TD Ameritrade Institutional
2017 Financial Planning Program
Directors Survey

November 2017
About the Survey

Background

TD Ameritrade Institutional is an industry leader and champion for supporting and developing future talent for the independent registered investment advisor (RIA) profession. Through its Generation Next programming and initiatives, the firm raises visibility, and provides resources and guidance on the development of the next generation of independent advisors, including under-represented groups such as women and minorities. The purpose of its first survey of directors of college financial planning programs is to:

• Collect data in a ground-breaking study of program directors of undergraduate financial planning programs.
• Understand program statistics such as enrollment, drop out rates, graduation and placement rates, as well faculty member composition and networking programs; compare women and minority statistics.
• Understand reasons for enrollment and dropout of financial planning programs; compare women and minority reasons.
• Determine barriers or challenges for getting women and minorities into financial planning programs.

Methodology

Using email and telephone outreach, True North on behalf of TD Ameritrade Institutional reached out to all of the 105 four-year colleges and universities in the U.S. with undergraduate financial planning programs, according to the CFP Board’s list of registered programs. Thirty-seven percent of schools participated in the survey, which was fielded via email and telephone in September 2017. TD Ameritrade and True North are separate and unaffiliated and not responsible for each other’s services and policies.
Executive Summary

With enrollment at financial planning programs expected to grow and diversify, RIAs should act now for a better shot at attracting young talent

- Nine out of 10 program directors say their programs will grow over the next five years.
- Sixty-seven percent expect more minorities in their programs and 72 percent expect for more women.

A lack of awareness about financial planning is impacting enrollment

- Women and minorities may choose not to study financial planning because they don’t know about it as a career choice.
- The perception that compensation is based on or tied to commissions is a major deterrent for women.
- For minorities, the lack of relatable role models is a key reason to discount the profession.

Financial planning is a career that attracts “the helpers”

- The #1 reason women and minorities study financial planning is because they want to help others achieve their financial goals.
- Personal financial success is also a top motivator for all students.
- Minorities are entrepreneurially minded, and are drawn to the ability to start and own a business one day.
- For women, work / life balance is a top reason to choose a career as a financial planner.
Executive Summary

Women and minority financial planning graduates are snapped up faster by firms
- At least 75 percent of women and minorities have jobs upon graduation, edging out students in general.
- More than half of women graduates are expected to sit for the CFP exam, versus 46 percent of all students and 46 percent of minorities.
- #1 challenge all students faced with taking the CFP Board exam: finding the time to do so.

Financial planning comes to life when RIAs get involved.
- Seventy-two percent teach about the RIA model, mainly via guest lecturers and classroom curriculum.
- #1 thing RIAs can do more of: hire more interns, followed by participate in career days and serve as guest lecturers / adjunct professors.

On campus, financial planning programs have room to grow
- Fifty-one percent of financial planning students transfer in as juniors or seniors, typically leaving finance, accounting, or economics.
- The programs are relatively young, 10 years on average, and 38 percent are less than five years old.
- Financial planning programs have six faculty and 69 students on average.
- Eight in 10 offer networking events for financial planning students.
- Just 54 percent of schools have a student chapter of a financial planning trade organization (most have FPA).
Enrollment Trends
Student interest in financial planning has been rising

Enrollment in Financial Planning Programs – Last Five Years

<table>
<thead>
<tr>
<th></th>
<th>Increase</th>
<th>Stay the Same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>All students</td>
<td>61%</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>Female students</td>
<td>59%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Minority students</td>
<td>41%</td>
<td>56%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Base: Respondents with programs over 5 years old (n=27)
Q23. How would you say your enrollment has changed in this program (or courses) over the last five years?
Q24. How would you say female enrollment has changed in this program (or courses) over the last five years?
Q25. How would you say minority enrollment has changed in this program (or courses) over the last five years?
Financial planning programs are poised to grow

Enrollment in Financial Planning Programs – Next Five Years

- **All students**: 90% Increase, 8% Stay the Same, 3% Decrease
- **Female students**: 72% Increase, 26% Stay the Same, 3% Decrease
- **Minority students**: 67% Increase, 31% Stay the Same, 3% Decrease

**Base:** Total Respondents (n=39)

Q20. How do you expect enrollment to change in the financial planning program (or courses) at your school to change over the next 5 years?

Q21. How do you expect the number of female students enrolled in the financial planning program (or courses) your school to change over the next 5 years?

Q22. How do you expect the number of minority students enrolled in the financial planning program (or courses) your school to change over the next 5 years?
Many schools have 50+ financial planning students

Enrollment in Financial Planning Programs – 69 Students on Average

- 31% of respondents reported 1 to 20 students
- 18% reported 31 to 50 students
- 13% reported 76 to 100 students
- 15% reported 151 or more students
- 15% reported 101 to 150 students
- 8% reported 51 to 75 students
- 5% reported 21 to 30 students
- 10% reported 1 to 20 students

Base: Total Respondents (n=39)
Q4. How many students are in your financial planning program (or courses)?
Women and minority enrollment lags broader U.S. population

Enrollment in Financial Planning Programs – Diversity

Compared With...

- Women account for 56% of college undergraduates
- 51% of the U.S. population is female
- 37% of undergraduates are minorities
- Minorities comprise 23% of the U.S. population

Just 36% of financial planning students are women, but 43% of graduates are women.

### 2017 Graduates with Financial Planning Degrees – Gender

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
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<tbody>
<tr>
<td>Women</td>
<td></td>
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<tr>
<td>Women</td>
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<td>Women</td>
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<tr>
<td>Women</td>
<td></td>
<td></td>
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<tr>
<td>43%</td>
<td></td>
<td>57%</td>
</tr>
</tbody>
</table>

### 2017 Graduates with Financial Planning Degrees – Minority

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Non-minority</th>
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</thead>
<tbody>
<tr>
<td>Minority</td>
<td></td>
<td></td>
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<tr>
<td>Minority</td>
<td></td>
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<tr>
<td>Minority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31%</td>
<td></td>
<td>69%</td>
</tr>
</tbody>
</table>

Base: Total Respondents (n=39)
Q8. How many of these graduates are women?
Q9. How many of these graduates are minorities?
In 2017, 23% of programs had 20+ graduates

2017 Graduates – 16 Students Per School, Average

- Zero: 3%
- 1 to 20: 56%
- 21 to 30: 10%
- 31 to 50: 8%
- 51 to 75: 5%
- No bachelors program: 18%

Number of students graduating with financial planning degrees

Base: Total Respondents (n=39)
Q7. How many students graduated with financial planning bachelor’s degrees this past year at your school?
Q8. How many of these graduates are women?
Q9. How many of these graduates are minorities?
**Women and minorities often do not know about financial planning as a career option**

### Why Don’t More Students Study Financial Planning?

<table>
<thead>
<tr>
<th></th>
<th>Women (%)</th>
<th>Minorities (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of awareness - women do not view financial planning as a career option</td>
<td>54%</td>
<td>44%</td>
</tr>
<tr>
<td>Salaries are commissions-based or commissions are a high percentage of salaries</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Need more females in high-profile positions</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Need better work / life balance</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Need more female owners of financial planning firms</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Lack of mentoring / internships available for women</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Other challenge</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Lack of awareness - minorities do not view financial planning as a career option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need more minorities in high-profile positions</td>
<td></td>
<td>18%</td>
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<td>Salaries are commissions-based or commissions are a high percentage of salaries</td>
<td></td>
<td>15%</td>
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<tr>
<td>Lack of mentoring / internships available for minorities</td>
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<td>8%</td>
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<tr>
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<td></td>
<td>5%</td>
</tr>
<tr>
<td>Need better work / life balance</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>Other challenge</td>
<td></td>
<td>8%</td>
</tr>
</tbody>
</table>

Base: Total Respondents (n=39)

Q42. In your view, what is the number one challenge facing the industry when it comes to attracting more women to the profession?

Q43. In your view, what is the number one challenge facing the industry when it comes to attracting more minorities to the profession?
Most schools offer financial planning networking events for all students

Financial Planning Programs with Student Networking Events

- **Total**
  - Yes: 79%
  - No: 21%

- **Events for Women**
  - Yes: 31%
  - No: 69%

- **Events for Minorities**
  - Yes: 18%
  - No: 82%

Base: Total Respondents (n=39)
Q34. Does your school offer any networking events for students pursuing financial planning careers?
Q35. Does your school offer any networking events to women pursuing financial planning careers?
Q36. Does your school offer any networking events specific to minorities pursuing financial planning careers?
Financial Planning Association has the biggest on-campus presence

**Schools That Have a Student Chapter of a Financial Planning Trade Organization**

- **Yes**: 54%
- **No**: 46%

**Trade Organizations On Campus**

- **FPA Financial Planning Assoc.**: 90%
- **Other**: 20%
- **I don't know**: 10%

*base: Total Respondents (n=39)*

Q37. Does your school maintain a student chapter of a financial planning trade organization, such as FPA or NAPFA?

Q38. Which trade organization(s) does your school maintain a student chapter? (Please type in responses, clarifying spelling if needed)?
RIAs need to be more involved on campus

How RIAs Can Promote the Financial Planning Discipline On Campus

- Hire more interns: 90%
- Participate in career days: 79%
- Serve as guest lecturers and/or adjunct professors: 79%
- Participate in more on-campus recruiting events: 74%
- Host informal, informational lunches and lectures on campus: 67%
- Be a visible presence at major school events – sporting events, theater, concerts, graduations: 49%
- Advertise in the school newspaper: 31%
- Develop curriculum or reading materials: 31%

Base: Total Respondents (n=39)
Q50. How can the RIA industry help promote the financial planning discipline in your school?
After Graduation
Financial planning graduates are in high demand

**Students Who Land Financial Planning Jobs Within Six Months of Graduation**

- **Total**
  - Yes: 73%
  - No: 27%

- **Females who land jobs within 6 months of graduation**
  - Yes: 77%
  - No: 23%

- **Minorities who land jobs within 6 months of graduation**
  - Yes: 75%
  - No: 25%

*Base: Total Respondents (n=39)*

Q39. What percentage of students in your program (or courses) land jobs in the financial planning field upon graduation (within six months of graduation)?

Q40. What percentage of female students in your program (or courses) land jobs in the financial planning field upon graduation (within six months of graduation)?

Q41. What percentage of minority students in your program (or courses) land jobs in the financial planning field upon graduation (within six months of graduation)?
For women and minorities, helping others is the #1 reason to be a financial planner

Top Reasons Students Consider Financial Planning Careers

- To make money (be personally financially successful)
  - Men: 67%
  - Women: 54%
  - Minorities: 69%

- To help others invest and reach their financial goals
  - Men: 67%
  - Women: 67%

- Enjoy learning about the markets and investing
  - Men: 51%
  - Women: 44%

- To be able to start / own their own business one day
  - Men: 49%
  - Women: 41%

- Like finance, but don't want an MBA
  - Men: 33%
  - Women: 26%

- Joining the family business / following in other family members' footsteps
  - Men: 21%
  - Women: 21%

- Better work/life balance than other Wall Street careers
  - Men: 15%
  - Women: 8%

- Want to start their own hedge fund or other investment fund
  - Minorities: 41%
Time is the biggest obstacle to taking the CFP exam

**Biggest Challenge to Taking the CFP Exam**

<table>
<thead>
<tr>
<th>All Students</th>
<th>Women</th>
<th>Minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Cost</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Wanting to fill the experience requirement first</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Lack of support from mentors to prepare for the exam</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>31%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Base: Total Respondents (n=39)
Q13-15. What is the biggest challenge for students to sit for the exam?
Women are most likely to take the CFP exam upon graduation

Students Expected to Sit for the CFP Exam Jobs Upon Graduation

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>53%</td>
</tr>
<tr>
<td>Minorities</td>
<td>46%</td>
</tr>
</tbody>
</table>

Base: Total Respondents (n=39)
Q10. Upon graduation, what percentage of your students do you expect to sit for the CFP exam?
Q11. Upon graduation, what percentage of your female students do you expect to sit for the CFP exam?
Q12. Upon graduation, what percentage of your minority students do you expect to sit for the CFP exam?
About Financial Planning Programs
Six in ten schools offer a financial planning major

Types of Undergraduate Financial Planning Programs Offered

- Yes – as a major: 62%
- Yes – minor: 41%
- Yes – specialized certificate or similar program: 23%
- Yes – some other type of degree or concentration: 28%

Base: Total Respondents (n=39)
Q1. Does your school offer a financial planning degree program?
Total responses less than 1% omitted from report.
Multiple responses accepted.
Financial planning programs are relatively young

Age of Financial Planning Programs / Courses

Number of Years these Programs and Courses Have Been in Place

- >20: 13%
- 16-20: 13%
- 10-15: 21%
- 5-9: 15%
- Less than 5: 38%

Average: 10 Years

Department Where Financial Program Resides*

- Business School (Finance Dept): 49%
- Business School (General): 31%
- Other: 23%

* >100% because one school currently has two programs in different locations
Schools actively teach students about the RIA model

How Students Learn About the RIA Model

Does your program teach students about the RIA model?

No 28%
Yes 72%

If so...how?

- Bring in RIAs as guest lecturers: 86%
- Dedicate specific amount of time teaching about the various channel options for RIAs: 86%
- Discuss RIAs in the context of broader coursework on career pathing options: 64%
- At least one advisor from a RIA serves as an adjunct faculty member: 36%
- As a graduation requirement, students are required to do an internship: 21%
- Some other way: 7%

Base: Total Respondents (n=39)
Q48: Does your program teach students about the RIA model?
Q49: How does your program educate students about the RIA model?
There is some diversity among financial planning faculty

### A Look at Financial Planning Program Faculty

<table>
<thead>
<tr>
<th>Category</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Faculty Members</td>
<td>6</td>
</tr>
<tr>
<td>Advisors or Former Financial Advisors</td>
<td>2</td>
</tr>
<tr>
<td>Women Faculty Members</td>
<td>2</td>
</tr>
<tr>
<td>Minority Faculty Members</td>
<td>1</td>
</tr>
</tbody>
</table>

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Base: Total Respondents (n=39)
Q16: How many faculty teach courses that are part of the financial planning program or courses?
Q17: How many are advisors or former financial advisors?
Q18: How many of these faculty members are women?
Q19: How many of these faculty members are minorities?
Most students discover financial planning after trying other majors

**When do most students start studying financial planning?**

- Transfers in as juniors or seniors after switching majors: 51%
- Start the program as freshmen or sophomores and finish: 23%
- It's about equal: 13%
- Don’t know: 13%

**From what majors do the transfers come?**

- Finance: 77%
- Accounting: 56%
- Economics: 26%
- Sociology: 3%
- Math: 3%
- Other major: 31%

Base: Total Respondents (n=39)
Q32. Do most of your students start the program (or courses) as freshmen or do they transfer in later in their college careers?
Q33. For those switching majors, from which disciplines do most of financial planning students come?
Important Information

About the Survey
The TD Ameritrade Institutional 2017 Financial Planning Program Director Survey is the RIA industry’s first-ever survey of financial planning program directors. TD Ameritrade engaged True North to reach out to all of the 105 four-year colleges and universities with undergraduate financial planning programs in the United States according to the CFP Board’s list of registered programs. Thirty-seven percent of schools participated in the survey, which was fielded via email and telephone in September 2017. TD Ameritrade and True North are separate and unaffiliated and not responsible for each other’s services and policies.

About TD Ameritrade Institutional
TD Ameritrade Institutional is a leading provider of comprehensive brokerage and custody services to more than 6,000 fee-based, independent RIAs and their clients. Our advanced technology platform, coupled with personal support from our dedicated service teams, allows investment advisors to run their practices more efficiently and effectively while optimizing time with clients. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., a brokerage subsidiary of TD Ameritrade Holding Corporation.

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