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By Maddy Perkins

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just as we retire?

What if we face
a serious illness?

What if one of us
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Buy Sell Buy ...**



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Clients who seek a buy-and-hold mutual fund portfolio can still rack up higher trading costs when their funds are regularly and aggressively buying and selling. We created a list of funds with at least \$100 million in assets and with the highest turnover ratios. We ranked those funds by three-year returns. The average turnover rate of these 20 funds is 161%, the average expense ratio is 1.2% and the average three-year return is 14.2%. To see the list, go to: <http://bit.ly/2gt4FcG>.



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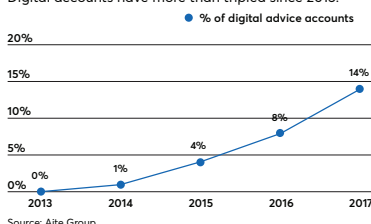
Robo Platforms are Becoming the Norm

Robo advisors are expected to collectively top \$1 trillion in assets under management in fewer than five years, according to new research from Aite Group. The booming popularity of microinvesting firms will partly feed the growth. With over 60% of millennials already subscribed to apps like Acorns, the sector will expand as the next generation of investors devote more money to robo platforms. Read more about the digital revolution: <http://bit.ly/2hAQztb>.

GUIDE TO GROWTH

Robo on the rise

Digital accounts have more than tripled since 2015.



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EDITOR'S VIEW

Practice What They Teach

Planners can bring real-world experience to classrooms.

THEY CAME BECAUSE THEIR PARENTS MADE THEM.

The five 15- to 18-year-old students who filed into a meeting room at Francis Financial in New York did not attend the evening panel on financial planning because they were excited to learn about budgeting, saving and credit cards. But at the end of the 70-minute presentation, "Financial Planning 101," the teens admitted it hadn't been so bad.

"I didn't understand credit cards," an 18-year-old named Andrew told me after Avani Ramnani, the firm's director of wealth management, wrapped up. "Now it makes sense."

For Francis Financial, a \$200 million AUM firm with offices just a block from the New York Stock Exchange, the cost was minimal: a sushi tray, some fresh fruit and a pitcher of lemonade. But if compound interest is any guide, the kids should see life-long returns from learning how credit card debt can soar to thousands of dollars from a \$100 purchase.

Maybe they'll become clients. If not, that's OK, too.

"I really want these girls to learn how to talk about money," Ramnani tells me, adding that she addressed many of her tips specifically to the young women in the room. "I want them to feel comfortable."

As a planner, Ramnani's daily experience with clients means she brings real-world perspective to her panels. It's something she shares with another advisor, Levar Haffoney. A principal at Fayohne Advisors in New York, Haffoney teaches classes on financial planning to adults at an area college. "It is always satisfying to hear about [students'] successes since taking my class," writes Haffoney in this month's Selfie column, "Making the Financial Grade," on page 72.

Ramnani and Haffoney's grounding in the day-to-day practice of financial planning is a characteristic shared by advisors profiled in our cover feature, "Course Correction," on page 36. These instructors focus their classes on the specific needs of clients, rather than abstract academic principals. They are also dedicated to raising the profile of programs that offer degrees in financial planning.

"I was humbled by the sheer amount of dedication these professors put into their work," says Assistant Managing Editor Maddy Perkins, who wrote the story. For students considering a planning career, a degree program is a great option. "While nothing can replace real-world experience," Perkins says, "these educators work to ensure financial planning graduates are best prepared for the daunting challenges of the real world.

"Plus," she tells me, "it might help students land a job after they graduate." Take note, Francis Financial (and countless other firms like it): Some of your presentation attendees may one day be graduating from the planning schools listed on pages 40-54. —Chelsea Emery



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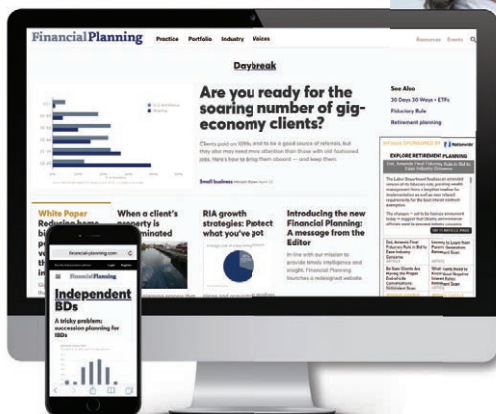
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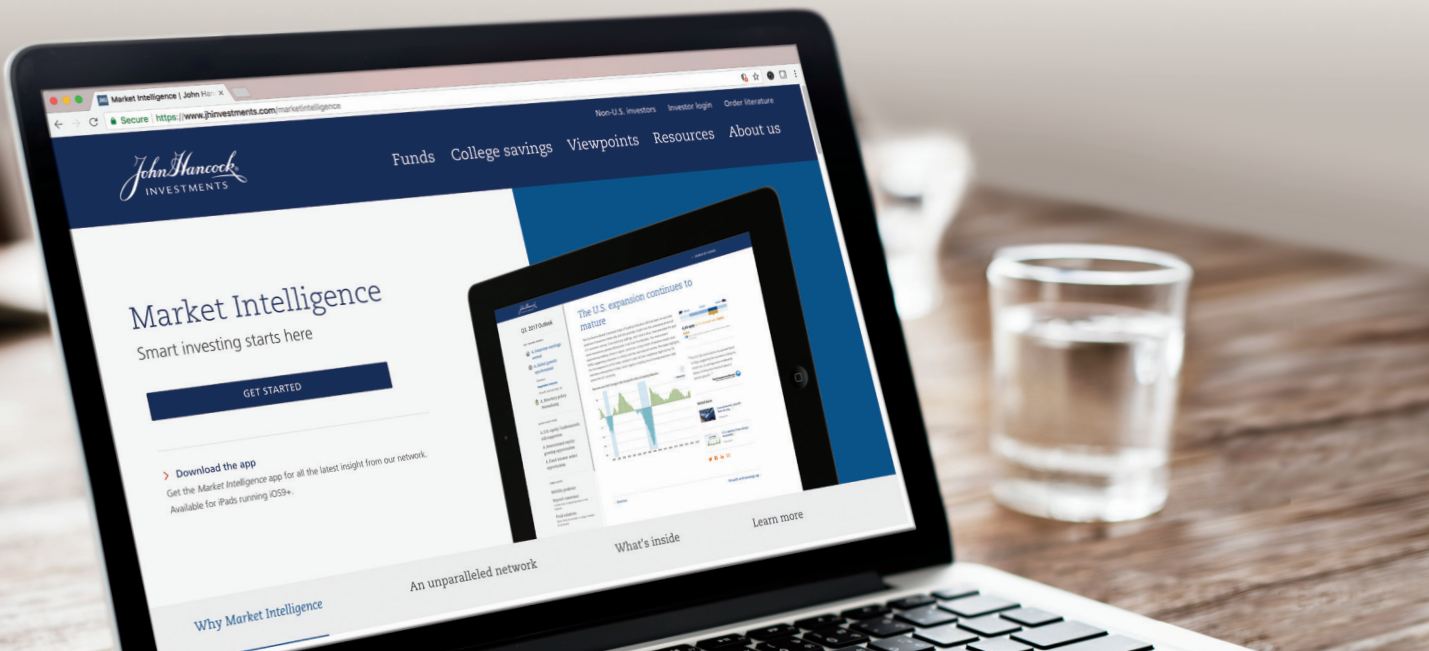
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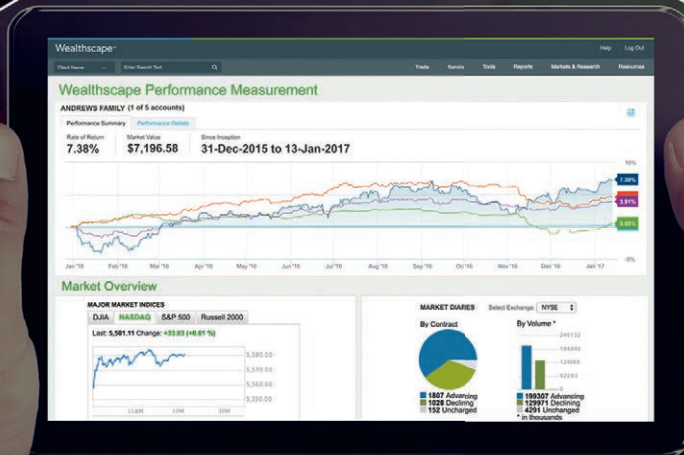
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RETIREMENT ADVISOR CONFIDENCE INDEX

Cash Positions Rise

Advisors say many clients are taking profits and hedging against a possible sell-off, even as their risk tolerance rebounds.

CLIENTS ARE RAISING THEIR CASH POSITIONS

by taking gains off the table as they hedge against the possibility of a big sell-off, according to the latest Retirement Advisor Confidence Index, *Financial Planning's* barometer of business conditions for wealth managers.

The component measuring flows into cash jumped 6.5 points to 52.4, one of the biggest moves in the monthly index, which also tracks asset allocation, investment product selection and sales, client risk tolerance and tax liabilities, new retirement plan enrollees and planning fees.

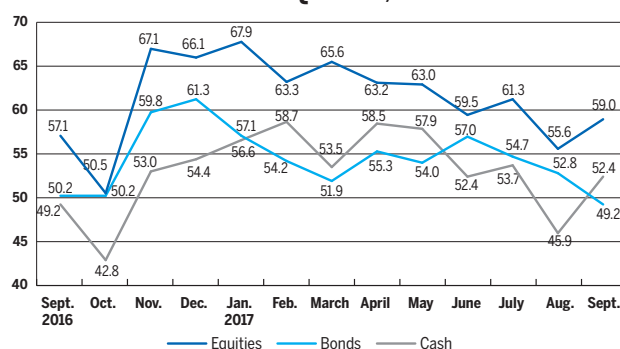
Advisors say many clients are spooked by high multiples, with some liquidating equities as a result. "I had a handful of clients that we felt had achieved our return objectives for the year and wanted to take some profits," one planner says.

Nevertheless, solid long-term investment performance and decent economic fundamentals are still influencing client allocations.

"Clients are becoming more and more comfortable with the stock market. They see it as a place to save for retirement more so than they did three to five years ago," one advisor says. "And each month the market makes new highs, [and] they become more expectant in their returns from our firm."

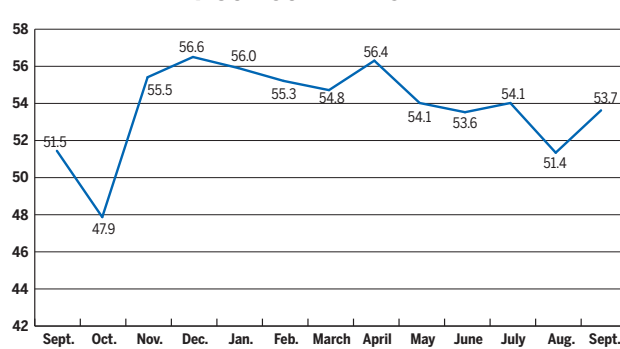
The RACI component tracking the amount of client assets used to buy equities increased 3.4 points to 59, and the broader confidence index increased 2.3 points to 53.7. Readings above 50 indicate improving

ASSETS ALLOCATED TO EQUITIES, BONDS AND CASH



Source: SourceMedia Research

RETIREMENT ADVISOR CONFIDENCE INDEX



Source: SourceMedia Research

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conditions, while readings below 50 indicate deterioration. (*Financial Planning* recently adjusted how the data is displayed in graphics to better reflect survey results.)

The most recent numbers show advisors have been reporting that the wealth management environment has been broadly improving for nearly a year.

Despite defensive shifts into cash, advisors say overall client risk tolerance has rebounded. RACI's risk component swung back into expansion territory with a 7.9-point increase to 53.9.

That's close to levels that have prevailed for much of the year, and some advisors say they are trying to rein clients in.

"Clients seem to be growing more and more bullish and greedy," one planner says. "I am maintaining the same investment mix at this point and talking them down from getting more aggressive."

The RACI component tracking fees charged for retirement services gained 1.3 points to 55.5, maintaining a long streak in expansion that has been largely sustained by the increasing market value of managed assets.

Advisors also say clients channeled additional funds into tax-sheltered retirement accounts ahead of extended deadlines for tax returns.

RETIREMENT READINESS

The latest RACI, which is based on advisors' assessment of conditions in September relative to August, is accompanied by the quarterly Retirement Readiness Index.

The index tracks advisors' evaluations of their clients' income replacement ability, likely dependence on Social Security and vulnerability to big economic shifts.

Advisors expect relatively large proportions of their clients will be able to replace their income for 30 years by the time they retire: 60% of mass-affluent clients (net worth of \$250,000 to \$1 million), compared with 75.2% of high-net-worth clients (\$1 million to \$10 million) and 84.3% of ultrahigh-net-worth clients (more than \$10 million).

Yet advisors also say the retirement security of their mass-affluent clients remains under threat from various potential shocks. In particular, almost 38% of advisors say mass-affluent clients are extremely vulnerable to a significant rise in health care costs, and 19% say they are extremely vulnerable to a significant drop in equity prices.

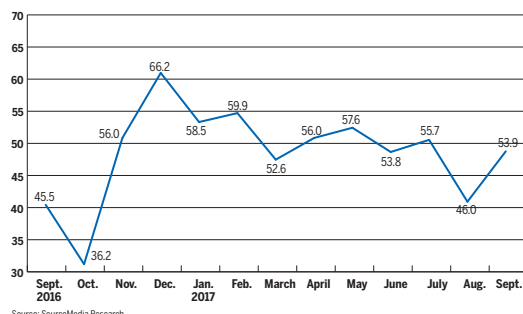
Several advisors also say they are concerned that clients might not be prepared to cover the cost of long-term care because of increasing life expectancy.

— Harry Terris

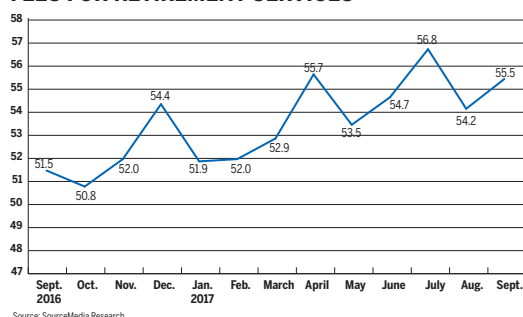
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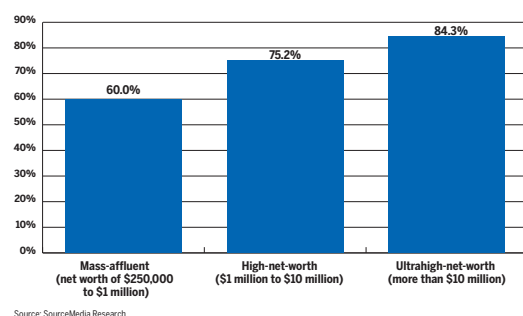
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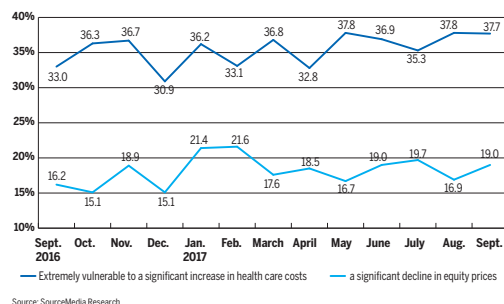
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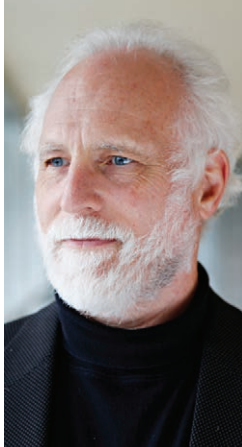
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INDUSTRY INSIGHT **VERES**

Dysfunctional Approach to AUM

There has to be a better measure to use in ranking the performance of a planning firm relative to its peers, Bob Veres says.

"WHAT'S YOUR AUM?"

When financial planners meet at industry conferences, they need a quick shorthand way to gauge how relevant a conversation with a stranger would be. So the first question I hear them ask is ... What's your AUM?

Of course, industry surveys rank the top wealth management and planning firms by their assets under management.

There are a variety of reasons I think this is dysfunctional. I don't believe size tells you much about the quality of a firm or the nature of its service or advice. What's more, it's a bit archaic because a growing number of advisory firms don't charge based on assets under management any more.

But let's concede that there has to be an ice-breaker question or two that communicates a lot based on an answer or two. In this emerging age of big data, when TD Ameritrade and Pershing are developing systems that will give advisors access to their business metrics (and independent BDs are sure to follow), can we come up with something better than a crude AUM metric?

I posed the question to thought leaders in the profession, hoping they would give me The Question that advisors could ask one another in a social setting or, failing that, The Metric by which we can better measure the relevance of lists of advisory firms.

The first thing I got back was sympathy. "The AUM question really doesn't tell you very much," agrees Vanessa Oligino, direc-

tor of business performance solutions at TD Ameritrade Institutional. "You can have a \$2-plus billion business that looks very different from another \$2 billion firm, so that alone doesn't give you enough commonality to begin to add value to each other."

'A CRUDE MEASURE'

"AUM is definitely a crude measure," admits Mark Tibergien, CEO of Pershing Advisor Solutions. "But in this day and age, it's about the only number everybody knows from their business or practice. As we at Pershing and TD Ameritrade get deeper into providing business metrics, we're all going to have to train ourselves to use more sophisticated measuring sticks."

Dan Inveen, a co-author of the annual FA Insight research and who's developing a big data system, is willing to provide the first suggestions. For a numbers guy, his recommended questions are very non-metric: What kind of clients do you work with? What kind of services do you provide?

If you want to dive quickly into the numbers with a stranger, Inveen favors your year-on-year rate of revenue growth and average annual profitability level.

Oligino suggests a question that both gives you insight into the other advisor and also invites information that could be relevant to your business: Where is your growth coming from these days? "If you're growing at a healthy rate, that assumes you must be

"We're all going to have to train ourselves to use more sophisticated measuring sticks," says Mark Tibergien, CEO of Pershing Advisor Solutions.

doing a really great job," she says. "Chances are you have interesting things to say about your value proposition, packaging, servicing and the overall offering."

Angie Herbers of FourPointe Consulting Partners in San Diego initially doused my quest with a bucket of water. "I teach my client firms never to compare themselves to others," she says. "The service models are all so different; we don't really have good grounds for comparison." She frequently hears an interesting – and equally dysfunctional – alternative to AUM. "You'd be surprised how many firms have a lot of staff and are proud of that, as if it were a real business metric," she says.

Her favorite follow-up question, to provide context for a raw head count, is: What is your total AUM divided by total staff? This is something advisors can usually calculate in their heads. "I'm looking for \$35 million or above per staff," she says. "I'm looking for firms that are able to provide great service with fewer people, which is another way of saying they're more efficient."

Tibergien adds a different dimension to the start of a conversation. He recommends that you inquire about the other advisory firm's diversity of employees, the characteristics of its optimal client and the three things that best define its culture. "The answers to those three questions tell me a lot about who I'm talking to and what they're adding to the profession," he says.

Metrics? "I would not rely on absolute numbers," Tibergien continues. "Rather, I think in terms of the relationships between one number and another. Several stand out: assets per client (what kind of clients do you work with), revenue per staff, clients per staff and clients per advisory staff."

THE METRIC

Let's switch gears. Instead of The Question, what is The Metric? How could we rank or sort the "top" firms, using criterion other than a crude sorting on their AUM numbers?

Tibergien suggests an index that would blend some of his recommended ratios together, along with profitability and growth

rate. "It's an interesting question," he says. "I'd be interested in talking more about it, to see if we could come up with something that might be called the Financial Advisor Business Index that becomes a standard."

Should we include client satisfaction? Tibergien is skeptical about the subjectivity of whatever number is provided. "I'd worry that firms would not use the same survey methodology or the same survey firm, and they would come up with outcomes that don't mean the same thing," he says.

Oligino is similarly skeptical about client retention rates; even though she concedes it is an important metric. "Most firms retain almost all of their clients," she says. "Is it really significant that this firm is at 99% and that one is at 94%?"

Inveen actually does rank survey participant firms every couple of years in the FA Insight reports, and his preferred metrics are, once again, growth rate and profitability.

"Ranking firms purely by AUM doesn't tell you anything about how healthy the firm is, and ranking based on last year's profitability doesn't tell you whether a firm's current growth rate is sustainable," he argues. "If the firm is maintaining growth and profitability consistently over some period of time, it tells you a lot more about its health, and even indirectly, maybe, the quality of its service."

WHAT'S AHEAD?

Oligino thinks that we may be asking the question a year or two prematurely, since the big data systems will soon be providing very detailed metrics. "Right now, firms are so different, I'm not sure ranking even makes sense," she says. "A small firm might be providing great advice and service, and a large one might not." The numbers, at this stage, aren't telling us the difference.

So what have we learned? If nothing else, this exercise might help us move on from AUM, a relatively crude measure, to questions that lead to deeper, richer conversations. Let's agree that bigger is not necessarily better, and it certainly doesn't, by itself, make you interesting or relevant. **FP**

"You'd be surprised how many firms have a lot of staff and are proud of that, as if it were a real business metric," says Angie Herbers of FourPointe Consulting Partners.



ELITE ADVISOR **BOWEN**

The 5 Must-Have Client Meetings

A multistep strategy is vital for winning, servicing and retaining business, John J. Bowen Jr. says.

ADVISORS ARE MOST SUCCESSFUL when they do one thing above all else: work in close partnership with clients over time.

To ensure you are consistently giving clients this close attention, you should take them through a series of five relationship-building meetings. These meetings are designed to win, service and retain clients. And they could ultimately lead to numerous opportunities for referrals.

Let's take a close look at each of these crucial meetings, and how they should be run to achieve the best results.

1. DISCOVERY MEETING

The foundation of true wealth management is the ability to accurately uncover clients' key financial and personal needs. Without this skill, all the specialized financial expertise in the world won't matter.

To comprehend a prospective client's full situation, your first meeting should be a total-profile interview. Ask questions that will reveal their values, goals, key relationships and interests, as well as their assets. You should also ask them about any other advisors they work with, and try to understand what they value about these advisors.

Sometimes a prospect will wonder why you ask for such detailed information during a first meeting. But after you present them with a plan that reflects their answers to those deep-discovery questions, they will usually see the value.

2. INVESTMENT PLAN MEETING

Here you present the prospect with a detailed investment plan based on what you learned in the discovery meeting. The plan will establish you as a knowledgeable and thorough professional, and also serve as a financial roadmap for prospective clients.

The plan should include:

- The prospect's long-term needs, objectives, values and time horizon.
- The level of risk the prospect is willing to accept in any one-year period without terminating the program.
- The rate-of-return objective and the investment methodology and asset classes that will be included.

After you have presented the plan, ask the prospect if they feel positive about going forward with the relationship. Many prospects will respond yes.

But this doesn't mean you have to ask them to come aboard as clients just yet. Instead, ask them to take the plan home and review it carefully so they can be sure they want to proceed.

This, of course, goes against the conventional advisor wisdom of "always be closing." But it tells the prospect you are not just a salesman, and helps set groundwork for a trusted long-term relationship.

3. MUTUAL COMMITMENT MEETING

As the name suggests, the goals are to make the commitment to work together and exe-

You should ask a prospect about any other advisors they work with, and try to understand what they value about these advisors.

cute all agreements needed to do so. You can also use this meeting to obtain introductions to other qualified prospects.

Open it by asking the new client whether they have any questions about the investment plan. As you respond, be ready to offer proof statements, such as articles and books that are aligned with your philosophy and that address any issues the prospect might raise. Then execute the documents. You should be sure to have all paperwork prepared in advance.

Once your prospect is a client, you should immediately begin to leverage the relationship by asking for introductions to other potential clients.

Because your new client is impressed enough to trust you with their financial future, they may be very willing to provide the names of qualified prospects.

The best approach is to offer a complementary second-opinion portfolio review service for the client's friends and associates.

4. 45-DAY FOLLOW-UP MEETING

It's easy for a new client to become overwhelmed by financial paperwork in the weeks following the implementation of the investment plan. This fourth meeting allows you to help the client understand and organize the forms.

To do that, create in advance a tabbed organizer with sections for statements, your regular progress reports and any other types of communication you offer (such as your newsletter).

Explain what each tabbed section is for, and place each document in the appropriate section, showing the client how to read each one as you do.

Finally, set up the next meeting, explaining that it will be your first review of the client's progress toward meeting their goals. Let the client choose the time interval for these regular progress meetings. If the client

is unsure of what the timeline should be, recommend that you meet quarterly.

5. REGULAR PROGRESS MEETINGS

Here you'll assess the client's progress by taking these steps:

- **Ask about major changes in the client's personal or financial life.** A job change, divorce or recent death in the family, for example, may all require adjustments to your client's wealth management plan.

- **Review the client's investment position and progress relative to the investment plan.** Have the most up-to-date information available about the client's current position. Review their progress, pointing

out any significant changes since your last meeting. Explain performance, both absolute and relative to the appropriate market benchmarks.

Contrast this performance to the expectations outlined in the wealth management plan.

- **Review advanced planning needs.** Use these meetings to discuss the client's advanced planning priorities, such as estate planning or charitable gifting. Offering full, personalized service has become an important differentiator for any advisor. For example, you might consider reviewing a client's needs in partnership with a team of experts in areas such as tax and estate planning.

- **Ask for additional assets.** This is the time to do what few advisors ever do: Ask the client, who should now have full trust in you and your abilities, if they have additional assets you can manage.

Clearly, this wealth management process requires more time than some other methods. But this relevant time spent yields substantial dividends.

Advisors who hold these meetings are perfectly positioned to build high-quality relationships with their clients. This should lead to more referrals, greater revenue and a healthier practice overall.

FP

Because your new client is impressed enough to trust you with their financial future, they may be very willing to provide the names of qualified prospects.

Video

Taking a strategic approach can earn referrals and more assets to manage.

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AB Income Fund was rated 5 stars against 852, 773 and 546 funds in the category for the three-, five- and 10-year periods, respectively.

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HUMAN CAPITAL **CRUZ**

The Art of Setting Pay

You should base employees' compensation on their market price and internal value — not on irrelevant factors like cost of living, Kelli Cruz says.

LET'S FACE IT: END-OF-YEAR COMPENSATION decisions are stressful. Even successful owners may lack the confidence needed for meaningful discussions. These guidelines can improve employee pay meetings and ease the annual ritual.

1. CONFIRM ROLES AND RESULTS

Dust off your firm's job descriptions and ensure you have a clear understanding of what your employees are responsible for accomplishing in their current roles. If you aren't sure the job descriptions are current or you don't have job descriptions, ask employees to describe their key responsibilities and the percentage of time spent doing each one.

Job descriptions are a critical tool to ensure you and your employees are on the same page in discussing end-of-year results and their corresponding compensation.

As a rule of thumb, base salary is paid for performing the duties in the job description, and bonuses or incentives are awarded for exceptional performance above and beyond the job description responsibilities.

2. IDENTIFY TOP PERFORMERS

Once you've reviewed job descriptions, review the firm's results for the year, your organizational chart and your employees. Who had the greatest impact on the firm and your clients overall? What key initiatives were implemented that increased client retention; brought in new clients and revenue; and

increased productivity, advisor capacity and overall profitability? The individuals or teams who are responsible should get the lion's share of your compensation dollars.

Performance-based compensation communicates that the firm's pay philosophy is based on meritocracy. Each person's performance is used to determine his or her compensation, potential promotions, ownership and partnership opportunities, and other perks and benefits.

The better employees' results are, the better their reward. Firms that spread their salary dollars like peanut butter to ensure everyone gets some increase (no matter how small) are not going to retain the best talent.

3. ELIMINATE COLAS

I am surprised by how many firms use cost-of-living adjustments. This method makes no financial sense, but is often used to provide a marginal employee with a pay raise. This goes against a meritocracy culture.

The two main forces that should drive pay are market price — what the employee is worth in the market — and the internal value, meaning what the employee is worth to your actual firm. Increases to base salary are about recognizing changes in market price or an increase in the internal value of your employee.

Base salaries only go up. Once an increase is granted, the higher salary will be paid over and over for as long as the employee remains

Job descriptions are a critical tool to ensure you and your employees are on the same page in discussing end-of-year results and corresponding compensation.

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with the company. You should increase base salary only when the market and the performance of the employee support it.

Define a base-salary range for each job based on the value of the position to your firm and the position's market value. Make sure to revisit the salary range regularly and adjust as needed with market changes.

Move an employee within the range as their job, responsibilities and skill sets change. Increasing an employee's base salary because she has done an excellent job of meeting or exceeding her objectives is a better bang for your buck than automatically raising your fixed costs by paying COLA.

4. CHECK COMPENSATION DATA

Establishing market rates for core positions is important for a variety of reasons. First and foremost, it guides decision-making for pay, including hiring, promotions, internal equity salary adjustments and budget planning. Because labor costs are the largest expense for an organization, a solid understanding of the external value of each position allows you to develop an approach for setting overall compensation philosophy.

Compensation benchmarking provides the information needed to define the costs associated with salaries, bonuses and incentives. So, by matching your job descriptions with compensation data, you can get a clear comparison of your staffing expense and the market for similar roles in the advisory industry. Here is some advice to follow:

Start with the industry benchmark reports. Always compare job descriptions — never titles alone — when deciding whether a survey job is a good match to your roles. Titles vary widely from firm to firm in terms of scope, size and responsibility.

Read through the reports on the latest compensation trends. For example, one recent study found that, in the past two years, the largest growth in compensation has been in the advisory ranks.

Support advisors had an average increase of 13% in compensation, service advisors had a 14% increase and lead advisors had a 23% increase.

5. FOCUS ON HARD-TO-FILL ROLES

Make sure you are allocating compensation for hard-to-fill positions and those that have the highest turnover. The role that seems to be the hardest to fill is an experienced or lead advisor. Firms are taking a more strategic approach to filling the lead advisor role by bringing in junior talent and training or "growing their own" versus trying to recruit in the open market. Most firms I work with are skeptical that viable candidates are available, and are concerned about making sure there is a good culture fit.

Turnover seems to be highest in the operations and staff functions. Most of my clients are finding it increasingly difficult to find candidates for their entry-level operations and support roles, such as client service administrator or administration assistant. These roles also tend to have the highest turnover.

Keep in mind that, if you are operating in a competitive geographical region like the San Francisco Bay Area, Chicago or New York City, paying at the low end of the salary range guarantees turnover.

6. RATIONALIZE INCENTIVE PAY

According to the 2017 FA Insights People and Pay study, 43% of firms pay revenue-generating roles discretionary bonuses and 56% pay support roles such bonuses.

Discretionary bonuses, which are generally paid without regard for any measurable criteria, are less effective in motivating behavior. Such bonuses do not create a clear link between pay and performance, and can foster an entitlement mentality in employees. The widespread use of discretionary bonuses is troubling. If you find yourself paying bonuses this way, consider moving to performance-based incentive pay in 2018.

Rationalize the bonus, using criteria like client retention; new clients; completion of marketing, technology, compliance, client service-related projects; acquiring new skills; and attaining credentials, licenses or certifications. Once you explain the basis of the monetary award to employees, you will set clearer expectations for what it will take to earn additional compensation.

FP

Be wary of discretionary bonuses. They do not create a clear link between pay and performance, and can foster an entitlement mentality in employees.

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Mixed Assets Class Group Awards methodology: Small fund family groups need to have at least 3 distinct portfolios in the mixed-asset class group to qualify for the award. The lowest average decile rank of the Consistent Return (Effective Return) value of the eligible funds per asset class will determine the Asset Class group award winner.

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NEW GENERATION GRANT

How I Saved My Practice

Two months away from the likely close of his RIA firm, Dave Grant changed to a specialty practice from a niche approach. It worked, he says.

TWELVE MONTHS AGO, I THOUGHT MY entrepreneurial journey might be over. I was two months away from closing my RIA because of client attrition and low funds. It seemed the sensible option. I had a safety net in the form of unsolicited job offers.

But in the year that followed, things not only improved, they accelerated to a level that I couldn't have imagined.

I WAS GOING BROKE

For four years, my focus had been on teachers in Illinois who were nearing retirement. But while my potential audience was large, my actual client numbers didn't provide enough income. I loved serving teachers, but I was going broke.

After long reflection, I decided to leave this niche and rebrand my RIA to focus on people nearing retirement in the suburbs of Chicago. The result? My target market grew significantly and my expertise and services became available to a broader market.

This move has been a blessing. In the first week, I met a 62-year-old prospect who runs her own business and was looking to move assets from Morgan Stanley. I went into the meeting feeling apprehensive. I held my breath waiting to be found out as a teacher specialist and not a business owner expert. When I asked how she found me, the response was "online, and seeing who was in Barrington," where my office is located. She's now a client and paying almost a five-

figure annual planning and investment management fee.

It continued to happen. People would find me through an internet search. They didn't seem to mind that teachers had been my specialty. It led me to believe personality is a crucial part of choosing a planner. Prospects assume you have the expertise and want you to listen to them, understand their concerns and offer guidance.

As the number of meetings increased, so did the caliber of prospects. Local executives and successful business owners were talking to me and signing up for services. Even raising my prices by 50% didn't hurt. My attempts at managing the flow didn't stop five comprehensive planning clients from signing up within a two-week period.

The move away from the teacher niche was, and continues to be, working well.

A DRAMATIC SWITCH IN FOCUS

Not surprisingly, I didn't do this alone. Once clients understood my new brand and ideal client, they sent referrals who needed conversations about retirement.

It occurred to me that I was moving from a niche to a specialty practice. A niche centers on a specific problem you solve for people, while a specialty can be a demographic of people you serve. Previously, my focus was teachers navigating retirement and I was unable to convert prospects as I needed.

By moving to a specialized practice of

I loved serving teachers, but I was going broke. Rebranding to focus on people in local suburbs nearing retirement greatly expanded the target market.



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pre-retirees – with a multitude of problems that need discussion – it was easier for those around me to refer potential clients. My target client base had widened without becoming as broad as “anyone who can pay.”

While other advisors and a CPA sent me clients, many weren’t a good fit. Referrals remain integral to my success, but most new clients found me through online searches and professional networks. It will be interesting to see how this trend progresses.

One relationship, fostered over Twitter, is with a marketer. Throughout 2016, I followed his career. As he started building a content company, I contacted him to offer my writing services. While I reached out from a place of desperation, little did I know he had landed some institutional contracts that were far larger than he and his team had expected at this stage in the company’s growth. By building a relationship – initially online – and then offering to help in someone’s perceived time of need, I landed a well-paid six-month writing contract.

The lesson? Yes, relationships are key to building long-term business success. But so is a willingness to help without an expectation of anything in return.

A TWINGE OF SADNESS

In the summer, my family spends time at a family lake house six hours away from our home. This year, we decided to spend two weeks at the lake, and I challenged myself to step away from work and allow myself time to think.

I realized I was living two professional lives. I had built a brand as a teacher specialist but was now moving into the general retirement-planning space. I had built two websites and was maintaining content on both. It was becoming burdensome.

After reflection, I decided to sell the brand and all of the assets of Finance for Teachers to fellow advisor Jeff Rose of Alliance Wealth Management and the blog Good Financial Cents. Jeff’s practice is in Illinois so the content was relevant to him, as were the potential client leads that came with various press

mentions. I have confidence Jeff will transition the site and content into one that suits his needs, while also continuing to educate Illinois teachers.

There was a twinge of sadness as we finalized the sale, but it was combined with excitement at how much time this would free me to work on other things.

THE ANXIETY OF SUCCESS

I’ve experienced many emotions in the past 12 months. I started off in a low place. But each new client brought confidence that I could take into the next prospect meeting, into raising my fees and eventually adding premium services. Seeing things grow brought a huge sense of relief and pride.

But I didn’t expect to feel anxiety and fear when things started to go well.

Before this rebranding journey, I reverse-engineered my personal income goals so I could relieve the pressure I was feeling. In my ideal world, I would be working 30 to 40 hours a week and earn \$75,000 after business expenses.

As I write this, I’m working 20 to 25 hours a week and my income for 2017 will be close to \$80,000 after expenses. This compares with earnings of \$35,000 in 2016. The rest of my time is spent brainstorming business ideas, spending four to five mornings a week in the gym, indulging my creativity in landscape design and exploring other interests.

But this seemingly ideal scenario has created feelings of unrest. I’m concerned that my income will drop to prior levels, as about 50% of my income is based on writing work and one-time financial planning fees. I am frequently embarrassed when others talk about how hard their job is – even my wife.

I wonder if it seems as if I’m not fully committed to building my business. I keep reminding myself that it’s not the hours, but rather the results, that matter. If I can achieve my goals in less time, that should be celebrated. Reaching my income goal has not made me as happy as I thought it would. I hope that once I see it’s sustainable, my fears will subside.

FP

I didn’t expect to feel anxiety and fear when things started going well. I wonder if it seems as if I’m not fully committed to building my business.

Dave Grant, a *Financial Planning* columnist, is founder of the planning firm Retirement Matters in Cary, Illinois. He is also the founder of NAPFA Genesis, a networking group for young fee-only planners. Follow him on Twitter at @davegrant82.

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Sellers Leave Money on the Table

Buyers have a big M&A advantage and sellers are “stuck in the valley of doom,” says Echelon Partners CEO Dan Seivert.

BY CHARLES PAIKERT

THERE REALLY ISN'T A SELLER'S MARKET IN THE RIA M&A space, says Dan Seivert, CEO of Echelon Partners, the mergers and acquisition consultancy and investment banking firm. On the contrary, buyers are setting the deal terms and RIA sellers are “leaving tons of money on the table.”

Advisors selling their firms have a “blind spot,” according to Seivert, who was speaking at the annual Deals & Deal Makers Summit in Newport Beach, California. “Sellers’ firms are usually worth way more than the terms they agree to because advisors are just focused on what their firm is worth, not what the combined firms will be worth.”

Mark Tibergien, CEO of Pershing Advisor Solutions, agrees.

“Advisors who are selling aren’t thinking about the strategic value to the buyer,” Tibergien said at an interview at the conference.

“In any deal, it’s important to know the motivation of the other side. Buyers have a financial incentive. Sellers are emotionally motivated. It’s an easy play for the buyer — stroke the seller emotionally and give them a check.”

RIA M&A may seem to be a seller’s market because there appear to be many more buyers than sellers, Seivert says.

But he asserts that is a misconception. In reality, many would-be sellers get cold feet for a variety of reasons, including unhappiness with the buyers who approach them. The number of buyers is exaggerated, Seivert maintains, because so many firms don’t actually have the capital or wherewithal to get deals done.

When it comes to actual deal making, RIAs with over \$1 billion in AUM are in highest demand, but competition is fierce. Firms with AUM between \$200 million and \$600 million are in ample supply, according to Seivert, and “reasonably priced.”

RIA sellers with \$600 million to \$1 billion in AUM constitute what Seivert describes as “the valley of doom.” These



STUART PALLEY PHOTOGRAPHY

RIA sellers have a “blind spot,” says Dan Seivert of Echelon Partners.

advisory firms, he says, are often in transition, moving between a boutique model and a small business model.

As a result, many in this category have brought in C-suite level executives to run the business more professionally.

The problem, he maintains, is that the new class of professional managers often clash with senior advisors over such issues as compensation, profit sharing, equity distribution and division of labor. “It can lead to way more turmoil than the firm has ever experienced,” Seivert says.

KEY METRIC FOR BUYERS

A key metric for serious buyers, Seivert told the Deals & Deal Makers audience (who were mostly buyers), is that sellers have at least \$3 million in profits.

“It’s an insurance policy for buyers,” Seivert says. “It means the business model is more stable, and is a good indicator that revenue will be around \$10 million with a 30% margin. Buyers feel more protected if the firm loses key personnel or something goes wrong.”

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Charles Paikert is a senior editor of *Financial Planning*. Follow him on Twitter at @paikert.



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A Move Can Save Millions

For ultrawealthy clients, it may matter a lot where their boat is docked.

BY TOBIAS SALINGER

HIGH-NET-WORTH CLIENTS CAN SAVE MILLIONS OF dollars by changing their domiciles, but they can't complete the shift successfully without careful planning, according to one expert.

Advisors helping their clients to move to states with no state income tax or estate taxes should recommend they keep meticulous records at all times, Bachir Karam, a special counsel in Sullivan & Cromwell's Estates and Personal Group, said at the SourceMedia Disrupt|Advice conference in New York in September.

The size of clients' new homes; the location of their boat, art and heirlooms; and the precise breakdown of how many days they spend in their new and former states may all figure in litigation around domiciles, Karam notes. Advisors should even discuss what flights clients take in and out of the old state, he says.

The absence of estate and income taxes in Florida, Nevada, South Dakota, Texas and Alaska is a key motivation for people moving to those states, and such moves are made easier because of technologies that enable virtual meetings and telework, Karam says.

Meanwhile, the high state rates in New York, California and Connecticut are driving residents away, he says. "Each

year, it feels like they're up another percentage point or a fraction of a percentage point," Karam says. "And every point is costing our clients — in some cases, millions of dollars."

"And so when we remind them that, if they were a resident of a different state through certain careful planning steps, they could save that amount," Karam says, "it's really starting to push the envelope to get them to think about doing this planning."

ESCAPE FROM NEW YORK

New Jersey's move to end its estate tax on Jan. 1 will make it somewhat more attractive to HNW clients. But both New York and New Jersey often lose residents to Florida or New Hampshire, he says.

Clients' success in switching their residency comes down to whether they spent more or less than 183 days in a state and to other aspects of their domicile — that is, their permanent fixed home for legal purposes. Days spent and the location of prized possessions, known as "personal items which enhance the quality of life," loom large, Karam says.

In one case he cites, a client beat a New York tax audit with a boat as a key determining factor. The client moved the boat from a lake in New York to a dock off Florida, outfitting the vessel for deep-sea saltwater fishing.

Clients establishing a new domicile should also relocate works of art and get new driver's licenses and voter registrations, he says.

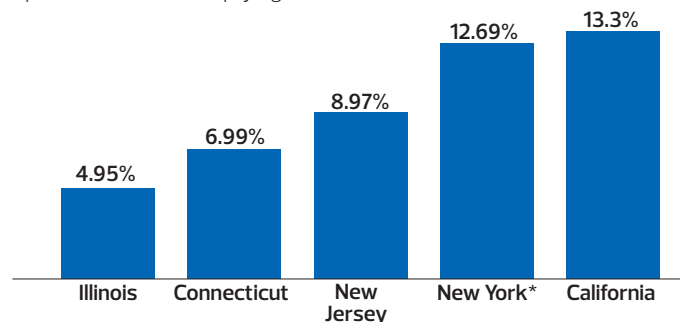
Another client overcame an audit because he sold his New York home, purchased one three times as large in Florida and rented a small New York City apartment to visit children, according to Karam. A client who wasn't as lucky had kept her New York home and outfitted her home in Florida exactly the same.

Clients should consider documenting their location through encrypted GPS records using an app called Monaeo, Karam says.

When visiting their former state, he says, they should book flights that arrive in the morning and

States With the Highest Income Taxes

Top-bracket earners often pay high local rates.



Source: Sullivan & Cromwell

*Includes NYC and NYS rates

depart at night, in order to avoid spending an extra day on an early-morning flight.

Regardless of the steps that are taken, clients could face annual legal fights with their former states, Karam says. The proceedings could include audits that take months or even years to resolve. Two states may even claim a client as a resi-

dent at once, he adds.

"You can only have one domicile, but when you have clients spending six months in one place and six months in another, it's starts to be a very murky analysis," Karam says. "And you can bet that the former state will do its best to try to claw back the revenue."

FP

Tobias Salinger is an associate editor of *Financial Planning*, *On Wall Street* and *Bank Investment Consultant*. Follow him on Twitter at @TobySalFP.

Thinking Young Can Pay Off

Clients in their 30s offer long-term value. But they can be time consuming.

BY SEAN ALLOCCA

YOUNGER CLIENTS OFFER ADVISORS MORE LONG-term value, and with almost half a million high-net-worth investors under the age of 40 in the United States, "it's a sizable, addressable market," says Sebastian Dovey, a managing partner with the consulting firm Scorpio Partnership. "We're talking numbers."

The wealthiest U.S. households represent \$2 trillion in total investable assets, Dovey said at the SourceMedia Disrupt|Advice conference. HNW investable assets climb to \$6 trillion globally.

The notion that younger clients are generally more self-advised is simply obsolete, Dovey says. Up-and-coming investors in their 30s are on the "fast track" for wealth creation and are "open for business," he says.

THE YOUNGER THEY ARE

Not only do young investors make up a sizable portion of HNW assets, but they're turning to financial advising earlier in their professional lives than past generations, Dovey says.

The average private client in the U.S. is about 56, but significant life events like marriages and divorces are forging new client relationships much sooner, according to research from his firm. The research suggests that life changes, specifically the sale of a business or a pay raise, can prompt new relationships with advisors for clients in their 30s.

Younger clients offer more long-term value, he says, and are cheaper to acquire and retain. But, they're not shy about picking up the phone or scheduling an appointment.

Clients in their 30s interact almost 15 times a year on average with their advisors, and almost 11 times with other specialists, according to the research. These numbers are higher than for any other age group.

The frequency climbs to 18 contact points a year for complex clients holding more than \$4 million in investable assets. "It's expensive," Dovey says. "How do you manage that into your business model?"

Dovey says wealthy clients can be profitable, but will expect a lot from their advisors. "The modern client isn't an expert investor yet," he says, "but they are quick learners."

Digital tools may help advisors automate some of the client costs away and might even become necessary in the next five years, according to the research.

In the Scorpio survey, 75% of the respondents say online reporting and dashboards are their most important investment need over the next five years. Being able to easily transfer money and accessing interactive online planning were also top concerns.

The Scorpio survey polled more than 10,300 HNW investors worldwide with investable assets of \$1 million to more than \$10 million.

FP

Sean Allocca is an associate editor of *Financial Planning*. Follow him on Twitter @sjallocca.

The Advantages of Female Financial Advisors

Why do you think women who have overcome the hurdles to entering the financial advisor profession are in a better position to counsel their clients than male advisors?

The traits of a good financial advisor—building relationships, nurturing them, forming emotional bonds and really listening to your clients—are all traits that are traditionally associated with women. Which is not to say that some men don't have them. But most women start out a step or two ahead in developing those skills.

These traits are particularly important when counseling female clients. Women don't just want to know that their financial plan is built to amass a certain amount of money by a certain date. They also want to envision the future they are saving for. They want to know what the money is for and what they can accomplish with it. That's an attitude another woman may be best suited to address.

So if an advisor is separately counseling two clients—one male and the other female—about their individual retirement planning, how would you recommend they approach those clients differently?

For a woman, I think it would be vital to ask, "What do you want your life to be like at retirement?" For her to be motivated to want to do the hard stuff it takes to save for retirement, it's important to have that vision in front of her—the fun she'll be having, what she'll be doing with her grandchildren, the difference she might be making in someone else's life, etc.

While some male clients might be best motivated by the same approach, for many men, money is a way of keeping score; it's about math. What do I need? How long is it going to take us to amass it? How can I be guaranteed that this is

going to add up the way I want it to in the time frame that I've got? Period.

How have you seen these interpersonal dynamics play out with the financial advisors you counsel?

A female financial advisor I know well is there for her clients in ways that a close friend would be. She attended the funeral of a client's wife, and the college graduation of the child of another client. She doesn't do this in some phony way. Sure, by caring about other people she builds their trust and their confidence in her. But she takes energy from doing those things. And she's formed not just relationships with clients, but bonds that are unbreakable.

"Women want to envision the future they are saving for."

— Gail Blanke

For many clients, money is an emotional commodity. When an advisor understands not just what a client thinks about money, but how they *feel* about it, they can do things together that they never would have expected they could do.

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Dr. Barbara Nusbaum

Clinical Psychologist, Ph.D., expert and speaker, specializing in the intersection of money, psychology and life.

She has appeared as an expert for *CBS News*, *Forbes*, *The Wall Street Journal*, *Bloomberg*, *Money Magazine*, *Daily Worth* and *The New York Times*.



Dr. Kristy Archuleta

Program Director of Personal Financial Planning at Kansas State University

Dr. Archuleta's research relates to the area of financial therapy and includes dyadic processes influencing financial and marital satisfaction.



Dr. Vicki Bogan

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Tim Sanders

Author and expert on motivation, emotional talent and sales innovation

Tim is the author of five books including the *New York Times* bestseller *Love Is the Killer App: How to Win Business & Influence Friends*. Tim was the Chief Solutions Officer for Yahoo, as well as their Leadership Coach.



Gail Blanke

Celebrated motivational speaker, renowned personal life and executive coach and best selling author, whose vision is to empower women worldwide to lead exceptional lives.

She has appeared on *The Today Show*, *Oprah*, *CBS* and *CNN*.

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Course Correction

Educators in planning are spearheading a classroom revolution. Will they ultimately reshape the industry?

BY MADDY PERKINS

After six years of working as a financial planner, Andrew Head was frustrated. He believed firms had lost touch with what clients really wanted and weren't giving advisors the support they needed to meet client needs.

"I came to the conclusion that rather than just sitting on the sidelines and complaining for the rest of my career, that maybe I could be involved in helping change the way things work," Head says.

"It seemed like the best way would be to be regularly in front of the next generation of financial planners."

Head is now co-director of the financial planning program at Western Kentucky University. He also founded the school's Center for Financial Success, a hub for financial literacy programs. While teaching has allowed him to shape future planners the way he had hoped, his work at the center opened up even more avenues for change.

"I am continually inspired by my students and have never been more optimistic about the outlook for the financial planning profession," Head says. "Nearly every student that joins our program cites a desire to help others as a primary motivator for their choice."

While all professors help to shape students and, by extension, the vocation itself, Head is particularly influential. Even while teaching and leading the center, he remains a practicing planner working with individual clients. That means his hands-on advising experience directly influences his coursework and has real-life, real-time implications.

Head isn't alone. Across the country, planners fed up with what they see as flaws in their profession are going back to school. This time, they go as educators.

With their real world skills and client-focused approach, they are uniquely positioned to help shape the next generation of advisors.

At the same time, their influence is pushing educational standards, and thus the planning profession, toward a more standardized set of skills and knowledge.

'BUILDING A PROFESSION'

The CFP Board applauds what it sees as an evolution toward a uniform set of proficiencies.

While the board has been registering academic programs for 30 years, degree programs in financial planning are growing and becoming increasingly influential.

Fostering these degree programs is a top priority of the CFP Board, according to CEO Kevin Keller. "We think [degree programs are] the future," he says. "It's because we're building a profession, and I think that's based on building a degree in

have a unique and influential role.

'LIKE A GYMNAST ON THE BEAM'

Like other professors who are also active practitioners, Head says balancing the demands of students and clients is difficult, but helps to better inform his work.

"While there are definitely days and periods where one of these roles is taking more of my attention than the other, on the other hand there's a synergy I've found," he says.

"I feel like keeping professionally active has kept me more relevant in the classroom," Head adds.

Pursuing both tasks at once can be daunting, but also a welcome challenge, says Nandita Das, founder of the new financial planning program at Delaware State University, where she's an assistant professor.

"It's a real balancing act," Das says. "I feel like a gymnast on the beam. But I have two passions: One is teaching, one is practicing as a planner. I've been told endless times I could make more if I stop teaching,

conferences that are valuable to them," she says.

To navigate the time crunch caused by wearing two hats, Hyrum Smith, a professor in residence at Utah Valley University and owner of the fee-only firm Financial Planning Office, is seek-

New Programs in 2017

Certificate	4	27%
Degree (undergrad and higher)	11	73%
Total	15	

Source: CFP Board

ing partners to help manage his practice while he teaches full-time. But the burden has been worth it, he says. Smith has been able to turn his position as a professor into a recruiting opportunity for his own practice.

"I'm a solo practitioner with one employee," Smith says. "The employee is a student I hired from my retirement planning class who was exceptional. I see that as one advantage for practitioners working as professors—to interact with students, see the ones who are capable and work them into their practices."

WHEN PLANNERS TEACH, THEY GET A CHANCE
"TO INTERACT WITH STUDENTS, SEE THE ONES
WHO ARE CAPABLE AND WORK THEM INTO THEIR
PRACTICES," SAYS PROFESSOR HYRUM SMITH.

financial planning."

Of the 310 board-registered programs, 164 (53%) are degree programs, according to the board, which has registered 11 new degree programs in financial planning this year.

While all CFP Board-registered programs, including certificate programs, teach courses that fulfill the educational requirements for students to sit for the exam, professors

but it's a two-way street for me. What I bring as a practitioner to the classroom is very unique."

Having access to both sides makes her lessons stronger, Das says. "I take my class way outside of the traditional classroom environment, bringing in real life cases to my students and getting them involved in whatever activity helps them—whether it's shadowing financial planners or attending

LOCATION, LOCATION, ...

Since the CFP Board does not require programs to be based in business schools, planning courses often are found elsewhere on campuses. That means students and professors alike can benefit in some surprising ways.

Take Kansas State University, for example: KSU's program is housed in the school's College of Human Ecology and features coursework in family studies and human relationships, financial counseling and financial therapy. The close proximity gives students a grounding in real-life issues.

It is also a boon for professors who enjoy stretching their professional muscles: Those with experience

and training outside the traditional B-school curriculum can shape the conversation about financial planning.

"I think [professors] with human science backgrounds have different perspectives on holistic planning than those in a finance department would," says Stuart Heckman, an assistant professor at Kansas State University and a planner at CGN Advisors, an independent fee-only firm also located in Manhattan, Kansas.

Heckman has a doctorate in family resource management studies. "It's helpful," he says.

"Overall, I think when people of various backgrounds are thinking about these issues, [it] just enriches things, for sure," Heckman says.

BUILDING A BRIDGE

As degree programs for financial planning become more widespread, the roles played by Heckman, Head and other teachers will take on even greater significance.

"I think there will be a mandatory degree in financial planning if you want to be a CFP," says Nathan Harness, financial planning program director at Texas A&M University. "A day will come that you may need a degree, maybe a master's degree."

For degree programs to thrive and grow, they will need to attract the attention of firms seeking new hires, according to Dave Yeske, director of the

financial planning program at Golden State University and managing director of San Francisco RIA Yeske Buie.

Having practicing advisors on cam-



Stuart Heckman of CGN Advisors says professors "with human science backgrounds have different perspectives on holistic planning."

pus can only help.

"The average age of financial planners is in their 50s, and there are a lot of people who need to think about that [succession planning] sooner rather than later," Yeske says. "Recruiting new hires from formal degree programs is the way to go. They still need the experience and you can't replace that, but they show up with such a solid foundation."

INCREASING VISIBILITY

Yeske Buie hires from degree programs exclusively, he adds. But the onus is on educators to make sure they're doing everything they can to increase their students' visibility, Yeske says.

Harness notices that many firms still recruit out of Texas A&M's general finance programs instead of its financial planning program.

And since the profession is relatively young, he adds, many recruiters still look to hire from other professions, rather than turning to academic programs.

"There are still a lot of people who think the way in is from an outside channel," he says. "The industry hasn't embraced academic programs fully. We haven't done as good of a job as we could at proving our students are better than career changers."

The solution may be as simple as getting more practitioners involved with these programs, according to Scott DuMond, an assistant professor at Alfred State University.

"Our students are looking for jobs. Those who have embraced our programs have gotten a head start on everyone else," DuMond says.

"Come and teach a class. Be a guest speaker. Mentor a student. Do mock interviews," he adds.

DEEPER TIES

Forging deeper ties between the academic and practice communities is vital for improving the financial planning profession, Yeske says.

"There is beginning to be more professionalization on the academic side, but there's also now more of a dynamic interchange in real time between the communities of practice," he says.

"Some of that is transmitted from the work of adjunct faculty and practitioner academics; some of it comes just from financial planning practitioners and firms forging deeper connections to academic programs for strategic reasons for the purposes of recruiting," Yeske adds.

Head agrees, stressing that the relationship must grow to ensure that "what each side is doing is valid and valued."

"Not only do educators help grow and refine talent pools from which the profession increasingly draws, but we are also actively engaged in the refinement of knowledge at higher levels," Head says.

FP

Where Should You Get That CFP?

The certification is supposed to tell clients you have their best interests at heart. After that, is the name of the school important? By Michael Kitces, p. 56



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New Haven, Connecticut

CFP Board-registered programs: B.S. in finance with a concentration in personal financial planning

Enrollment: 6

Faculty: 1 full-time; 3 adjunct

Student-to-faculty ratio: 14:1 school-wide

Tuition: Accelerated bachelor's degree program: \$1,530 per three-credit course; traditional bachelor's program: \$30,650 per year

FPA Student Chapter: None

Overview: The program is designed for students looking to enter the growing fields of corporate finance and personal financial planning. Students learn a strong foundation of finance principles and business applications to prepare

for a variety of careers in the financial services field. Requisite coursework satisfies the educational requirement for the CFP exam.



ALFRED STATE COLLEGE

Alfred, New York

CFP Board-registered programs: B.B.A. in financial planning

Enrollment: 50

Faculty: 3

Student-to-faculty ratio: Approximately

16:1

Tuition: \$6,470 per year for New York residents; \$16,320 per year for nonresidents

FPA Student Chapter: Yes

Overview: Students take nine financial planning classes in addition to a semester-long internship with a planning firm. Students regularly attend meetings and conferences through the FPA student chapter. At the end of the program, all graduating students will have met the requirements to sit for the CFP test.

ANGELO STATE UNIVERSITY

San Angelo, Texas

CFP Board-registered programs: B.B.A. in finance with concentration in personal financial planning

Enrollment: Approximately 30
Faculty: 3 full-time, 1 adjunct
Student-to-faculty ratio: Approximately 12-15 students per class
Tuition: Determined by number of courses taken: approximately \$1,200 per course for Texas residents; approximately \$2,300 per course for nonresidents
FPA Student Chapter: None
Overview: Angelo State University offers a traditional on-campus four-year bachelor's degree with a major in finance.

BALL STATE UNIVERSITY

Muncie, Indiana
CFP Board-registered programs: Financial planning minor
Enrollment: 70-80
Faculty: 8
Student-to-faculty ratio: 15:1
Tuition: \$7,794 for 12-18 credits per semester for Indiana residents; \$23,962 for 12-18 credits per semester for nonresidents
FPA Student Chapter: None
Overview: Ball State was recently approved by the CFP Board to offer coursework to meet exam prerequisites.

BENTLEY UNIVERSITY

Waltham, Massachusetts
CFP Board-registered programs: M.S. in financial planning, M.S. in taxation
Enrollment: 200
Faculty: 8 full-time, 15 adjunct
Student-to-faculty ratio: N/A
Tuition: \$4,445 per three-credit course
FPA Student Chapter: None
Overview: All courses are offered on a synchronous hybrid basis where courses are offered live on campus or simultaneously over the internet.

BERKELEY COLLEGE

New York
CFP Board-registered programs: B.B.A. in financial services
Enrollment: 106
Faculty: 2 full-time, 2 part-time
Student-to-faculty ratio: 10:1
Tuition: \$11,550 per semester. Most students qualify for scholarship assistance
FPA Student Chapter: None
Overview: Courses are offered in a variety of formats: on-site, online and blended. The Center for Academic Success supports students by providing individual tutoring.

BOWLING GREEN STATE UNIVERSITY

Bowling Green, Ohio

CFP Board-registered programs: B.S.B.A. in finance with concentration in financial planning
Enrollment: 19,320 universitywide
Faculty: 800 universitywide
Student-to-faculty ratio: 20:1 universitywide
Tuition: \$4,548 per semester for Ohio residents; \$8,316 for nonresidents
FPA Student Chapter: None
Overview: The financial planning concentration requires eight courses in addition to the general B.S.B.A. requirements.

BRYANT UNIVERSITY

Smithfield, Rhode Island
CFP Board-registered programs: B.A. in business with financial planning track
Enrollment: 25
Faculty: 10
Student-to-faculty ratio: Approximately 14:1
Tuition: \$41,700 per year
FPA Student Chapter: Yes
Overview: The program is supported by Bryant's extensive alumni network, providing students with mentoring, internship and employment opportunities, according to lecturer Mara Derderian.



CALIFORNIA LUTHERAN UNIVERSITY

Thousand Oaks, California
CFP Board-registered programs: M.B.A. in financial planning, M.S. in financial planning
Enrollment: 83
Faculty: 2 full-time; 1 part-time; 14 adjunct
Student-to-faculty ratio: 5:1
Tuition: \$2,460 per three-unit course
FPA Student Chapter: None
Overview: Courses are available both online and on-site. Students can choose between two courses of study: One focuses on preparing students for the CFP exam, the other is for those who are already CFPs, offering advanced technical acumen and interdisciplinary courses, according to program manager Cynthia Grether.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Fullerton, California
CFP Board-registered programs: B.A. in business administration with a concentration in finance and a financial planning emphasis

Enrollment: Approximately 50
Faculty: 16
Student-to-faculty ratio: 3:1
Tuition: \$2,871 per semester for California residents; \$8,811 for nonresidents. Most students qualify for scholarships through the Mihaylo College's Center for Insurance Studies
FPA Student Chapter: In process
Overview: The program is housed in the department of finance at the Mihaylo College of Business, the largest AACSB-accredited business school on the West Coast, according to program leader David Nanigian.



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Northridge, California
CFP Board-registered programs: B.S. in finance with a financial planning option
Enrollment: 70
Faculty: 6 full-time, 2 adjunct
Student-to-faculty ratio: 20:1
Tuition: \$3,291 per semester for California residents; \$6,639 for nonresidents
FPA Student Chapter: Yes
Overview: The program offers regular networking opportunities for students and partners with the Volunteer Income Tax Assistant Program on campus to offer planning advice and assist with tax preparation for low-income families and individuals.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Sacramento, California
CFP Board-registered programs: B.S.B.A. with finance concentration and a financial planning track
Enrollment: 64
Faculty: 9 full-time, 4 part-time
Student-to-faculty ratio: 30:1 in upper division courses
Tuition: \$3,450 per semester (6.1 or more units) for California residents; \$372 per unit plus registration tuition fees and mandatory campus fees for nonresidents
FPA Student Chapter: Yes
Overview: The program receives great support from the local financial services community — providing students with career opportunities, mentorship, scholarships and networking events, according to associate professor Eric Lin. The student FPA chapter participates in

monthly meetings and events with the local FPA chapter.

CENTRAL MICHIGAN UNIVERSITY

Mount Pleasant, Michigan

CFP Board-registered programs: B.S.B.A. in personal financial planning

Enrollment: 36

Faculty: 5

Student-to-faculty ratio: 20:1

Tuition: \$417 per credit

FPA Student Chapter: Yes

Overview: The school has a career fair dedicated to financial planning students, featuring more than 20 companies spring and fall.

CENTRAL WASHINGTON UNIVERSITY

Ellensburg, Washington

CFP Board-registered programs: B.S.B.A. with personal financial planning specialization, B.S. in personal financial planning

Enrollment: 12

Faculty: 1 full-time; 2 adjunct. Courses are also offered by accounting and finance faculty

Student-to-faculty ratio: 12:1

Tuition: \$2,012 per quarter; \$6,036 overall

FPA Student Chapter: None

Overview: Both degrees provide graduates with eligibility for the CFP exam and incorporate courses in counseling, technology and industry internships.

CLARION UNIVERSITY OF PENNSYLVANIA

Clarion, Pennsylvania

CFP Board-registered programs: B.S.B.A. in finance with personal financial planning track

Enrollment: 29

Faculty: 2

Student-to-faculty ratio: 15:1

Tuition: \$3,530 per semester

FPA Student Chapter: None

Overview: The personal financial planning program is a major within the traditional four-year undergraduate B.S.B.A. degree. The major area of study includes 24 credit hours of specific junior- and senior-level major-specific classes.

CLARK ATLANTA UNIVERSITY

Atlanta

CFP Board-registered programs: B.A. in finance and financial planning, financial planning minor

Enrollment: Less than 100

Faculty: 5

Student-to-faculty ratio: 8:1

Tuition: \$10,238 for 12-18 credit hours

FPA Student Chapter: Yes

Overview: A historically black university, CAU is one of three schools at the Atlanta University Center, along with Spelman College and Morehouse College. Students can take classes on any campus. The financial planning program currently has a 100% graduate placement rate.

CLEMSON UNIVERSITY

Clemson, South Carolina

CFP Board-registered programs: B.S. in financial management with a concentration in financial planning

Enrollment: 64

Faculty: 11 full-time, 4 adjunct

Student-to-faculty ratio: 4:1

Tuition: \$7,159 per semester for South Carolina residents; \$17,100 per semester for non-residents

FPA Student Chapter: In process

Overview: The program places a heavy emphasis on bridging academic knowledge with hands-on training and professional devel-

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opment, according to lecturer and coordinator Josh Harris. Many of the faculty members bring dozens of years of financial planning and investment management experience to the classroom.



COLLEGE OF SAINT ROSE

Albany, New York

CFP Board-registered programs: B.S. in financial planning, B.S.B.A. with a concentration in financial planning, undergraduate minor in financial planning

Enrollment: 20

Faculty: 3 full-time, 4 adjunct in financial planning curriculum

Student-to-faculty ratio: 14:1 collegewide

Tuition: \$30,546 per year for undergraduates; \$799 per graduate credit

FPA Student Chapter: No

Overview: Beyond the foundational knowledge

of the financial planning program, students pursuing financial planning majors are strongly encouraged to develop a focus in accounting and taxation, and/or finance and marketing.

COLORADO STATE UNIVERSITY

Fort Collins, Colorado

CFP Board-registered programs: B.S.B.A., financial planning concentration

Enrollment: Approximately 60

Faculty: 10 full-time, 2 adjunct

Student-to-faculty ratio: 26:1

Tuition: \$11,632 per year for Colorado residents; \$29,140 per year for nonresidents

FPA Student Chapter: None

Overview: The program partners with the FPA of Colorado — teams of students are matched with practitioners for mentorship, according to program director John Hopkins. Students also volunteer at the Denver Financial Planning Day event.

For more exclusive content on schools for financial planners, please visit <http://bit.ly/2yjhRKL>.



CREIGHTON UNIVERSITY

Omaha, Nebraska

CFP Board-registered programs: B.S.B.A. with a concentration in financial planning, M.B.A. with an emphasis in professional financial planning

Enrollment: Approximately 1,000 in the Heider College of Business

Faculty: 6 full-time, 6 adjunct

Student-to-faculty ratio: 15:1

Tuition: Varies by program and delivery

FPA Student Chapter: Yes

Overview: Creighton incorporates real world experience, case studies and critical thinking skills into the financial planning program, according to program director Edward Horwitz. "There is an emphasis on understanding and considering the qualitative aspects of client relationships woven throughout our financial planning curriculum," he says.

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DAVENPORT UNIVERSITY

Grand Rapids, Michigan

CFP Board-registered programs: B.B.A. in finance with a specialty in financial planning

Enrollment: 24

Faculty: 2 full-time on campus, 1 full-time online, 4 adjunct

Student-to-faculty ratio: 12:1

Tuition: \$9,960 per semester for 15 credit hours

FPA Student Chapter: None

Overview: Many courses are taught by financial planning experts in the field. The Morningstar Direct database is an integral part of the program; students receive certification from Morningstar upon completion of training to use the database and cloud.

DELAWARE STATE UNIVERSITY

Dover, Delaware

CFP Board-registered programs: B.B.A. in finance with a minor in financial planning

Enrollment: 15

Faculty: 3

Student-to-faculty ratio: 5:1

Tuition: \$7,352 for Delaware residents; \$18,138 for nonresidents

FPA Student Chapter: Yes

Overview: The financial planning minor is open to students from all fields of study, according to program director Nandita Das. It is the second Historically Black University to offer a CFP-board financial planning minor in a business college.

DeSALES UNIVERSITY

Center Valley, Pennsylvania

CFP Board-registered programs: B.S. in finance with financial planning track

Enrollment: 14

Faculty: 2 full-time, 11 adjuncts

Student-to-faculty ratio: 14:1

Tuition: \$474 per credit

FPA Student Chapter: Yes

Overview: The bachelor's degree is offered through the school's accelerated degree and certificate program, Access. It is currently the only CFP Board-registered program in the Lehigh Valley, according to academic advisor Tina Recchiuti.

EASTERN ILLINOIS UNIVERSITY

Charleston, Illinois

CFP Board-registered programs: B.S. in finance with financial planning concentration

Enrollment: 25

Faculty: 4

Student-to-faculty ratio: 22:1

Tuition: \$292 per credit hour, \$876 for each

three-credit-hour course

FPA Student Chapter: None

Overview: The concentration requires students to take a sequence of six financial planning classes that prepare them to sit for the CFP exam.

EASTERN NEW MEXICO UNIVERSITY

Portales, New Mexico

CFP Board-registered programs: B.S. in finance with financial planning concentration

Enrollment: 80

Faculty: 2

Student-to-faculty ratio: 15-20:1

Tuition: \$1,830.48 per semester for New Mexico residents; \$4,717.92 per semester for nonresidents

FPA Student Chapter: None

Overview: The new program is the only board-certified program in New Mexico, according to dean and chief academic officer Janet Buzzard.

FRAMINGHAM STATE UNIVERSITY

Framingham, Massachusetts

CFP Board-registered programs: B.S. in finance with financial planning concentration

Enrollment: 8

Faculty: 13 full-time, 11 adjunct

Student-to-faculty ratio: 16:1

Tuition: \$4,670 per term for Massachusetts residents; \$7,710 per term for nonresidents

FPA Student Chapter: In process

Overview: Students in the program are offered opportunities to meet working advisors and attend planning conferences.

FRANKLIN UNIVERSITY

Columbus, Ohio

CFP Board-registered programs: B.S. in financial planning

Enrollment: 75

Faculty: 10

Student-to-faculty ratio: 10:1

Tuition: \$484 per credit hour

FPA Student Chapter: Yes

Overview: The program is taught by experienced financial planning practitioners. Students regularly attend FPA events and network with planners, according to program head Martina Peng.

Methodology: Schools are listed in alphabetical order and were compiled from a *Financial Planning* survey of colleges and universities that offer degree programs.



GARDNER-WEBB UNIVERSITY

Boiling Springs, North Carolina

CFP Board-registered programs: Master's in wealth and trust management

Enrollment: 20

Faculty: 11

Student-to-faculty ratio: 10:1

Tuition: \$664 per credit hour

FPA Student Chapter: None

Overview: The master's of wealth and trust management program covers topics that include investment analysis, portfolio management, financial planning, retirement planning and estate planning.

GOLDEN GATE UNIVERSITY

San Francisco

CFP Board-registered programs: M.S. in financial planning, M.S. in financial planning and taxation

Enrollment: 98

Faculty: 12

Student-to-faculty ratio: 6:1

Tuition: \$3,045 per three-unit class. A 10% tuition grant for FPA members can reduce costs to \$2,740 per three-unit class.

FPA Student Chapter: No, though students are actively involved in the FPA of San Francisco

Overview: The first university to offer a Master of Science in financial planning also offers a master's in financial planning and taxation. This second degree program is taught in conjunction with Golden State University's Braden School of Taxation, according to program director David Yeske, who is also principal at Yeske Buie. All programs are available both on-site and online.

GRANTHAM UNIVERSITY

Lenexa, Kansas

CFP Board-registered programs: B.B.A. in financial planning

Enrollment: 49

Faculty: 5 full-time faculty plus additional professors who teach core courses

Student-to-faculty ratio: 9.8:1

Tuition: \$265 per credit hour. Special rates available for active military and veterans. Students need 121 credit hours to graduate.

FPA Student Chapter: None

Overview: Students complete individual and group work and participate in the presenta-

tion of a comprehensive financial plan to the class.



ILLINOIS STATE UNIVERSITY

Normal, Illinois

CFP Board-registered programs: Minor in financial planning

Enrollment: 80

Faculty: 9 full-time, 1 adjunct

Student-to-faculty ratio: 22:1

Tuition: \$14,062 in tuition and fees per year for Illinois residents; \$25,170 in tuition and fees for nonresidents. Some students located in neighboring states and some exceptional academic talents are eligible for in-state tuition.

FPA Student Chapter: Yes, beginning in the fall of 2017

Overview: Illinois State University's financial planning program is housed in the College of Business — students take the same rigorous tax and investment courses as accounting and finance majors pursuing CPA and CFA professional designations, according to program director Edgar Norton. The school also offers a lunch-and-learn series called "Financial Futures," where students learn about financial planning topics and career options in an informal setting.



INDIANA STATE UNIVERSITY

Terre Haute, Indiana

CFP Board-registered programs: B.S. in finance with a concentration in financial planning

Enrollment: 37

Faculty: 7 full-time

Student-to-faculty ratio: 23:1 within the Scott College of Business

Tuition: \$4,190 per semester for Indiana residents; \$5,238 per semester for nonresidents

FPA Student Chapter: Yes

Overview: The program is in its fifth year and students often receive multiple offers before graduation, according to assistant professor

Reza Houston. The school hosts an annual networking event attended by many planners interested in pursuing students for internships and full-time jobs.

IOWA STATE UNIVERSITY

Ames, Iowa

CFP Board-registered programs: B.S. in financial counseling and planning; 36 credit-hour entirely online distance. M.S. in family financial planning offered through the Great Plains Interactive Distance Education Alliance

Enrollment: 40 for undergraduate degree, 60 for online master's

Faculty: 6 for undergraduate courses, 14 for online master's

Student-to-faculty ratio: 6:1 for undergraduate degree, 4:1 for master's

Tuition: \$7,240 per year for undergraduate Iowa residents; \$21,076 for undergraduate nonresidents; \$545 per credit hour for online master's

FPA Student Chapter: Yes (on campus only)

Overview: A financial counseling clinic on campus serves as a teaching and research laboratory for students. Core courses in financial planning for the undergraduate degree are taught alongside courses in financial counseling, family systems, consumer issues and human development.

KANSAS STATE UNIVERSITY

Manhattan, Kansas

CFP Board-registered programs: B.S., M.S. and Ph.D. in personal financial planning

Enrollment: 62 undergraduate students, 35 master's students, 41 Ph.D. students

Faculty: 8 full-time, 1 adjunct

Student-to-faculty ratio: 20:1 for undergraduates, 9:1 for master's students, 6:1 for Ph.D. program

Tuition: \$321.40 per credit hour for Kansas residents, \$817.10 per credit hour for nonresidents

FPA Student Chapter: Yes

Overview: The program features coursework in family studies and human relationships, gender roles, financial counseling and financial therapy. The school developed the nation's first financial therapy certificate program, and students can gain experience in a financial therapy clinic, as well as apply to be a peer financial counselor in the school's Powercat Financial Counseling program.

LIBERTY UNIVERSITY

Lynchburg, Virginia

CFP Board-registered programs: B.S.B.A. in financial planning

Enrollment: 178

Faculty: 11

Student-to-faculty ratio: 65:1

Tuition: \$455 per credit hour for full-time students; \$390 per credit hour for online students.

FPA Student Chapter: None

Overview: Some students choose to complete the Kingdom Advisor Core Training, a program focused on the biblical understanding of money and finances. This allows students to pursue the Certified Kingdom Advisor designation after completion of the educational requirements for the CFP designation, according to program director Gene Sullivan.

MINNESOTA STATE UNIVERSITY, MANKATO

Mankato, Minnesota

CFP Board-registered programs: B.S. in finance with a financial planning track

Enrollment: 30

Faculty: 9

Student-to-faculty ratio: 25:1

Tuition: \$7,858 per year for Minnesota residents; \$15,602 per year for nonresidents

FPA Student Chapter: None

Overview: Program graduates are recruited by a variety of firms, including Northwestern Mutual, Ameriprise, Wealth Enhancement Group, First Investors, Waddell & Reed, Morgan Stanley and others, according to director Leon Chen.

MISSOURI STATE UNIVERSITY

Springfield, Missouri

CFP Board-registered programs: B.S. in finance with concentration in financial planning

Enrollment: 49

Faculty: 12

Student-to-faculty ratio: 6:1 universitywide. A typical section size in the program is 40 to 50 students.

Tuition: \$7,306 for Missouri residents plus additional university fees; \$14,746 per year for nonresidents

FPA Student Chapter: None

Overview: The program is geared primarily towards traditional undergraduate students and consists of semester-long, for-credit university courses. While some online courses are offered, the program must be completed in person.

MOLLOY COLLEGE

Rockville Centre, New York

CFP Board-registered programs: Personal financial planning minor, M.B.A. in personal financial planning

Enrollment: Approximately 50 to 75

Faculty: 5

Student-to-faculty ratio: 14:1

Tuition: \$965 per undergraduate credit; \$1,100 per graduate credit

FPA Student Chapter: None

Overview: The program emphasizes practical interviewing, analysis and communication skills in addition to area expertise. All professors are current practitioners in wealth management, estate planning, insurance or financial planning, according to Bruce Haller, associate dean and director of graduate business programs.



MOUNT VERNON NAZARENE UNIVERSITY

Mount Vernon, Ohio

CFP Board-registered programs: Minor in financial planning

Enrollment: 25 students currently completing coursework. MVNU does not track freshmen or sophomores unless they have begun coursework.

Faculty: 2 full-time

Student-to-faculty ratio: 18:1

Tuition: \$27,800 per year

FPA Student Chapter: No

Overview: Program director Kelly Rush says the financial planning program is taught from an "intentionally Christian worldview." Students enrolled in the program complete coursework required for CFP certification in addition to over 100 hours of biblical stewardship training.

MURRAY STATE UNIVERSITY

Murray, Kentucky

CFP Board-registered programs: B.S. in business finance with a concentration in financial planning

Enrollment: Approximately 15 to 25 per year

Faculty: 2 full-time, 1 adjunct

Student-to-faculty ratio: 30:1

Tuition: \$350 per credit hour for up to 12 hours; \$4,200 flat rate for 12 to 15 credit hours

FPA Student Chapter: None

Overview: The program is offered in the university's Bauernfeind College of Business. Two of the instructors teach financial planning review classes and seminars throughout the United States to help students meet the educational requirements and prepare for the CFP exam, according to professor David Durr.

NEW JERSEY CITY UNIVERSITY

Jersey City, New Jersey

CFP Board-registered programs: M.S. in finance with a concentration in professional financial planning

Enrollment: Approximately 15 students per class

Faculty: 7

Student-to-faculty ratio: 1.2:1

Tuition: \$674.55 per graduate credit for New Jersey residents; \$1,106.15 per credit for out-of-state residents. 39 credits required for M.S.

FPA Student Chapter: None

Overview: Most classes are offered in the evenings and some are offered online. An undergraduate program is awaiting approval, according to associate professor Rosilyn Overton.

NORTH DAKOTA STATE UNIVERSITY

Fargo, North Dakota

CFP Board-registered programs: M.S. in family financial planning

Enrollment: 7

Faculty: 1 full-time, 1 adjunct

Student-to-faculty ratio: 6:1

Tuition: \$1,590 per three-credit course

FPA Student Chapter: None

Overview: The program's material is embedded firmly in the context of family relationships and lifespan development, according to program director Jim Deal.

NORTHEASTERN STATE UNIVERSITY

Broken Arrow, Oklahoma

CFP Board-registered programs: B.S.B.A. with financial planning concentration

Enrollment: 50

Faculty: 3

Student-to-faculty ratio: 12:1

Tuition: \$195.65 to \$204.90 per credit hour, depending on course level for Oklahoma residents; \$429 to \$500 per credit hour for non-residents

FPA Student Chapter: None

Overview: The school offers a flexible learning environment for busy students allowing them to take classes in traditional, online and blended formats.



OHIO STATE UNIVERSITY

Columbus, Ohio

CFP Board-registered programs: B.S. in consumer and family financial services, financial planner track

Enrollment: 90

Faculty: 8 full-time, 3 adjunct

Student-to-faculty ratio: 8:1

Tuition: \$5,108 per semester for Ohio residents; \$14,204 for nonresidents

FPA Student Chapter: Yes

Overview: The student financial planning club features outside speakers and panels on topics including financial services careers, industry compensation models, CFP exam preparation, licensing, and interview and resume preparation, according to professor Sherman Hanna.

OKLAHOMA STATE UNIVERSITY

Stillwater, Oklahoma

CFP Board-registered programs: M.S. in family financial planning

Enrollment: 35

Faculty: 1 full-time, 2 adjunct

Student-to-faculty ratio: 12:1

Tuition: \$565 per credit hour

FPA Student Chapter: None

Overview: This online master's program is offered collaboratively through the Great Plains Interactive Distance Education Alliance.



OLD DOMINION UNIVERSITY

Norfolk, Virginia

CFP Board-registered programs: B.S.B.A. in finance, insurance, real estate with financial planning major track

Enrollment: 21

Faculty: 10 full-time, 4 adjunct

Student-to-faculty ratio: 19:1

Tuition: \$10,400 per year for Virginia residents; \$26,200 per year for nonresidents

FPA Student Chapter: None

Overview: The program provides funding for and encourages students to attend local FPA events, according to associate professor Bruce L. Rubin.

OLIVET NAZARENE UNIVERSITY

Bourbonnais, Illinois

CFP Board-registered programs: B.S. in economics/finance with a concentration in certified financial planning

Enrollment: 407 students in the School of

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Business

Faculty: 8 full-time, 9 adjunct

Student-to-faculty ratio: 17:1

Tuition: \$33,950 per year

FPA Student Chapter: None

Overview: Students gain experience through a required internship program with both local and Chicago-area firms. They are also encouraged to participate in the Investment Club, where they manage actual investment portfolios. The program has an 80% pass rate for first-time test-takers of the CFP exam.

OREGON STATE UNIVERSITY

Corvallis, Oregon

CFP Board-registered programs: M.B.A., wealth management track

Enrollment: 18

Faculty: 7 full-time, 4 adjunct

Student-to-faculty ratio: 20:1

Tuition: Approximately \$32,000 per year for Oregon residents; \$53,000 per year for non-residents

FPA Student Chapter: None

Overview: The curriculum consists of a combination of the general M.B.A. core and the required coursework for CFP certification. Students obtain a depth of knowledge in asset valuation and portfolio management that is necessary for success in the wealth management industry.

PENN STATE ERIE, THE BEHREND COLLEGE

Erie, Pennsylvania

CFP Board-registered programs: B.S. in finance with concentration in financial planning

Enrollment: 58 (for both in class and online)

Faculty: 4 full-time, 1 adjunct

Student-to-faculty ratio: 25:1 in classroom, 30:1 online

Tuition: \$6,934 per semester for Pennsylvania residents; \$10,937 per semester for nonresidents; \$584 per credit for less than 12 online credits; \$7,129 flat rate for 12 online credits or more

FPA Student Chapter: Yes

Overview: The program offers several practical learning experiences including a course on income tax planning, where students have the opportunity to participate in the Volunteer Income Tax Assistance program. All students are welcome to participate in a financial plan competition hosted by the CFA Society Pittsburgh.

For more exclusive content on schools for financial planners, please visit <http://bit.ly/2yjhRKL>.



PURDUE UNIVERSITY

West Lafayette, Indiana

CFP Board-registered programs: B.S. in financial counseling and planning

Enrollment: 125

Faculty: 7 faculty, 4 continuing lecturers

Student-to-faculty ratio: 18:1

Tuition: \$10,002 per year for Indiana residents; \$28,804 per year for nonresidents; \$30,964 per year for international students

FPA Student Chapter: Yes

Overview: The program boasts a nearly 100% placement rate for graduates. Courses taught by both faculty and industry professionals combine theory, research and best business practices, according to lead academic advisor Bobbe Molter. All students are required to complete an internship or field experience before graduation.



REGENT UNIVERSITY

Virginia Beach, Virginia

CFP Board-registered programs: M.A. in law with a wealth management and financial planning concentration

Enrollment: 26

Faculty: 11

Student-to-faculty ratio: Approximately 10:1

Tuition: \$650 per credit; \$19,500 for entire 30-credit degree program

FPA Student Chapter: None

Overview: The program is run out of the law school. Because it is a Christian university, students are trained from a "Christian perspective that will help them develop strong professional identities to supply high-quality, ethical advice," according to assistant director of legal research and writing Janis Kirkland.

RHODE ISLAND COLLEGE

Providence, Rhode Island

CFP Board-registered programs: Master's of professional accountancy

Enrollment: 30

Faculty: 4 full-time, 3 adjunct

Student-to-faculty ratio: 8:1

Tuition: \$394 per credit, \$1,182 per course plus \$74 registration fee per semester for Rhode Island residents; \$746 per credit, \$2,238 per course plus \$74 registration fee per semester for nonresidents

FPA Student Chapter: Yes

Overview: "Graduates of the RIC M.P.Ac. program are well-grounded in all aspects of personal financial planning, including income tax and estate planning, retirement planning, investment allocation and risk management," according to associate professor Lisa Church.

RUTGERS UNIVERSITY

Newark, New Jersey

CFP Board-registered programs: B.S., finance

Enrollment: N/A

Faculty: 5 full-time, 5 part-time lecturers

Student-to-faculty ratio: 13:1 universitywide

Tuition: \$14,019 in annual tuition and fees for New Jersey residents; \$30,048 in annual tuition and fees for nonresidents

FPA Student Chapter: No

Overview: The program provides a practical and theoretical approach to personal financial planning, according to assistant professor of professional finance Ronald Richter. Coursework includes a capstone where students build and develop their own financial plan.

SAINT JOSEPH'S UNIVERSITY

Philadelphia

CFP Board-registered programs: B.S. in financial planning, M.S. in financial services

Enrollment: 23 students in the undergrad program; 89 students in the graduate program

Faculty: 11 full-time professors in finance department

Student-to-faculty ratio: 14:1 universitywide

Tuition: \$43,700 per year for undergraduates; \$1,023 per credit for master's students (30 credits are required for the master's degree)

FPA Student Chapter: None

Overview: Students can utilize the school's Wall Street Trading Room in order to access financial and investment data, analytical tools and trading simulations. Students are encouraged to join student groups, including the Financial Services Alumni Affinity Group and Financial Planning & Wealth Management Society Alumni Affinity Group. Classes are offered on campus, online or in a combined format.

SAINT VINCENT COLLEGE

Latrobe, Pennsylvania

CFP Board-registered programs: B.S. in finance with concentration in financial planning and analysis

Enrollment: 225

Faculty: 2 full-time, 4 adjunct

Student-to-faculty ratio: 12:1 collegewise; 5:1 in upper-division finance courses

Tuition: \$33,516 — most students qualify for financial aid

FPA Student Chapter: None

Overview: Small classes and a combination of business core classes and a robust liberal arts core form the basis of the school's CFP-registered financial planning program. "Strong quantitative skills, close and personal relationships with the finance department faculty and an intense dose of Benedictine values and ethics are the hallmarks of the program," according to associate professor Nicholas Racculia.

SALISBURY UNIVERSITY

Salisbury, Maryland

CFP Board-registered programs: B.S.B.A. in finance with financial planning track

Enrollment: 34

Faculty: 6 full-time, 3 adjunct

Student-to-faculty ratio: 16:1 universitywide

Tuition: \$9,582 per year for Maryland residents; \$18,622 per year for nonresidents

FPA Student Chapter: None

Overview: Graduates of the program have found it relatively easy to find first jobs after graduation, according to finance professor Tylor Clagget.



SAN DIEGO STATE UNIVERSITY

San Diego

CFP Board-registered programs: B.S.B.A. with certificate in personal financial planning, M.B.A. with concentration in financial planning and tax planning

Enrollment: 105

Faculty: 15

Student-to-faculty ratio: 7:4

Tuition: \$3,730 per semester for California undergraduate residents, \$9,670 per semester for undergraduate nonresidents; \$6,945 per semester for California graduate residents, \$11,265 per semester for graduate nonresidents

FPA Student Chapter: Yes

Overview: All financial planning programs

are fully integrated into the school's business school curriculum, according to longtime program director Tom Warschauer. The SDSU program offers students access to its 3M Sales lab and Bloomberg Wells Fargo Financial Markets lab. Warschauer cites the program's high academic standing and its strong support in the professional community as strengths. A new "short-term" internship program is designed to expose students to the practical operation of a variety of planning firms.

SHEPHERD UNIVERSITY

Shepherdstown, West Virginia

CFP Board-registered programs: B.S. with major in business administration and concentration in financial planning

Enrollment: 20

Faculty: 5

Student-to-faculty ratio: 12:1

Tuition: \$278 per credit hour for West Virginia residents; \$687 per credit hour for nonresidents; 21 hours required to meet financial planning concentration requirements out of a total of 48 to 54 hours for the major

FPA Student Chapter: Yes

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. The school has established a new College of Business, providing additional resources from the University and community for financial education, according to assistant professor Nicolas Pologeorgis.

SHIPPENSBURG UNIVERSITY

Shippensburg, Pennsylvania

CFP Board-registered programs: B.S.B.A. with a concentration in personal financial planning

Enrollment: 40

Faculty: 3 full-time, 3 adjunct

Student-to-faculty ratio: 20:1

Tuition: \$8,430 per year for Pennsylvania residents; \$16,282 per year for nonresidents

FPA Student Chapter: None

Overview: The university has a well-established business internship program that provides opportunities for on-the-job experience

CFB Board – Registered Programs

Total Number of Programs – 310

Total Number of Certificate Programs – 146

Total Number of Degree Programs – 164

Baccalaureate Programs – 116

Master Programs – 43

Doctoral Programs – 5

Source: CFP Board, as of 9/18/17.

while gaining college credits.

SOUTHERN ARKANSAS UNIVERSITY

Magnolia, Arkansas

CFP Board-registered programs: B.B.A. in financial planning

Enrollment: 20

Faculty: 3

Student-to-faculty ratio: 7:1

Tuition: \$3,420 per 15 hours for Arkansas residents; \$5,325 per 15 hours for nonresidents

FPA Student Chapter: None

Overview: Topics covered by the curriculum include accounting, insurance, estate planning, business communications and retirement planning.

SOUTHERN NEW HAMPSHIRE UNIVERSITY

Manchester, New Hampshire

CFP Board-registered programs: B.S. in finance with a concentration in financial planning

Enrollment: 52

Faculty: 75 total faculty members in finance

Student-to-faculty ratio: 10:1

Tuition: \$960 per course, \$320 per credit hour; \$675 per course, \$225 per credit hour for full and part-time U.S. service members and spouses of active duty service members.

FPA Student Chapter: In process

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. The program provides real-world learning, and incorporates industry-leading trading simulation software to develop the skills students need to advise clients on meeting their financial goals.

STATE UNIVERSITY OF NEW YORK – COBLESKILL

Cobleskill, New York

CFP Board-registered programs: B.B.A. in financial services

Enrollment: 37

Faculty: 2 full-time

Student-to-faculty ratio: N/A, but typical class size is 15 or less

Tuition: \$6,670 full-time, \$834 per three-credit course for New York residents; \$16,320 for nonresidents, \$834 per three-credit course

FPA Student Chapter: In process

Overview: Both faculty members are tenured full-time professors with over 35 years of practice experience. The program includes a 12-credit internship.



STEPHEN F. AUSTIN STATE UNIVERSITY

Nacogdoches, Texas

CFP Board-registered programs: B.B.A. in finance

Enrollment: 10

Faculty: 3 full-time

Student-to-faculty ratio: 3:1

Tuition: \$9,538 per year for Texas residents; \$21,238 per year for nonresidents

FPA Student Chapter: None

Overview: The financial planning program is intentionally placed in the business school to offer students a more holistic approach, according to professor Banker Phares. The program emphasizes a need to treat clients like family members instead of just customers. Critical thinking and case studies help prepare students for real-life planning. "According to graduates, this has not only helped them gain employment, but has proven useful when they begin meeting with clients," Phares says.

STOCKTON UNIVERSITY

Galloway, New Jersey

CFP Board-registered programs: B.S. in finance with a concentration in financial planning

Enrollment: 70

Faculty: 3 full-time, 2 adjunct

Student-to-faculty ratio: N/A

Tuition: \$565.05 per credit for New Jersey residents; \$896.82 per credit for nonresidents

FPA Student Chapter: None

Overview: The undergraduate program contains the following courses: general principles of financial planning, investments, insurance, retirement planning, income tax, estate planning and financial plan development.

TEMPLE UNIVERSITY

Philadelphia

CFP Board-registered programs: B.B.A. in financial planning

Enrollment: 60

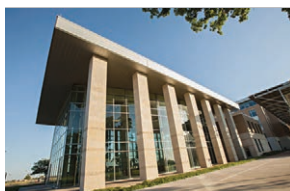
Faculty: 5

Student-to-faculty ratio: 12:1

Tuition: \$19,400 per year for Pennsylvania residents; \$33,000 per year for nonresidents

FPA Student Chapter: None

Overview: Founded in the fall of 2015, the interdisciplinary program is taught in the Fox Business School. A new M.S. in wealth management program is slated to start in the fall of 2018 and participants will sit for the CFP exam upon graduation.



TEXAS A&M UNIVERSITY

College Station, Texas

CFP Board-registered programs: Undergraduate minor in financial planning

Enrollment: 110

Faculty: 2 full-time, 4 adjunct

Student-to-faculty ratio: 18:1

Tuition: \$5,015 per semester for Texas residents; \$15,104 per semester for nonresidents

FPA Student Chapter: Yes

Overview: The program centers on holistic values-based financial planning, with a focus on the integration of digital technology. Courses are taught by both academic professors and planning professionals. Students compete in national financial planning competitions and have experienced a 100% job placement rate, according to program director Nathan Harness.



TEXAS TECH UNIVERSITY

Lubbock, Texas

CFP Board-registered programs: Ten programs, ranging from undergraduate to Ph.D., including minors and dual graduate degrees in planning and business or law. An accelerated bachelor's-to-master's program allows students to earn both degrees in five years.

Enrollment: 341 total students; 204 undergraduates; 95 graduate students and 42 doctoral students

Faculty: 12 tenure/tenure-track faculty, 1 professor of practice, 1 instructor and 1 adjunct

Student-to-faculty ratio: 22:1

Tuition: \$10,680 per year for Texas undergraduate residents, \$22,920 per year for

undergraduate nonresidents; \$7,792 per year for Texas graduate residents, \$15,140 per year for graduate nonresidents which is based on 15 hours/semester for undergraduates and 9 hours/semester for graduate students.

FPA Student Chapter: Yes

Overview: Graduates have experienced a job placement rate exceeding 90% over the past decade. Students travel to professional conferences, pursue internships, volunteer, and participate in multiple student organizations to enhance their education and professional development.

TOWSON UNIVERSITY

Towson, Maryland

CFP Board-registered programs: B.S.B.A. with financial planning track

Enrollment: 15

Faculty: 10 full-time and 3 adjuncts

Student-to-faculty ratio: 20:1

Tuition: \$9,694 for Maryland residents; \$22,140 for nonresidents

FPA Student Chapter: None

Overview: Students get hands-on training and experience with Bloomberg terminals in the school's T.Rowe Price Finance Lab and complete the Bloomberg Market Concepts course, which provides them a competitive advantage.

UNIVERSITY OF AKRON

Akron, Ohio

CFP Board-registered programs: B.B.A. in finance with a financial planning track, dual-degree program with B.B.A. in financial planning and B.S. in accounting, minor in financial planning

Enrollment: 74 majors and 8 minors in financial planning programs

Faculty: 8 full-time, 4 adjunct

Student-to-faculty ratio: 21:1 in undergraduate programs

Tuition: Varies based on credit hours

FPA Student Chapter: Yes

Overview: The financial planning degree program consists of seven courses and capstone course. A team representing the school won the financial planning challenge at the 2014 annual FPA BE Conference in Seattle, placed second overall at the 2015 conference in Boston, and placed second overall at the 2016 conference in Baltimore. University of Akron teams also won the 2016 NAGDCA Retirement Quiz Bowl and placed third in the 2017 Society of Financial Services Professional Industry Issues Competition.

UNIVERSITY OF ALABAMA

Tuscaloosa, Alabama

CFP Board-registered programs: B.S. in commerce and business administration with concentration in wealth management and M.S. in human environmental sciences with concentration in family financial planning and counseling offered through College of Human Environmental Sciences; B.S.B.A. with major in finance and concentration in personal financial management offered through the Culverhouse College of Commerce and Business Administration

Enrollment: 88 undergraduate and 35 graduate students in financial planning programs

Faculty: 9 full-time, 5 adjunct in the College of Human Environmental Sciences; 14 full-time, 1 adjunct in the Culverhouse College of Commerce and Business Administration

Student-to-faculty ratio: Classes are capped at 35 students in both schools

Tuition: \$5,085 per year for Alabama residents, undergraduate and graduate; \$12,975 for nonresidents, undergraduate and graduate. Special pricing of \$339 per undergraduate credit hour and \$360 per graduate credit hour for distance students. Full-time undergraduate students take a minimum of 12 credits per semester, while full-time graduate students take a minimum of 9 credits.

FPA Student Chapter: Yes, through the College of Human Environmental Sciences. Students at the business school participate in the Alabama Finance Association or the Alabama Insurance Society.

Overview: The financial planning program in the College of Human Environmental Sciences has a career placement rate of over 90%, with many students receiving offers before graduation.

UNIVERSITY OF CHARLESTON

Charleston, West Virginia

CFP Board-registered programs: B.A. in business with financial planning concentration

Enrollment: 24 have officially declared with the financial planning concentration

Faculty: 2 full-time, 1 adjunct

Student-to-faculty ratio: 17:1 universitywide with an average class size of 27 for the four sections of financial planning courses offered to date

Tuition: \$14,700 per semester

FPA Student Chapter: None

Overview: Students interact with financial planning organizations and professionals through their coursework and internship opportunities.

UNIVERSITY OF COLORADO – BOULDER

Boulder, Colorado

CFP Board-registered programs: B.S.B.A. in finance with personal financial planning track

Enrollment: 65

Faculty: 7

Student-to-faculty ratio: 9:3 within the personal financial planning program

Tuition: \$32,948 for two semesters for Colorado residents with the Colorado Opportunity Stipend applied; \$55,214 for two semesters for nonresidents

FPA Student Chapter: In process

Overview: The personal financial planning program is housed in the Leeds School of Business. The school leverages its relationship with companies in the area to foster relationships with both individual planners and planner organizations, offering students oversight and advice, support, mentoring, internship and career opportunities.



UNIVERSITY OF DELAWARE

Newark, Delaware

CFP Board-registered programs: B.S. in financial planning

Enrollment: 71

Faculty: 10 full-time, 3 adjunct

Student-to-faculty ratio: 34:1 in the Lerner College of Business. Average class size in financial planning core courses is 20.

Tuition: \$11,540 per year for Delaware residents; \$30,960 per year for nonresidents

FPA Student Chapter: In process

Overview: The program is housed in the department of finance of the AACSB-accredited Lerner College of Business. Students can choose to minor in trust management for an in-depth understanding of estate planning and fiduciary responsibilities.

UNIVERSITY OF GEORGIA

Athens, Georgia

CFP Board-registered programs: B.S. in financial planning, M.S. in financial planning (online or in-person), Ph.D. financial planning

Enrollment: 125 undergraduate; 65 master's; 22 Ph.D. candidates

Faculty: 7 full-time, 1 instructor, 1 adjunct

Student-to-faculty ratio: Undergraduate: 13:1; graduate: 9:1

Tuition: \$11,800 for undergraduate Georgia residents; \$30,400 for nonresidents; \$19,200 for graduate students

FPA Student Chapter: Yes

Overview: Each of the financial planning degree options are focused on providing students with experiential learning opportunities where students gain real world experience working with professionals and adults from the local community.

UNIVERSITY OF HOUSTON

Houston

CFP Board-registered programs: B.B.A. in finance with personal financial planning track

Enrollment: 54

Faculty: 5 full-time, 5 adjunct

Student-to-faculty ratio: 5:1

Tuition: \$10,886 per year for Texas residents; \$26,126 per year for nonresidents

FPA Student Chapter: None

Overview: Students are given the opportunity to volunteer to provide financial literacy on campus and in the greater Houston community. As one of the most diverse campuses in the country and a Hispanic-Serving Institution, students are frequently targeted by companies in the financial planning and advising industry, according to program director John C. Lopez.



UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Urbana, Illinois

CFP Board-registered programs: B.S. in agricultural and consumer economics

Enrollment: 97

Faculty: 35 in the department of agricultural and consumer economics

Student-to-faculty ratio: 18:1 department-wide

Tuition: \$15,868-\$20,872 per year

FPA Student Chapter: Yes

Overview: A student club provides professional interactions between students and professionals. Students attend a conference in Chicago each fall, a spring hiring conference on campus and specialty programs focusing on such topics as women in financial planning.

UNIVERSITY OF MINNESOTA, DULUTH

Duluth, Minnesota

CFP Board-registered programs: B.B.A. in financial planning, financial planning minor
Enrollment: 18

Faculty: 4 full-time, 3 part-time

Student-to-faculty ratio: 20:1

Tuition: \$457.54 per credit for Minnesota residents; \$609.47 per credit for nonresidents. Tuition banding is available above 13 credits.

FPA Student Chapter: Yes

Overview: The program is housed in the Labovitz School of Business and Economics, providing a solid business foundation for students enrolled in the financial planning program, according to program director Hugo Hietapelto.

UNIVERSITY OF MISSOURI

Columbia, Missouri

CFP Board-registered programs: B.S. in personal financial planning, M.S. in financial planning (resident and online), resident Ph.D.

Enrollment: 220 undergraduate majors, 38 master's students, 9 doctoral students

Faculty: 5 full-time, 1 part-time, 1 adjunct

Student-to-faculty ratio: 40:1 for undergraduate majors

Tuition: \$282.00 per credit hour for Missouri undergraduate residents, \$557.30 per credit hour for undergraduate nonresidents; \$360.00 per credit hour for Missouri graduate residents, \$625.80 per credit hour for graduate nonresidents; \$565 per credit hour online

FPA Student Chapter: Yes

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 school's Office for Financial Success on campus, and in the community through the Family Impact Center. Every spring semester, resident undergraduate students help complete tax returns for individuals and families on campus and in the community. The department places a strong emphasis on active, experiential learning, according to professor and department chair Frances Lawrence.

UNIVERSITY OF MISSOURI - ST. LOUIS

St. Louis

CFP Board-registered programs: B.S.B.A. in personal financial planning

Enrollment: 67

Faculty: 4 full-time, 3 adjunct

Student-to-faculty ratio: Average class size of 21

Tuition: \$335.50 per credit hour for Missouri residents, \$875.90 per credit hour for

nonresidents

FPA Student Chapter: None

Overview: UM St. Louis' personal financial planning program is housed in the school's AACSB-accredited college of business. In 2016, a team of students representing the school took first place in the Industry Issues Competition held by the Society of Financial Services Professionals, according to program director Thomas Eyssell.



UNIVERSITY OF NEBRASKA - LINCOLN

Lincoln, Nebraska

CFP Board-registered programs: Online M.S. in child, youth and family studies with a specialization in family financial planning

Enrollment: 25

Faculty: 1 adjunct

Student-to-faculty ratio: 20:1

Tuition: \$545 per credit hour

FPA Student Chapter: None

Overview: The online program is taught through a consortium of Great Plains universities. Students work with academic advisors and campus coordinators who assist with course registration and deadlines.



UNIVERSITY OF NORTH FLORIDA

Jacksonville, Florida

CFP Board-registered programs: B.B.A. in financial services

Enrollment: 94

Faculty: 5 full-time/tenure track, 4 adjunct

Student-to-faculty ratio: 20:1

Tuition: For the 2015-2016 academic year: \$6,394 per semester for Florida residents; \$20,112 per semester for nonresidents

FPA Student Chapter: Yes

Overview: The program hosts a Financial Services Career Day each fall semester. Students are actively involved with the financial planning community, according to professor Oliver Schnusenberg. The program also includes a mentorship experience. Typically,

several students are given the opportunity to attend the FPA-BE conference.



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 to 20 each year

Faculty: 2 full-time, 2 adjunct

Student-to-faculty ratio: Approximately 20:1

Tuition: \$5,452 for 15 credit hours for Texas residents; \$11,677 for 15 credit hours for nonresidents; \$6,202 for 15 credit hours for Oklahoma residents

FPA Student Chapter: None

Overview: The program has recently partnered with the local FPA chapter and has forged strong ties with TD Ameritrade, receiving the \$50,000 TD Ameritrade Next-Gen grant in 2015. A partnership with the university's Student Money Management Center provides students with internship and other experiential learning opportunities. In 2016, the Lee and Brenda Richardson Scholarship Fund was established in the amount of \$26,000 to provide scholarships for UNT business students who intend to obtain CFP or CFA certification.

UNIVERSITY OF TEXAS AT DALLAS

Dallas

CFP Board-registered programs: B.S. in finance

Enrollment: There are 859 undergraduate finance majors in total. Students are not required to declare their intent to complete the course requirements for the CFP exam.

Faculty: 44 full-time, 5 adjunct in the finance and managerial economics area

Student-to-faculty ratio: 23:1 university-wide

Tuition: \$6,864 per semester for 15 credit hours. Tuition is fixed for four years of enrollment.

FPA Student Chapter: None

Overview: The finance program is housed in the School of Management. Students have the option of specializing in financial plan-

ning by taking all the courses in the CFP Board-approved curriculum, according to program director David Cordell.



UNIVERSITY OF THE INCARNATE WORD

San Antonio

CFP Board-registered programs: B.B.A. in finance with a financial planning track

Enrollment: 80

Faculty: 3 full-time, 3 adjunct

Student-to-faculty ratio: 22:1

Tuition: \$27,900 per year

FPA Student Chapter: None

Overview: Students are drawn to the program's small class sizes, state-of-the-art finance lab and a student-managed fund, according to program director Alicia Rodríguez de Rubio. Additionally, students are actively involved in the university's business club, and are encouraged to participate in an annual FPA Symposium held on campus. There are networking opportunities with local financial advisors.



FROM UNIVERSITY OF UTAH

UNIVERSITY OF UTAH

Salt Lake City

CFP Board-registered programs: B.S. in consumer and community studies, emphasis in financial planning

Enrollment: Approximately 70

Faculty: 8

Student-to-faculty ratio: 9:1

Tuition: For-credit tuition for 18 credits (resident, undergraduate and upper-division) is between \$6,500 and \$7,200 based on a three- or four-semester program of study.

FPA Student Chapter: Yes

Overview: The program offers a blend of online and in-person courses to maximize flexibility. Students are not only prepared for financial planning but are also given a solid foundation should they plan to go on to professional schools such as law or business, according to program director Zhou Yu.

UNIVERSITY OF WISCONSIN – MADISON

Madison, Wisconsin

CFP Board-registered programs: B.B.A. in finance with a wealth management and financial planning track through the Wisconsin School of Business; B.S. in personal finance offered through the School of Human Ecology

Enrollment: Approximately 60 in the School of Business; 220 in School of Human Ecology

Faculty: 126 full-time, approximately 83 lecturers in the Wisconsin School of Business; 10 full-time, 3 part-time in the School of Human Ecology

Student-to-faculty ratio: 17:1 in both schools

Tuition: \$11,416 per year for Wisconsin residents at the School of Business; \$30,666 per year for nonresidents. \$10,488 per year for Wisconsin residents at the School of Human Ecology; \$32,738 per year for nonresidents

FPA Student Chapter: None

Overview: Through the business school's program, students participate in a sequence of courses that prepares them to take the CFP exam during their senior year of study. Students in the School of Human Ecology sit for the CFP exam upon graduation. A 150-hour internship is required in addition to two career development courses intended to hone interpersonal and technical skills.



UTAH VALLEY UNIVERSITY

Orem, Utah

CFP Board-registered programs: B.S. in personal financial planning

Enrollment: 459

Faculty: 7 full-time, 2 professional in residence

Student-to-faculty ratio: 40:1. Average class size is 29

Tuition: \$5,652 per year for Utah residents; \$16,066 per year for nonresidents

FPA Student Chapter: Yes

Overview: The program is the largest undergraduate financial planning program in the country, according to associate professor Luke Dean. The curriculum includes training in industry technology and software, financial counseling and professional sales. Students have the opportunity to take supplementary coursework in accounting, sales and entrepreneurship and to work toward

obtaining their CFA certification. In 2016, financial planning students placed first in two national competitions.

VIRGINIA COMMONWEALTH UNIVERSITY

Richmond, Virginia

CFP Board-registered programs: B.S. in finance with a concentration in financial planning

Enrollment: 4

Faculty: 6 full-time

Student-to-faculty ratio: 17:1 for undergraduates

Tuition: \$13,130 per year for Virginia residents; \$32,837 per year for nonresidents

FPA Student Chapter: Yes

Overview: A peer-to-peer financial education and counseling program called the Money Spot at VCU began in 2016.



VIRGINIA TECH

Blacksburg, Virginia

CFP Board-registered programs: B.S. in business, major in finance with a concentration in financial planning

Enrollment: 160

Faculty: 2 full-time, 2 adjuncts

Student-to-faculty ratio: 53:1

Tuition: \$13,280 per year for Virginia residents; \$31,014 per year for nonresidents

FPA Student Chapter: Yes

Overview: The program boasts strong placement due to a rigorous curriculum and opportunities for professional engagement, according to program director Ruth Lytton. A high percentage of graduates seek financial planning careers and sit for the CFP exam soon after graduation.



WESTERN KENTUCKY UNIVERSITY

Bowling Green, Kentucky

CFP Board-registered programs: B.S. in finance with financial planning track

Enrollment: Approximately 120 students in financial planning programs

Faculty: 7 full-time

Student-to-faculty ratio: 17:1

Tuition: \$9,912 per year for Kentucky residents; \$24,792 per year for nonresidents

FPA Student Chapter: Yes

Overview: The program provides approximately 30 outstanding graduates to financial planning firms each year. In addition to core courses, students take additional courses in finance, investments and general business courses. Students 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, according to program director Ron Rhoades.

WESTERN MICHIGAN UNIVERSITY

Kalamazoo, Michigan

CFP Board-registered programs: B.B.A. with a major in personal financial planning

Enrollment: 28 enrolled in major group

Faculty: 15 full-time, 10 part-time

Student-to-faculty ratio: 16:1

Tuition: Undergraduate flat rate (12 to 15 credits) tuition of \$5,285 for lower level courses and \$6,513 for upper level courses for Michigan residents; undergraduate flat rate (12 to 15 credits) tuition of \$12,964 for lower level courses and \$15,111 for upper level courses for nonresidents

FPA Student Chapter: None

Overview: As an elective, students manage a portfolio of \$1 million under the direction of an experienced money manager. The Financial Services Club organizes trips to financial institutions and companies in Chicago, and invites speakers from various sectors of the industry. The CFP pass rate of students is 89%, according to professor of finance Onur Arugaslan.



WIDENER UNIVERSITY

Chester, Pennsylvania

CFP Board-registered programs: B.A. in economics with financial planning track, B.S. in finance with financial planning track, master's in taxation and financial planning

Enrollment: 75

Faculty: 5 full-time, 10 adjunct

Student-to-faculty ratio: 12:1

Tuition: \$42,034 per year

FPA Student Chapter: None

Overview: Both the B.A. in economics and the B.S. in finance qualifies students to sit for the CFP exam at the end of the program and all students are required to do an internship. Finance majors can gain real world experience by joining the on-campus Money Club and by running the student-managed investment fund. Widener has successfully placed 100% of its finance graduates in jobs after graduation, according to taxation and financial planning professor Kenn Tacchino.



WILLIAM PATERSON UNIVERSITY

Wayne, New Jersey

CFP Board-registered programs: B.S. in financial planning

Enrollment: 90

Faculty: 2 full-time, 4 adjunct

Student-to-faculty ratio: 14:1

Tuition: \$12,573 per year for New Jersey residents; \$20,466 per year for nonresidents

FPA Student Chapter: Yes

Overview: Most classes are small, with about half containing 20 students or fewer. Dual degree options are available, with many students opting to major in financial planning and accounting, according to economics department chair Alex Panayides. Students from the program took first place in the 2016 FPA Financial Planning Challenge.



WINSTON-SALEM STATE UNIVERSITY

Winston-Salem, North Carolina

CFP Board-registered programs: B.S. in finance with a focus in personal financial planning

Enrollment: 25 majors

Faculty: 3 full-time

Student-to-faculty ratio: Approximately 10-12:1

Tuition: \$8,026.16 per year for North Carolina residents; \$18,137.16 per year for non-

residents. An additional health insurance fee of \$2,222 can be waived with proof of health insurance

FPA Student Chapter: None

Overview: Students are given the opportunity to prepare comprehensive financial plans using MoneyGuidePro. Students participate in weekly Investment Club meetings, where they are responsible for managing the Ram Asset Management Fund, the university's student-managed fund. Starting this year, students will be completing the general securities course through the Securities Training Corporation in preparation for the FINRA Series 7 exam.

WINTHROP UNIVERSITY

Rock Hill, South Carolina

CFP Board-registered programs: B.S.B.A. in finance with a financial planning track

Enrollment: 40

Faculty: 3 full-time; 2 adjuncts

Student-to-faculty ratio: 13:1

Tuition: \$605 per credit hour for South Carolina residents; \$1,170 per credit hour for nonresidents

FPA Student Chapter: Yes

Overview: Students have access to a state-of-the-art trading lab with Bloomberg terminals and are taught how to build financial plans and portfolios using Excel, MoneyGuidePro, Morningstar Direct and Bloomberg. Graduates have experienced a job placement rate of 90%.



WRIGHT STATE UNIVERSITY

Dayton, Ohio

CFP Board-registered programs: B.S. in financial services

Enrollment: 44

Faculty: 6

Student-to-faculty ratio: 20:1 on average for core courses

Tuition: \$4,365 per semester

FPA Student Chapter: None

Overview: The program hosts a regional symposium for financial services professionals that includes a student competition and an active networking session. The program has a CFP exam pass rate of 66.67%, according to coordinator and lecturer William Ross Wood.



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Where Should You Get That CFP?

The certification is supposed to tell clients you have their best interests at heart. After that, is the name of the school important?

BY MICHAEL KITCES

IT IS COMMONLY BELIEVED THAT GETTING A DEGREE from the right institution may help individuals get a leg up after graduation.

It's perhaps no great surprise then that people looking to obtain a CFP certification are conditioned to wonder what the best or top-ranked CFP programs are, particularly since many of the largest CFP education degree programs are completely unknown outside of our industry.

Yet in the end, most consumers choose their financial advisor based on a connection with the individual, not his/her academic pedigree. This means that finding a program where you can do well, actually internalize the content and be able to confidently apply its lessons is what really matters.

CHAD'S DILEMMA

I heard recently from an aspiring CFP named Chad, who had a great sense of the program landscape, but was stuck with analysis paralysis about which program would be the right one to pursue.

His options were the American College of Financial Services (where his firm had a discount deal), the College for Financial Planning in Denver, and the CFP program at Boston University.

Chad was favoring Boston University – even though it would be the priciest path to earning his mark – precisely because Boston University has name recognition outside the advisory field.

But Chad was struggling to figure out whether it was worth paying a premium for the Boston University name on his CFP educational certificate to get access to better job opportunities in the future.

HARVARD, YALE OR STANFORD

Ironically, this question is not so different from the anxiety experienced by clients of our firms planning for the future college education of their children.

Even if the kid's just two years old, many want a financial



plan that starts out assuming their kid will be going to Harvard, Yale or Stanford – because they believe the academic pedigree is valuable to their child's future job opportunities.

But in the end, does going to the right school really give you a leg up on your planning career?

THE CLIENT VIEW

While it may feel compelling to obtain a CFP educational certificate from a prestigious institution, I've found that most potential clients simply don't care where you earned it.

I say this as someone who earned his CFP mark from the American College, that same institution that Chad equivocated over for having virtually no name recognition outside of our industry. Clients haven't heard of it? Usually true. But it doesn't matter.

In fact, it's been 15 years since I finished my CFP education, and I think the number of times I can recall a client asking where I got my CFP mark is ... two.

When it happened, I simply responded: "Well, I took my CFP classes from the American College. They're not actually well-known outside of our industry. But they're the longest-

standing higher educational institution that teaches financial advisors. They've been doing it for almost 100 years."

To which the client invariably responds, "Oh, OK." And we move on.

WHAT'S IN A NAME?

And the phenomenon is not unique to financial advisors. Think about how this topic affects other professionals.

Do you ask your doctors where they got their medical degree? Would it matter if they said the University of Washington rather than Harvard? Would it matter if I told you that, according to *U.S. News & World Report*, the University of Washington ranks No. 1 for primary care physician training – and Harvard doesn't even factor in the top 10?

The point is that most people have no idea what the top schools actually are, beyond just the big name-undergraduate institutions. This is especially true when it comes to any kind of graduate level or professional education.

As a result, many clients just don't ask. Or will comfortably accept whatever you answer and explain.

The American College originated professional education for advisors – the Chartered Life Underwriter program – almost a century ago. The College of Financial Planning is the longest-standing CFP educational program in existence, having offered the first class of certified financial planners 45 years ago. (The college was actually part of the CFP Board for its first 13 years, splitting in 1985 to become what we now know as College for Financial Planning and CFP Board.)

MARKETING TO ALUMNI

Of course, if your marketing strategy is to network through the school's alumni association, then your alma mater matters a little more. But it's still not about the educational content per se.

Rather, that lends itself to a niche marketing strategy. If your desired advisory niche is Harvard alums, then try to get a degree from Harvard. Short of that scenario, clients by and large couldn't care less from where your mark was issued.

The bottom line: If you're proud of getting your CFP mark and it gives you expertise and confidence that you can put into practice, you've gleaned the primary benefit of a CFP education.

All that being said, to land a job as a paraplanner or an associate planner, where you earn your mark can matter – a little.

When an advisory firm hires a new advisor straight out of a CFP program, there isn't much to go on.

Your grades, maybe some extracurriculars ... and where you went to school. In that context, studying in a known CFP program might help a bit.

If you've got Texas Tech or Virginia Tech on your résumé – schools that are known to have very reputable CFP programs – it casts a little positive halo. You may earn the benefit of the doubt.

GETTING A JOB

That being said, this will probably get you through only the first stage of the screening process and an initial interview. It's not going to get you the job.

The leading advisory firms are increasingly hiring for passion, with the assumption that they can train the skills. This means they don't look much at your alma mater to make a final decision.

And the same is true when we're hiring for paraplanners and associate planners at New Planner Recruiting, where I am a co-founder. We hire for passion. We try to identify raw talent. We look barely at a candidate's alma mater.

In part, this is because good students come from programs all over the country. Our industry is not so hypercompetitive that the top talent goes to only a handful of schools – effectively creating feeder channels directly to advisory firms' human resources departments. We know this because we see it in practice: Good talent can come from literally anywhere.

Far more valuable and interesting to firms than where you learned is what you learned. Our firm actually administers a fake CFP test that we created, and the score is based on how many questions a candidate

If your desired advisory niche is Harvard alums, then try to get a degree from Harvard. Short of that scenario, clients by and large couldn't care less from where your mark was issued.

gets right, not which school taught him or her the answers.

THE ACADEMIA EXCEPTION

There is one other case where your alma mater may matter if you plan to go into academia and teach.

Even there, it's still not about where you earned your certified financial planner mark – that is, those six core classes, which are really undergrad equivalent content – but where you received your master's degree or your doctorate.

After all, you're not competing for consumers' minds here. You're competing in academia, where some schools do care about the academic pedigree of their professors.

That being said, even within academia, I'm still skeptical about how much this matters. Because so many schools are just starting up CFP programs, they are simply not (yet) ultra-selective.

These schools are more interested in hiring people who have good teaching skills, the ability to represent the program well and maybe help build out the offering with their fundraising connections.

Some schools stricter about their instructors' academic pedigree than others, especially when graduate-level financial planning is in a business school.

This matters, because the CFP Board is trying to push growth now in business schools, and those programs tend to hire professors who earned degrees from other AACSB-accredited business schools. It's fair to recognize, then, that the Ivory Tower, where you received an advanced degree, could matter.

Still, many of the new Ph.D. job opportunities in recent years were awarded to recent Ph.D. graduates, to help build out programs. School pedigree may have been a factor, but probably not a driver of the hiring decision.

YOU BE THE JUDGE

For most people looking at a certified financial planner education, here are my four tips

for selecting a program that fits:

1. Educational curriculum: What classes and electives do the schools offer? Are the electives relevant and appealing to you? Which school makes you feel most excited about the learning you'll do?

2. What's the learning platform? Is it a virtual program where you're going to be at a distance, or is it in person? Do you thrive with in-person instruction, or would you rather study online? Which aligns best with your learning style?

3. Which one fits your schedule? The truth is sometimes it just comes down to scheduling and convenience. "Hey, I found a cool program, but they teach on Tuesdays, and I can't do Tuesdays because I got stuff with my kids. I can do Thursdays, so I'm going to do this other program." Or, "I'm going to do a virtual one that's asynchronous so I can study on the weekends, and it doesn't matter when the classes are."

4. Which one fits your budget? Costs do vary from one program to another, and financial need should factor in your picking the best CFP registered program. Again though, the biggest determinant of success is how well you learn the material and how confidently you can apply its lessons.

DELIVERING THE GOODS

We're beginning to see research that bears this out, vis-a-vis the value of a CFP education. No one cites the academic pedigree of their program. Rather, study participants talk up the content of their educations. "It gave me expertise to help my clients more," they say, or "It gave me confidence to talk to my clients more effectively."

The right program equips you to deliver good business results. That's ultimately what matters.

What do you think? Has anyone ever asked where you got your CFP education? Do you think it matters where you get your CFP education? Are there any special circumstances when where you received your education might really matter? **FP**

If you're proud of getting your CFP mark and it gives you expertise and confidence that you can put into practice, you've gleaned the primary benefit of a CFP education.

New Strategies for Covering Care

Sales of long-term care insurance policies have plunged in recent years. Here's how advisors are replacing them.

BY DONALD JAY KORN

LONG-TERM CARE INSURANCE MAY BE GOING OUT OF fashion, but long-term care coverage? That's a different story.

While sales of traditional LTC policies have fallen sharply in recent years, life insurance policies and annuities that carry LTC benefits are surging in popularity.

"Many people don't want to use the traditional LTC approach," says Randy Becker, a planner and owner of Becker Retirement Group in Bellevue, Washington. "They're concerned about rising premiums, the risk of a company failing or the possibility of not needing the care ... all at a time when they will have limited resources."

Sales of new stand-alone individual LTC policies fell to 91,000 in 2016 from 372,000 in 2004, according to LIMRA. Over that same time period, new premium dollars fell to \$228 million from \$716 million. From 2012 to 2016, the drop in both categories was particularly steep: over 65%. And in the first half of 2017, only 34,000 Americans bought new LTCI policies, down 30% from the first half of 2016.

THE HYBRID SOLUTION

Instead, Americans are turning to hybrid, or combo, life insurance that can also pay for lifetime care. To a lesser extent, they're also buying annuities that offer sizable payouts, if necessary, for long-term care. New premiums for combination life-LTC insurance rose to \$3.6 billion last year from \$2.4 billion in 2012, according to LIMRA. Annuity-LTC hybrids more than doubled in sales, to \$480 million from \$210 million.

Why the rush to LTC combos? "Some clients are concerned about paying for stand-alone LTC insurance and not using it," says Herb Daroff, an advisor with Bay-state Financial Planning in Boston. "People don't hope to get sick to use their health insurance, but LTC insurance has high premi-

ums, and the concern exists."

As LTC insurance premiums have risen, many people lack enthusiasm for paying thousands of dollars, year after year, for coverage that might yield no benefit. "There is absolutely no acceptance of traditional long-term care insurance," says Jeannette Bajalia, president and principal advisor of Petros Estate & Retirement Planning in Jacksonville, Florida. "The lifetime premium outlay is not predictable, and the cost may not be affordable."

Jaime Cowper, president of Unity Financial Advisors in Bingham Farms, Michigan, reports that she has begun to recommend life-LTC combos and annuity-LTC combos to clients more often than she does traditional LTC insurance.

'ATTRACTIVE' ASSET CARE

"The main reasons are that asset-care products" — Cowper's term for the hybrid life policies and annuities — "have guaranteed premiums, offer lifetime benefits and provide for money for beneficiaries if a client never needs LTC," she says. "Although a traditional policy initially may be a little less expensive than the asset-care products, there is no guarantee that the premium will not go up in the future and become significantly more expensive. This, along with the option for lifetime benefits and the ability to leverage money to beneficiaries if clients never need it, has made asset care very attractive."

Similarly, Becker refers to LTC hybrids he employs as "asset-based LTC."

Traditional LTC Down, Hybrids Up

	Sales (\$ Million)					
	2011	2012	2013	2014	2015	2016
Individual LTC Insurance	550	580	406	316	216	228
Life Insurance-LTC Combos	2,200	2,400	2,600	2,400	3,100	3,600
Annuity-LTC Combos	285	210	260	440	470	480

Source: LIMRA

Most of his clients, he says, are pleased with this approach. "They're effectively parking money where it will do its job, if needed for LTC," he says. "However, the death benefit will bring those assets back home if the LTC portion is not needed."

Becker says a key element of the products he selects is a return-of-premium feature. If clients' circumstances change, and they need cash, they can get a refund.

FREEDOM FROM TAXES

Any LTC benefits from a hybrid product can be tax free under the IRS guidelines for a tax-qualified LTC plans, says Becker. (Life insurance death benefits usually are untaxed, as well.)

Although premiums paid for stand-alone LTC insurance may be tax-deductible, premiums paid for LTC hybrids are not deductible.

Nevertheless, any LTC benefits paid by a hybrid product probably will be tax-free if the contract is structured to reimburse the individual. "That can be true for qualified LTC expenses delivered by licensed custodial care providers," says Daroff.

Daroff adds that hybrid LTC benefits under the indemnity model (in which insurance payouts are a set amount) also can be untaxed. Such policies typically pay a full daily or monthly benefit amount directly to the policyholder, if specified conditions are met. The benefits received from an indemnity policy can be untaxed up to the larger of actual outlays for qualified LTC or a per diem limit (\$360 a day in 2017).

Some aspects of LTC hybrids are relatively straightforward, Daroff says. Buyers of a life insurance-LTC combo, for instance, might get to use up to 90% of the death benefit during their lifetime for qualified custodial care expenses.

"A client who buys \$500,000 of coverage might be able to use up to \$450,000 for LTC," he says. "Then the beneficiary would get \$50,000 at death. If only \$150,000 is used during the insured individual's lifetime, the beneficiary would get \$350,000."

Some of the finer points of these hybrids have to be carefully negotiated. Whether a

hybrid is a whole life policy or a universal life policy, for example, can have a significant financial impact.

"With universal life," says Daroff, "the death benefit does not grow, so LTC benefits do not keep pace with the increased costs of custodial care. With whole life, dividends can increase cash value and death benefit. If the death benefit grows, the amount available for LTC also may grow."

Henry Montag, CFP, an advisor in Uniondale, New York, warns of another potential pitfall in these hybrids.

"Some have an LTC rider," he says. "This acts like a traditional LTC contract, with buyers paying for the rider upfront. These products tend to be relatively liberal about when they'll pay benefits."

Other hybrids, however, come with a chronic-care rider. "These tend to be more restrictive in their definition of what qualifies for a claim," says Montag. "The buyer does not pay for the rider upfront. Instead, there is an ongoing interest charge when the benefit is actually accessed."

Essentially, he explains, policyholders are borrowing to pay for qualifying care, but the loan amounts can be greater than would be available with loans up to the policy's cash value.

'DOUBLERS' GAINING

Among annuity-LTC combos, "doubblers" are gaining ground. With these annuities, says Bajalia, if an individual is deemed as needing long-term care, the income he or she is receiving will double for up to five years.

Some annuities continue the doubler even if the cash value of the contract zeros out, says Bajalia, who cautions that advisors need to fully understand how these contracts work in various scenarios.

Despite all the variations in LTC hybrids, advisors report that clients get the message: They're acquiring life insurance or an annuity as well as coverage for long-term care, if the need arises.

"Generally, I believe that my clients have found these types of products relatively easy to understand," says Cowper.

Becker concurs. "With hybrid LTC," he

"Some clients are concerned about paying for stand-alone LTC insurance and not using it," says Herb Daroff of Baystate Financial Planning.

"Clients with an interest in these products also include those who have been caregivers to their parents or spouses, as well as those who have seen friends and family members financially devastated by the cost of long stays in nursing homes," she says.

LTC hybrids are not without flaws, of course. As mentioned, premiums are not tax deductible. Combo products often require a large upfront outlay. Moreover, advisors may ques-

"We've looked at the combo policies but haven't recommended any," says Dave Yeske, managing director at Yeske Buie, a financial planning firm with offices in San Francisco and Vienna, Virginia. "It seems like they might be a fit where someone has a cash value policy that we want to convert. Also, in situations where someone may not medically qualify for straight LTC, my understanding is that the underwriting for the combo policies is more liberal."

Without such client situations, Yeske's firm has stayed with traditional LTC policies, for clients with that need. "We try to steer them toward companies that seem to have a long-term commitment to this product," Yeske says.

“Many people don’t want to use the traditional LTC approach,” says Randy Becker of Becker Retirement Group.

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PORTFOLIO

ALSO IN PORTFOLIO: P. 66: Dumb and Dumber Income Moves

Can 3 Bond Funds Outperform 1?

Bond funds go mano a mano in the last installment of this 3-part series on maximizing total-market index funds.

BY CRAIG L. ISRAELSEN

OVER THE PAST FEW MONTHS, I'VE TAKEN YOU ON A journey to examine the strengths – and limits – of total-market funds.

My quest was to answer these questions: Can a single fund that invests in U.S. stocks outperform a carefully selected collection of three index funds chosen to cover the corresponding asset group? Is the same true when we examine a single fund of non-U.S. stocks? In both cases, the answer was no.

Now I set my sights on bonds. Can a single U.S. total bond fund outperform a trio of bond funds that collectively cover the same bond categories? Here's why it matters: domestic bond funds face an uphill battle as interest rates are likely to rise in the coming years. Thus, anything you can do to enhance the performance of the bond portion of your client's portfolio is worth investigating.

I make my first stop at Vanguard. To cover the broad U.S. bond market, the firm has a one-stop offering for investors wishing to simplify their exposure to the U.S. bond market. Its fund, the Vanguard Total Bond Market Index (VBMFX), currently has a 40% allocation to U.S. government bonds, a 25% allocation to government mortgage-backed securities (GNMA) and a 35% allocation to U.S. corporate bonds.

This type of fund is certainly convenient, but does it offer the best approach?

A THREE-FUND OPTION

Another approach would be to invest in separate bond funds from each distinct segment: a government bond fund, a Ginnie Mae fund and corporate bond fund. For our exploration, I'm using Vanguard Intermediate-Term Treasury (VFITX), Vanguard GNMA (VFIIX) and Vanguard Intermediate-Term Investment-Grade (VFICX).

When combined, these three funds seek to accomplish (at least in theory) what the Vanguard Total Bond Market Index is trying to achieve. Thus, this study compares the performance of one single mega index bond fund against the



combined performance of three separate bond funds, which are rebalanced annually. The time frame for this study was the 18-year period from Jan. 1, 1999 to Dec. 31, 2016. Performance data were extracted from the Steele Systems mutual fund database.

The annual returns of the three bond funds are shown in the chart "Threesome Versus Stand-Alone." Also shown is the annual performance of the Vanguard Total Bond Market Index.

Over the full course of the study, each individual bond fund had better performance than the VBMFX, but in some cases this advantage was very slight.

The largest gap was 83 basis points between VFICX, the corporate bond fund, and VBMFX. Over 18 years, this resulted in an ending balance that was larger by almost \$3,500, assuming an initial investment of \$10,000.

A YEAR WORTH EXAMINING

To focus on one seminal year, note the performance of each fund in 2008. VFITX was the clear winner with a one-year return of 13.32%, with VFIIX a distant second at

7.22%. VBMFX generated a positive return of 5.05% whereas VFICX had a loss of 6.16% in 2008.

I have called your attention to 2008 to make a point. When using three separate funds, there are more so-called buckets from which to withdraw money. Of course, we try

to avoid withdrawing money from a fund if it has had a negative year.

But if you are using a total-index fund, there is only one bucket – even though the bucket contains several different bond exposures.

What's more, if the overall return is negative (as in 1999 and 2013) and

the investor has to withdraw money that year, the loss will be exacerbated. If, however, there were more buckets to withdraw money from, the investor could pull the money out of whichever fund had the best return. In 1999, that would have been the Ginnie Mae fund (VFIIX).

I refer to this phenomenon as distributed performance versus concentrated performance.

A one-fund total-market solution is subject to concentrated performance and is therefore more vulnerable to the timing of withdrawals during market downturns. A combination of funds produces separate returns (that is, distributed performance) and is likely to be less vulnerable to portfolio withdrawals during a general bond market downturn.

CREATING A MIX

The important comparison, however, is the mix of the three funds against the total bond market index fund.

As shown in the chart "Seeking an Ideal Mix," the three-fund mixtures each produced better a 18-year performance than the total bond market index. But this advantage over Vanguard Total Bond Market Index was relatively modest.

Moreover, the threesomes have high correlation with VBMFX and a slightly higher overall expense ratio (20 basis points) that the total bond index, whose expense ratio was only 15 basis points.

In addition, the beta coefficient for the Vanguard-weighted three-fund approach was 1.13, which indicates that it is 13% more volatile than VBMFX. When the three bond funds are equally weighted, the beta coefficient dropped slightly to 1.11 – still 11% more volatile than VBMFX.

However, in both cases, the modest amount of added volatility when using three bond funds instead of

Threesome vs. Stand-Alone

Annual performance from 1999 through 2016.

18 Years of Annual Returns	Vanguard Intermediate-Term Treasury (VFITX)	Vanguard GNMA (VFIIX)	Vanguard Intermediate-Term Investment Grade (VFICX)	Vanguard Total Bond Market Index (VBMFX)
1999	-3.52	0.78	-1.53	-0.76
2000	14.03	11.22	10.70	11.39
2001	7.55	7.94	9.42	8.43
2002	14.15	9.68	10.28	8.26
2003	2.37	2.49	6.29	3.97
2004	3.40	4.13	4.75	4.24
2005	2.31	3.33	1.97	2.40
2006	3.14	4.33	4.43	4.27
2007	9.98	7.01	6.14	6.92
2008	13.32	7.22	-6.16	5.05
2009	-1.69	5.29	17.73	5.93
2010	7.35	6.94	10.46	6.42
2011	9.79	7.68	7.51	7.56
2012	2.67	2.35	9.13	4.05
2013	-3.09	-2.23	-1.37	-2.26
2014	4.32	6.65	5.80	5.76
2015	1.50	1.33	1.53	0.30
2016	1.19	1.85	3.83	2.50
18-Yr. Annualized Return	4.79	4.83	5.47	4.64
18-Yr. Std. Dev. of Return	5.58	3.45	5.55	3.42
Growth of \$10,000	23,225	23,392	26,071	22,613
Expense Ratio	0.2	0.21	0.2	0.15
Correlation to VBMFX	0.81	0.96	0.64	--
Beta with VBMFX	1.32	0.96	1.04	--

Source: Steele Systems Mutual Fund software, calculations by author

one mega index had a payoff – 45 bps of higher performance with the Vanguard weighting and 43 bps when holding each fund in an equal allocation of 33.33% (and rebalancing yearly in both cases).

Despite slightly lower performance, when it comes to the fixed-income portfolio of your clients' overall portfolio, the convenience of using a single total bond market index fund (such as VBMFX) may be compelling.

A POSSIBLE TIPPING POINT

But perhaps the tipping point in deciding which approach to use may be the issue of distributed performance versus concentrated performance.

When using three separate bond funds (or more if you decide that additional funds will meaningfully enhance the diversification of the fixed-income portion of the overall portfolio), you have more buckets from which to withdraw money. And that is always a beneficial option when it comes to preserving the value of a portfolio during turbulent markets.

If all bond funds had similar performance, there would be no need to use several of them. But, as clearly shown in "Threesome Versus Stand-Alone," there was often substantial performance variation among the three bond funds.

When considering the wide variety of bond funds beyond the three that are illustrated in the table, we can safely conclude that distributed performance is a prudent approach when dealing with bond funds.

Thus, if the relatively slight performance advantage of using three separate bond funds doesn't convince you, the advantage of hav-

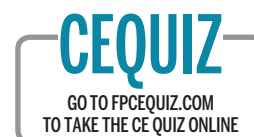
Seeking an Ideal Mix

Three approaches to gain exposure to the entire bond market.

18 Years of Performance Annual Returns	VFITX 40% allocation VFII 25% allocation VFCX 35% allocation	VFITX 33.33% allocation VFII 33.33% allocation VFCX 33.33% allocation	Vanguard Total Bond Market Index (VBMFX)
	Vanguard Weighting 40% Government Bonds 25% GNMA 35% Corporate Bonds	Equal-Weighting	
1999	-1.75	-1.42	-0.76
2000	12.16	11.98	11.39
2001	8.30	8.30	8.43
2002	11.68	11.37	8.26
2003	3.77	3.72	3.97
2004	4.06	4.09	4.24
2005	2.45	2.54	2.40
2006	3.89	3.97	4.27
2007	7.89	7.71	6.92
2008	4.98	4.79	5.05
2009	6.85	7.11	5.93
2010	8.34	8.25	6.42
2011	8.46	8.33	7.56
2012	4.85	4.72	4.05
2013	-2.27	-2.23	-2.26
2014	5.42	5.59	5.76
2015	1.47	1.45	0.30
2016	2.28	2.29	2.50
18-Yr. Annualized Return	5.09	5.07	4.64
18-Yr. Std. Dev. of Return	3.98	3.89	3.42
Growth of \$10,000	24,421	24,373	22,613
Expense Ratio	0.2	0.2	0.15
Correlation to VBMFX	0.97	0.98	--
Beta with VBMFX	1.13	1.11	--

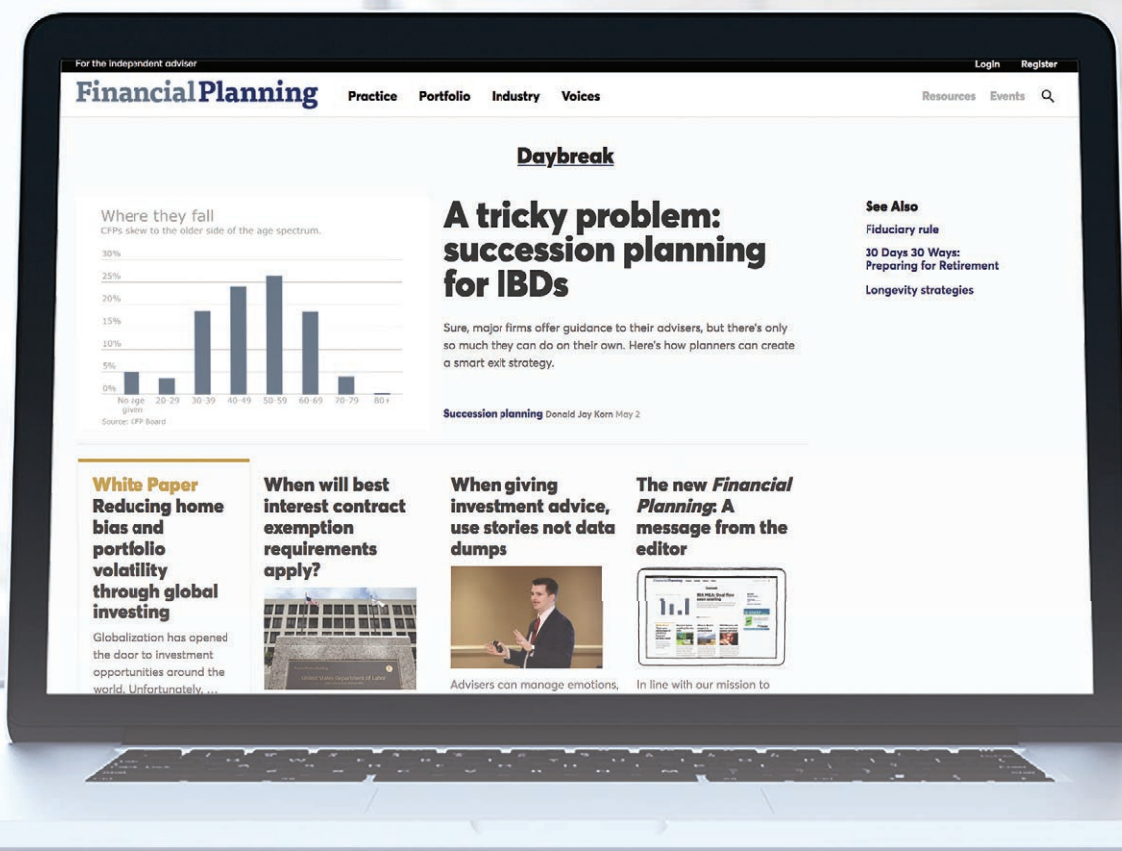
Source: Steele Systems Mutual Fund software, calculations by author

ing distributed performance in the fixed-income portion of your client's investment portfolio just may. **FP**



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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Dumb and Dumber Income Moves

Did advisors learn nothing in the 2008 crash? For those who promote high-yield junk bond funds and dividend stocks, apparently not.

BY ALLAN S. ROTH

THERE'S A DISTURBING TREND THAT'S TAKING ME back to the bad old days.

I'm seeing more and more portfolios with low credit quality bonds and bond funds. At the same time, investment conferences I've attended lately seem to focus on income without any mention of protecting principal.

In short, it's essentially where we were a decade ago, just before stocks plunged in 2008. What happened next was that the average high-yield bond fund lost 28%, just when investors needed fixed income to act as their shock absorber. I remind people that they don't call high-yield bonds "junk" for nothing.

While I think junk bonds are dumb, I've seen even dumber strategies. Some have told me that you just need to buy safe dividend stocks as a surrogate for fixed income. Well, I'm old enough to remember when General Motors and Eastman Kodak were two of the 10 most valuable safe dividend stocks in the world.

And many investors who thought large banks were safe dividend stocks found out otherwise in 2008. These ostensibly safe stocks are typically large-cap value stocks, which lost just a bit more than the 37% lost by the S&P 500 in 2008. Though iShares Select Dividend ETF (DIVY) did a bit better, it lost nearly 33%.

We don't even need to go back 10 years. Five years ago, some were arguing that master limited partnerships were worth pursuing, as they were "a safe toll-taking business" providing 5% income. According to Morningstar, the JPMorgan Alerian MLP Index ETN (AMJ) lost about 31% of its value over the three years that ended on Sept. 15, 2017. And that's including the handsome so-called 5% safe income.

So I think high yield is dumb, but dividend stocks as a bond replacement are even dumber.

The inescapable truth is that the eight-and-a-half-year bull stock market won't last forever, and we'll have some explaining to do to our clients if we lose their principal in the name of earning more income.

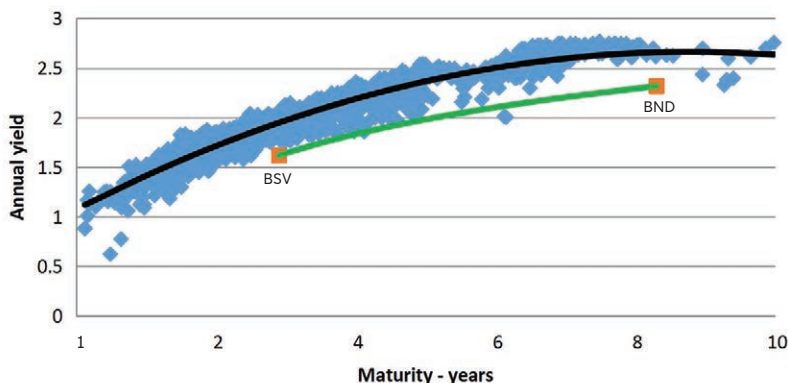
I am certainly in favor of getting more income for my clients. But, in my opinion, there are right ways and wrong ways to do it. Here's how I help my clients earn more safely.

SAFETY FIRST

I recommend strongly that my clients take risk with equities and assign their fixed-income investments the role of cushioning losses when stocks tank. This approach provides my clients the cash and confidence to rebalance, allowing advisors to buy more stocks for them when they go on sale.

I don't have a problem with taking on intermediate-term interest rate risk, because the client will recover from that risk as bond funds reinvest in higher-yielding bonds. And we

Brokered CDs in the Secondary Market vs. Bond Funds



Source: Fidelity.com and Morningstar as of 9/7/17.

must remember the economists have called the direction in intermediate-term interest rates correctly well under half the time.

Unlike interest rate risk, however, default risk is forever. That's why, when I use a bond fund, I typically stick to one that tracks the Bloomberg Barclays U.S. Aggregate Bond index, such as Vanguard's Total Bond Market ETF (BND) or iShares Core U.S. Aggregate Bond ETF (AGG).

About 64% of the debt in each fund is backed by the U.S. government or a government agency, and the rest is in investment-grade corporate bonds. Both funds gained more than 5% in 2008 and, unlike junk or dividend stocks, served the role of a portfolio's shock absorber.

Effective Yields of 5-Year CDs

	Ally	Sallie Mae	Goldman Sachs
Rate APY	2.25%	2.35%	2.25%
Penalty Months	5	6	9
Calculated			
Months	APY	APY	APY
12	1.31%	1.17%	0.56%
24	1.79%	1.77%	1.42%
36	1.95%	1.97%	1.71%
48	2.03%	2.07%	1.85%
60	2.25%	2.35%	2.25%

Source: DepositAccounts.com as of 9/7/17

As of mid-September, BND was yielding 2.35%, while AGG was yielding 2.24%. These yields aren't spectacular, but I remind clients who pine for the 12% yields of the early 1980s that those yields weren't really that hot; after taxes and inflation, real yields were about minus 7%.

Why do I use these index funds when Morningstar shows their performance is below average versus their peers? I use them because their peer group, on average, includes nearly 10% junk, and some funds have up to 35% of the stuff. This violates the safety-first role of bonds.

I also think that high-quality bond index funds are likely to beat their peer group when stocks tank, since riskier debt takes on

some of the characteristics of equities.

So how do I safely boost yields further? And how can you?

BUY SECONDARY MARKET CDs

The first way to safely earn more is using brokered CDs – specifically, brokered CDs purchased in the secondary market. I've found that they consistently yield more than brokered CDs that are issued by the banks in the primary market.

In the "Brokered CDs in the Secondary Market vs. Bond Funds" chart, you can see the yields of these CDs that were available from Fidelity on Aug. 15, 2017, versus the yields of short-term (BSV) and intermediate-term (BND) bond funds tracking the Bloom-

berg Barclays Aggregate Bond indexes. (I'm comparing the CDs with funds on the basis of maturity rather than duration because duration information wasn't available for the brokered CDs.)

By purchasing CDs above the average-yield line, you can earn an extra 50 basis points or so annually above what bond funds would yield, even after taking into account commis-

sions, which typically lower returns by about one basis point.

This disparity is evidence that markets are not terribly efficient. I think both the extra yield and the dispersion at each maturity would evaporate if institutions could invest, but the FDIC's insurance limits (\$250,000 for an individual and \$500,000 for a joint account) are merely rounding errors for them. So this gives you an opportunity to have your clients earn more without taking on more risk.

A few things to keep in mind when buying brokered CDs:

- Don't buy a callable CD. If rates stay low or fall even more, the issuer might redeem them. That means your clients most likely

Have we learned anything from even the relatively recent past? Unfortunately, it appears that many of us haven't.

wouldn't get that attractive yield for long.

- Make sure your clients don't need their principal before the CD matures. Your clients will have a loss if interest rates have risen. In addition, they will pay a commission and a spread if you have to sell the CD in the secondary market.

- Don't let interest payments accumulate in cash. Brokered CDs don't allow automatic reinvestment of interest in the same CD, so it goes to a cash or money market account.

- Understand that only the principal of the CDs are FDIC-insured, not any premium that you pay for them. In other words, if things go south at the issuing bank, the government will back up perhaps only 98% of your investment.

This strategy works well under most AUM or hourly models. In fact, the accumulating cash from interest payments can be used to pay your advisory fees. It just takes a little of your time to set these up.

INVEST IN DIRECT CDs

A second way I increase income for clients is to buy CDs directly from a bank or credit union. If you are afraid interest rates will go up and bond funds will decline, this is the strategy for you.

If rates rise, brokered CDs are bonds and behave like bonds, meaning they will lose value. Some direct CDs, however, have low early withdrawal penalties that allow clients to get their money back with a minimal fee.

I use longer term-CDs that have low early-withdrawal penalties, which operate as a "put" if interest rates go up. In the chart, "Effective Yields of 5-Year CDs" are three attractive CDs as of mid-September.

Let's say intermediate-term rates rose two percentage points in one year. In that case, an investment in BND would lose nearly 10% of its value. But the Sallie Mae five-year direct CD, currently yielding the same 2.35% as BND, would instead return 1.17% after paying the early-withdrawal penalty, while freeing up cash to reinvest at higher rates.

In short, this strategy gives clients intermediate-term yields with only ultra-short-term interest rate risk.

Unlike brokered CDs, these CDs must be bought directly by the client, and advisors can't take out AUM fees. So this strategy works well if advisors bill by the hour or have a retainer model based on total assets.

GET FREE AND CLEAR

The third way to safely amp up clients' returns is to tell them to pay down their mortgage. Though I often get hate mail from advisors when I write about this, the math is compelling and simple. The mortgage is merely the inverse of a bond, and your client is not going to make money borrowing at 4% only to lend it out at 2.8% or less.

I've heard all the arguments that the mortgage is tax deductible, but those arguments fail to acknowledge that the interest earned on the money not used to pay down the mortgage is taxable.

In fact, it's typically more tax-efficient to pay down the mortgage, since many clients are wealthier and being phased down from deductions and are being hit with the extra 3.8% Medicare tax on unearned income. Clients, of course, need liquidity to do this, since they can't just get their money back.

This advice works well under an hourly or retainer model but lowers an advisor's income in an AUM model. This is, however, the single biggest piece of low-hanging fruit we can do for a client. Responses from my clients on this strategy have been quite positive, as have been their discussion of it with family and friends.

High-quality bond index funds are good, but you can often do better for your clients. Sometimes these recommendations fit well with your fee models, and sometimes they don't. But if you're a fiduciary, you owe it to your clients to put their interests first.

Juicing income safely is a great goal. However, thinking junk or dividend stocks are safe ignores lessons of the past and is likely to lead to disastrous results.

High-quality bond index funds are good, but you can often do better for your clients.

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Allan S. Roth, a *Financial Planning* contributing writer, is founder of the planning firm Wealth Logic in Colorado Springs, Colorado. He also writes for *The Wall Street Journal* and *AARP the Magazine* and has taught investing at three universities. Follow him on Twitter at @Dull_Investing.

CE QUIZ

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FROM: CAN 3 BOND FUNDS OUTPERFORM 1?

1. Which of these bond funds had the highest 18-year annualized return (1999 through 2016)?

1. Vanguard Intermediate-Term Treasury (VFITX)
2. Vanguard Intermediate-Term Investment Grade (VFICX)
3. Vanguard GNMA (VFIIX)
4. Vanguard Total Bond Market Index (VBMFX)

2. What was the 18-year annualized return (1999-2016) of the following bond fund combination: VFITX 40%, VFIIX 25%, VFICX 35%?

1. 5.09%
2. 5.07%
3. 4.64%
4. 5.59%

3. During the same time period, what was the return of the following bond fund combination: VFITX 33.33%, VFIIX 33.33%, VFICX 33.33%?

1. 5.93%
2. 6.42%
3. 5.07%
4. 5.09%

FROM: AN 'EXCEPTION' THAT COULD DELAY RMDs FROM 401(K)s (online only)

4. A client cannot take advantage of the "still-working" exception for 401(k) RMDs if at the time they turn 70½ they own more than what percentage of the company sponsoring the plan?

1. 10%
2. 7%
3. 5%
4. 3%

5. What is the required beginning distribution date for retirees with 401(k)s or IRAs?

1. Jan. 1 of the year after the one in which they turn 70½.
2. June 1 of the year after the one in which they turn 70½.
3. Dec. 1 of the year after the one in which they turn 70½.
4. April 1 of the year after the one in which they turn 70½.

FROM: HOW NUA CAN HELP — OR HARM — RETIREES (online only)

6. Which of these is NOT considered a triggering event in order to be eligible for NUA treatment of an in-kind lump-sum distribution of employer stock?

1. Separation from service
2. Disability
3. Death
4. Reaching age 70½

7. Which rule states that the net unrealized appreciation of employer stock in a company plan will always be taxed at a long-term capital gains rate, regardless of the holding period?

1. IRS Notice 98-24
2. IRC Section 402(e)(4)
3. Revenue Ruling 75-125
4. Treasury Regulation 1.411-8(b)(4)(ii)

FROM: WHERE DOES THE FIDUCIARY RULE LEAVE MUTUAL FUNDS? (online only)

8. In 2017, what is the projected percentage of fund sales going to vehicles without loads and 12b-1 fees, per ICI, Lipper and Morningstar?

1. Approximately 92%
2. Approximately 77%
3. Approximately 85%
4. Approximately 68%

FROM: DUMB AND DUMBER INCOME MOVES

9. As of Sept. 15, 2017, approximately how much of its value has the JPMorgan Alerian MLP Index ETN lost, according to Morningstar?

1. 25%
2. 31%
3. 45%
4. 15%

10. What is the effective yield of a Sallie Mae five-year CD as of Sept. 7, 2017, according to DepositAccounts.com?

1. 2.25%
2. 2.07%
3. 2.35%
4. 1.85%

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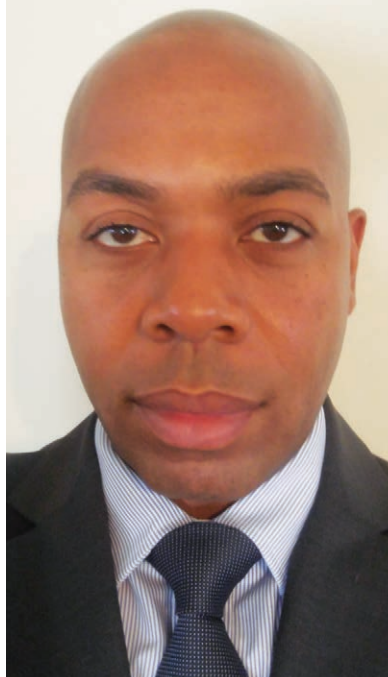
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Making the Financial Grade

To connect with prospective clients, an advisor offered one-hour lectures. Then he found a longer-lasting approach.

BY LEVAR HAFFONEY



AS AN ADVISOR WITH 12 YEARS OF EXPERIENCE, I'VE tried many ways to connect with prospects and clients. For years, I offered presentations on personal financial planning. The events were well attended and I generally received positive feedback, but they were ultimately unsatisfying — I could share only limited information in one hour.

I wanted to offer a different experience, and ultimately I found my answer close to home. I went back to school.

I approached the continuing education department at York College in New York City and offered to teach a course for adult students on financial skills like assessing cash flow and debt management. I was thrilled when the school accepted the proposal and I started in January 2015.

My first Personal Finance and Investing class consisted of pre-retirees aged 35 to 60. When I assessed their knowledge, it turned out several had retirement plans offered by employers, but they did not know what was in those plans.

I suggested some questions we need to ask ourselves before we make any investments. What are the goals? How long will it take to reach them? How much money do we need to accomplish those goals?

IN POSITION TO HELP

Not surprisingly, many students underestimated the amount of money they would need in retirement. From my previous presentations, I'd known many Americans lacked financial literacy. Now I was in a position to really help.

When I asked the students to create a budget, they weren't thrilled about it. They thought budgeting would force them to pinch pennies and live a miserable existence. I overcame their resistance by assuring them that a budget

would help them make spending decisions and I stressed the importance of tracking income and expenses. The attendees were relieved to know that a cup of coffee or a trip to the movies wouldn't derail their financial plan.

After that, we explored the basics of a stock and a bond. That's when my students started to get excited. The idea that they could share in the company's revenues intrigued them. They also liked the idea of lending their money to corporations and governments.

From there we moved on to mutual and exchange traded funds. I used this analogy: "A fund is like a carton of eggs. The fund is the carton and the eggs are individual stocks or bonds." They immediately understood.

Most students feared market downturns and were conservative. To raise their confidence, I explained how diversification could mitigate risks. Toward the end of the four-week course, the students signed up for an online stock market simulation game. I also provided them with a reading list so that they could study personal finance in depth.

On the final day of the class, we discussed the differences between financial advisors, financial planners and investment advisors. We delved into the services and products that professionals offer and their compensation. I brought in prospectuses to show the students how to identify mutual fund fees and expenses. We also discussed commissions and the need for tax planning in managing portfolios.

I have taught this class for two years to more than 100 attendees and I often follow up. Some students have hired fee-only financial planners and others decided to do it themselves. It is always satisfying to hear about their successes since taking my class.

FP

Levar Haffoney is a principal with Fayohne Advisors in New York City. He provides financial planning services to individuals, business owners and nonprofit organizations. Follow him on Twitter at @LevarHaffoney.

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