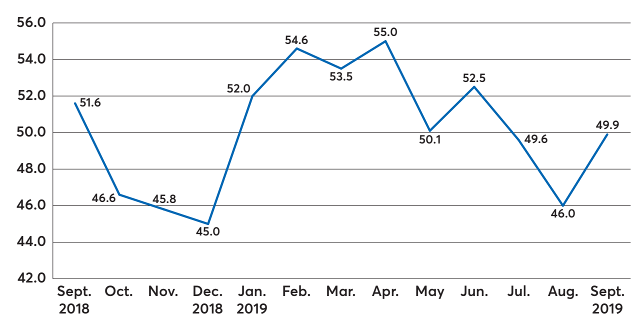
Among asset classes, equities were the biggest mover.

DOLLAR AMOUNT FOR ALL RETIREMENT CONTRIBUTIONS



Source: SourceMedia Research

RETIREMENT ADVISOR CONFIDENCE INDEX



Source: SourceMedia Research

Retirement assets used to purchase equities surged to 53.2 — up 8.6 points from the previous month — and the highest score since June.

Investor anxiety calmed considerably in the most recent month, as the RACI component that tracks risk tolerance spiked 9.2 points from last month, clocking in at 41.2.

Despite that impressive rebound, the risk tolerance score

The Retirement Advisor Confidence Index, published in partnership with ADP®, is created by the editors of Financial Planning *and is based on a monthly survey of about 300 advisors. Visit financial-planning.com for more results.*

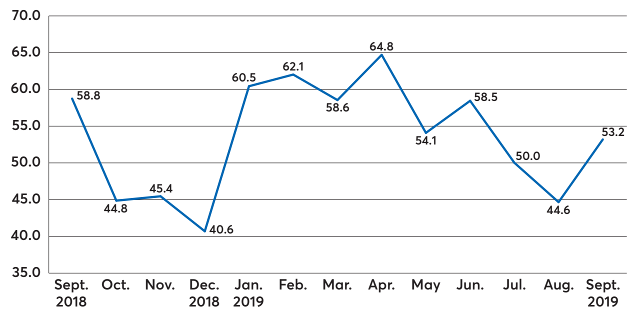
was still the second-lowest mark of the year, and down 5.9 points from the year-earlier period.

"Market confidence has seen a modest increase," one advisor says. "However, we still are wary on investing new money across the board."

Indeed, despite current numbers generally showing an uptick in confidence from the prior period, retirement advisors continue to report that clients are concerned about uncertainty in global markets fueled by trade wars and other geopolitical factors.

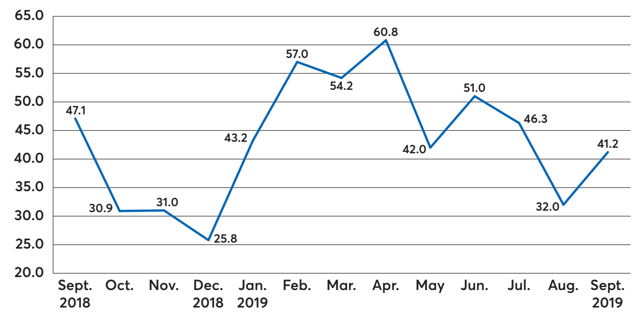
Clients fear these factors could culminate in a sustained global slowdown."Clients are a bit edgy regarding the future of their investments," one advisor says. "Many are concerned about an upcoming recession." **FP**

CLIENT ASSETS USED TO PURCHASE EQUITIES



Source: SourceMedia Research

RISK TOLERANCE



Source: SourceMedia Research

Kenneth Corbin *is a* Financial Planning *contributing writer in Boston and Washington. Follow him on Twitter at @kecorb.*

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PS Form 3526-R, July 2014 (Page 3 of 4)

McClanahan

Big Shortfalls in SEC Videos

In five bite-sized offerings, Chairman Jay Clayton fails to tell the public what it needs to know about RIAs versus brokers.

By Carolyn McClanahan

The SEC recently released a series of videos to educate consumers about the differences between brokers and investment advisors.

Watching these videos reminds me that each person's worldview is a bubble shaped by experiences and relationships. When an organization tries to enlighten others, success depends heavily on whether they can pop their own bubble to better understand the worldview of the audience they are trying to help.

In these videos, I can sadly report the SEC did not get out of its own bubble.

The SEC recently finalized Regulation Best Interest, which waters down the fiduciary standard and will make it difficult for the public to determine if an advisor is a true fiduciary.

Conversely, the commission touts its "Main Street investor engagement and education campaign," intended to help the public understand the mumbo-jumbo of the new rules and help them do a better job of selecting a financial professional. If the SEC really wants to protect investors, why don't they just support a pure fiduciary standard?

But getting back to the videos. Jay Clayton, chairman of the SEC, narrates the five installments, each lasting two to four minutes, in a soothing voice.

Setting a Tone

The introductory video sets the tone. He reviews two questions investors should ask: Are their financial professionals registered with the SEC or the state, and are they brokers or investment advisors?

It is here we first glimpse Clayton's bubble mindset. His favorite questions for an advisor? "How much of my money is going to fees and costs, and how much is going to work for me?" This implies he thinks the only service advisors provide is investment management. Doesn't he know the good advisors provide financial planning too?

The second video deals with the difference between brokers and investment advisors. Both can give advice on securities and create investment strategies, Clayton explains. A broker can complete the transaction, but the investor is responsible for making decisions about investments. Investment advisors can do all this — plus they can make the decisions about investments for the investor.

One video fails to establish that there are many advisors these days who charge hourly or flat fees.

Clayton states that a financial professional can be both a broker and advisor or a combination of the two. I wish he would do another video clarifying just when that combination would be appropriate. My bet is that he couldn't provide a good answer.

The third video highlights the differences in how brokers and investment advisors are paid: commissions or asset management fees. This highlights another aspect of Clayton's bubble: Does he not understand that many advisors these days charge hourly or flat fees?

And then he makes a big bubble statement: "The advisor, by charging an ongoing investment advisory fee, gets paid more only if your account grows, so in that key way your financial interests are aligned with your advisor."

To me, this poses a significant suitability issue. Does Clayton mean to imply that it's OK for the advisor to take more risk to grow the portfolio so both the advisor and investor can make more money?

After stating that the SEC sets rules requiring that financial professionals manage conflicts and that the SEC prohibits financial professionals from putting their interests ahead of the investors, Clayton concludes the video by — wait for it — telling investors to make sure to ask about conflicts.

Insert eye roll and deep sigh here. Why is this the investor's responsibility?

The fourth video addresses which financial professional is right for the investor: a broker, a discount broker or an investment advisor. Clayton says that if investors want ongoing advice and monitoring based on their broad financial goals and market movements, they should use an investment advisor.

Whoa! Should anyone really change their investments based on market movements? It sounds as if Clayton himself is in need of a real financial planner to help him create a goals-based investment policy to get the right asset allocation so as not to make the common do-it-yourself mistake of market timing.

Does Clayton mean to imply it's OK for an advisor to take more risk so both the advisor and investor can make more money?

In the final video, Clayton stresses that investors need to make sure their financial professional is registered and he directs them to the investor.gov site to review licenses, work history and prior complaints.

He ends with yet another version of his favorite question: "If I work with you, how much of my money will go to work for me?"

It's a question that makes me queasy. Here is my answer: If all investment management fees are low and the portfolio is tax efficient, the appropriate amount of investment money is "going to work" for the client. (As an aside, he didn't recommend asking a prospective advisor about tax efficiency in portfolios, which often eats up more money than fees.) And is he counting real financial planning as part of his "money working?" He should.

BLOOMBERG NEWS

SEC Chairman Jay Clayton narrates a new series of videos about financial professionals. Unfortunately, working on Wall Street hasn't exposed him to the real work of many advisors on Main Street.

Wall Street Over Main Street

This gets me to the final bubble to pop. While I'm sure Clayton means well, I come away from these videos with the impression that his working with Wall Street hasn't exposed him to the real work of many advisors on Main Street.

Many advisors provide financial planning under an asset fee structure. Most investors are seeking to build a secure financial future. Here's the real question Clayton should have investors ask: "Is comprehensive financial planning included in your asset management fee?"

Advisors are part of the problem. By providing financial planning under an investment management fee, the value of financial planning is devalued. Charging AUM fees puts undue focus on the idea that investment management is the only important part of the engagement. Charging flat or hourly fees for all financial planning services — including asset management —mitigates the misguided message that investing is the Holy Grail.

If the SEC really wants to protect investors, it needs to recognize that the public needs and wants advisors who provide financial planning and who act as true fiduciaries.

Until that day comes, these videos and other education efforts will just be empty words — ones the public ignores because the rules are confusing and only add to their distrust of the financial services industry. **FP**

Carolyn McClanahan, *a CFP and M.D., is a* Financial Planning *columnist and director of financial planning at Life Planning Partners in Jacksonville, Florida. Follow her on Twitter at @CarolynMcC.*

Debunking Advisor Myths

These erroneous beliefs cause many new planners to fail. Here's how to combat them.

By Allan Boomer

I began my career as an advisor in my mid-20s, shortly after the dot-com crash. My six-month, classroom-based training program was composed of some of the most talented, credentialed and ambitious people I've ever encountered.

Yet after two years, only 10% of the class had brought in enough assets to hit their revenue targets.

While I was extremely proud to be among the successful group, I was appalled by the fact that 90% of my training class failed.

I always tell people who enter this industry to never forget they were talented before you walked into their firm and they will be just as talented if things don't work out and they leave.

If you fail in this business, you should not let it define you. Conversely, if you succeed, don't give yourself too much credit.

Many advisors fail because they are given bad advice.

I recently attended a conference sponsored by the Association of African American Advisors (Quad-A) that was overwhelmingly attended by brand new millennial advisors.

Just like my training class, this group was eager to have a positive impact and excited to embark on a promising career of helping people reach their financial goals.

But many of these newbies will fail because of a dirty little secret in our industry — sometimes, no matter how good you are at advising, you won't excel unless you can sell and bring in clients.

In my training program I learned how to sell. I learned selling was not about simply describing the features and benefits of a product or probing for the needs of the prospect. Selling was about making a genuine connection with the person.

At Goldman Sachs, there is an old saying that clients do business with you for three reasons — first they like you; second, they think you're smart; and third, they trust you.

In other words, likability is the gateway to success as an advisor.

If you are paying attention, a prospect will give you all of the hooks you need to close their business.

If your prospects don't like you, it doesn't matter if they think you're smart — they will never have an opportunity to trust you. And although the idea of crafting likability may seem like part of an unwinnable high school popularity contest, it can be taught.

Let Them Talk

For example, the more you let the prospect talk, the more they will like you. People want to be heard. They want you to make them feel important by asking them good questions that get them to open up.

This tactic runs counter to what many salespeople think they must do — talk their way into a close.

Instead, you must listen your way into the close.

If you are paying attention, the prospect will give you all the hooks you need to close their business.

Another example is simply paying attention.

When I was actively in sales mode, I always preferred to visit the prospect at their home or office. It was not just

How to communicate with clients about market volatility

FOR YEARS YOU'VE CONDITIONED YOUR CLIENTS TO STICK TO THEIR financial goals and maintain a long-term focus. You think your message is sinking in until the markets turn volatile. Then, the questions start coming.

As an advisor, you've been here many times before. You understand that volatility is part and parcel of investing and fleeing for the exits is rarely the best strategy.

But how do you relay that message to clients? Here are some tips:

Be proactive

Prepare a communications strategy: Consider preparing a series of evergreen messages to be pre-approved by your compliance department so they can be deployed at a moment's notice. Determine your trigger point: Is it a 5% drop in the S&P 500®? 10%? You know when the calls will start. Once the markets reach that threshold, pull the trigger on your plan.

Call high-value and high-touch clients: Start by reaching out to valued clients and those likely to be concerned about a market pullback. Proactive calls allow you to take control of the narrative and can serve as one of those soft touches that differentiate you from the competition.

Send an email: Email is one of the most efficient forms of communicating with multiple clients. Keep it simple. Explain what's going on in the markets, provide reassurance that market turbulence is not unexpected, and reiterate the importance of a long-term plan. If needed, offer to schedule an in-person visit.

Reiterate the fundamentals

Also, it never hurts to reiterate the fundamentals of sound investing within your client communications.

Market timing is risky: Selling at the bottom of a downturn is never a good idea and could keep clients from missing out on subsequent rebounds. If clients had missed out on just 10 of the highest-performing market sessions over the past two decades, they would have reduced their returns by more than 50%.1 And there's no telling when those days will occur.

Market pullbacks can create buying opportunities: Market downturns don't last forever, but they can create buying opportunities. Consider that one year after the Great Recession of 2008-2009 bottomed out, the S&P 500 gained 54%.2 Recent history is also illustrative. From the market's lows last December 24, 2018, when many investors fled for the exits, the S&P 500 was up more than 18% through March 21, 2019.[3]

Risk tolerance is key: Periods of market volatility can also provide a good opportunity for assessing risk tolerance. Clients tempted to flee the markets at the first sign of volatility could have a low tolerance for risk and may need to adjust their asset allocation accordingly.

Utilize technology

Fortunately, advances in technology mean that advisors don't have to be caught flat-footed when the markets turn south.

Today's advisor-focused technology platforms allow you to create compliance-approved market commentary around major market events. By going through an intuitive step-by-step process, you can send these reports immediately or have them delivered at regular intervals.

If you do need to reallocate assets following a market downturn, you can leverage advanced technology to manage multiple accounts at the model level.

Ideally, the right technology should also offer a high degree of transparency—allowing your clients real-time access to their online accounts, where they can easily view, account balances, holdings, and portfolio performance.

Market downturns are never fun. But by communicating proactively and using technology to your advantage, you can give your clients more peace of mind while positioning yourself as a trusted voice of reason during periods of uncertainty.

THE RISKS OF SELLING IN A MARKET DOWNTURN (S&P 500 INDEX)

Historical Market Crisis	Sold at the bottom	Did nothing (hold) Recovered in:	Added investment of equal amount Recovered in:	Recovery from market bottom one year later
Great Depression (1926-1936)	Lost 78%	52 months	2 months	+163%
World War II (1939-1946)	Lost 29%	9 months	5 months	+61%
Oil Crisis (1972-1976)	Lost 43%	21 months	5 months	+38%
1987 Crash (Sept-Nov)	Lost 29%	13 months	1 months	+23%
Gulf War Crisis (1990-1991)	Lost 13%	3 months	1 months	+34%
Gulf War Crisis (2008-2009)	Lost 46%	24 months	5 months	+54%

Source: Morningstar, "2018 Fundamentals for Investors." Data assumes an initial investment was made at the beginning of the year of when the event took place. Results shown reflect the reinvestment of dividends.

[1] J.P. Morgan Asset Management, "Get invested, stay invested: Navigating volatile markets," November 19, 2018, https://am.jpmorgan.com/us/en/asset-management/gim/adv/insights/market-insights/get-invested-stay-invested-navigating-volatile-markets

[2] Morningstar, "2018 Fundamentals for Investors," https://advisor.mp.morningstar.com/resourceDownload?type=publicForms&id=3f9dff3c-f085-47a1-98ba-0bc008df9f25

[3] FactSet Research Systems, September 9, 2019.

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Produced by SourceMedia Marketing Solutions Group, Financial Planning, October 2019

because I wanted to cater to their convenience. I also wanted the opportunity to conduct research. During the meeting, I'd ask questions about the photos on the walls, and strike up conversations about the souvenirs and trinkets on their desks.

It is these dialogues that lead to common ground, the fertile soil in which relationships grow.

Here are some myths in our industry that can hobble young advisors, and action steps for overcoming them.

Myth 1: Young advisors should pursue young clients

We are led to believe this because our industry is overrepresented by older advisors and many of the clients with significant means also happen to be older. In my experience, many older clients love young advisors, perhaps because they remind them of themselves when they were younger.

Maybe it's because older clients want an advisor who can build a connection with their heirs, or be around long enough to help their assets transition to the next generation.

Some want an advisor who will not only outlive them but also won't retire at the same time as them.

The older advisors in your office will never tell you this.

Action step: Instead of pursuing your friends as clients, go after their parents. This advice also holds true for attracting the best wedding gifts — invite your friends' parents to the wedding.

Myth 2: Young advisors should start with small accounts

My favorite scene in the movie "The Pursuit of Happyness" is when Will Smith, playing the role of Chris Gardner, didn't have time to start at the bottom of the list for his cold calls. So he instead started at the top of the list, with C-suite executives.

Here's the problem with landing small clients: You fall into the trap of overservicing them, which leads to poor time management and disappointment as you give clients unrealistic expectations around service.

Action step: Use your college or community networks to identify the children of wealthy families.

These kids aren't hard to find, because many of them are proud of their family's success.

They also love looking smart in front of their parents by introducing them to smart professionals who can make them look good.

Myth 3: Young advisors should build a business through networking — not cold calling

This would be good advice if you had unlimited time to build your business.

It took me two years to land my first multimillion-dollar client through networking, and nearly three years before a client referred me a piece of business. If I exclusively pursued this strategy, I would have starved.

The problem with landing small clients is that you fall into the trap of overservicing them, which leads to poor time management.

The keys to cold calling are research and persistence. You have to have an actionable angle. A change in circumstance for prospects creates opportunity — for example, a merger that results in the closure of a 401(k) plan. Or perhaps the sale of a company that results in newfound liquidity.

Persistence matters because it may take a few attempts to get the attention of potential new clients.

Action step: Don't get discouraged. When I was cold calling, I used to tell myself that I only had to make 1,000 such calls in my entire life, and each one I made was one less that I'd ever have to make.

Maybe your number is 2,000?

Myth 4: Young advisors must develop a niche

The best advice I received about building a business is that everything works and nothing works.

You have to constantly reinvent your target market before you fall into your niche. I remember researching cardiothoracic surgeons because I read an article saying they were the highest-paid doctors.

I called every single one of these surgeons in New York — including Dr. Oz, before he became a celebrity.

The first surgeon had a few million dollars, which led me to think I had hit the jackpot.

Then I met with several more heart surgeons who had substantially fewer assets before realizing I had gotten lucky with my first guy — his wealth was from an inheritance.

Action step: Try a number of different avenues until you find your groove. Don't just think industry or demographic — it could also be lifestyle or personality.

Finally, don't be fooled into believing everyone who's successful at your firm achieved their success through simply working hard.

Some people inherited their clients from other advisors who abandoned them when they left the business. Some just got lucky, being at the right place at the right time. Remember, luck is not a strategy, but it helps. **FP**

Allan Boomer, *a* Financial Planning *columnist, is managing partner and chief investment officer of Momentum Advisors in New York. He co-hosts a weekly radio show on SiriusXM Ch. 126 that focuses on wealth building and entrepreneurship. Follow him on Twitter @MomentumAdvice.*

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Mopping Up Bad Advice

Helping someone who has been hurt by the professional shortfalls of a previous planner requires a careful touch.

By Kimberly Foss

The gray-haired gentleman was about the same age as my dad. Sitting across from me, he seemed nervous and maybe even a little embarrassed.

"I'm sorry to be taking up your time," he said. "I feel a little silly being here in the first place. But my brother says you can help. I hope he's right."

The gentleman's younger brother, a client of mine, had asked me to review his sibling's retirement account. The older brother had been complaining about the rate at which his balance was dwindling. This was during a period in which the markets were relatively robust, so my client sensed that something might be amiss and was hoping I could help his brother understand what was going on.

A retired firefighter, the elder brother had developed good saving habits and had managed to leave the day-to-day workforce with close to a combined $1 million in his IRAs, pensions and other retirement accounts. About seven years earlier, he told me, he had placed his assets with a financial advisor who came highly recommended by a friend.

"I don't know much about finance and I know nothing about the markets," he said, "but [the advisor] assured me that he would take care of everything."

An Outflow of Funds

Just before sliding his account statements across the desk to me, he said, "I've tried to be careful about how much I withdraw from my accounts, and I only take what I need to supplement my Social Security, but it seems like the money is just going out of my account awfully fast."

Looking at the account statements, it was easy to figure out why: With little to no investment experience and — judging from what he'd told me so far — a risk tolerance close to nonexistent, this retired firefighter was holding a retirement portfolio that consisted mainly of put options on oil stocks.

The financial advisor "assured me over and over that he was taking good care of me," he said. "But it seems like I've been losing a lot of money lately — $150,000 in the last six months alone."

"It seems like I've been losing a lot of money lately — $150,000 in the last six months alone."

Subsequently, I learned that the ex-firefighter had given the advisor discretionary trading authority for his retirement account.

Cash-Covered Puts

The advisor was writing cash-covered puts, which is allowed in a retirement account, so that when the options were exercised, he was buying the stocks.

But when the oil companies ran into hard times in 2014, the account value took a beating.

From his recollections of meetings with the advisor, I also pieced together that the retiree had a poor understanding of what he was investing in and why the advisor thought put options were a good idea in a retirement account.

I wish I could say that this scenario was an isolated incident. Unfortunately, a startlingly high number of financial advisors have committed some form of misconduct, according to a study published in February.

The authors Mark Egan, Gregor Matvos and Amit Seru, who have since created a website to publicize their findings, report that almost 20% of the advisors in some firms had been guilty of some form of misconduct.

Sadly, the study also notes that instances are highest at firms with retail customers that are located in counties with a low level of education, a higher concentration of elderly people and with access to higher-income populations.

Undependable Consumer Info

To make matters worse, the resources that consumers should be able to depend upon for reliable information about an advisor's regulatory behavior are, all too often, undependable.

As reported in *The Wall Street Journal* in July, the CFP Board's website, LetsMakeAPlan.org, has an inconsistent record for accuracy, including missing notices of past disciplinary actions, unreported customer complaints and other omitted red flags for questionable behavior by advisors.

Make no mistake: I am very proud of my CFP designation and I truly believe in the principles of fiduciary practice that undergird our industry.

I'm also happy to see the CFP Board working to improve the profile of the professional designation and make the public more aware of the advantages of working with certified financial planners.

If we are being asked to provide a second opinion on another advisor's work, we must not be afraid to call it as we see it.

But all the efforts of the CFP Board will be for nothing as long as lapses in ethical behavior and erratic regulatory oversight continue to undermine the reputation of our profession.

If we planners going to advertise ourselves as a superior product, we must demand that our association also does the same.

We also have to hold each other accountable. There is no place in our industry for advisors who flout the fiduciary standard or who, like the advisor mentioned above, fail to insure both that their recommendations are suitable and that the client has a clear understanding of them.

Among other things, this means that in situations in which we are being asked to provide a second opinion on another advisor's work, we must not be afraid to call it as we see it. Our clients and others are depending on us to tell the truth. The future of our profession depends on it.

Taking Action

In the case of the retired firefighter, I urged him to take action. He revoked the other advisor's discretionary authority, closed his account and asked for a refund of the lost assets. In the end, he got back only a fraction of what he had lost.

Even to make the attempt, he had needed the confidence that came from my assurances that he had been treated unfairly.

He has since placed his assets with my firm, and we are working to get him back on course.

Our clients should be able to depend on us to provide solid advice based on a comprehensive understanding of their situations.

No client should ever sense they are being neglected because we are too busy to focus on them.

They should never have to feel intimidated by insider jargon or complex investments they do not understand adequately.

Above all, they should never have cause to question our ethics or our adherence to industry regulations.

Putting the client's needs ahead of our own has to mean something beyond the three letters following our names. We have to recommit to doing business the right way — every day and for every client. **FP**

By the Numbers: State-Level Enforcement

5,320 investigations launched

2,067 enforcement actions

$558 million in restitution

$490 million in fines and penalties

1,048 years of incarceration

Source: North American Securities Administrators Association, 2018

Kimberly Foss, *CFP, CPWA, is a* Financial Planning *columnist and the founder and president of Empyrion Wealth Management in Roseville, California, and New York. Follow her on Twitter at @KimberlyFossCFP.*

A Matter of Degree

With so many CFP Board-registered programs, how can advisors find the best future planners?

By Maddy Perkins

PHOTO ILLUSTRATION BY C.J. BURTON

Some 50 years after the birth of the independent planning movement, the industry is facing a succession crisis. In a rush to fill soon-to-be empty roles, firms have finally begun to build talent pipelines with colleges and universities. For their part, schools have ramped up their offerings for budding advisors.

Yet, there is still no consensus on how financial planners should be educated — and no singular academic degree such as the ones medical, legal and accounting students receive.

A Debate Over Variety

This inspires a question: Does the lack of a standard degree hurt or help the profession's growth?

At present, there are about 145 baccalaureate CFP Board-registered programs. At best, the variety increases awareness of what the career can offer. At worst, it lends ammunition to critics who insist the financial planning profession isn't a profession at all.

"If the profession banded together and said here's an X [degree] and without that you're not a wealth manager, that would go a long way," says Kashif Ahmed, an associate professor at Suffolk University and president of Boston-based American Private Wealth.

"Without getting an M.D., you're not a doctor — doesn't matter if you've read all the books on your own. You have to get the certification to prove you've got the necessary knowledge. That has to be standardized."

"I want us professionally to … have an undergraduate degree in financial planning. You can hear the sucking sound of people leaving the room as they're retiring already." —Nathan Harness, Texas A&M University

A standard degree would bolster the value of financial planning education for both students and recruitment-minded firms, Ahmed adds.

Yet the differences between degrees is not as great as some believe. All planning programs share a major similarity: They are registered with the CFP Board and qualify students to take the CFP exam, according to Dave Yeske, founder of the wealth management firm Yeske Buie and director of the financial planning graduate program at Golden Gate University. "I think we might be closer to the M.D. or J.D. model than you think," he says.

TD Ameritrade Institutional's Kate Healy says different academic paths can bring students to wealth management.

All registered programs must cover the 72 required student-centered learning objectives outlined by the CFP Board, which helps establish a solid foundation for the academic study of financial planning, Yeske says. "That's enough of a common core to give us an equivalent," he adds.

Even so, the lack of a widely recognized academic path has worrisome ramifications. "Students may not fully understand the differences between the various types of programs," says Mary Kay Svedberg, director of education for the CFP Board's Center for Financial Planning.

Many undergrads are unaware of the rewards of a career in financial planning. Only 37% of potential job-seeking students know what an RIA

37% **of potential student job seekers know what an RIA is**

SOURCE: TD AMERITRADE GENERATION NEXT, 2019 is, according to a study from TD Ameritrade Institutional.

Yet the variety offers important benefits for students and planning alike, says Kate Healy, managing director for Generation Next at TD Ameritrade.

"It's good that there are so many choices," she says, because different academic paths can bring students to wealth management.

"We find that people still stumble into financial planning because they were already in school, or had a financial literacy class or talked to a program director," she says.

More choice can also help students absorb information in diverse ways, Svedberg says. "There's no one type or approach to teaching or learning that's perfect," she notes. "The different programs also tend to cater to different types of students."

If schools or advisors take even tiny steps toward publicizing the financial planning career track, big change can follow. For example, after reading a job description, 63% of job-seeking students said they would be interested in working for an RIA, according to the TD Ameritrade Institutional study.

Look no further than the University of Alabama — an example of how board-registered programs can take multiple approaches. The university has two board-certified programs in two of its schools: a B.S.B.A. with a personal financial planning minor housed in the Culverhouse College of Business, and a B.S. or M.S. in consumer sciences with a concentration in financial planning and counseling from the university's Department of Consumer Science.

"We hope at CFP Board there will be a uniform degree offering someday, but it's emerging in the principal knowledge topics that we mandate." —Mary Kay Svedberg, CFP Board's Center for Financial Planning

How should students choose? The difference comes down to specialization, says Eve Pentecost, program director at the Department of Consumer Science.

"All of our courses are tailored for folks who are going to be working with individuals and families instead of on the larger corporate side," she says. "We're really focused on having a lot of folks who will go to work as independent advisors. They want to work with individuals that walk in, with households that are asking, 'Can I afford to retire?'"

Planner Kashif Ahmed favors a standardized degree to enhance advisors' professional respect.

On the Culverhouse side, the program director, Robert McLeod, says the CFP minor is intended to give students greater flexibility in their careers. "It has nothing to do with whether their program is better or our program is better; it's just different in terms of whom it appeals to," McLeod says. "Our [program] appeals to students who, for example, want a degree in accounting with a minor in personal wealth management. It gives them flexibility."

McLeod says many of his students take on the minor because they are looking to work in the brokerage space. "A lot of the wirehouses are trying to expand their service offering ... obviously, financial planning would be a component of that. With the minor, students have the option of getting the

63% **said they would be interested in working for an RIA after reading the job description**

CFP in case it's something their employers would like them to have."

From a recruiting perspective, the array of programs allows firms to target specific prospects, says Matthew Gaffey, senior wealth manager at Corbett Road, an RIA based in McLean, Virginia.

"The diversity of the degrees may make it more difficult for students to choose, but it makes it much easier for them to be placed," Gaffey says. "It's not different than when you think of a J.D. or an M.D. — if you have that broad degree it opens up the door. It doesn't get you in."

Recruiting Pipeline

Gaffey himself has established a recruiting pipeline with his alma mater, Virginia Tech, and encourages other advisors to consider doing so for recruiting purposes — and to pay attention to the types of students each program produces.

"A deeper understanding helps you become better involved and position your firm so you're the choice of students," he says.

Nathan Harness of Texas A&M University encourages advisors to engage with students while they are still in college.

Gaffey advises smaller programs to differentiate their students.

"If I'm at a smaller school, I'd highlight what that specialization brings. It's great you're CFP-certified, but so is everybody else," he says. "The benefit that smaller school has, the benefit of that niche degree, that niche targeted area that they're generating, that particular program. I think it's highlighting the niche."

Still Not a Profession?

Still, some insist financial advisors will never get the professional respect they deserve without a standardized degree.

"I don't think the industry is at a point where it's considered a profession. It's still an industry," says Suffolk's Ahmed. "That's why you see so many people who own wealth management firms whose own children aren't interested in coming into it."

"I don't think the industry is at a point where it's considered a profession. It's still an industry." —Professor Kashif Ahmed, CFP

Though Suffolk's planning programs are designed for students committed to becoming advisors, "I'm sure there are one to two people taking the class because it fit their schedule," he says.

Moving toward a standard degree would help develop respect and recognition and is crucial to the industry's future, says Nathan Harness, associate professor and TD Ameritrade director of financial planning at Texas A&M University.

"I want us professionally to … have an undergraduate degree in financial planning," he says. "You can hear the sucking sound of people leaving the room as they're retiring already."

In the future, legally establishing a degree in financial planning as a

For more on schools for financial planning:
Getting Real About Diversity, p. 24
105 Schools for Financial Planning, p. 26

requirement may be necessary for the profession's development, and some regulation may be needed to establish a uniform degree, Harness adds. "We'd have to have a multitude of programs that extend beyond the six to seven required classes," he says.

Change Coming?

Change may be coming to academia. Certificate programs used to make up the majority of financial planning tracks, Svedberg says, but now the number of baccalaureate programs has increased significantly, to slightly more than half of all registered programs.

"We hope at the CFP Board there will be a uniform degree offering someday, but it's emerging in the principal knowledge topics that we mandate through the program registration," Svedberg says.

"I think that's a sign we're moving in that direction," she adds.

One way advisors and firms can help push the industry forward is by actively engaging young adults in existing programs, Harness says.

That means advisors on the way out need to share what they've learned with the incoming generation of planners.

"Think about engaging a passion and scaling that out by bringing young adults in so we don't lose the institutional knowledge you've gained," he says. "On your way out, transfer that — and transfer it well. Hopefully it begins to set a blaze in our industry, so that spark turns into a fire that invades our space to the point where we do something about it." **FP**

Maddy Perkins *is assistant managing editor at* Financial Planning. *Follow her on Twitter at @perkedit*

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Getting Real About Diversity

It's a hard truth that minorities and women are not well-represented in financial planning. Here are ideas for promoting a more inclusive industry.

By Luke Dean

It's a hard truth that minorities and women are not well represented in the financial planning industry. In fact, women account for only 23% of CFPs, while blacks and Latinos represent just 3.5% of certificants combined.

Why is this still the case when women-controlled assets are expected to grow to $22 trillion by 2020, and black buying power is projected to grow to $1.5 trillion by 2021 and Latino purchasing power is expected to top $1.7 trillion by 2020?

As a passionate advocate of financial literacy and a tenured personal financial planning professor, I've been working with finance professionals to figure out ways to incorporate diversity into their practices. I understand tackling this massive problem often seems daunting, but it's a problem we must solve.

Why? Underrepresented minorities and women are seeing the largest gains in percentage growth when it comes to wealth, which positions them as the next big area for revenue development and growth within a firm. If firms don't recruit new advisors to help attract the next generation of investors, they are leaving money on the table.

Without taking concrete action to increase diversity in the industry, many talented people who could be impactful and transformative will be drawn to other careers that seem less intimidating.

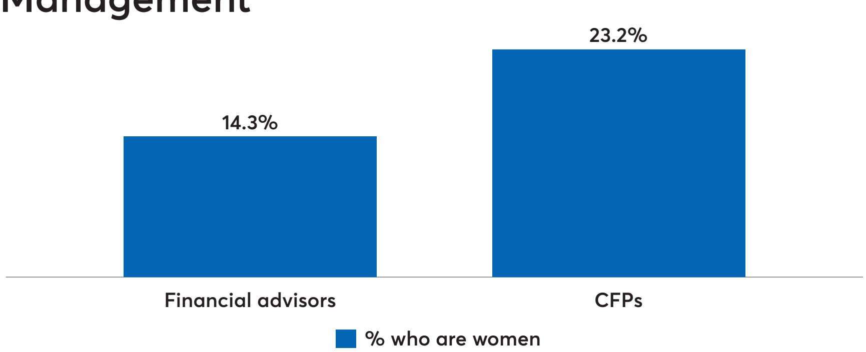
As their wealth grows, these individuals will seek investment advice and they'll want to work with a financial advisor whom they feel comfortable with and who understands and even shares their cultural values.

It may help to approach this as a traditional business problem. First, it is simply good business sense to hire a more diverse group of candidates. Companies with above-average diversity and inclusion rates perform significantly better than those below the average, according to Boston Consulting Group data.

Hiring and empowering people from a broad variety of backgrounds, cultures and experiences gives companies new perspectives and potential approaches that a homogeneous group might not ever consider.

Such advisors will forge closer connections with the next generation of investors. This will ensure the long-term success of the firm by bringing in a new demographic of clients, thereby drastically increasing the likelihood that such clients will want to keep their investments with that firm.

Gender Diversity Falls Short in Wealth Management



Source: Cerulli Associates and CFP Board, 2019

'Aha' Moment

As a student, I had no idea what I wanted to do with my career until I was introduced to financial planning by an older professional. Since that "aha" moment, I have become a recruiter for the financial services industry.

In the academic world, I look for students seeking a great career where they are paid well to help others — and many just aren't aware that this career lives in financial planning.

At the same time, I like to help advisors tackle this problem head-on by showing them how to recruit younger and diverse hires. I think that's what all advisors should be doing — keeping one foot in their current market while also opening up to new ones.

Actionable steps that can help bring diversity into the industry include:

Address Misconceptions

Coming from a lower-income, blue-collar background, I understand that the idea of helping the rich get richer may not be high on priority lists. But it's a misperception that the planning industry focuses only on the top 5% of earners — one that discourages talented people from joining the industry. There are many new models and methods in the profession to serve clients of all net worths.

Many financial planning firms also work outside of their traditional markets, like managing retirement plans or 401(k) plans for businesses. These channels can provide an attractive career path for financial planning students motivated by a desire to help others and be of benefit to society.

If firms don't recruit new advisors to help attract the next generation of investors, they are leaving money on the table.

Young planners from diverse or low-income backgrounds may find this sector of the profession appealing — and their perspectives may help access new, more diverse clients and employees for the firm.

Reach Out to the Right Crowd

A quick scan of attendees at a financial planning conference or the "Our Team" page of a firm's website often reveals a striking homogeneity.

When a conference attendee or a prospective employee sees that, it can be intimidating. That's why it's helpful to approach these potential candidates from another angle and work with colleges and universities to recruit diverse students into the field.

I have found that work ethic, drive and grit are the only truly important factors in success. But in order to convince students of that, we have to break through the intimidation factor. We've seen this work well at the university and college levels.

That's where current financial advisors and firm recruitment teams need to be.

Offer an Internship

We know that hardworking, dedicated employees are likely to accomplish great things regardless of whether they are the only woman or person of color in the room.

However, without taking concrete action to increase diversity, many talented people who could be impactful and transformative for the industry will be drawn to other careers that seem less intimidating.

Probably the best way for diverse candidates to get a genuine feel for this profession is to offer them paid internships where they can spend 10 to 12 weeks in the office and help contribute to projects and help lighten the load for advisors. Once in the door, candidates are likely to stay in the field.

This is a way for firms and candidates to make sure it's a mutually beneficial cultural fit before offering the candidate a full-time position.

It is encouraging to see custodians dedicate company time and resources to promoting diversity. For example, TD Ameritrade Institutional has focused on attracting more women and underrepresented minorities to the profession via its Generation Next initiative.

Not only is it the right thing to do, those that fail to do it will find themselves losing out on top talent and long-term revenue sources. **FP**

***Luke Dean** is CFP program director and an associate professor at Utah Valley University.*

105 SCHOOLS FOR FINANCIAL PLANNING

An overview of CFP Board-registered undergraduate and graduate programs for advisors offered by leading colleges and universities (listed alphabetically).

ALFRED STATE COLLEGE, SUNY
Alfred, New York
CFP Board-registered programs: B.B.A. in financial planning
Enrollment: 50
Faculty: 1 full-time; 3 part-time
Student-to-faculty ratio: 11:1
Tuition: $21,912 per year, including fee
Clubs: FPA student chapter
Job placement rate: 99%
Overview: Students take nine financial planning classes and a semester-long internship, according to Assistant Professor Scott DuMond. Students also regularly attend meetings and conferences through the FPA student chapter.

BALL STATE UNIVERSITY
Muncie, Indiana
CFP Board-registered programs: B.A. or B.S. with financial planning minor
Enrollment: 85
Faculty: 5 full-time; 1 part-time
Student-to-faculty ratio: 14:1
Tuition: $8,014 per year for Indiana residents; $24,794 for out-of-state residents
Clubs: Finance Society
Job placement rate: N/A
Overview: In its third year, the program has had substantial growth — due in part to the flexibility of being partially offered online, according to Lois Largent, administrative coordinator with the department of finance and insurance.

BERKELEY COLLEGE
New York
CFP Board-registered programs: B.B.A. in financial services
Enrollment: 57
Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio: 15:1
Tuition: $11,000 a semester for 15 credits
Clubs: N/A
Job placement rate: 90%
Overview: The program provides students with courses in technology, entrepreneurship and finance besides the CFP Board-required courses. Students graduate with improved job potential as a result, according to Joanne Snider, program director and assistant chair of finance and accounting.

BIOLA UNIVERSITY
La Mirada, California
CFP Board-registered programs: B.S. in business with concentration in financial planning; financial planning minor
Enrollment: 21
Faculty: 1 full-time
Student-to-faculty ratio: N/A
Tuition: $41,976 per year
Clubs: FPA of Biola University
Job placement rate: The program just graduated its first group of five students.
Overview: Classes are biblically integrated so students can build a bridge between the practical and spiritual lives of their clients, according to Shane Enete, associate professor of finance. Classes are available live online to full-time students.

BRYANT UNIVERSITY
Smithfield, Rhode Island
CFP Board-registered programs: B.S.B.A with concentration in financial services
Enrollment: 35
Faculty: 12
Student-to-faculty ratio: 13:1
Tuition: $45,000 per year
Clubs: FPA Student Chapter, Finance Association, Smart Women in Finance and Financial Inclusion Society
Job placement rate: 99%
Overview: The program provides exceptional opportunity for experiential learning through internships, its partnership with the local FPA Chapter and alumni participation, according to lecturer Mara Derderian.

CALIFORNIA LUTHERAN UNIVERSITY
Thousand Oaks, California
CFP Board-registered programs: M.B.A. in financial planning; financial planning minor; M.S. in financial planning
Enrollment: 61 M.B.A. students; 9 M.S. students; 3 undergraduate minors
Faculty: 3 full-time; 16 adjunct
Tuition: $855 per credit unit for M.B.A. and M.S. programs
Clubs: FPA Ventura County Student Chapter; Finance Club; Investment Club
Job placement rate: Graduate level students are working professionals.
Overview: Graduate programs are offered online, and the minor is offered on campus, says Cynthia Gerther, program manager. There is a graduate-level scholarship for Latinx women seeking an M.B.A. in financial planning.

CALIFORNIA STATE UNIVERSITY, FULLERTON
Fullerton, California
CFP Board-registered programs: B.A. in business administration with professional certificate in personal financial planning
Enrollment: 14
Faculty: 9 full-time; 9 adjunct
Tuition: $2,871 per semester for California residents; $8,811 for nonresidents. Most students qualify for scholarships.
Clubs: FPA student chapter, the Society of Financial Service Professionals
Job placement rate: N/A
Overview: The program, housed in the Mihaylo College of Business, is the 2019 recipient of the $25,000 TD Ameritrade Institutional NextGen Grant for emerging planning programs. The grant will help advance the program's practical approach to education, according to David Nanigan, program director.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Northridge, California
CFP Board-registered programs: B.S. in finance with financial planning option
Enrollment: 137
Faculty: 12 full-time; 4 adjuncts
Student-to-faculty ratio: 26:1
Tuition: $2,871 per semester
Clubs: FPA student chapter
Job placement rate: 80%
Overview: The program is diverse, consisting of about 50% minorities, says the program director, Inga Timmerman.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Sacramento, California
CFP Board-registered programs: B.S.B.A. in finance with financial planning track
Enrollment: 50
Faculty: 6 full-time; 4 part-time
Student-to-faculty ratio: 25:1
Tuition: $3,684 per semester
Clubs: FPA student chapter
Job placement rate: N/A
Overview: The FPA student chapter participates regularly in monthly meetings and events of the local FPA chapter, says Eric C. Lin, professor of finance.

CAMPBELL UNIVERSITY
Buies Creek, North Carolina
CFP Board-registered programs: B.B.A. in trust and wealth management (pre-law and five year M.B.A. programs available); financial planning minor; master of trust and wealth management
Enrollment: About 160 to 180 in undergraduate programs; 15 to 20 in five-year undergraduate/M.B.A programs; 15 to 20 in master of trust and wealth management
Faculty: 4 full-time; 7 adjunct
Student-to-faculty ratio: 18:1
Tuition: $43,000 a year for undergraduate programs; $32,000 for graduate
Clubs: Gilbert T. Stephenson Trust Club; Investment Club
Job placement rate: 85%
Overview: Over 95% are placed within one month of graduation, according to the program director, Jimmy Witherspoon. Multiple degree options allow students to pursue M.B.A.s and law degrees as well as CFP certification.

CARROLL COLLEGE
Helena, Montana
CFP Board-registered programs: B.A. in business administration with financial planning track
Enrollment: 14
Faculty: 2
Student-to-faculty ratio: 12:1
Tuition: $36,280 per year
Clubs: N/A
Job placement rate: The program is in its inaugural year.
Overview: The only CFP Board-registered undergraduate financial planning program in Montana, Carroll's program welcomes local practitioners to discuss timely topics and share experiences with students, according to the program director, Julia Mull. Extracurricular projects include implementing a peer mentoring program for all students.

CENTRAL MICHIGAN UNIVERSITY
Mount Pleasant, Michigan
CFP Board-registered programs: B.S.B.A. in personal financial planning
Enrollment: 40
Faculty: 6
Student-to-faculty ratio: 18:1
Tuition: $412 per credit hour
Clubs: Future Financial Advisors Association
Job placement rate: 90%
Overview: Under a partnership with the FPA, every student can be assigned a professional mentor to help guide them with career choices, according to the program director, Mark VanVoorhees. This interaction with working professionals has helped with job placement.

CENTRAL WASHINGTON UNIVERSITY
Ellensburg, Washington
CFP Board-registered programs: B.S. in personal financial planning; B.S.B.A. with personal financial planning specialization
Enrollment: 50
Faculty: 2
Student-to-faculty ratio: 20:1
Tuition: $7,900 per semester
Clubs: Future Financial Planners of Central Washington University
Job placement rate: 90%
Overview: The program is the only CFP Board-registered full undergraduate degree in the Pacific Northwest, says Steele Campbell, an assistant professor.

CLARION UNIVERSITY OF PENNSYLVANIA
Clarion, Pennsylvania
CFP Board-registered programs: B.S.B.A. in business with concentration in finance, personal financial planning track
Enrollment: 30
Faculty: 2 full-time; 1 adjunct
Student-to-faculty ratio: 17:1
Tuition: $4,858 per semester and $1,717 in fees for full-time Pennsylvania residents; $5,787 and $1,783 in fees for nonresidents
Clubs: FPA student chapter, Financial

Data researched and compiled by Maddy Perkins

Management Association
Job placement rate: 100%
Overview: The program is highly involved in national planning competitions and has had increased success in placing students in full-time planning careers and professional internships, says the finance department chairman, Jeffrey Eicher.

CLARK ATLANTA UNIVERSITY
Atlanta
CFP Board-registered programs: B.A. with a dual concentration in finance and financial planning; financial planning minor
Enrollment: Approximately 50
Faculty: 4 full-time; 1-2 adjuncts
Student-to-faculty ratio: 15:1
Tuition: About $862 per credit hour
Clubs: FPA student chapter
Job placement rate: 85%-95%
Overview: Clark Atlanta University, a historically black college and university (HBCU), is part of the Atlanta University Center along with Spelman and Morehouse College. Students from all three participate in CAU's Financial Planning Program. This program is well-connected to professionals within the financial services industry and is proud of its near perfect placement rate, according to the program director, Crystal Hudson.

CLEMSON UNIVERSITY
Clemson, South Carolina
CFP Board-registered programs: B.S. in financial management with financial planning emphasis
Enrollment: 90
Faculty: 5 full-time
Student-to-faculty ratio: 18:1
Tuition: $27,598 per year for South Carolina residents; $49,352 for nonresidents
Clubs: FPA student chapter; Student Investment Club
Job placement rate: 90%
Overview: The program focuses on giving students hands-on training through intensive role playing in their capstone projects, Volunteer Income Tax Assistance (VITA) service learning requirements and serving as on-campus peer-to-peer financial coaches, according to Josh Harris program coordinator.

COLLEGE OF OUR LADY OF THE ELMS
Chicopee, Massachusetts
CFP Board-registered programs: M.S. in accounting and financial planning; M.B.A. in financial planning
Enrollment: 8
Faculty: 1 full-time; 6 adjunct
Student-to-faculty ratio: 11:1
Tuition: $823 per credit, $538 comprehensive fee; $100 per-semester fee
Clubs: N/A
Job placement rate: 100%
Overview: The programs provide relevant and current knowledge as well as soft skills, sales and communication training to build trust and create long-lasting client relationships in financial planning, according to Amanda Garcia, associate professor of accounting.

COLORADO STATE UNIVERSITY
Fort Collins, Colorado
CFP Board-registered programs: B.S.B.A. with concentration in financial planning
Enrollment: 60
Faculty: 9 full-time; 2 adjunct
Student-to-faculty ratio: 18:1
Tuition: $12,058 per year for Colorado residents; $30,780 for nonresidents
Clubs: N/A
Job placement rate: 90%
Overview: The relatively small cohort of financial planning students benefit from the resources of a large, traditional finance program, according to the program director, Chris Stein.

CREIGHTON UNIVERSITY
Omaha, Nebraska
CFP Board-registered programs: B.S.B.A. in business with finance major and financial planning track; M.B.A. with concentration in personal financial planning
Enrollment: Approximately 18-30
Faculty: 6 full-time; 3 part-time
Student-to-faculty ratio: 15:1
Tuition: $39,630 per year for undergraduate business students; $896 per credit hour for on-campus graduate students
Clubs: FPA student chapter; affiliated with Nebraska FPA chapter
Job placement rate: 99%
Overview: The program's internship network of financial planning and wealth management firms helps students gain practical hands-on experience to pave the way for job offers and an easier career transition, according to the executive director, Edward Horwitz.

DELAWARE STATE UNIVERSITY
Dover, Delaware
CFP Board-registered programs: Financial planning minor
Enrollment: 15
Faculty: 2
Student-to-faculty ratio: 15:1
Tuition: $8,258 per year for Delaware residents; $17,294 for nonresidents
Clubs: FPA student chapter; National Association of Black Accountants chapter
Job placement rate: 100%
Overview: The second financial planning program to be housed at an HBCU, the minor at Delaware State aims to provide students of all academic backgrounds the opportunity to study financial planning from a multi-disciplinary approach, according to the program director, Nandita Das. The program is committed to addressing the need for CFP professionals of color and women.

EASTERN NEW MEXICO UNIVERSITY
Portales, New Mexico
CFP Board-registered programs: B.S.B.A. with financial planning concentration
Enrollment: 113
Faculty: 2 full-time
Student-to-faculty ratio: 15-20:1
Tuition: $3,225 per semester for New Mexico residents; $4,224 for nonresidents
Clubs: Accounting and Finance Club
Job placement rate: N/A
Overview: All courses are offered online and can be completed in one academic year, says the program director, David Hemley.

EDINBORO UNIVERSITY
Edinboro, Pennsylvania
CFP Board-registered programs: B.S. in business administration with personal financial planning concentration; financial planning minor
Enrollment: Approximately 40
Faculty: 4
Student-to-faculty ratio: 15:1
Tuition: $3,858 per semester for Pennsylvania residents; $5,787 for nonresidents
Clubs: Edinboro University Personal Financial Planning Club
Job placement rate: 100% within the School of Business
Overview: Students attend several professional conferences and career days including the FPA Annual Conference and the CFP Board's registered program conference, according to Michael Engdhal, chairman of the department of business and economics.

FAIRLEIGH DICKINSON UNIVERSITY
Teaneck, New Jersey
CFP Board-registered programs: B.S. in finance with concentration in financial planning and wealth management
Enrollment: 8
Faculty: 9 full-time; 3 adjunct
Student-to-faculty ratio: 10:1 in financial planning and wealth management; 21:1 across the College of Business
Tuition: $41,154 a year at the Metro Campus; $43,654 at the Florham Campus
Clubs: Beta Alpha Psi; Investment Club
Job placement rate: N/A
Overview: Students receive multiple opportunities for professional development and internships. Courses are taught by faculty with deep academic and professional experience in the field, according to J. Daniel Wischnevsky, associate dean for undergraduate programs with the Silberman College of Business.

FORT HAYS STATE UNIVERSITY
Hays, Kansas
CFP Board-registered programs: B.B.A. with finance major and financial planning concentration
Enrollment: 20
Faculty: 5 full-time; 1 adjunct
Student-to-faculty ratio: 17:1
Tuition: $5,274 per year for Kansas residents; $15,342.90 for nonresidents
Clubs: Finance Club; Economics Club
Job placement rate: 95%
Overview: Students can pursue a double degree in accounting and financial planning, satisfying the education requirements for both the CPA and CFP designations. A double degree in marketing and financial planning is another viable alternative, according to the program director, Tom Johansen.

FRANKLIN UNIVERSITY
Columbus, Ohio
CFP Board-registered programs: B.S. in financial planning
Enrollment: 76
Faculty: 5
Student-to-faculty ratio: 12:1
Tuition: $398 per credit
Clubs: FPA student chapter
Job placement rate: 90%
Overview: All courses are taught by faculty with years of industry experience, according to Martina Peng, chair of the department of accounting, finance and economics.

For more exclusive insights on schools for financial planning, please visit: https://trib.al/Gja1EHm

GARDNER-WEBB UNIVERSITY
Boiling Springs, North Carolina
CFP Board-registered programs: Master of trust and wealth management
Enrollment: 10-20
Faculty: 5-10
Student-to-faculty ratio: 13:1 universitywide
Tuition: $726 per credit hour
Clubs: Student Investment Club
Job placement rate: N/A
Overview: Beyond the CFP exam, students gain in-depth understanding of the fields of study relevant to the Securities Industry Essentials examination. says the program coordinator, Francis Kim.

GOLDEN GATE UNIVERSITY
San Francisco
CFP Board-registered programs: M.S. in financial planning
Enrollment: 95
Faculty: 8
Student-to-faculty ratio: 10:1
Tuition: $1,600 per class for the seven CFP certificate classes, plus three electives at $3,270 each to earn M.S. degree
Clubs: The program is deeply integrated with FPA of San Francisco, which holds many meetings on the GGU campus.
Job placement rate: 90%
Overview: The school also offers a unique post-graduate M.S. in advanced financial planning, taught in conjunction with the school's Braden School of Taxation, which allows those who have passed the CFP exam to take a deep dive into specialty areas of taxation, estate planning or Financial Life Planning, according to the program director, Dave Yeske. All programs are available in the classroom or online.

GRANTHAM UNIVERSITY
Lenexa, Kansas
CFP Board-registered programs: B.B.A. in financial planning
Enrollment: 26
Faculty: 5 adjunct
Student-to-faculty ratio: 13:1
Tuition: $295 per credit hour; $250 per credit hour for active duty military, military veterans, first responders and their spouses/dependents
Clubs: N/A
Job placement rate: N/A
Overview: Students hone skills in applying and evaluating theory in an integrated approach to real-life financial planning situations; developing, designing, and maintaining tailored and comprehensive financial plans; and analyzing the ethical responsibility of planners, according to Danielle Gibson, director of institutional research.

HUSSON UNIVERSITY
Bangor, Maine
CFP Board-registered programs: B.S. in business administration with financial planning concentration
Enrollment: 6
Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio: 15:1
Tuition: $497 per credit hour
Clubs: FPA student chapter
Job placement rate: 96% universitywide
Overview: The new concentration in financial planning complements student work on the Husson Stock Index, which tracks and analyzes 28 companies that are considered to have an effect on the Maine economy, and the James and Carol Carlisle Fund, a student-managed investment fund designed to provide real-life investment management experience, according to Mary Sward, director of content marketing.

ILLINOIS STATE UNIVERSITY
Normal, Illinois
CFP Board-registered programs: Financial planning minor
Enrollment: 97
Faculty: 9 full-time; 1 part-time
Student-to-faculty ratio: 17:1
Tuition: $11,424 for Illinois residents; $23,048 for nonresidents. Undergraduate tuition is frozen for four years for students entering as freshmen
Clubs: FPA student chapter
Job placement rate: 15% (not all students with the minor opt to pursue careers in financial planning)
Overview: The school's Institute for Financial Planning and Analysis sponsors a speaker series that brings notable alumni to campus, according to Edgar Norton, the Institute's director. The

capstone course in financial planning is taught by an adjunct practitioner from a major firm in the community.

INDIANA UNIVERSITY
Bloomington, Indiana
CFP Board-registered programs: B.A. in finance with a concentration in financial planning and wealth management, offered through the Charles Schwab Wealth Management Workshop in the Kelley School of Business
Enrollment: 60
Faculty: 3 full-time
Student-to-faculty ratio: 17:1
Tuition: $10,680 per year for Indiana residents; $35,456 for nonresidents
Clubs: FPA student chapter
Job placement rate: 75%
Overview: Workshops in the business school combine focused academics with special events on and off campus, according to the program director, Erik Benrud. The workshop began with a grant from the Charles Schwab Corp.

INDIANA WESLEYAN UNIVERSITY
Marion, Indiana
CFP Board-registered programs: B.S.B.A. in financial planning; M.B.A. in financial planning
Enrollment: 40

New additions for 2019-2020

- **Carroll College**
  Helena, Montana
- **Indiana University**
  Bloomington, Indiana
- **John Carroll University**
  University Heights, Ohio
- **Michigan State University**
  East Lansing, Michigan
- **Montana State University**
  Bozeman, Montana
- **Robert Morris University**
  Moon Township, Pennsylvania
- **Seton Hall University**
  South Orange, New Jersey
- **Stetson University**
  DeLand, Florida
- **University of Cincinnati**
  Cincinnati
- **University of Texas — Rio Grande Valley**
  Edinburg, Texas
- **University of the Incarnate Word**
  San Antonio, Texas

Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio: N/A
Tuition: $22,899 per year for undergraduates; $23,478 for graduates
Clubs: N/A
Job placement rate: 50%
Overview: Both programs use a biblical framework that guides interactions within the financial planning process, according to the program director, Duane Kilty.

IOWA STATE UNIVERSITY
Ames, Iowa
CFP Board-registered programs: B.S. in financial consulting and planning; M.S. in family and consumer science with a financial planning emphasis
Enrollment: 30 undergrads; 34 graduate
Faculty: 5 full-time; 2 adjunct
Student-to-faculty ratio: 6:1
Tuition: $4,021 per semester for undergraduate Iowa residents; $11,615 for nonresident undergraduates; $580 per credit hour for graduate programs
Clubs: FPA student chapter
Job placement rate: 100%
Overview: The programs are hosted in the Department of Human Development and Family Studies in the College of Human Sciences. The programs equally emphasize the behavioral and technical sides of financial planning. The school's Financial Counseling Clinic provides hands-on experience for majors, according to Professor Jonathan Fox.

JOHN CARROLL UNIVERSITY
University Heights, Ohio
CFP Board-registered programs: B.S.B.A. in finance with concentration in financial planning and wealth management
Enrollment: 30
Faculty: 12 full-time; 4 adjunct
Student-to-faculty ratio: 14:1 universitywide
Tuition: $55,142 per year in tuition and fees for on-campus students with room and board; $42,910 for commuter students.
Clubs: N/A
Job placement rate: The program's first class graduates in May 2020
Overview: The program has a focus on ethics and sustainable/socially responsible investing. The program strives to partner with firms that are mainly fee-based planners, says Xianwu Zhang, assistant professor of finance. '

KANSAS STATE UNIVERSITY
Manhattan, Kansas
CFP Board-registered programs: B.S. in personal financial planning; M.S. in personal financial planning; Ph.D. in personal financial planning
Enrollment: 90 undergraduate; 90 graduate; 40 post-graduate
Faculty: 12 full-time; 3 adjuncts
Student-to-faculty ratio: 18:1
Tuition: $312.50 per credit hour on-campus for Kansas residents; $841.70 on-campus for nonresidents; $436.40 for online undergraduate students; $574.20 for online graduate students
Clubs: FPA student chapter; Personal Financial Planning Peer Mentors
Job placement rate: 95%
Overview: All programs are available in online/hybrid formats. The program emphasizes the behavioral side of planning, offering coursework in financial therapy and counseling skills, says the program chairman, Martin Seay.

KUTZTOWN UNIVERSITY OF PENNSYLVANIA
Kutztown, Pennsylvania
CFP Board-registered programs: B.S.B.A. with personal financial planning track
Enrollment: 31
Faculty: 3 full-time; 1 adjunct
Student-to-faculty ratio: 18:1 universitywide
Tuition: $10,691.80 in tuition and fees per semester for Pennsylvania residents; $12,745.80 for nonresidents.
Clubs: Personal Financial Planning Club
Job placement rate: N/A
Overview: There is an active advisory board of successful individuals in the financial services sector who provide valuable insights to students, according to Professor Jonathan Kramer.

LIBERTY UNIVERSITY
Lynchburg, Virginia
CFP Board-registered programs: B.S.B.A. in business with financial planning concentration; M.S. in finance with financial planning concentration
Enrollment: 350
Faculty: 3 full-time; 11 part-time
Student-to-faculty ratio: 16:1
Tuition: $390 per credit hour for full-time online students; $455 for part-time online students; $660 for full-time residential students; $815 for part-time residential students
Clubs: FMA; Student Asset Management club; T3; Liberty University Center for Financial Literacy coaching program
Job placement rate: 95%
Overview: All recent graduates seeking positions in financial services are employed and most receive job offers before graduation, according to the program director, Gene Sullivan. Some students also complete the Kingdom Advisor Core Training

(biblical understanding of money and finances), which allows them to purse the Certified Kingdom Advisor designation after completing the requirements to become a CFP. Several students in the undergraduate program serve as peer financial coaches through the Liberty University Center for Financial Literacy coaching program.

LORAS COLLEGE
Dubuque, Iowa
CFP Board-registered programs: Financial planning and wealth management minor
Enrollment: 26
Faculty: 3 full-time
Student-to-faculty ratio: 13:1
Tuition: $43,643 per year; 100% of students receive financial aid
Clubs: FPA student chapter; Phi Beta Lambda; Investment Club
Job placement rate: 98% universitywide
Overview: Housed in the oldest higher education institution in Iowa, the undergraduate minor has no prerequisites, allowing students to embrace the liberal arts mentality of studying across disciplines, according to Brian Kallback, the program director.

MICHIGAN STATE UNIVERSITY
East Lansing, Michigan
CFP Board-registered programs: B.S. in finance
Enrollment: 18
Faculty: 1 full-time; 1 adjunct
Student-to-faculty ratio: 16:1
Tuition: $573 per credit hour
Clubs: Wealth Management Association; Student Investment Association
Job placement rate: N/A
Overview: The program, which is in its first year, is housed in the Broad College of Business and focuses on developing the knowledge and skills needed to help guide clients in holistic planning. Students can travel to financial planning conferences and learn from thought leaders who lecture on campus, says the program director, Stephen Schiestel.

MINNESOTA STATE UNIVERSITY, MANKATO
Mankato, Minnesota
CFP Board-registered programs: B.A in finance with financial planning concentration; financial planning minor
Enrollment: 70 majors; 13 minors
Faculty: 2 full-time; 1 adjunct
Student-to-faculty ratio: 25:1
Tuition: $289.11 per credit for 1-11 credits for Minnesota and Manitoba residents and Wisconsin and North Dakota residents with reciprocity; $317.42 for South Dakota residents; $433.70 for Nebraska, Michigan, Kansas, Illinois, Indiana and Ohio residents; $621.85 for non-reciprocity nonresidents
Clubs: FPA student chapter
Job placement rate: 98%
Overview: The program aims to develop a holistic financial planning graduate, with an emphasis on client interpersonal and relational skill development, as well as hands-on familiarity with advisor technology applications, according to the program director, Dan Hiebert. Through a close relationship with the Minnesota FPA and the school's proximity to the Twin Cities, students develop close connections with financial services firms, and many find internships and full-time positions in the industry.

MONTANA STATE UNIVERSITY
Bozeman, Montana
CFP Board-registered programs: M.S. in family financial planning
Enrollment: 24
Faculty: 2 full-time; 1 adjunct
Student-to-faculty ratio: 18:1
Tuition: $580 per credit hour
Clubs: Students may join FPA online through the Great Plains Interactive Distance Education Alliance FPA Community
Job placement rate: For those actively seeking a position in the industry, about 80% become financial planners.
Overview: The family financial planning program is offered 100% online, according to M.J. Kabaci, assistant director of family financial planning. Students in the program have successfully transitioned from a variety of careers, including engineering, accounting, law, information technology, education, military service, and human resources.

MOUNT VERNON NAZARENE UNIVERSITY
Mount Vernon, Ohio
CFP Board-registered programs: Financial planning minor
Enrollment: 20
Faculty: 2 full-time
Student-to-faculty ratio: 15:1
Tuition: $29,000 per year
Clubs: Students are actively involved with the Kingdom Advisors Association
Job placement rate: 100%
Overview: All students complete training in biblical stewardship, which is heavily influenced by the training offered by Kingdom Advisors, the largest professional association of Christian financial advisors in the U.S., according to Kelly Rush, program coordinator and associate professor. All financial planning students have the opportunity to complete paid internships and most students have job offers before graduation.

NORTH DAKOTA STATE UNIVERSITY
Fargo, North Dakota
CFP Board-registered programs: M.S. in human development and family science with a family financial planning emphasis
Enrollment: 15
Faculty: 3
Student-to-faculty ratio: 5:1
Tuition: $580 per credit
Clubs: N/A
Job placement rate: N/A
Overview: The program is offered 100% online, according to Professor Jim Deal. The program is grounded in family science and human development and helps students develop skills to help families with financial management.

OHIO STATE UNIVERSITY
Columbus, Ohio
CFP Board-registered programs: B.S. in consumer and family financial services
Enrollment: 90
Faculty: 8 full-time; 2 adjunct
Tuition: $11,084 per year for Ohio residents; $32,061 for nonresidents
Clubs: FPA student chapter
Job placement rate: 80%
Overview: The financial planning courses are part of a consumer and family financial services major, which emphasizes personal finance and family financial management, according to the program director, Caezilia Loibl. Subjects include general financial planning, insurance, credit, savings, investments, retirement and estate planning.

OKLAHOMA STATE UNIVERSITY
Stillwater, Oklahoma
CFP Board-registered programs: M.S. in family financial planning

Enrollment: 18
Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio: 13:1
Tuition: $580 per credit hour, $20,880 for full program
Clubs: N/A
Job placement rate: 80%
Overview: The program aims to provide high-quality coursework related to the financial needs of individuals and families, and guide students to apply financial planning knowledge that will enhance the quality of life for individuals, families, and communities, according to Shiretta Ownbey, associate dean.

OLD DOMINION UNIVERSITY
Norfolk, Virginia
CFP Board-registered programs: B.S.B.A. with financial planning major
Enrollment: 12
Faculty: 10 full-time; 3 part-time
Student-to-faculty ratio: 17:1 universitywide
Tuition: $365 per credit hour
Clubs: Finance Club; all students receive free membership in local FPA chapter
Job placement rate: 99%
Overview: Most students have internships that evolve into full-time employment at graduation, according to Bruce Rubin, associate professor of finance.

OLIVET NAZARENE UNIVERSITY
Bourbonnais, Illinois
CFP Board-registered programs: B.S. in economics/finance with a concentration in financial planning
Enrollment: 25
Faculty: 3 full-time; 2 adjunct
Student-to-faculty ratio: 17:1
Tuition: $45,070 per year, including fees and room and board
Clubs: Investment Club; the finance department is a member of the Student Managed Investment Fund Consortium
Job placement rate: 100%
Overview: Through student-led leadership, the Investment Club has created a student managed investment fund that enables students to actively manage a portfolio of over $380,000, applying key concepts learned in class to maximize return while minimizing risk, according to Douglas Nielson, associate professor of finance. The program is also incorporating Certified Kingdom Advisor material into its Capstone course.

PENN STATE ERIE — THE BEHREND COLLEGE
Erie, Pennsylvania
CFP Board-registered programs: B.S. in finance with financial planning certificate
Enrollment: 75
Faculty: 4 full-time; 1 adjunct
Student-to-faculty ratio: 16:1
Tuition: $15,198 for Pennsylvania residents; $24,450 for nonresidents
Clubs: FPA student chapter
Job placement rate: 100%
Overview: The program is available both on-campus and online through Penn State World Campus, according to Richard Hedderick, the program director. It offers several practical learning experiences, including a course on income tax planning, where students have the opportunity to participate in the VITA program. All students can participate in a financial plan competition hosted by the CFA Society Pittsburgh.

PRAIRIE VIEW A&M UNIVERSITY
Prairie View, Texas
CFP Board-registered programs: Financial planning minor
Enrollment: 20
Faculty: 3 full-time
Student-to-faculty ratio: 18:1
Tuition: $5,316.49 a semester for Texas residents; $12,471.63 a year for nonresidents
Clubs: Prairie View Finance Association; Panthers in the Black
Job placement rate: 100%
Overview: The minor is housed in the AACSB-accredited college of business and is open to students from all fields of study. The program is centered on holistic values-based financial planning. The mission is to develop the next generation of diverse financial planners, while providing financial education to the campus and surrounding community, according to the program director, Danny Harvey.

PURDUE UNIVERSITY
West Lafayette, Indiana
CFP Board-registered programs: B.S. in finance with financial planning certificate
Enrollment: 104
Faculty: 3 full-time; 1 adjunct; 1 limited-term lecturer
Student-to-faculty ratio: 13:1
Tuition: $10,000 per year for Indiana residents; $29,000 for nonresidents
Clubs: FPA student chapter
Job placement rate: 95%
Overview: The counseling and planning major emphasizes next-generation financial planner training in both quantitative and qualitative areas of competency and standards of practice, according to David Evans, program director. Courses include Ethics and Compliance in Financial Planning, Securities Industry Essentials exam preparation and International Marketing.

REGENT UNIVERSITY
Virginia Beach, Virginia
CFP Board-registered programs: M.A. in financial planning and law
Enrollment: 19
Faculty: 2 full-time; 8 adjunct
Student-to-faculty ratio: 16:1
Tuition: $675 per credit hour; 30-credit-hour program is $20,250
Clubs: The local FPA chapter welcomes students into its NextGen program; Master of Arts in Law Student Association; Phi Alpha Delta; Business Law Society
Job placement rate: 80% (employed in any field)
Overview: The program is offered completely online with select on-campus course options in Virginia Beach, according to Lisa Marie Otto, assistant director. The program is housed in Regent's School of Law and offers access to the J.D. program 's estate planning and tax experts. Coursework employs a Christian perspective and is grounded in legal thought, writing and critical thinking.

ROBERT MORRIS UNIVERSITY
Moon Township, Pennsylvania
CFP Board-registered programs: B.S.B.A. with concentration in financial planning
Enrollment: 15
Faculty: 7
Student-to-faculty ratio: 30:1
Tuition: $14,965 per semester
Clubs: Financial Management Association
Job placement rate: 95%
Overview: Thanks in part to a large alumni

network in nearby Pittsburgh, students find internships and full-time job prospects easily, according to Riza Emekter, department head of finance.

SAINT JOSEPH'S UNIVERSITY
Philadelphia
CFP Board-registered programs: B.S. in financial planning; M.S. in financial services
Enrollment: 28 undergrads; 87 graduates
Faculty: 13 full-time; 6 part-time
Student-to-faculty ratio: 14:1
Tuition: $46,350 a year for undergrads; $1,075 per credit for master's students
Clubs: N/A
Job placement rate: N/A
Overview: Students can use the school's Wall Street trading room to access electronic sources of financial and investment data, analytical tools and trading simulations, providing hands-on learning and real-life scenarios that enhance the experience, says Janine Lajeuness, director of M.B.A. and M.S. programs.

SALISBURY UNIVERSITY
Salisbury, Maryland
CFP Board-registered programs: B.S. in finance with financial planning track
Enrollment: 165
Faculty: 6 full-time; 4 adjunct
Student-to-faculty ratio: 16:1
Tuition: $10,044 per year for Maryland residents; $20,110 for nonresidents
Clubs: FPA student chapter
Job placement rate: N/A
Overview: The program was the first undergraduate program in Maryland to register with the CFP Board, according to Tylor Claggett, finance professor.

SAN DIEGO STATE UNIVERSITY
San Diego
CFP Board-registered programs: B.S.B.A.in financial services with a financial planning certificate; M.S.B.A in financial and tax planning
Enrollment: 68
Faculty: 10 full-time; 8 adjunct
Student-to-faculty ratio: 26:1
Tuition: $3,755 per semester for undergraduate California residents; $9,695 for undergraduate nonresidents; $7,712 for graduate California residents; $11,467 for graduate nonresidents.
Clubs: FPA student chapter, NexGen chapter; NAPFA affiliation; Finance and Investment Society
Job placement rate: undergraduate 78%; graduate 93%
Overview: The program integrates applied, theoretic and conceptual approaches. Faculty members are active in investments, financial planning and taxation research, according to the program director, Tom Warschauer. The program stresses professional and fiduciary approaches to planning and the 3M communications lab allows students to experience counseling firsthand.

SETON HALL UNIVERSITY
South Orange, New Jersey
CFP Board-registered programs: B.S.B.A. in business with a concentration in financial planning; M.B.A. with certificate in financial planning
Enrollment: 50
Faculty: 5
Student-to-faculty ratio: 10:1
Tuition: $1,300 per credit
Clubs: FPA of New Jersey, Investment Club, Women in Business, Black Men of Standard, Association of Latino Professionals for America
Job placement rate: 95%
Overview: The program combines the flexibility of online learning with in-class lessons focused on real life and current issues, according to Mark Schild, assistant dean.

SHEPHERD UNIVERSITY
Shepherdsville, West Virginia
CFP Board-registered programs: B.S. with major in business administration and concentration in financial planning
Enrollment: 32
Faculty: 5 full-time
Student-to-faculty ratio: 10:1
Tuition: $308 per credit hour for West Virginia residents; $745 for nonresidents; 21 hours required to meet financial planning concentration requirements out of a total of 48 to 54 hours for the major
Clubs: FPA student chapter in development
Job placement rate: 70%
Overview: The program is supported by an advisory board of financial professionals through the Rural Financial Planning Project, an initiative that seeks to improve rural Americans' financial literacy, according to program director Janine Scott. Seniors deliver peer-to-peer financial planning presentations on campus and local high schools.

SHIPPENSBURG UNIVERSITY
Shippensburg, Pennsylvania
CFP Board-registered programs: B.S.B.A. with concentration in personal financial planning
Enrollment: 53
Faculty: 6
Student-to-faculty ratio: 20:1
Tuition: $25,016 per year
Clubs: Investment Club
Job placement rate: 80%
Overview: The university has a well-established business internship program that provides opportunities for on-the-job experience.

SOUTH DAKOTA STATE UNIVERSITY
Brookings, South Dakota
CFP Board-registered programs: M.S. in family financial planning
Enrollment: 8
Faculty: 1
Student-to-faculty ratio: 8:1
Tuition: $1,590 per three-credit course
Clubs: N/A
Job placement rate: N/A
Overview: The online master's program is offered through the Great Plain Interactive Distance Education Alliance.

SOUTHERN NEW HAMPSHIRE STATE UNIVERSITY
Manchester, New Hampshire
CFP Board-registered programs: B.S. in finance with financial planning concentration
Enrollment: 230
Faculty: 1 full-time; 91 adjunct
Student-to-faculty ratio: 14:1
Tuition: $320 per credit, $960 per course; $225 per credit, $675 per course for full-time and part-time active military service members and spouses of active duty service members
Clubs: N/A
Job placement rate: N/A
Overview: The asynchronous fully online program offers a generous credit transfer policy and multiple term starts per year. It is intended to offer flexibility to meet the needs of those with busy lifestyles, according to Kristin Regis, finance faculty lead. An embedded grading rubric allows the university to easily collect student learning data to help ensure students are achieving the course outcomes.

STATE UNIVERSITY OF NEW YORK — COBLESKILL
Cobleskill, New York
CFP Board-registered programs: B.B.A. in financial services with financial planning concentration

Enrollment: 15
Faculty: 2 full-time
Student-to-faculty ratio: 10:1
Tuition: $8,634 a year for full-time students; $1,052 a course for part-time students
Clubs: N/A
Job placement rate: 50%
Overview: Both faculty members are tenured full-time professors with over 35 years of practice experience. The program includes a required internship.

STEPHEN T. AUSTIN STATE UNIVERSITY
Nacogdoches, Texas
CFP Board-registered programs: B.B.A. with concentration in financial planning; financial planning minor
Enrollment: 15
Faculty: 5
Student-to-faculty ratio: 20:1
Tuition: $8,316 a year tuition and fees for Texas residents. $18,276 for nonresidents
Clubs: N/A
Job placement rate: 100% of those who chose planning as a career. (Some seek careers in other areas of finance.)
Overview: The teachers spend time getting to know the students and providing advice and counsel, including making contacts with prospective employers, according to Banker Phares, program director. The program emphasizes the practical implementation of the academic knowledge gained in the classroom.

STETSON UNIVERSITY
DeLand, Florida
CFP Board-registered programs: B.B.A. in finance with financial planning concentration
Enrollment: 45
Faculty: 6
Student-to-faculty ratio: 13:1
Tuition: $46,000 per year
Clubs: FPA student chapter, Roland George Student Managed Portfolio Program
Job placement rate: 98%
Overview: The program is supported by an advisory board of financial professionals, and students participate in a FPA student chapter, according to program director Stuart Michelson.

SUFFOLK UNIVERSITY
Boston
CFP Board-registered programs: B.S.B.A. in finance with financial planning concentration, B.S.B.A. in wealth management
Enrollment: 30
Faculty: 13 full-time; 6 adjunct
Student-to-faculty ratio: 13:1
Tuition: $19,210 per semester
Clubs: N/A
Job placement rate: N/A
Overview: The university is in the heart of Boston and close to the financial district. Some students already work in the financial services industry, according to Kashif Ahmed, assistant professor.

TEMPLE UNIVERSITY
Philadelphia
CFP Board-registered programs: B.B.A. in financial planning
Enrollment: 130
Faculty: 4 full-time
Student-to-faculty ratio: 20:1
Tuition: $20,616 per year for Pennsylvania residents; $37,608 for nonresidents
Clubs: FPA student chapter; Temple University Investment Association; Financial Management Association
Job placement rate: 100%
Overview: Students customize their learning path with courses from a wide variety of departments and areas of studies at the Fox School of Business, , according to Cynthia Axelrod, program director. Students can connect with industry practitioners each semester through a professional speaker series. The business school will reimburse students up to $1,000 to cover the costs of materials and CFP exam costs if students pass the CFP exam, and up to 25% if they do not pass the CFP exam.

TEXAS A&M UNIVERSITY
College Station, Texas
CFP Board-registered programs: Minor in financial planning
Enrollment: 120
Faculty: 2 full-time; 4 adjunct
Student-to-faculty ratio: 20:1
Tuition: $10,862 per year for Texas residents; $37,890 for nonresidents.
Clubs: FPA student chapter
Job placement rate: 95%
Overview: The mission of the Texas A&M financial planning program is to empower holistic values-based leaders in financial planning, according to Nathan Harness, program director. Besides competing in multiple national financial planning competitions, students have the opportunity to network with industry professionals at the annual Financial Planning Conference hosted by Texas A&M University and can gain hands-on counseling experience at the Money Education Center, mentoring peers.

TEXAS TECH UNIVERSITY
Lubbock, Texas
CFP Board-registered programs: B.S. in personal financial planning; M.S. in personal financial planning (dual-degree J.D. program also available); Ph.D. in personal financial planning
Enrollment: 227 undergraduate; 128 master's; 46 Ph.D.
Faculty: 12 tenure or tenure-track; 1 instructor; 7 adjunct
Student-to-faculty ratio: 20:1
Tuition: $11,320 per year for Texas undergraduate residents, $23,770 for undergraduate nonresidents; $8,954 for Texas graduate residents, $17,254 for graduate nonresidents based on 15 hours per semester for undergraduates and 10 hours per semester for students taking classes on campus.
Clubs: FPA student chapter; Robert Barnhill PFP Toastmasters Chapter
Job placement rate: 93%
Overview: Texas Tech financial planning students hit the "grand slam" of student competitions in 2018-2019, winning first place in the FPA Financial Planning Challenge, AFCPE Knowledge Bowl, NAGDCA Retirement Planning Competition, and FSP Industry Issues competitions, according to Rebecca Velez, program director. Students have access to 25 undergraduate and 40 graduate level classes taught by personal financial planning faculty and may travel to professional conferences, pursue internships, volunteer in the community and participate in multiple student

Images provided by schools pictured.

organizations to enhance their education and professional development.

THOMAS JEFFERSON UNIVERSITY
Philadelphia
CFP Board-registered programs: M.S. in taxation, financial planning track
Enrollment: 30
Faculty: 2 full-time; 4 part-time
Student-to-faculty ratio: 8:1
Tuition: $1,170 per credit
Clubs: Financial Planning Society
Job placement rate: 100%
Overview: The program's curriculum is flexible with full- and part-time options, multiple start dates and a "term off" option for tax professionals, according to John Grigsby, program director. Courses are offered on campus or in a hybrid format. An advisory board consisting of financial planning, tax and legal professionals oversees the program and critiques the comprehensive financial plans of the capstone course students.

UNIVERSITY OF AKRON
Akron, Ohio
CFP Board-registered programs: B.B.A. in financial planning; dual-degree program with B.B.A. in financial planning and B.S. in accounting; minor in financial planning
Enrollment: 130 majors; 5 minors
Faculty: 6 full-time; 4 adjunct
Student-to-faculty ratio: 22:1 in undergraduate programs
Tuition: $5,818 per semester for Ohio residents; $7,750 for nonresidents.
Clubs: FPA student chapter; Student Investment Club; Beta Alpha Psi
Job placement rate: 91%
Overview: The program hosts an annual Diversitas Symposium to address the need for more diversity in the financial planning profession, according to Barry Mulholland, program director. Students are encouraged to participate in professional conferences and competitions. Students can opt to earn dual degrees in any of the other finance department offerings, including concentrations in financial management and risk management and insurance.

UNIVERSITY OF ALABAMA
Tuscaloosa, Alabama
CFP Board-registered programs: B.S. in commerce and business administration with minor in personal wealth management offered through the Culverhouse College of Commerce and Business Administration; B.S. in consumer sciences with concentration in financial planning, M.S. in consumer sciences with concentration in financial planning offered through the College of Human Environmental Sciences
Enrollment: 25 in Culverhouse College of Business; 75 undergraduate, 65 graduate in the Department of Consumer Science
Faculty: 6 full-time and 1 adjunct in the Culverhouse College of Business; 12 full-time in the Department of Consumer Science
Student-to-faculty ratio: 23:1 universitywide
Tuition: $10,780 per year for Alabama residents; $29,230 for nonresidents in the Culverhouse College of Business; $5,390 for 12-16 hours for full-time undergraduate in-state residents, $5,390 for full-time in-state main campus graduate students, $375 and $420 per credit hour for undergraduate and graduate distance students in the Department of Consumer Science
Clubs: FPA student chapter; Alabama Finance Association; Alabama Insurance Society
Job placement rate: 75% in the Culverhouse College of Business; 100% in the Department of Consumer Science
Overview: The program in the Culverhouse College offers the combination of a business degree and planning minor, allowing students to hone skills necessary to run their own businesses or work at larger organizations within the financial services industry. The financial planning program in the Department of Consumer Science hosts professionals twice a month through the school's FPA student chapter and encourages community outreach efforts, including pro bono services, VITA and state health insurance plan assistance.

UNIVERSITY OF ARIZONA
Tucson, Arizona
CFP Board-registered programs: B.S. in personal and family financial planning
Enrollment: 55
Faculty: 1 full-time, 3 limited-term adjunct
Student-to-faculty ratio: 15:1
Tuition: $12,600 per year for Arizona residents; $36,600 for nonresidents
Clubs: FPA student chapter in process
Job placement rate: N/A
Overview: The school requires students to take a 3-credit course on professional conduct and fiduciary responsibility and a 6-credit required external internship, according to Richard Rosen, program director. The program is housed within the Norton School of Family and Consumer Sciences, which provides unique opportunities to incorporate other coursework into the required curriculum.

UNIVERSITY OF CHARLESTON
Charleston, West Virginia
CFP Board-registered programs: B.S.B.A with a major in financial planning; B.S.B.A with a concentration in financial planning
Enrollment: 14
Faculty: 1 full-time; 1 adjunct
Student-to-faculty ratio: 14:1 average
Tuition: $14,950 per semester
Clubs: FPA student chapter in process
Overview: The financial planning program has an advisory board of community leaders who bring internships and job opportunities to students, according to Jacob Tenney, the program director. The school's small size allows for better interpersonal interactions with faculty.

UNIVERSITY OF CINCINNATI
Cincinnati
CFP Board-registered programs: B.B.A. in finance with CFP sub-plan; M.S. in finance with CFP specialization
Enrollment: 25
Faculty: 5 full-time; 5 adjunct or educators (with professional designations)
Student-to-faculty ratio: Approximately 15:1 in CFP-focused courses
Tuition: $5,839 per semester for full-time undergraduates, $486 per credit hour for part-time undergraduates; $10,961 per semester for full-time graduates; $920 per credit hour for part-time graduates
Clubs: Finance Club; Gamma Chapter of Gamma Iota Sigma
Job placement rate: 100%
Overview: Students in the program have access to professional and industry mentoring through events produced by the Finance Club, the Insurance and Risk Management Gamma Iota Sigma Fraternity and the Carl H. Lindner III Center for Insurance and Risk Management, says Steve Slezak, the program director.

UNIVERSITY OF COLORADO - BOULDER
Boulder, Colorado
CFP Board-registered programs: B.S.B.A. in finance with personal financial planning track
Enrollment: 68
Faculty: 6
Student-to-faculty ratio: 11:1
Tuition: $8,016 per semester (12-18 credit hours) for Colorado residents with the Colorado Opportunity Stipend applied; $19,390 for nonresidents

Special Report: **Schools for Financial Planning**

Clubs: FPA student chapter in process
Job placement rate: 90.3% overall in the Leeds School of Business
Overview: The personal financial planning program is within the Leeds School of Business. The school leverages its relationship with companies to foster relationships with individual planners and planner organizations, offering students oversight and advice, support, mentoring, internship and career opportunities, says Harry Starn, program director.

UNIVERSITY OF DELAWARE
Newark, Delaware
CFP Board-registered programs: B.S. in financial planning and wealth management; trust management minor
Enrollment: 93
Faculty: 4 full-time; 3 part-time
Student-to-faculty ratio: 12:1
Tuition: $12,830 per year for Delaware residents; $32,250 for nonresidents
Clubs: Financial Planning Club; Women in Finance Club; Investment Club
Job placement rate: 100%
Overview: The program's capstone course emulates a real-world experience where students work on four client cases throughout the semester, according to Richard Jakotowicz, the program director. The school's investment club manages a $2.5 million equity portfolio.

UNIVERSITY OF GEORGIA
Athens, Georgia
CFP Board-registered programs: B.S.F.C.S. in financial planning; M.S. non-thesis (online or in person) in financial planning, housing and consumer economics with a concentration in financial planning; M.S. with thesis in financial planning, housing and consumer economics with a concentration in financial planning; Ph.D. in financial planning, housing and consumer economics with a concentration in financial planning
Enrollment: 197 undergraduate; 63 graduate; 14 Ph.D.
Faculty: 10 full-time; 3 part-time
Student-to-faculty ratio: 15:1 for undergraduates; 7:1 for graduates
Tuition: $9,790 with $2,290 in fees per year for full-time Georgia resident undergraduates; $28,830 with $2,290 in fees for full-time nonresident undergraduates; $8,716 with $1,778 in fees per year for full-time graduate Georgia residents; $24,724 with $1,778 in fees for full-time graduate nonresidents
Clubs: FPa student chapter
Job placement rate: 80%
Overview: Each of the financial planning degree options is focused on providing students with experiential learning opportunities where students gain real world experience working with professionals from the local community, according to Melissa McBride, administrative specialist.

UNIVERSITY OF HOUSTON
Houston
CFP Board-registered programs: B.B.A. in finance with personal financial planning certificate
Enrollment: 48
Faculty: 6 full-time; 1 adjunct
Student-to-faculty ratio: 22:1
Tuition: $12,506 per year for Texas residents; $27,956 for nonresidents
Clubs: Finance Association
Job placement rate: 100%
Overview: Students are actively engaged in community service, offering financial literacy presentations and workshops to campus organizations and groups in the community, according to John C. Lopez, the program director.

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN
Urbana, Illinois
CFP Board-registered programs: B.S. in agriculture and consumer economics with financial planning concentration
Enrollment: 100
Faculty: 6 full-time; 4 adjunct
Student-to-faculty ratio: 20:1
Tuition: $47,800 per year
Clubs: FPA student chapter
Job placement rate: 100%
Overview: A student club provides professional interactions between students and professionals. Additionally, students are eligible to apply to academies housed in the College of Business that focus on specific topics such as risk management.

UNIVERSITY OF MARYLAND GLOBAL CAMPUS
Adelphi, Maryland
CFP Board-registered programs: B.S. in finance with financial planning minor
Enrollment: 180
Faculty: 1 full-time; 10 adjunct
Student-to-faculty ratio: 18:1
Tuition: $300 per credit hour for Maryland residents; $500 per credit hour for nonresidents; $250 per credit hour for military
Clubs: FPA student chapter
Job placement rate: N/A
Overview: The school includes all course materials in the tuition price, according to Peter Munger, program director. Most classes are taught by CFP practitioners.

UNIVERSITY OF MINNESOTA, DULUTH
Duluth, Minnesota
CFP Board-registered programs: B.A. in financial planning; financial planning minor
Enrollment: 21
Faculty: 5
Student-to-faculty ratio: 13:1
Tuition: $416.62 per credit for Minnesota residents; $659 per credit for nonresidents
Clubs: FPA student chapter; Financial Planning Club; Investment Club
Job placement rate: 95-100%
Overview: The program visits and works with firms throughout the area and attends local FPA events to give students experiential learning opportunities, according to Hugo Hietapelto, program director.

UNIVERSITY OF MISSOURI
Columbia, Missouri
CFP Board-registered programs: B.S. in personal financial planning; M.S. in personal financial planning; Ph.D. in personal financial planning
Enrollment: 125 undergraduate; 35 graduate
Faculty: 10 full-time
Student-to-faculty ratio: 12:1 for undergraduate financial planning programs
Tuition: $11,252 per year for Missouri residents; $27,090 for nonresidents
Clubs: FPA student chapter
Job placement rate: 90%
Overview: After a selective and competitive process, peer mentors are given the opportunity to provide financial education and work one-on-one with clients in the department's Office for Financial Success, as well as in the community through the Family Impact Center. Every spring semester,

resident undergraduate students help complete tax returns for individuals and families through the VITA program. The department places a strong emphasis on active experiential learning, according to Frances Lawrence, program director.

UNIVERSITY OF MISSOURI — ST. LOUIS

St. Louis, Missouri
CFP Board-registered programs: B.S.B.A. with finance emphasis, financial planning track
Enrollment: 65
Faculty: 2 full-time; 4 adjunct
Student-to-faculty ratio: 18:1
Tuition: $345.90 per credit
Clubs: Finance Club; Student Investment Trust; Beta Alpha Psi
Job placement rate: 50%
Overview: The UMSL College of Business maintains the largest internship program in the region, according to the program director, Jack D. White.

UNIVERSITY OF NEBRASKA — LINCOLN

Lincoln, Nebraska
CFP Board-registered programs: M.S. in child, youth and family studies with a specialization in family financial planning
Enrollment: 30
Faculty: 2 adjunct
Student-to-faculty ratio: 20:1
Tuition: $580 per credit hour
Clubs: N/A
Job placement rate: N/A
Overview: The degree prepares students for further graduate study or for work in human services, according to Lisa King, staff assistant. The program is offered exclusively online for convenience.

UNIVERSITY OF NORTH FLORIDA

Jacksonville, Florida
CFP Board-registered programs: B.B.A. in financial planning
Enrollment: 96
Faculty: 4 full-time; 4 adjunct
Student-to-faculty ratio:
Tuition: $6,394 per year for Florida residents; $20,798 for nonresidents
Clubs: FPA student chapter; Osprey Financial Group
Job placement rate: Approximately 50%-60%
Overview: The program boasts an active student FPA chapter, strong career counseling and mentoring opportunities for students, according to Ron Heymann, instructor. The program draws from an engaged group of financial services firms in northeast Florida who seek graduates.

UNIVERSITY OF NORTH TEXAS

Denton, Texas
CFP Board-registered programs: B.B.A. in risk insurance and financial services, financial planning track
Enrollment: Approximately 15-20
Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio:
Tuition: $6,085.23 for 15 credit hours for Texas residents; $6,835.23 for 15 credit hours for Oklahoma residents; $12,414.23 for 15 credit hours for nonresidents
Clubs: Financial Management Association; UNT Student Investment Group
Job placement rate: N/A
Overview: The program is allied with the UNT Student Money Management Center, which provides internship opportunities and other experiential learning opportunities for students, according to Stephen Poe, program director.

UNIVERSITY OF NORTHERN IOWA

Cedar Falls, Iowa
CFP Board-registered programs: B.A. in finance with an emphasis in personal wealth management
Enrollment: 60
Faculty: 5
Student-to-faculty ratio: 18:1
Tuition: $18,098 per year including room and board for Iowa residents; $28,640 per year including room and board for nonresidents
Clubs: Financial Management Association
Job placement rate: 95%
Overview: The program is the only CFP-board registered program in Iowa offered through an AACSB-accredited college of business, according to Steve Yerkes, faculty instructor.

UNIVERSITY OF SOUTH FLORIDA

Tampa, Florida
CFP Board-registered programs: B.S. in personal financial planning
Enrollment: 85
Faculty: 4 full-time; 1 adjunct
Student-to-faculty ratio: N/A
Tuition: $211.19 per credit hour for Florida residents; $575.01 per credit hour for nonresidents
Clubs: FPA student chapter
Job placement rate: N/A
Overview: Students receive a comprehensive business degree while satisfying the financial planning requirements for the CFP exam, according to Laura Mattia, program director.

UNIVERSITY OF TEXAS AT DALLAS

Dallas
CFP Board-registered programs: B.S. in finance
Enrollment: 50
Faculty: 12
Student-to-faculty ratio: 23:1
Tuition: $6,800 per semester for Texas residents; $19,500 per semester for nonresidents
Clubs: Financial Leadership Association
Overview: Students completing the program get a degree in finance, which gives greater flexibility for changes in career path, according to David Cordell, associate area coordinator of finance and managerial economics.

UNIVERSITY OF TEXAS — RIO GRANDE VALLEY

Edinburg, Texas
CFP Board-registered programs: B.A. in finance with financial planning concentration; M.B.A. with financial planning concentration; accelerated online M.B.A. in financial concentration
Enrollment: 53
Faculty: 4
Student-to-faculty ratio: 20:1
Tuition: $574.43 per credit hour for Texas resident undergraduates, $996.43 per credit hour for nonresident undergraduates; $624.43 per credit hour

Methodology: Listing of CFP Board-registered degree programs at colleges and universities based on *Financial Planning* research.

for Texas resident graduates, $1,046.43 per credit hour for nonresident graduates
Clubs: Association of Latino Professionals for America; Trading Association; Association of Accountants and Financial Professionals in Business
Job placement rate: N/A
Overview: Program faculty recently submitted for several grants to establish a financial analytics and trading lab, according to Ahmed Elnahas, assistant professor of finance.

UNIVERSITY OF THE INCARNATE WORD
San Antonio, Texas
CFP Board-registered programs: B.B.A. in finance with financial planning career path
Enrollment: 81
Faculty: 3 full-time; 3 adjunct
Student-to-faculty ratio: 22:1
Tuition: $29,900 per year
Clubs: Business Club
Job placement rate: N/A
Overview: Students in the program interact with industry guest speakers every semester, according to Jose Moreno, discipline coordinator. The school gives students access to database, software, various networking opportunities and career fairs.

UNIVERSITY OF UTAH
Salt Lake City
CFP Board-registered programs: B.S. in family, community and health development with financial planning emphasis
Enrollment: 45
Faculty: 4 full-time; 4 adjunct
Student-to-faculty ratio: 17:1
Tuition: $8,952 per year for Utah residents; $28,788 per year for nonresidents
Clubs: FPA student chapter
Job placement rate: 60%
Overview: Students have opportunities to assist peers with personal finance and low-income families with budgeting and tax preparation, according to Zhou Yu, program director.

UNIVERSITY OF WISCONSIN — MADISON
Madison, Wisconsin
CFP Board-registered programs: B.S. in personal finance
Enrollment: 274
Faculty: 12 full-time
Student-to-faculty ratio: 20:1
Tuition: $10,725.32 per year for Wisconsin residents; $37,785.08 for nonresidents
Clubs: Financial Occupations Club for University Students
Job placement rate: 98%
Overview: Students serve as peer educators in the Financial Life Skills and Badger Cents programs to develop interpersonal and communication skills by helping fellow students learn about personal finance, according to Linda Lepe, program director.

UNIVERSITY OF WISCONSIN — WHITEWATER
Whitewater, Wisconsin
CFP Board-registered programs: B.B.A. in finance with financial planning emphasis
Enrollment: 105
Faculty: 11 full-time
Student-to-faculty ratio: 21:1
Tuition: Approximately $3,856 (12-18 credits) per semester
Clubs: Financial Management Association
Job placement rate: 97%
Overview: The mission of the program is to prepare students for the exam and also to increase exposure to financial planning as a rewarding career, says the program director, Gene M. Toboyek.

UTAH VALLEY UNIVERSITY
Orem, Utah
CFP Board-registered programs: B.S. in personal financial planning
Enrollment: 228
Faculty: 5 tenure-track faculty; 3 professionals in residence; 3 adjunct
Student-to-faculty ratio: 22:1
Tuition: $5,726 per year for Utah residents and $16,296 for nonresidents. Out-of-state tuition waived for high incoming GPA and SAT/ACT scores
Clubs: FPA student chapter; Student Investment Club
Job placement rate: 90% plus
Overview: The program offers coursework honing professional skills like technology and software, counseling, professional sales, and classes to help students receive additional designations, according to Luke Dean, program director. A master's program in financial planning and analytics will be offered starting next fall.

VIRGINIA COMMONWEALTH UNIVERSITY
Richmond, Virginia
CFP Board-registered programs: B.S. in business with concentration in personal risk management and insurance
Enrollment: 14
Faculty: 1 full-time; 3 adjunct
Student-to-faculty ratio: 18:1
Tuition: $5,716 per semester
Clubs: Money Spot at VCU; Student Managed Investment Porfolio; Financial Management Association
Average percentage finding jobs: 100%
Overview: Students can work as peer-to-peer counselors via Money Spot at VCU.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
Blacksburg, Virginia
CFP Board-registered programs: B.S. in business with financial planning concentration
Enrollment: 165
Faculty: 1 full-time; 1 part-time; 2 adjuncts
Student-to-faculty ratio: 14:1 universitywide
Tuition: $13,700 per year for Virginia residents; $32,835 for nonresidents
Clubs: FPA student chapter
Job placement rate: 100%
Overview: Most students secure job offers before graduation, says Ruth Lytton, program director. Strong support from alumni and employers provides national job and internship opportunities, scholarship funds and travel opportunities for students. Firms engage with the program to develop a pipeline for future interns, residents and new hires.

WEST VIRGINIA UNIVERSITY
Morgantown, West Virginia
CFP Board-registered programs: B.S.B.A. in business with concentration in financial planning
Enrollment: 30
Faculty: 2 full-time; 2 adjunct
Student-to-faculty ratio: 18:1
Tuition: $8,976 per year for West Virginia residents; $25,320 for nonresidents
Clubs: Financial Planning Club
Job placement rate: 75%
Overview: The Financial Planning Club is active on campus, promoting the subject through seminars and lectures, according to Amanda Hall, program manager.

WESTERN CAROLINA UNIVERSITY
Collowhee, North Carolina
CFP Board-registered programs: B.S.B.A.

in finance with a concentration in financial planning
Enrollment: 120
Faculty: 3
Student-to-faculty ratio:
Tuition: $500 a semester for North Carolina residents, $1,200 for nonresidents
Clubs: FPA student chapter
Job placement rate: 90%
Overview: The program takes students to numerous local and national professional conferences each year, encourages students to participate in planning challenge competitions and maintains a student organization focused on resume building, interviewing skills, networking and other professional development, according to Patrick Payne, assistant professor of finance.

WESTERN KENTUCKY UNIVERSITY
Bowling Green, Kentucky
CFP Board-registered programs: B.S. in finance, personal financial planning track
Enrollment: Approximately 120
Faculty: 8 full-time; 2 adjunct
Tuition: $10,802 per year for Kentucky residents; $26,496 for nonresidents
Clubs: FPA student chapter; WKU Center for Financial Success; National Association of PFP Students for the Fiduciary Standard; Financial Management Association
Job placement rate: 95%
Overview: In addition to core courses, students take in finance, investments and general business courses. They have an opportunity to receive hands-on training by presenting on financial success, budgeting and debt counseling to student peers through the WKU Center for Financial Success. Program graduates regularly receive employment offers in advance of graduation, according to the program director, Ron Rhoades.

WESTERN MICHIGAN UNIVERSITY
Kalamazoo, Michigan
CFP Board-registered programs: B.B.A. with major in personal financial planning
Enrollment: 32
Faculty: 15 full-time; 10 adjunct
Student-to-faculty ratio: 17:1 universitywide
Tuition: Undergraduate flat rate (12 to 15 credits) tuition of $6,047 for lower-level courses and $7,444 for upper-level courses for Michigan residents; undergraduate flat rate tuition of $7,558.75 for lower-level courses and $9,113 for upper-level courses for nonresidents.
Clubs: Financial Services Club
Job placement rate: 93%
Overview: The program's CFP exam pass rate is well above the national average at 89%, according to Onur Arugaslan, program director. The school's state-of-the-art Sanford Center for Financial Planning and Wellness opened in January 2019 and provides pro bono financial coaching to students and the community.

WIDENER UNIVERSITY
Chester, Pennsylvania
CFP Board-registered programs: B.S. in finance with concentration in financial services; master's in taxation and financial planning
Enrollment: 20 undergrads; 35 graduate
Faculty: 4 full-time and 3-part time for undergraduate; 4 full-time and 8 part-time for graduate
Student-to-faculty ratio: 9:1
Tuition: $45,000 a year for undergrads; $3,100 per 3-credit class for graduates
Clubs: Money Club
Job placement rate: 100%
Overview: The resources include a Bloomberg laboratory. The school is the home of the Journal of Financial Service Professionals, a leading financial planning journal, according to Kenn Tacchino, program director.

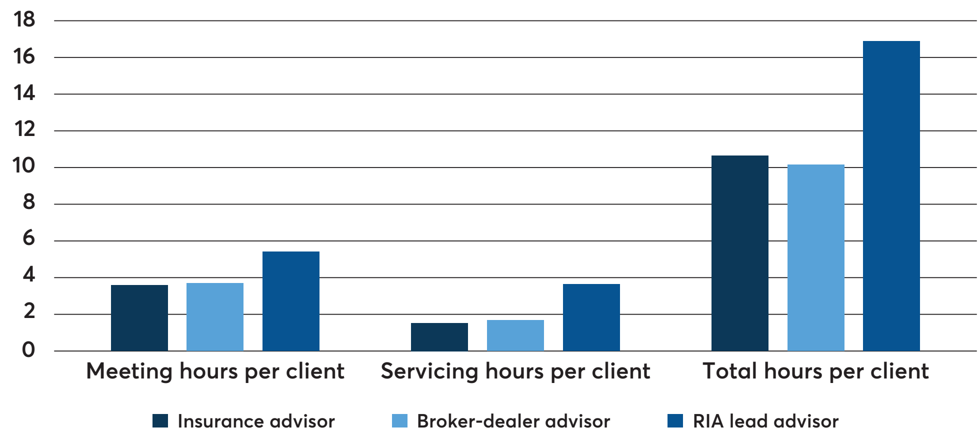
WILLIAM PATERSON UNIVERSITY
Wayne, New Jersey
CFP Board-registered programs: B.S. in financial planning
Enrollment: 42
Faculty: 2 full-time; 3 adjunct
Student-to-faculty ratio: 14:1
Tuition: $6,623 per semester
Clubs: FPA student chapter; Student Investment Club
Job placement rate: N/A
Overview: Dual degree options are available, with many students opting to major in financial planning and accounting or professional sales, according to Lawrence Verzani, assistant professor. Students are encouraged to participate in a mentoring program with professionals in the industry. The Cotsakos College of Business hosts meet-and-greet events for students to network with advisors and financial service firms.

WINSTON-SALEM STATE UNIVERSITY
Winston-Salem, North Carolina
CFP Board-registered programs: B.S. in business administration with finance concentration
Enrollment: 15
Faculty: 3
Tuition: $5,941 per year for North Carolina residents; $16,188 for nonresidents; $5,360 for room and board; $2,508 for campus health insurance
Clubs: Investment Club
Job placement rate: 75%
Overview: Students can participate in managing the Rams Fund, the student Investment Club-managed investment portfolio that is part of the university endowment, according to Alexander Kondeas, chairman of the accounting, economics and finance department. Partnerships with industry firms provide grants to offer preparation for other licensing exams, like the SIE and Series 7.

WINTHROP UNIVERSITY
Rock Hill, South Carolina
CFP Board-registered programs: B.S.B.A. in finance with financial planning track
Enrollment: 40
Faculty: 3
Student-to-faculty ratio: 14:1
Tuition: $635 per credit hour
Clubs: Financial Planning and Investment Club
Job placement rate: 100%
Overview: An investment class allows students to manage a $1 million portfolio and prepare for the SIE examination.

WRIGHT STATE UNIVERSITY
Dayton, Ohio
CFP Board-registered programs: B.S.B. with a major in financial services
Enrollment: 60
Faculty: 4 full-time; 1 adjunct
Student-to-faculty ratio: 35:1
Tuition: $4,627 per semester
Clubs: Finance and Financial Services Club
Job placement rate: 90%
Overview: The program has an award-winning trading room, where students manage a $1.7 million portfolio of university funds, according to Marlena L. Akhbari, chairwoman of the department of finance and financial services. **FP**

Hours Spent Annually on Client Activities, By Advisor Channel



Source: Michael Kitces

Benefits of Fee Severability

When it's easy for clients to fire their advisors, consumer protection is built in, and client satisfaction is higher.

By Michael Kitces

For advisors, the structure of our compensation may give us a natural incentive to provide high-quality service. Some advisory fees are easily severed — that is, the clients can terminate the advisor's fee as soon as they're not satisfied — and this naturally focuses a professional's attention on demonstrable customer service.

Fees under the AUM model, for instance, are more severable than the types of costs that attend the sale of, say, an annuity, and this provides a measure of consumer protection not afforded by commission-chasing broker-dealers.

Yet, ironically, with the profusion of alternative compensation models — retainer, subscription, hourly or other fee-for-service models — some advisors may have incentive to seek compensation structures with lower fee severability and consumer protections, making it easier for them to charge more and do less.

When the Department of Labor proposed its fiduciary rule, the White House made the case that conflicted advice compensated by commissions resulted in additional costs to consumer retirement accounts of at least $17 billion per year.

A Nudge Toward AUM

Accordingly, a key aspect of the fiduciary rule was a significant curtailment of commission-based compensation and a regulatory safe harbor that would have nudged the industry toward level-fee fiduciaries who would charge an ongoing AUM fee instead of receiving commissions.

Yet as critics have noted, paying ongoing fees can be even more expensive in the long run. After all, earning a 7% commission for the upfront sale of an annuity that has a seven-year surrender charge ultimately adds up to the same 1% yearly AUM fee for an investor who holds for all seven years.

Most annuity carriers recover their 7% upfront commission by levying a 1% yearly additional expense ratio charge against the annuity contract and charge a surrender fee for whatever portion of the 7% hasn't been recovered.

Many critics note that paying ongoing fees can be more expensive in the long run than paying upfront commissions.

Thus, when an investor buys an annuity with a 7% upfront commission and holds onto it for three years, the surrender charge would be 4%.

When they were popular, class B mutual funds worked the same way, often paying as much as a 5% upfront commission to the selling broker, but then typically charging an expense ratio 1% higher than the class A share alternative.

The key distinction is that while the final commission-based charge on the annuity may be the same 7% after seven years as the 1% yearly AUM fee, they're the same only for the client who stays all seven years. Unless the advisor provides value for all seven years, that is unlikely to happen.

In other words, the commission-based advisor has to perform only at the moment of sale to successfully earn 7% for the next seven years, while the fee-based advisor has to be good every year for the seven years to earn the same amount.

That drastically changes the incentives for the advisor in terms of how much time, effort and resources to put toward servicing existing clients, versus trying to move on to the next one.

Hours Spent Per Client

In a recent study, my firm found that RIAs employing under the AUM model spend almost 60% more hours per client on direct client activity than sales-based brokerage advisors, including almost 50% more in meeting hours per client and more than double the amount of time spent providing client service.

So even if the costs are identical in the long run, advisors whose fees are more easily severed are incentivized to provide more ongoing client service.

In plain language, if advisors don't provide service that demonstrates ongoing value, they get fired. Holding the advisor accountable for providing value makes the relationship safer for the consumer.

While fees under the AUM model are far more severable than an upfront commission, the AUM model is not exactly the most severable.

When a client wants to find a new advisor, it means doing work to make the transfer; they may remain because of inertia.

Many advisory firms bill their AUM fees in advance, which means the client has to request a refund of excess fees paid but not earned — a hassle at best. In many cases, terminating an advisor also creates a necessity to move the entirety of the client's investment accounts.

Turning to a Retail Option

Fortunately for the consumer, at many RIAs that use custodians with retail-facing options as well — like Schwab, Fidelity and TD Ameritrade — it can be as simple as converting an account from advisor-managed to retail. This may still entail a call to the advisor and calls to the custodian.

For fee-based accounts at many hybrid broker-dealers or other institutions that don't have a direct-to-consumer retail division, there is no direct path to convert.

And, of course, if the whole point is for the consumer to be able to terminate their current advisor and to switch to a new one, the AUM model necessitates moving and client's entire set of investment accounts to the new advisor's platform.

Thus, while the AUM model is more fee severable than a commission-based relationship, it still forces the consumer to decide to terminate the advisor and find a new institution or advisor.

This creates a lot of additional work for the consumer, increasing the inertia to stay with an only marginally valuable advisor.

Accordingly, it shouldn't come as a big surprise that not only do good advisory firms often have 97% or higher retention rates, according to traditional advisor benchmarking studies, but a recent PriceMetrix study showed that even advisory firms in the 10th percentile still have an 84% retention rate.

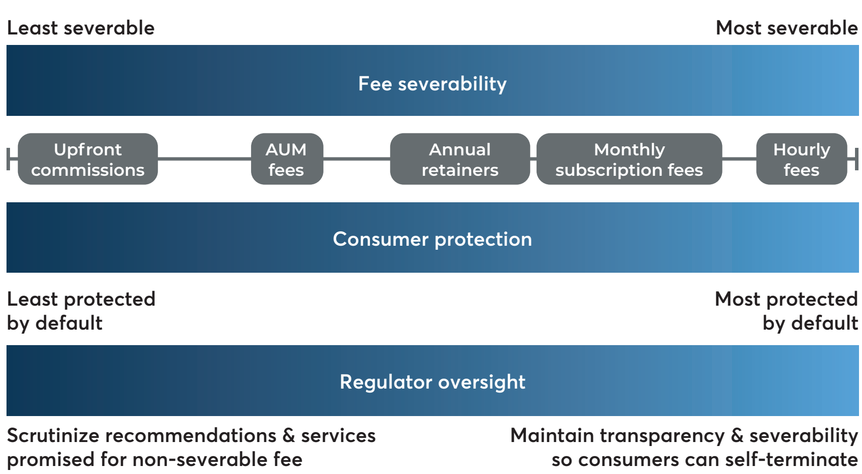
Degrees of Severability

By contrast, firms that charge on an hourly basis have the ultimate in fee severability. At the moment that clients do not truly value the services, they can simply walk away and the fee stops.

Clients tend to be acutely aware of the fee they pay on the hourly model, and knowing they're on the clock makes hourly fees highly salient. This can put so much pressure on the hourly model that it's often difficult to ride it to a sizable client base.

Between the hourly model and the AUM model are various retainer or

The Impact of Fee Severability On Regulatory Oversight Demands



Source: Michael Kitces

subscription fee-for-service models. Relative to the AUM model, retainer and subscription models have greater fee severability because they don't necessarily require departing clients to move accounts and change investments to end the relationship and start a new one.

Still, because retainer/subscription models are ongoing relationship models, they are less severable than a pure hourly model, which terminates at the end of every meeting.

In addition, the less frequent the payments are in these mdoels, the more time passes before the client has an opportunity to decide whether to continue renewing the advisor or terminating him.

Of course, a retainer fee paid in advance must still be refunded for the unearned portion of the fee. If an advisor bills quarterly and the client terminates one month into the quarter, the remaining two months' worth of fees must be returned.

Frequency of Billing

But in practice, clients aren't often even reminded of the ongoing fee until they receive an invoice tied to a bill. They may not even recall that they're dissatisfied with the service until the end of the quarter when the next bill comes — and at that point it's probably too late to ask for a refund.

Consequently, the less frequent the billing, the less severable the service tends to be. Meanwhile the greater the billing frequency, the more the client is reminded that they're paying, as well as how much.

The key takeaway is this: The more severable the fee, the less the consumer needs the regulator's protection.

From the advisor perspective, fee severability becomes an issue of client retention. The more severable the fee model, the more burden on the advisor to justify the fees — especially if the fees are highly salient.

From the consumer's perspective, fee severability is an issue of protection. The less severable the advisor's compensation model — upfront commissions being the logical extreme — the less recourse the consumer has if they're not satisfied.

Regulatory Blind Spot?

From a regulatory perspective, the less severable the compensation model, the more regulatory scrutiny is necessary upfront to ensure consumers are protected. The more severable the compensation model, the more natural market forces can operate.

The key takeaway is this: the more severable the fee, the less the consumer needs a regulator's protection.

In turn, the implication from the regulatory perspective is that for low-severability models, it's especially important to establish upfront that the advisor will deliver value for the compensation they receive.

This helps explain why the burden of FINRA regulation is to determine whether the sale was suitable for the client. Conversely, the regulation of RIAs is much more focused on whether the advisor provides services commensurate with the fee.

Similarly, advisory firms that charge retainer fees — already a highly severable model — are generally limited to collecting fees of no more than $1,200 more than six months in advance, per Release No. IA-3060.

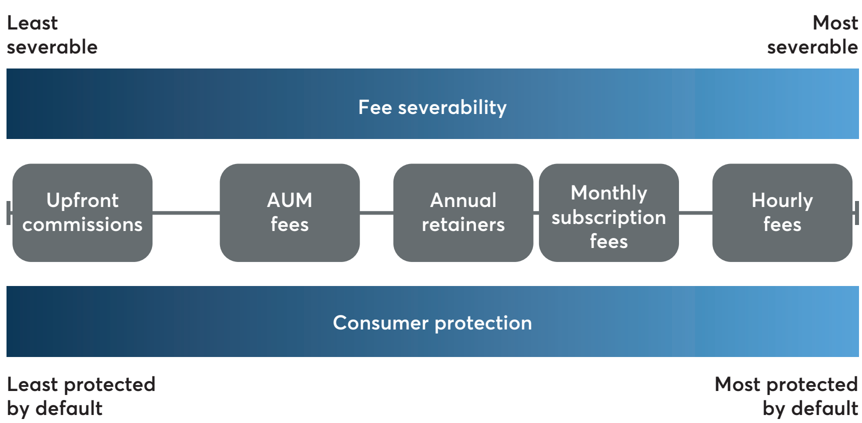
This ensures advisory firms do not turn an otherwise highly severable fee-for-service model into a low-severability version in which the firm might try to charge significantly upfront and not deliver.

From the perspective of current regulation, the fee severability spectrum suggests that recent state regulatory efforts may not be following the most effective track to actually ensure consumer protection.

Disclosing Hours

For instance, several state regulators have worked to compel advisors to disclose the exact number of hours they will work in exchange for their fee, as a means of determining whether the services rendered come at a reasonable price — no more than $150 to $250 per hour.

Advice Fee Models Ranked for Severability And Consumer Protection



Source: Michael Kitces

Some state regulators have questioned the appropriateness of charging an ongoing monthly fee if the advisor doesn't do something or meet with the client every month, effectively discounting the availability of the services down to zero.

Yet research suggests that advisors provide the behavioral alpha that helps clients stay the course in bear markets. That may be a huge value, but it may be relevant only once or twice during a decade.

Ultimately, mismatched regulation might unwittingly have the effect of causing advisory firms to switch away from more consumer-protecting models toward other approaches that have less fee severability.

Billing Cycles

For instance, in the face of recent state regulation, a number of firms have shifted from charging monthly subscription fees to instead charging an annual fee that is payable monthly — whereby the consumer receives a committed list of annual services and the annual fee is simply financed on a monthly basis.

This converts a consumer-friendly, highly severable fee model into a less severable commitment.

Through the lens of fee severability, the better regulatory approach may be to drive more firms toward fee-for-service models, which make it easier for consumers to quickly terminate.

Regulators may unwittingly cause firms to switch from consumer-protecting models to approaches with less severability.

Regulators in turn could limit advisors from charging significant upfront fees for a full year of service — per the existing regulations limiting prepayments that are more than $1,200 and more than six months in advance — while still ensuring consumers can easily terminate.

In summary, shorter recurring billing periods reduce consumer risk over longer prepayment periods. From there, consumers can simply fire an advisor who isn't delivering.

The other issue related to fee severability is ensuring that consumers know what they're actually paying.

It would be no help that the relationship and fees are severable if those costs aren't transparent — salient — to consumers.

Saliency and Severability

Still, saliency and severability are separate issues. A highly salient fee that isn't severable just means the client knows they're paying too much and receiving too little — and they can't break free.

Effective regulation of highly severable models should ensure fees remain both severable and salient — that is, transparent enough for consumers to know what they're spending for what they're getting.

From this perspective, all compensation models should progress toward the upper right of the chart on this page, ensuring consumers are aware of what they're paying and are able to stop when necessary.

Accordingly, regulation of the AUM model often focuses on making fees more salient and ensuring that they remain severable.

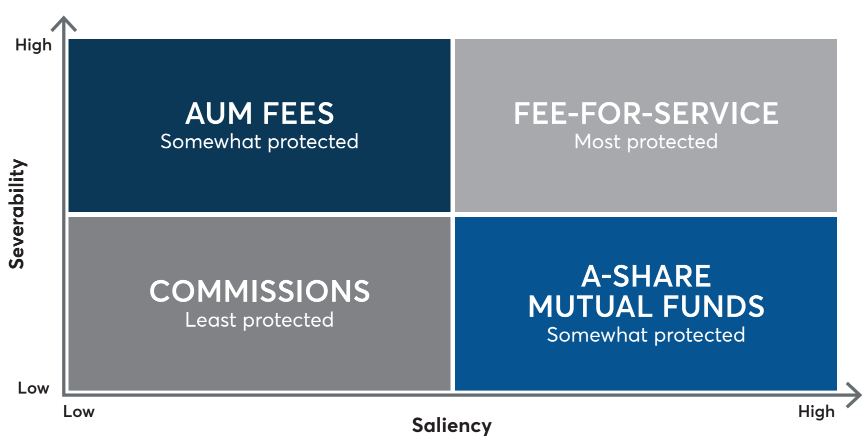
By comparison, while the load for A-class share mutual funds is paid upfront and comes immediately out of the fund's deposit — making it salient — it is not refundable and, therefore, not severable.

The key point is that fee-for-service models are already more salient and more severable than the alternatives.

As we in the advisory business know, these are the keys that tend to drive not only better consumer protection, but higher consumer satisfaction.

It's just a matter of regulators coming around to our point of view. **FP**

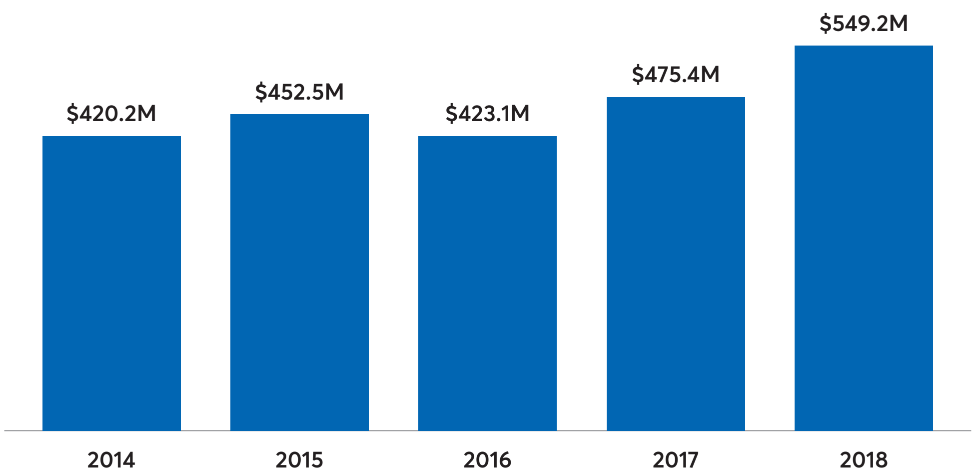
The Intersection of Saliency and Severability For Consumer Protection



Source: Michael Kitces

__Michael Kitces,__ CFP, a Financial Planning *contributing writer, is a partner and director of wealth management at Pinnacle Advisory Group in Columbia, Maryland; co-founder of the XY Planning Network and AdvicePay; and publisher of the planning blog Nerd's Eye View. Follow him on Twitter at @MichaelKitces.*

Kestra Financial's Primary IBD Boosted Its Revenue By More Than 15% in 2018



Source: Company data

Kestra Aims to Outflank 'One-Size-Fits-All' Rivals

CEO James Poer has the IBD and three affiliated units aiming to serve different segments of the advisory world.

By Tobias Salinger

Kestra Financial is taking a different approach from its rivals on the strength of its substantial capital backing. Many of its advisors have literally bought into the vision.

In fact, about 120 of them have invested in their firm after it was acquired in one of the largest deals of the year in the wealth management sector.

$192,000 Per Advisor

Global private equity firm Warburg Pincus acquired a majority stake in Kestra in June and advisors have purchased some $23 million worth of shares in the independent broker-dealer, according to Kestra's CEO, James Poer. The sum breaks down to about $192,000 per advisor.

'Very Deep Investor'

In an interview with *Financial Planning*, Poer declined to provide specific figures on the amount Warburg paid for its stake or the level of investment by executives.

However, Poer describes himself as a "very deep investor" and says other management team members are as well.

"I don't mean equity grants," he says. "I mean, cut a check of personal money, a large personal check. And that is something that I take great pride and appreciation in across our executive team. It's our business as much as it's anyone else's, and we run it that way."

The recapitalization of the Austin, Texas-based Kestra reportedly set its value at 8 to 10 times its EBITDA — or as much as $800 million.

Kestra is eschewing the common approach of folding subsidiaries into a network or another unified brand.

The firm has 2,500 advisors across Kestra, the IBD subsidiary H. Beck and the wirehouse breakaway hybrid RIA firm Kestra Private Wealth Services.

A New Trust Company

Kestra also purchased a trust company that it has since renamed Arden Trust Co. In addition, it started a mergers and acquisition, succession and consulting firm during the summer called Bluespring Wealth Partners.

The new firm has already acquired three practices with $1.35 billion in combined client assets.

Private equity-backed firms are vying for a greater foothold at the top of the sector in competition with publicly traded IBDs, insurance company BDs and privately held firms

with longtime owners.

Kestra eschews the approach of other firms that fold subsidiaries into a network or another unified brand.

Kestra has its primary IBD for the "large successful ensembles" and H. Beck for "that community-based advisor that's far more mass affluent-focused," Poer says.

In addition, it's adapting Arden's trust services in a "value-focused, cost-effective way" across the organization, he says.

"We don't believe that one firm can serve every financial advisor, we definitively don't believe that; we believe in crafting a value proposition that focuses on a segment of the market," Poer says.

"We love the idea of going up against the one-size-fits-all competitor," he added.

There are about 50% fewer publicly traded firms than there were 20 years ago.

The firm's rivals are also facilitating succession-plan M&A deals, but Bluespring has set an impressive pace since launching. The advisor Steve Engro sold Austin and Dallas-based Beacon Financial Group — which has $800 million in client assets — to Bluespring for its third acquisition.

"At this time in our firm's history, it's

Kestra Financial's Bluespring Wealth at a Glance

- RIAs sell at least $1M in EBITDA, 51% of firm
- Successor academy for training and best practices
- RIAs can keep custodian of choice
- Kestra BD affiliation not required
- Earnout optimization program

Source: Bluespring Wealth Partners

critical to fully align with a strategic partner who can ensure we're well-positioned for the years to come," Engro said in a statement.

He added that the deal will enable Beacon "to serve our clients and their heirs" for decades into the future.

James Poer led an employee investment effort in which about 120 advisors put up $23 million.

The parties didn't disclose financial terms, but Bluespring buys at least 51% stakes in firms with $1 million or more in EBITDA.

"We don't believe that one firm can serve every financial advisor, we definitively don't believe that," CEO James Poer says.

While Bluespring started with nine RIAs previously purchased by Kestra, the new firm has introduced networking, training, professional development and consulting services to its expanding group of practices.

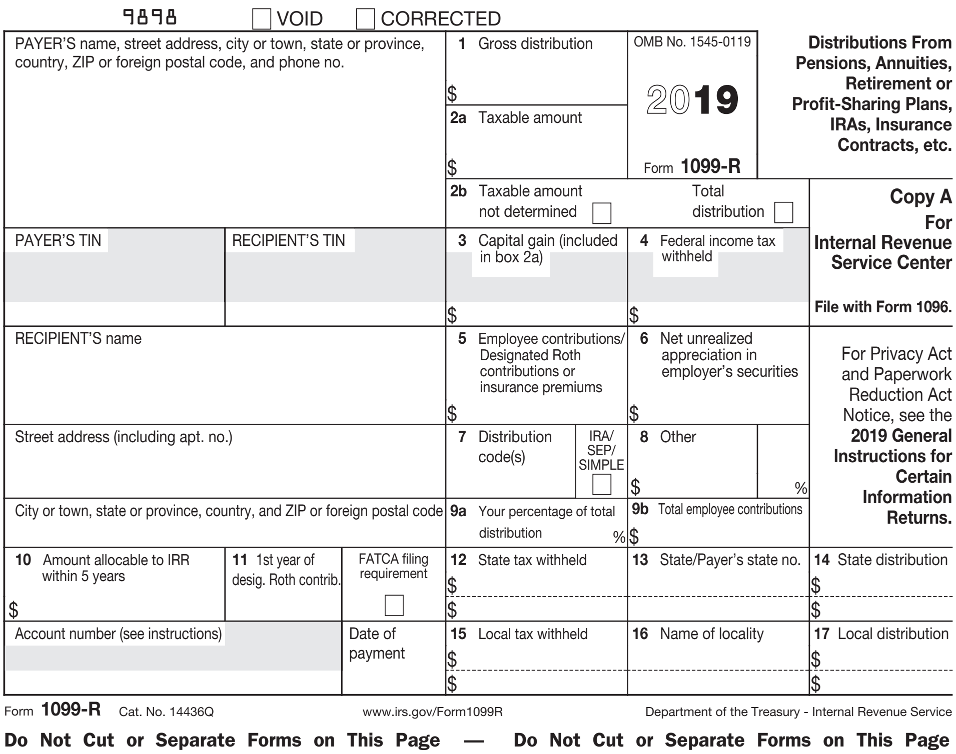
The fact that Bluespring doesn't require advisors to be affiliated with Kestra is a "substantial differentiator of ours in the marketplace," Poer says.

He notes that there are around 50% fewer publicly traded firms today than there were 20 years ago. Poer views private equity firms as filling the void in financial services and other industries, noting that new entrants such as Warburg are joining earlier ones in tapping into wealth management.

Fee Compression

"What a lot of people refer to as fee compression in our industry — she who sits closest to the client has the safest sort of stream of revenue in that value stack," Poer says. "And so the actual wealth management channel is especially attractive because there's less pressure around fees and the ability to articulate clear value." **FP**

***Tobias Salinger** is a senior editor of* Financial Planning. *Follow him on Twitter at @TobySalFP.*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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.

1 Gross distribution $

2a Taxable amount $

OMB No. 1545-0119

2019

Form 1099-R

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

2b Taxable amount not determined

Total distribution

Copy A For Internal Revenue Service Center

File with Form 1096.

PAYER'S TIN

RECIPIENT'S TIN

3 Capital gain (included in box 2a) $

4 Federal income tax withheld $

RECIPIENT'S name

5 Employee contributions/ Designated Roth contributions or insurance premiums $

6 Net unrealized appreciation in employer's securities $

For Privacy Act and Paperwork Reduction Act Notice, see the 2019 General Instructions for Certain Information Returns.

Street address (including apt. no.)

7 Distribution code(s)

IRA/ SEP/ SIMPLE

8 Other $ %

City or town, state or province, country, and ZIP or foreign postal code

9a Your percentage of total distribution %

9b Total employee contributions $

10 Amount allocable to IRR within 5 years $

11 1st year of desig. Roth contrib.

FATCA filing requirement

12 State tax withheld $ $

13 State/Payer's state no.

14 State distribution $ $

Account number (see instructions)

Date of payment

15 Local tax withheld $ $

16 Name of locality

17 Local distribution $ $

Form 1099-R Cat. No. 14436Q www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service

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Tax Traps in Plan Loans

Armed with these specific details, advisors can explain why a loan against a 401(k) may be too good to be true.

By Ed Slott

At first blush, taking out a plan loan can sound like easy tax-free money. But borrowing against a company 401(k) can result in considerable financial pain.

The rules are tricky and violations can trigger costly taxes and penalties — exactly at a time when the employee's funds are least likely to be available.

This is precisely where financial advisors can step in and provide a valuable service to clients. By understanding plan loan rules, they will be equipped to counsel their clients on whether taking a plan loan is a good or bad idea, given the clients' distinctive personal situation.

The advantages of such loans are initially seductive. In addition to providing early access to a portion of retirement accounts, they also:

- Are generally easier to obtain than other bank financing. Poor credit does not factor into approval process.
- Are initially tax-free and penalty-free and continue to be so if all the conditions are met.
- Have lower interest rates than loans available elsewhere.
- Require repayments back to the individual's account — not to a bank.
- Allow for optional loan provisions that can always be adopted — even with most preapproved plans.

Qualifying Conditions

To qualify for this preferential tax treatment, the following conditions must be met: the plan document must permit loans; loans are limited to the maximum amount; the repayment period must fall within the statutory period; repayments must be continuously made on at least a quarterly basis; and interest will be assessed on repayments.

A loan against a 401(k) may seem particularly attractive, but it can cause tax problems if not handled precisely.

Your clients should be aware that plan loans allow participants early access to only a portion of their retirement accounts. That's because the tax code limits plan loans to the lesser of 50% of the vested account or $50,000.

There is one exception to this rule: If 50% of the vested account balance is less than $10,000, the participant can borrow up to $10,000 (not to exceed the vested account). However, this exception is optional, and plans can choose to ignore this.

But there are also the potential pitfalls. Tax problems come into play when the above rules are not followed precisely.

A Loan Gone Wrong

The case of Gerard J. McEnroe and Regina McEnroe v. Commissioner of Internal Revenue is a potent reminder of how tax consequences occur when a deemed distribution occurs.

Gerard McEnroe participated in the New York City Employees Retirement System, a 401(a) tax-qualified plan, as an employee of the New York City School Construction Authority.

McEnroe was age 51 in 2015. In July 2014, he borrowed $26,045 from his NYCERS account to pay a child's college tuition expenses. McEnroe immediately began repaying the loan, having amounts deducted from his biweekly paycheck.

In May 2015, McEnroe left his job with the School Construction Authority and stopped making loan repayments.

After a short stint with another employer, he returned to SCA in September 2015.

After learning that NYCERS would be treating his outstanding loan balance as a taxable distribution, he contacted the SCA HR office.

In November 2015, an HR representative wrote to NYCERS saying that McEnroe wanted to have his loan "reinstated" so that the outstanding balance would not be considered a distribution and to resume payroll deductions immediately. His loan repayments through payroll deduction resumed in early December 2015.

Form 1099-R reported a 2015 taxable distribution of $22,284 — the outstanding balance on McEnroe's loan as of June 24, 2015.

The McEnroes did not include the $22,284 as taxable income on their 2015 federal income tax return and also did not file Form 5329, or otherwise treat the deemed distribution as an early distribution.

A recent tax court ruling on a loan that was judged a taxable "deemed" distribution seems a harsh result based on the facts.

In response, the IRS issued a notice of deficiency of $9,638 for the 2015 return, attributable to the deemed distribution and a 10% additional early withdrawal penalty tax. The IRS also assessed a 20% accuracy-related penalty of $1,928.

The McEnroes appealed to the Tax Court, arguing that it was inequitable to impose an income tax and the 10% early withdrawal penalty because NYCERS had not provided McEnroe timely notice of his loan default and, further, that he had acted reasonably and in good faith by "reinstating" the loan and resuming repayments.

Tax Court Ruling

The Tax Court ruled against the McEnroes on both the income tax and 10% penalty (although in a footnote the court said the IRS had conceded that the McEnroes did not owe the $1,928 accuracy-related penalty).

On the deemed distribution issue, the court noted the tax code provides that a loan made from a tax-qualified plan is considered a taxable "deemed" distribution to the recipient unless the loan meets certain requirements.

The court cited IRS regulations providing that the failure to make any installment payment when due, under the terms of the loan, violates the level amortization/repayment requirement and results in a deemed distribution. The regulations let the plan administrator allow for a cure period for late installment payments, but that period cannot extend beyond the last day of the calendar quarter after the quarter in which the payment was due.

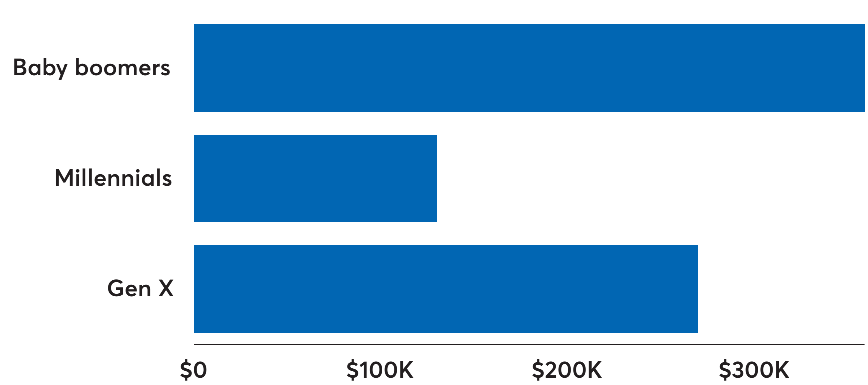
The court pointed out that, even if NYCERS had a cure period, McEnroe did not resume loan repayments until after the cure period was required to end. He also did not cure the defect. Therefore, according to the court, NYCERS was correct in concluding that McEnroe had a deemed distribution of $22,284 that was taxable income for 2015.

On the 10% early withdrawal penalty issue, the court noted that it has consistently ruled that the tax code does not provide a hardship exception to the penalty.

Based on the disclosed facts, this appears to be a harsh result.

While McEnroe's loan was technically in default, the only reason he had missed repayments was because he

Average 401(k) Plan Size After 10 Years



Source: Fidelity Investments, 2019

had temporarily left SCA employment and was apparently not given an opportunity to continue those repayments (by sending checks to the plan) after he had left.

There is also no indication that he could pay off the loan in full after he left, since he didn't return to SCA until sometime in September 2015 and it was probably administratively impossible for repayments to have resumed by Sept. 30.

Finally, the court did not give any consideration to McEnroe taking the initiative to resume repayments by contacting the SCA HR office.

The court also did not consider that NYCERS had apparently led McEnroe to believe it would reverse its treatment of the loan as a deemed distribution.

Deemed Accountable

Two other cases (Billups and Marquez), both from 2009 and with marked similarities, also arose from plan loan-related tax problems even when loan payments were being made.

Billups and Marquez were New York City employees with plan accounts in NYCERS. They both also had outstanding loans from the plan that were up to date when they walked into their human resources office in 2005.

NYCERS allowed employees to not only take multiple loans, but also to refinance existing loans.

The men each selected the refinancing option, even though both were warned that this might cause all or a portion of their loan to become immediately taxable.

Both men were urged to contact NYCERS before submitting the paperwork. From the court records, it appears neither did.

The refinancing caused both men to exceed the maximum loan limits. As a result, the plan issued the employees an IRS Form 1099-R for 2005, which reported the excess over the limit as a taxable distribution.

Billups had taken multiple large loans and the refinancing caused him to exceed his maximum loan limit by $39,748. Marquez only had one outstanding loan for a smaller amount, but he exceeded his limit by $10,032.

One position advisors should assume with clients considering a plan loan is that it should be taken only as a last resort.

On the advice of his accountant, Billups reported the deemed distribution, but also tried to report the amount as a rollover. Marquez ignored the 1099-R and neglected to include the income on his 2005 tax return. Neither paid the 10% early distribution penalty although both were under age 59½ and no other exception applied.

In these cases as well, the IRS deficiencies were upheld, and both men were ordered to pay income tax and early distribution penalties on the deemed distributions.

The Essentials

Armed with a 360-degree view of plan loans, advisors can now share three crucial points with any client considering them.

1) Plan loans should be a last resort. An outstanding plan loan can have serious tax consequences if a participant leaves employment — whether voluntarily or not. For this reason, clients in financial need should be advised to pursue hardship withdrawals (if available) or sources of funds outside the plan before taking a plan loan. (Previously, participants were required to take a plan loan before withdrawing 401(k) funds for a financial hardship, but that requirement has now been relaxed.)

2) Always check official plan communications. Make sure clients do not rely on a written statement or inference by an HR or plan representative. Such a statement — even though it may prove to be incorrect — will not hold up in court in the face of statements made in an official plan communication, like a summary plan description.

Had McEnroe consulted the NYCERS written communications, he might have discovered that he had options to avoid a default — ones that were not orally communicated to him.

3) Know the difference between deemed distribution and distribution of offset amount. A deemed distribution (such as occurred in these cases) should be distinguished from a distribution of a loan offset amount.

The former occurs when one of the tax code loan requirements is violated. The latter occurs when a participant's account balance is offset by the outstanding loan balance in order to repay the loan. The plan loan offset normally occurs when a terminating employee requests a distribution of his account balance.

A loan offset amount can be rolled over to an IRA or another employer plan by April 15 of the year after the offset occurs (or Oct. 15 if an extension is filed.) A deemed distribution is taxable and cannot be rolled over. That's a critical distinction. **FP**

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BLOOMBERG NEWS

Your Client Wants to Go to Cash. Now what?

A money market account is not the only option. Here are some suggestions for advisors with ultracautious clients.

By Craig L. Israelsen

If a client wants to go to cash to remove risk from their portfolio, do they really mean they want to reallocate their portfolio to a money market account?

To be sure, a client with a long-term investing horizon generally does not benefit from bailing out of a well-diversified, multi-asset portfolio, particularly if the equities market incurs steep losses. In such cases, a client would be locking in losses rather than allowing their portfolio to eventually recover, and many advisors would likely tell them to stay the course with their long-term investment plan.

But in those cases when a client demands that all or part of their portfolio be moved to cash, there is another alternative: investing in a diversified fixed-income portfolio, including both U.S. and international bonds, and cash products such as money market funds, savings accounts and CDs.

Here we'll explore the performance of two fixed-income portfolios following four declines in the U.S. equities market over the past 20 years.

The first is an all-cash portfolio and the other is a diversified fixed-income portfolio that includes three types of bonds, as well as cash (with no equities in either bucket).

I'm not advocating that your clients completely bail out of the stock market in favor of either portfolio.

But if they do insist on going to cash, the results shown here may help you encourage them to consider a diversified array of fixed-income asset classes.

In this analysis, the performance of U.S. bonds was represented by the Barclays Capital U.S. Aggregate Bond Index, TIPS by the Barclays U.S. Treasury U.S. TIPS Index, non-U.S. bonds by the Barclays Global Treasury Index (unhedged) and cash by the 90-day U.S. Treasury bill. Taxes were not accounted for.

A client with a long-term investing horizon generally does not benefit from bailing out of equities.

The first U.S. equity market decline we'll examine occurred in 2000, when the S&P 500 lost 9.1%.

Reacting to Loss

If a client reacted to that loss by going entirely to cash at the start of 2001, they would have experienced a subsequent three-year annualized return of 2% over the next three years, as shown in the table "Cash in Comparison."

Let's now assume the client fled out of their normal diversified portfolio of equities, diversifiers and fixed income, and repositioned their investments in a diversified fixed-income portfolio consisting of 40% cash, 20% aggregate bonds, 20% TIPS and 20% non-U.S. bonds. This portfolio was rebalanced at the beginning of each year to bring each asset to its predetermined percentage allocation.

The three-year annualized return in this case was 6.69%, or more than three times higher than it would have been with the all-cash portfolio.

What if your client went to all cash at the start of 2002 (after a rough equity year in 2001, in which the S&P 500 lost 11.9%)?

A Meager Return

Over the next three years, the all-cash portfolio produced a meager annualized return of 1.37%.

Had the same client built a diversified fixed-income portfolio, they would have experienced a three-year annualized return of 6.98%. That's quite a difference.

Next time frame.

After a third year of equity losses, the client shifts entirely to cash at the start of 2003 (after a deflating loss of 22.1% in the S&P 500 in 2002).

After three years in cash, they experienced another small annualized return of 1.90%.

Alternatively, the diversified fixed-income portfolio generated a three-year annualized return of 4%.

Gutted in 2008

Fast-forward to recent memory — after being gutted with an S&P 500 loss of 37% in 2008, the client runs, not walks, to cash at the start of 2009.

First of all, we understand now how much the client lost by missing the broad recovery in stocks that began in March 2009.

An all-cash portfolio had a better return than the diversified fixed-income portfolio in only six out of the past 20 years.

That demonstrates the danger of pulling out of a long-term plan that includes equities as an asset class.

That's bad enough. Now consider that, over the subsequent three years, the all-cash portfolio generated a paltry 0.12% annualized return. Ouch.

At the same time, the diversified fixed-income portfolio produced an annualized return of 4.48%.

Cash in Comparison

Flight to cash	Average annualized % return over subsequent 3 years	
	100% cash portfolio	Diversified fixed-income portfolio
Move to cash at the start of 2001 (after S&P 500 return of -9.1% in 2000)	2.00	6.69
Move to cash at the start of 2002 (after S&P 500 return of -11.9% in 2001)	1.37	6.98
Move to cash at the start of 2003 (after S&P 500 return of -22.1% in 2002)	1.90	4.01
Move to cash at the start of 2009 (after S&P 500 return of -37.0% in 2008)	0.12	4.48

Source: Steele Mutual Fund Expert, calculations by author.

This is obviously not as strong a return as a portfolio including equities would have seen.

However, it's still a whole lot better than the all-cash return.

Perhaps some clients may assume diversification primarily applies to equity investments. Not so.

The fixed-income portion of a portfolio clearly benefits from diversification as well.

Hiding in Cash

Rather than hiding in cash, a diversified fixed-income position has demonstrated generally positive annual returns that materially outperform cash for the most part.

Was the diversified fixed-income portfolio riskier for the client than an all-cash portfolio? Yes.

The annual returns of an all-cash portfolio were always positive over the past 20 years, whereas the diversified fixed-income portfolio had two small calendar-year losses (as shown in the table "Fixed on Return").

From 1999 to 2018, however, a diversified fixed-income portfolio outperformed an all-cash portfolio by 166 basis points, with only a slight increase in the standard deviation of annual returns (3.06% vs. 1.94%).

The point here is that both standard deviations are extremely low when considering the standard deviation of the S&P 500 over the same time period was 17.5%.

So is it always the wrong move for a client to go to cash?

No. However, staying there for too long can be a real problem for clients who need safety combined with some degree of performance that can stay ahead of inflation.

And, of course, the more time a client has, the more they should be willing to take on some risk in their portfolio by investing in equities.

Still, as can be seen in "Fixed on Return," an all-cash portfolio had a better return than the diversified-fixed income portfolio in six years out of the past 20. Thus, for particularly cautious clients, another asset allocation option is to have an all-cash bucket that's paired with a diversified fixed-income bucket.

This analysis should not be construed as recommending clients should abandon their overall asset allocation strategy that includes a wide variety of asset classes.

Engines and Brakes

Rather, prudence would suggest that an investor should always have a portfolio that has both engines (equities and diversifiers) and brakes (fixed-income assets).

For younger and/or more aggressive clients, the investment portfolio would likely emphasize the engines by assigning larger allocations to a wide variety of equity and diversifying assets. Nevertheless, the younger client also should have some exposure to the brakes. For older and/or more conservative clients, the preservation elements of their portfolio will likely have larger allocations.

Conventional wisdom often suggests cash would be the predominant preservation asset. However, clients who insist on fleeing to cash as a result of equity market mayhem will often be better off moving to a diversified fixed-income portfolio, at least in the longer term. Seeing the returns outlined here might help them to better understand their options. **FP**

Fixed on Return

Year	% returns of a 100% cash portfolio	% returns of a diversified fixed-income portfolio
	100% 90-day T-bills	40% cash, 20% aggregate bonds, 20% TIPS, 20% non-U.S. bonds
1999	**4.78**	1.18
2000	5.98	**7.64**
2001	3.34	**4.33**
2002	1.63	**9.93**
2003	1.03	**5.87**
2004	1.44	**5.20**
2005	**3.25**	1.02
2006	**4.85**	4.18
2007	4.44	**7.61**
2008	1.39	**3.18**
2009	0.16	**4.06**
2010	0.15	**3.81**
2011	0.06	**5.57**
2012	0.08	**2.64**
2013	**0.06**	(2.96)
2014	0.03	**1.78**
2015	**0.05**	(0.81)
2016	0.32	**1.92**
2017	0.93	**3.14**
2018	**1.94**	0.45
20-year average annualized % return	**1.78**	**3.44**
20-year standard deviation of annual returns	**1.94**	**3.06**

Source: Steele Mutual Fund Expert, calculations by author.

***Craig L. Israelsen,** Ph.D., a* Financial Planning *contributing writer in Springville, Utah, is an executive in residence in the personal financial planning program at the Woodbury School of Business at Utah Valley University. He is also the developer of the 7Twelve portfolio.*


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CE Quiz

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From: Tax Traps Lurk in Plan Loan

1. The Tax Code limits a 401(k) loan to which amount?
1. The lesser of 80% of the vested account, or $80,000
2. The lesser of 50% of the vested account, or $50,000
3. The lesser of 40% of the vested account, or $40,000
4. The lesser of 70% of the vested account, or $70,000

2. A 401(k) loan offset amount can be rolled over to an IRA or another employer plan by which date?
1. April 15 of the year after the year the offset occurs (or Oct. 15 with an extension).
2. Jan. 15 of the year after the year the offset occurs (or April 15 with an extension).
3. March 15 of the year after the year the offset occurs (or Oct. 15 with an extension).
4. May 15 of the year after the year the offset occurs (or Oct. 15 with an extension).

From: Your Client Wants to Go to Cash. Now What?

3. In the 20-year analysis presented (from 1999 to 2018), how many years did an all-cash portfolio beat a fixed-income portfolio with 40% cash, 20% aggregate bonds, 20% TIPS and 20% foreign bonds?
1. None
2. Four
3. Six
4. Seven

4. Overall, over that same time period, by how many basis points did a diversified fixed-income portfolio beat an all-cash portfolio?
1. 230 basis points
2. 100 basis points
3. 120 basis points
4. 166 basis points

From: Don't Sleep on These Tax-Saving Strategies (online only)

5. Which section of the Internal Revenue Code allows for the deduction of a wide range of medical expenses?
1. IRC Section 213
2. IRC Section 164
3. IRC Section 163
4. IRC Section 170

6. By what percentage are medical expenses deductible in 2019?
1. To the extent that they exceed 10% of AGI.
2. To the extent that they exceed 7.5% of AGI.
3. To the extent that they exceed 15% of AGI.
4. To the extent that they exceed 5% of AGI.

7. If an unmarried client inherits an IRA, how large must it be to generate enough in income to claim ongoing sustained itemized deductions?
1. $2 million
2. $1 million
3. $500,000
4. $5 million

From: Retirees Are Losing Ground On COLA. How Can Advisors Compensate? (online only)

8. On average, what percentage more will retirees pay for health care insurance premiums in 2020, according to the National Active and Retired Federal Employees Association?
1. 1.6%
2. 6.3%
3. 5.6%
4. 2.8%

From: The Marriage Exemption's Big Exception (online only)

9. If a foreign-born spouse wants to acquire U.S. citizenship after the death of their American spouse, how much time do they have to do so?
1. One year
2. 15 months
3. Two years
4. 18 months

From: Top-Performing International Stock Funds (online only)

10. Over the past 10 years, by roughly how many percentage points did the performance of international equity funds lag those of the Dow and the S&P 500, according to Morningstar Direct?
1. 2
2. 8
3. 7
4. 3

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Financial Planning

Special Needs

Working with my son's caregivers, I have learned valuable lessons about relating to clients with their own challenges.

By David Geibel

My son Thomas is 15. He's happy and loves his parents and younger siblings, but he isn't like the other boys his age. Our morning routine takes about two hours — we wake him, sit with him as he eats breakfast through a feeding tube, get him dressed, help him into a wheelchair and get him off to school.

It wasn't until around six months after he was born that my wife and I realized something was medically wrong with Thomas. As a pediatric physical therapist, my wife noticed he wasn't hitting developmental milestones he should have been.

Thomas was diagnosed with special needs. Realizing my firstborn child won't ever get his driver's license or go to college was difficult.

Instead, my wife and I will have to look out for Thomas and advocate for him the rest of our lives. Not only do we have to financially plan for today, but we have to plan well past our lifetimes to ensure that Thomas will be well taken care of.

When Thomas was diagnosed, I experienced a moment of clarity. I was working in software sales and earning a great paycheck, but I was unhappy. And with so many uncontrollable situations likely to happen with my son, I wanted to be in control of my own destiny.

I knew I had a deep passion for finance. Ultimately, his diagnosis catapulted me into financial services, and I have been working at Girard for 14 years. In this role, I help people meet their financial objectives and even assist other families in a similar situation to ours.

By immersing myself into the special needs community, I have learned many valuable lessons that are transferable to my work as an advisor. The financial world is intimidating and, as advisors, we must show more empathy to our clients.

I saw how valuable it can be to recognize that making money for yourself and your clients is great, but it's not everything. Navigating difficult circumstances with my son has helped me connect with clients on a deeper, more personal level.

It has also driven home the need to relate to clients with all types of caregiving issues. You can do this by placing yourself in their shoes and drawing from your own experiences to gain perspective.

Everyone has challenges and obstacles they need to overcome. If you are able to relate to the situations your clients are going through, everyone involved will feel more comfortable.

The financial world is intimidating and, as advisors, we must show more empathy to our clients.

I often think about the daily assistance that my wife and I receive from Thomas' nurses, aides and teachers. They don't do it for money or praise; instead, they use their passion and drive as fuel. Their commitment has inspired me and my family to advocate for the special needs community.

My wife and I buy equipment for special needs children when they don't have insurance, or their provider turns them away. Through this work, my passion for helping people has grown in a way I never imagined. If you channel your passion to connect with not only your clients, but all people, you will be a truly impactful advisor. **FP**

David Geibel is senior vice president at Girard Advisory Services, a wealth advisory firm with offices in Pennsylvania, Virginia and Florida.

To submit a Selfie commentary, email fpeditor@sourcemedia.com.

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- Beneficiary Form Updates
- Tax Planning Discussions
- Retirement Planning Fundamentals

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