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Next generation of advisers: Taking the 'holistic' approach

Texas Tech University's division of personal financial planning aims to become model program

By **Aaron Siegel**

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On the sprawling plains of western Texas, surrounded by oil wells, cotton fields and pickup trucks, sits a university with a major pool of developing talent for the financial advice industry.

Texas Tech University in Lubbock is located on a 1,839-acre campus dotted with brick buildings topped with red tiled roofs and surrounded by close-cropped grass.

The division of personal financial planning is in the College of Human Services. It was launched in 1987 and has more than 300 students.

That includes 200 undergraduates, 100 master's degree students and 28 doctoral candidates. They are taught by a faculty of 12 professors, who average 12 years of experience in the field.

The division places an emphasis on teaching students the "holistic" side of financial planning, which melds together psychology and finance, and represents a markedly different approach to a traditional business curriculum.

"Our focus is solely on financial planning," said Michael Finke, associate professor in the division.

"Many business programs are not recognizing the demand for students with a background in financial planning," he said. "As a school, we can benefit from being a more focused option."



Talent pool: Texas Tech has more than 300 students enrolled in the personal financial planning division.

ACADEMIC RIGOR

Starting in 2006, for example, Texas Tech began requiring new students to maintain a grade point average of 2.8 or better. Prior to that, they were required to maintain a minimum 2.5 GPA.

Students in the undergraduate program have to become well-versed in insurance, tax planning, asset allocation, estate planning and technology, in addition to completing an internship the summer before they graduate.

Undergraduates from other divisions have the option of working on a minor in personal financial planning by completing 27 credit hours of study to meet the requirements set by the Washington-based Certified Financial Planner Board of Standards Inc. to take the exam to become a CFP. Students may also minor in personal-finance studies by completing 18 credit hours.

The average under-graduate student is 21.

Seventy percent of the students are male. Eighty percent are white, 10% are Hispanic, and 5% are black.

The graduate program, which was the first in the country, gives students the option of combining a financial planning degree with a law degree, a master's degree in finance or a master's degree in business administration.

Between 80% and 90% of the undergraduate and graduate students who complete the program move on to jobs in financial planning, said Vickie Hampton, professor and program director in the division of personal financial planning.

BRANCHING OUT

Texas Tech features the only doctoral program in financial planning in the country. The program's current doctoral candidates are conducting research in different aspects of financial planning.

Some of those areas of research include looking at the distinction between a financial planner and a broker, understanding motives for charitable giving and the role ethnicity plays in investing.

The program, which began in 2002, aims to train future educators to teach at financial planning programs across the country.

Since 2005, eight students have earned their doctorates. Within that group, seven have taken academic positions at colleges and universities across the country and one has taken a position in the financial planning profession.

In September, one graduate, Luke Dean, accepted an offer to launch a financial planning program at William Paterson College in Wayne, N.J.

"The school's vision is for us to be the educators that perfect programs around the country," he said.

Texas Tech is also taking its recruiting efforts for master's and doctoral students global. Capitalizing on the thriving economies in emerging markets in Asia, the school has attracted students from as far away as Africa, China, India and Thailand.

"We take a fairly active role trying to help other financial planning schools, and not just in the U.S.," said John Gilliam, an assistant professor. "We want to see what we can do to make an impact internationally."



Luke Dean

Beyond the classroom, many students in the program engage in the Red-to-Black Initiative, a student-run program that consists of financial planning counseling and seminars for other students on topics ranging from credit, debt, saving money, tax planning, purchasing a car and planning premarital finances.

The school also has a chapter of the Personal Financial Planning Association, which is an offshoot of the Denver-based Financial Planning Association aimed at students working to become planners.

Every year, students attend the annual conferences of the FPA and the National Association of Government Defined Contribution Administrators Inc. of Lexington, Ky. In September, the school will also send students to Charles Schwab & Co. Inc.'s Impact 2008 conference in Atlanta.

Alumni stay involved with the school, forging relationships with students and using the school as a recruiting ground for interns and new graduates.

"Graduates have so much pride that they take a growing interest in the success of the program," said Professor A. William Gustafson, associate professor and director of the Center for Financial Responsibility at Texas Tech.

The division of personal financial planning intends to add features to the program which will increase its capacity and influence in the world of financial planning education.

The program, for example, plans to launch a clinic for practitioners to perform pro bono work. The clinic will charge fees on a sliding scale to assist needy people in the Lubbock area and elsewhere.

Associate professor Deena Katz is also working on developing a curriculum of financial planning studies that can be adopted by historically black colleges and universities that are understaffed. As part of this program, students in these schools would take financial planning courses via online video, saving their colleges from having to pay faculty.

Ms. Katz is also the chairman of Coral Gables, Fla.-based Evensky & Katz Wealth Management.

The division's placement office has 50 jobs listed on its website, but not enough students to fill them.

In January, the division began sharing jobs postings with the financial planning program at the University of Georgia in Athens and is looking to expand the posting network.

The Charles Schwab Foundation, the charitable arm of the San Francisco-based Charles Schwab, awarded a \$1 million grant to transform three classrooms into a technology center in October (*InvestmentNews*, Oct. 8). The 32,000-square-foot center will consist of a classroom, a work lab and a resource center that can be used by up to 75 students at a time.

Students will be able to use the new classroom for all financial planning studies. Additionally, students will have access to the resource center to use software that isn't available online.

The division of personal financial planning is also asking technology vendors to create exams so students can be certified in the use of different financial planning software applications before they graduate.

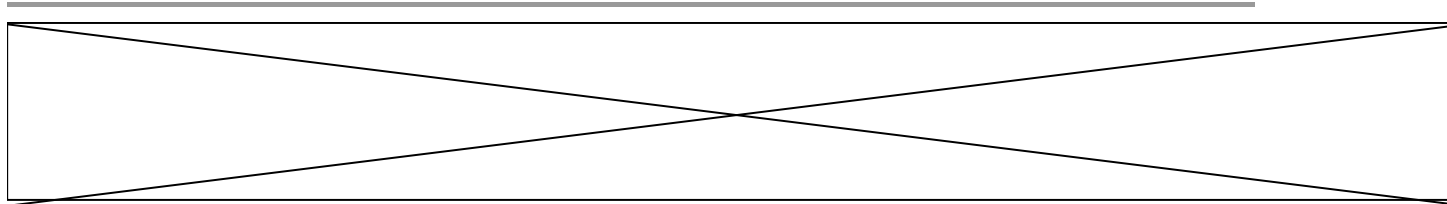
"It is interesting to see an oasis for financial planning thrive in the middle of a bunch of cotton fields," said Joshua Mungavin, a senior in the program.

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Michael Finke, John Gilliam and Vickie Hampton: The three are part of Texas Tech's financial planning program.

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