FCS Academic Programs and

As the profession of home economics evolved from its early mission of preparing women for domestic roles, teaching and research on the management of financial resources within the household became more prominent. Paralleling that evolution was the development of financial planning—a profession to help households achieve their goals through the management of financial resources. Family and consumer sciences-based family finance programs offer unique preparation for graduates who enter financial planning, a career field projected to have significant growth, especially for women and minorities. Although a number of challenges threaten the future viability of family finance programs, proactive partnerships may offer new strategies for sustaining these programs.

Since the turn of the 20th century and the coalescence of home economics, the use of money within the household has been an issue of study. In fact, Chown (1901) noted:

> There are scores of people glad to be convinced of the possibility of better methods of living, willing to study scientific laws, in so far as they will save money or give better results for money spent . . . . (p. 107–108).

Now known as family and consumer sciences (FCS), the profession can boast of a century of financial education of youth and adults in a variety of formal and informal settings. In recent decades, financial education, research, and practice has intersected with the burgeoning profession of financial planning, the goal of which is to help individuals and families manage their financial resources to achieve short- and long-term goals. An odd paradox frames financial planning and the FCS-based family finance programs that prepare graduates to become financial planners. Financial planning grew out of the need for professional financial managers to assist households; yet the value of family finance programs, which have the same mission, is generally unrecognized.

To further explore this paradox, three issues are considered. First, the history of financial planning and its intersection with FCS is traced. In short, it offers some perspective on the often-asked question, "why isn't this program in the college of business?" Second, some of the dangers and opportunities that might lie ahead for family finance programs are explored. Finally, it advocates proactive partnerships to maintain the viability of family finance programs in the future.

INTERSECTION OF HISTORY AND PHILOSOPHY

Rattiner (2000) traced the history of financial planning to a 1969 meeting that led to the 1970 founding of what came to be known as the International Association for Financial Planning (IAFP)[1] and gave voice to the "first broad-scope service profession to emerge in recent years" (p. 1). The objective of financial planning was to integrate the delivery of financial products and services to the consumer on the basis of *service*, not *sales*. With the birth of comprehensive financial planning came the need for education of financial planners, the 1971 establishment of the College for Financial Planning, and the designation of the first 42 Certified Financial Planner, or CFP™ licensees in 1973. Although not without competition from other industry designations, the CFP certification (registered with the U.S. Patent and Trademark Office in 2002) is

[1]In 2000 the IAFP merged with the Institute of Certified Financial Planners (ICFP) to form the Financial Planning Association (FPA) to develop and promote the financial planning profession.

Financial Planning Industry

Partnering to Meet Growing Demand

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accepted as the consumer standard for qualified financial planners, and efforts are underway to expand that acceptance internationally (CFP Board of Standards, 2001).

In 1985, the College for Financial Planning became an independent entity, and the Certified Financial Planner Board of Standards (the CFP Board) was formed to administer the designation and register academic programs that offered a certificate, undergraduate, or graduate education in financial planning. Content coverage must include the financial planning process, cash flow management, insurance, investments, income taxes, education and retirement planning, and estate transfer. Certificate programs are generally limited to 6 to 8 courses of required content; undergraduate and graduate programs integrate the required content and other related courses into a comprehensive degree program.

With the availability of the CFP™ designation and the registration of academic programs, the intersection of the professions of home economics and financial planning occurred. In fact, the Texas Tech Human Sciences program was among the first 20 programs registered in 1987, and recently was recognized with a Movers & Shakers Award, for the allied professionals division, by the readership of *Financial Planning* ("Movers & shakers," 2003). Today, there are more than 44,000 CFP™ licensees in the U.S. (CFP Board of Standards, 2004), some of whom are FCS professionals who pursued the designation in the early 1980s. Others are graduates of the FCS-based CFP Board-registered programs, which are shown in Table 1.

CFP Board-registered undergraduate and graduate programs that are housed in what were traditionally FCS units are in the minority when compared to programs housed in business or other professional study units (9 and 62, respectively, at the undergraduate level, and 9 and 28, respectively, at the graduate level[2]). Yet, several FCS undergraduate programs have gained

[2]Based on a count of the CFP Board listing of programs at http://www.cfp.net/become/programs.asp on May 5, 2004; some institutions may offer multiple undergraduate or graduate programs leading to different departmental or degree designations (e.g., MS and MBA), but each institution was counted only once.

name recognition within the profession (e.g., Lee, 2000; "Movers & shakers," 2003; "NAIFA rewards excellence," 2000; "The view from the top," 2001).

As one assessment, some programs (e.g., Kansas State, Texas Tech, Virginia Tech) have consistently competed successfully in the national American Express Planning Invitational, sponsored in partnership with the FPA, the CFP Board, the College for Financial Planning, and vendors. This event requires students to develop a comprehensive financial plan, present recommendations to a panel of judges, and compete in a knowledge "quiz." The fact that FCS programs have won this national competition in 3 of the 5 years (i.e., Kansas State in 2000 and 2003; Virginia Tech in 2004) attests to the quality and professionalism of the graduates.

Fundamental to the success of these programs may be the convergence of a common paradigm between financial planning and the FCS-grounded programs. Family finance students are well-equipped to empathize and communicate with individuals and families throughout the life cycle. These skills will be increasingly important as the financial planning profession more fully embraces *life planning* in conjunction with *financial planning* (Glasgall, 2003; Moeller, 2003b). Whereas the latter was asset and goal driven, life planning increases the emphasis on personal values and goals as operationalized across various life transitions. Life planning is a more holistic approach that empowers clients to achieve more with their money and their lives.

Although these ideas may be a new century's and another profession's response to Chown's 1901 comments on better methods of living for households, they nevertheless are basic tenets of FCS. By building on these tenets, family finance programs can have a unique advantage in contributing to the next generation of financial planning. Furthermore, life planning, in the context of financial planning, could offer new opportunities for collaboration among university family finance and family studies colleagues for teaching, research, and outreach.

Finally, family finance students tend to be unique in that their primary desire involves helping themselves by helping others achieve financial goals. On the one hand, to foster a truly service-oriented profession—the original goal of financial planning—it is important that future professionals are educated in and support a *service*, rather than *sales* or a *transaction-based*, approach. This transition from sales to service continues to be a concern within the evolving financial planning profession (Moeller, 2003a). Family finance programs, given their philosophy of service and empowerment to individuals, families, and communities, are supportive of this philosophy—another intersection of philosophy and practice in helping individuals and families manage financial resources to achieve goals.

OPPORTUNITIES FOR THE FUTURE

Development and recognition of family finance programs has paralleled that of the financial planning profession. The *Jobs Rated Almanac* ranked financial planning as the number one career in 2001, number three in 2002; criteria included in the rankings were work, environment, income, employment, outlook, physical demands, security, and stress (Krantz, 2001, 2002). According to the FPA, the median annual income for financial advisors is

Family finance students are well-equipped to empathize and communicate with individuals and families throughout the life cycle.

$75,000, and the independent advisor with his or her own business reported earnings of $118,950 (Moss Adams, 2001). These rankings, the above-average earnings potential, and the inherent demographic trends of the marketplace substantiate the significant opportunity for family finance students.

Demographics of the U.S. population suggest a growing demand for financial professionals. According to McReynolds (2000), "every 7 seconds, another baby boomer turns 50—and that torrid pace is expected to continue for at least another 19 years" (p. 47). Many of the millions of baby boomers who retire will seek the assistance of financial advisors and service providers. McReynolds projects the likelihood of a worker shortage in the financial services industry within the next 5 to 10 years.

Table 1. Family and Consumer Sciences CFP Board-Registered Programs

	BS	MS	PhD
Iowa State University[1,2]		X	
Kansas State University[1,2]	X	X	
Montana State University[2]		X	
North Dakota State University[2]		X	
Ohio State University	X		
Oklahoma State[2]		X	
Purdue University	X		
South Dakota State University[1,2]		X	
Texas Tech University	X	X	X
University of Alabama[1,4]	X		
University of Georgia	X		
University of Missouri–Columbia[1]	X	X	
University of Nebraska[1,2]		X	
University of Wisconsin-Madison	X		
Virginia Tech	X		

[1]Also offers a certificate program.
[2]MS programs offered online only through the Great Plains Consortium.
[3]Other universities may offer doctoral work in family finance, but this is the only CFP Board-registered program.
[4]CFP Board-registered programs available in the College of Business and in the College of Human Environmental Sciences.

Active recruitment of women is needed to better meet the needs of the marketplace. It is estimated that men represent 3 out of 4 CFP™ licensees and 70% of financial advisors (Wilton, 2003). In 1999, according to Weber (2000), 40% of the new hires into the Salomon Smith Barney broker-training program were women as compared to 20% in 1996. In 2000, 22% of the advisors within American Express Financial Advisors were women, almost double the industry average (Weber, 2000). The ongoing retirement of women currently employed in the profession and the overall worker shortage in financial institutions add to the employment demand. Also of interest is the projection that over the next decade women will be responsible for 85% of the growth in U.S. private wealth (Chesler, 2002).

Serving a diverse marketplace also means increased opportunities for minority students. In a survey of CFP™ certificants, slightly more than 1% identified themselves as Hispanic, and slightly less than 1% as African-American. However, these groups comprise 11.5% and 12.8%, respectively, of the U.S. population (Opiela, 2002; Weese, 2003). Consequently, the CFP Board and financial service providers are actively recruiting advisors from diverse racial and ethnic backgrounds.

The demand for well-educated graduates is strong, and is projected to increase, particularly for women and minorities, as financial planning expands to traditionally underserved audiences. Paradoxically, the ability of family finance programs to meet this demand may be in question.

CHALLENGES FOR THE FUTURE

Regardless of the historical precedents grounded in home economics or the future demands for serving individuals and families, family finance programs in FCS units face serious challenges. Foremost is the availability of qualified faculty who are willing to pursue the dual roles of educator and researcher in conjunction with the desired professional designations and experiences. As a professional field of study, it is important that students learn about the *process* of financial planning as well as the *profession*.

As colleges of business realize the potential for entry-level and continuing professional education in family finance, there is increased competition for students, and to a lesser extent, depending on accreditation standards, faculty. Anecdotal evidence suggests a significant salary differential between FCS positions and business faculty positions. Additionally, there are few family finance doctoral students matriculating through programs to fill current or future positions. As shown in Table 2, dissertations categorized as financial counseling/planning by the *Family and Consumer Sciences Research Journal* between 1995 and 2002 represented less than 2% of all dissertations completed; theses similarly categorized represented less than 1%.

The hiring of adjunct faculty is ancillary to the issues of faculty availability and competitive salaries. Adjunct faculty may be hired on a continuing or random basis, offering the benefits of lower costs per course, program continuation, and the opportunity for students to benefit from the experiences of practicing professionals. Disadvantages of the adjunct faculty approach include the availability

Table 2. Analysis of Family and Consumer Sciences Graduate Degrees Conferred, 1995–2002[1]

YEAR	MASTER OF SCIENCE					PhD				
	FINANCIAL COUNSELING/ PLANNING		FAMILY/ CONSUMER RESOURCE MANAGEMENT		FAMILY & CONSUMER SCIENCES TOTAL	FINANCIAL COUNSELING/ PLANNING		FAMILY/ CONSUMER RESOURCE MANAGEMENT		FAMILY & CONSUMER SCIENCES TOTAL
	n	%	*n*	%	*n*	*n*	%	*n*	%	*n*
1995	3	0.54	12	2.18	551	1	0.50	16	7.92	202
1996	4	0.97	21	5.08	413	2	1.00	11	5.53	199
1997	2	0.42	13	2.73	476	8	3.27	18	7.35	245
1998	5	1.04	19	3.94	482	6	2.38	13	5.16	252
1999	1	0.23	16	3.70	433	0	0.00	6	2.71	221
2000	5	1.16	14	3.24	432	4	1.97	16	7.88	203
2001	1	0.35	1	0.35	287	1	0.61	3	1.83	164
2002	0	0.00	6	2.22	270	0	0.00	6	4.51	133
Total	21	0.63	102	3.05	3,344	22	1.36	89	5.50	1,619

[1]Data based on the annual articles titled "A Listing of Theses and Dissertations Completed in Family and Consumer Sciences," which appeared in the *Family and Consumer Sciences Research Journal*, December, 1996 through December, 2003.

of interested adjuncts who are effective educators, and the macro-level costs to the full-time faculty and administrators. First, adjuncts must be oriented to university policies and procedures. Second, there is a greater programmatic cost in that adjunct faculty typically are not involved in the broader mission of the department, including student services or research and grant productivity.

In addition to the issues of program staffing and administration are concerns regarding program visibility. Whereas family finance programs may be recognized by some financial planning professionals, program supporters acknowledge that few in the financial services industry know about the majority of such academic programs (Morrow, 2001). The financial planning profession is not fully aware of the unique, specialized education available through family finance curricula. What is needed, according to Morrow (2000), is a concerted educational effort by family finance faculty to better inform the profession that they are, in fact, cultivating the next generation of planners with a unique set of skills, abilities, and knowledge. One way to do this is to promote the fact that students enrolled in family finance units are often eligible to sit for professional certification examinations and to obtain professional designations (e.g., Accredited Financial Counselor, Certified Financial Planner, and Registered Financial Associate) prior to entering their careers.

The issue of program visibility extends to high school and college personnel who often are not aware of family finance programs or the diverse types of career paths available. Consequently, many interested students graduate from college and eventually enter the financial services profession unaware that targeted academic programs had been available. Graduates of a CFP Board-registered program have met the education requirements to sit for the exam upon graduation; in contrast, other college graduates must satisfy the education requirement and have 3 years of related work experience to meet CFP exam eligibility.

Faculty and administrators cannot ignore these systemic issues if family finance programs are to remain viable in the future.

SUSTAINING FAMILY FINANCE PROGRAMS

Administrators, faculty, alumni, and students are encouraged to consider a number of options to strengthen family finance programs in partnership with the financial planning profession:

- Expanded promotion of family finance programs, both on- and off-campus.

- Increased emphasis on the development of research and theory to ground and promote continued graduate education in financial planning.
- Increased networking and visibility on the part of administrators, faculty, and students within the professional community, especially with program alumni.
- Increased support among faculty and students to pursue professional designations.
- Increased support for family finance graduate education, offered solely by an institution, or in collaboration with other related units on campus, or in collaboration with other institutions.
- Establishment of advisory boards to consult on curriculum issues, support student internship and employment placements, and to help with scholarship and other financial support.
- Enhanced efforts by FCS public school and cooperative extension educators to create family finance career awareness among youth and adults.
- Support for a co-curricular student organization to promote family finance professional development and networking opportunities for students, both on- and off-campus.
- Promotion of student memberships and participation in relevant professional organizations.
- Promotion of student internships in firms and organizations both within and outside the traditional financial service provider or financial planning career paths.

These efforts are consistent with CFP Board initiatives to develop more financial planning programs at the undergraduate, graduate, and doctoral levels, as well as to increase professional awareness among high school and college students ("Enhancing the CFP status," 2002). Increased efforts by a broad range of professionals will help to attract students who have a unique skill set founded in a sincere interest to help households achieve financial security and life goals. By working together proactively, FCS programs and the financial planning profession can position and sustain family finance programs to study and serve the financial services marketplace for another century.

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