

Investment News: Texas Tech degree opens doors

School's planning program graduates are seen as well-rounded people with a good work ethic

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By [Aaron Siegel](#)

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The trick to finding qualified candidates for the financial planning business is to know where to look for them.

For Pennington Bass & Associates in Lubbock, Texas, a 35-year-old advisory firm, that has meant recruiting at least 30 interns from Texas Tech University, also in Lubbock. Since the late 1980s, the firm has hired half those students to work in the practice.

"We have had a pretty good experience [in recruiting from the personal-financial-planning division at Texas Tech]," said Mark Bass, partner at the firm, which manages \$220 million in assets. "Some of the students have been superb, and some have been ordinary, but on the whole, we have had a good experience."

About 70% of the students have been of top quality, and Mr. Bass thinks that the rest will become good financial planners as they mature.

"For our profession, having good interns come in is essential for the future. There is a need for good objective financial advice, and it is going to be more important in the decades to come," Mr. Bass said.

"Texas Tech instills in their students that financial planning is a profession and a career. I don't think we saw students of this quality 10 years ago."



Mark Bass (left) and Lee Pennington: Their firm since the 1980s has recruited at least 30 interns from nearby Texas Tech and hired half those students.

EVOLVING CURRICULUM

In addition, the faculty has improved and the curriculum has evolved to meet the needs of the financial services industry, said Lee Pennington, a partner at the firm.

As the demand has grown for new financial planners, so has the size of the program and the need for high-caliber faculty, he said.

"The quality of the professors at this stage of the game has added a new dimension to educating students about what financial planning is all about and what they can contribute to society in general," Mr. Pennington said.

In addition, graduates enter the profession knowing what will be required of them, he said.

"Professors expect a lot from the students, and they want students to act professionally, and they help them understand what is to be expected of them once they go out in the real world," said Christie Williams, a Texas Tech graduate and a capital strategist at Lee Financial Corp. in Dallas, which manages \$1 billion in assets.

"For our firm, we seek out from the professors which students are the shining stars, and we seek out an opportunity to work with them," she said.



Christie Williams

'GREAT ATTITUDES'

Students who come from Texas Tech are "bright" and "have great attitudes," said Bill E. Carter, president of Carter Advisory Services Inc. in Dallas, which manages more than \$700 million in assets.

While he prefers to hire people with work experience, he recognizes that students from Texas Tech "really understand the business [of financial planning]" and have strong backgrounds in securities, insurance and estate planning.

"They come in and know the concept of comprehensive financial planning," Mr. Carter said.

Recruiting students from Texas Tech has been a great experience, said Laurie Belew, associate planner at Fox Joss & Yankee LLC in Reston, Va.

"We were impressed with the students' technical knowledge, their knowledge as to what has gone on in the industry, and their confidence and eagerness to join the organization," she said.

Fox Joss & Yankee manages \$250 million in assets.

Mr. Pennington attributes the program's success to students who come to the school from hardworking families, which instill in students the importance of their work ethic.

"Many of the students in the program come from a farming culture, and they worked like hell as kids," he said. "Students see how hard their parents worked at farms and see financial planning as a way of leaving the farming community."

Despite the high hopes, it still takes time to turn students with strong technical knowledge into financial planners who are ready to sit face to face with clients.

"The students that we see are technically knowledgeable but have not had enough exposure in terms of how to relate to the client," Mr. Bass said. "In our opinion, they are not ready to do financial planning just yet."

Firms that look to recruit at Texas Tech compete to attract the students available to fill the myriad internships and job positions that they look to fill.

"If you want to hire a top student, you have to start early," Ms. Williams said.

She said that the firm is recruiting a top student who is set to graduate from the school in December.

One key challenge that small, fee-only financial planning firms face is being able to anticipate when the firm will need an intern, Ms. Belew said.

"It can be hard to hire a student from Texas Tech," she said. "We start earlier than most firms because the fee-only firms don't know till late [whether they will need to employ an intern for the summer]. For a student trying to plan ahead, it can be frustrating because a firm might not be hiring one week, and may be hiring the next."

In general, the majority of the personal financial planning program's students — 95% of undergraduates and 75% of graduate students — hail from Texas, and about 65% prefer to remain there, which poses another challenge for firms recruiting at the school.

The top candidate among the 30 students interviewed by Fox Joss & Yankee decided to stay in Texas, rather than relocate.

"It is hard to get a Texan out of Texas," said Ms. Belew, who graduated from the personal financial planning division at Texas Tech in 2006 and hails from Stanton, Texas. "The hardest part of moving away is breaking family ties, and it is the biggest thing keeping people back in Texas."



Bill E. Carter: Texas Tech students understand planning, he says.

STRONG PIPELINE

Ms. Williams, who graduated from Texas Tech in 1998, usually looks to her alma mater first as a pipeline for students who will be entering the field.

"Texas Tech students have a well-rounded knowledge of the industry, and many students wanted to get into the business because they are into helping people and possess a passion for planning," she said.

"They have a good balance between technical skills and the soft side of financial planning, a good work ethic, and the ability to think critically. So when the students come out, they can hit the ground running," Ms. Williams said.

"We look for students to display themselves in the most professional manner in all aspects when dealing with the firm ... and who don't hesitate to show their desire to be hired," she said.

Lee Financial usually interviews 20 candidates for a single position and then narrows down the field to three. The students are then run through a test that predicts how well they will fit in with the firm.

They are also tested on their Excel skills and they agree to a background check and to a credit check.

Once a new planner starts, they spend six months sitting in on meetings, and are required to take the Series 65 [certification] test [from the Financial Industry Regulatory Association Inc. of New York and Washington] before they can speak to or advise clients.

Texas Tech senior Justin Luddeke, 22, is the firm's most recent hire, and he will go through that process after graduating this month.

Ms. Williams said that Mr. Luddeke seemed "really smart and responsive" and got positive referrals from teachers and his previous employer. In turn, Mr. Luddeke, a Dallas native, said he withdrew his name for consideration from other jobs for which he had begun to interview to take the position.

Mr. Luddeke wants to get a certified financial planner designation, become a leader in the industry and use his position to help the greater good.

He expressed interest in joining the Denver-based Financial Planning Association and taking part in NexGen's Dallas study group. NexGen is part of the FPA that focuses on catering to the needs and challenges of younger advisers.

"I am confident and humble because I have so much left to learn, and I need to earn my own way," Mr. Luddeke said. "You have to have a good attitude, and be open to doing grunt work."

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INSIDE TEXAS TECH In this second of a two-part series, *InvestmentNews* looks at how the Texas Tech faculty prepares its students and what advisers find appealing in the program's graduates. For part one, go to investmentnews.com/TexasTech.



Justin Luddeke: The college senior hopes to earn a CFP designation.

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