

# Integration Of Professional Certification Examinations With The Financial Planning Curriculum: Increasing Efficiency, Motivation, And Professional Success

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## ABSTRACT

*This article provides a theoretical-based rationale and plan of action for educational programs to encourage and create opportunities for the integration of course study with professional exam preparation, while highlighting the complementary benefits for students, academic programs, and the financial services profession. Serving primarily as a model for faculty associated with university-based financial planning education, this article also provides a foundation for future research in this area. In addition, the article presents descriptive information on select designations and licenses currently available that finance and financial planning students could pursue concurrently with coursework.*

**Keywords:** Personal financial planning; professional education; financial services; Higher education; curriculum reform

## INTRODUCTION

As the number of financial planning programs continues to grow across the United States, responding in part to the baby boomer generation's demand for more financial planners, models for the development of successful financial planning programs with effective pedagogical strategies will benefit the profession and consumers alike (Martin, 2007). One such strategy involves students graduating with professional certifications and licenses to facilitate their transition into the professional world. Goetz, Tombs, and Hampton (2005) illustrate the need for financial planning education programs to implement changes to close the gap between the classroom and the profession, thereupon easing the college students' transition into the workforce. Moreover, the financial planning profession is becoming increasingly competitive, requiring those entering the profession to obtain career-specific licensures and credentials as soon as possible to increase their marketability for employment as well as their productivity and value in the workplace.

Currently, most students enter the professional world of financial services with only their education and possibly a few months of experience derived from a summer internship. Consequently, once employed, additional time and expense are necessary for these new professionals to acquire accreditations and licenses before becoming of significant financial value to their employers. One potential solution to this predicament may be the attainment of appropriate certifications and licenses by students before graduation. The process of acquiring these credentials may more effectively prepare students for the increasingly high expectations of the financial services profession as well as complement their classroom learning. Making students aware of the multiple professional examination options available at the beginning of educational programs is likely the key to enabling students to organize their curriculum

plans in such a way as to integrate their preparation for coursework with that of licensure and certification exams. This process of integration may result in an increased motivation to learn and greater efficiency of study.

The quantity of designations associated with financial service professions continues to grow. For example, there are currently 24 financial service designations listed on the website of Certified Financial Planner Board of Standards, Inc. (CFP Board) and 94 listed on the website of Financial Industry Regulatory Authority (FINRA). The growing number of specialized designations reflects the wide array of career tracks within the financial services profession. Unfortunately, students are typically unaware of the myriad designations that exist in the financial services arena or the career paths associated with those credentials. Furthermore, students who actually do have some awareness of these professional credentials often fail to see them as personally relevant or attainable given their current status as students. However, the integration of study and preparation for financial planning coursework with the preparation required by professional practice exams may actually introduce a unique opportunity for students to increase their study efficiency, motivation and professional success. In addition to providing eligibility to sit for the comprehensive CFP® Certification Examination, the current curricula associated with the 191 colleges and universities offering 310 CFP Board-Registered Programs include course content that significantly overlaps the content required on numerous, more specialized professional examinations.

This article begins to address the question of whether the integration of professional practice examinations with the personal financial planning curriculum may increase the motivation, study efficiency, and professional success of students as well as provide multiple benefits to educational institutions and the financial services profession. Theoretical-based rationales suggesting financial planning students should pursue professional credentials before graduating and entering the professional world are presented. Furthermore, specific examples of how students can integrate professional examinations into their curricula and how financial planning education programs can encourage this action are illustrated.

## **THEORETICAL FRAMEWORK**

Motivation theory provides the theoretical underpinnings for the integration of professional practice examinations with the personal financial planning curriculum. Motivation is defined as a process whereby goal-directed activity is instigated and sustained (Pintrich & Schunk, 2002). Motivated students display interest in academic activities, adhere to the class scheduled progress, explore extra materials related to study topics and perform well in classes and on exams. Pintrich and Schunk illustrate that theoretical and empirical research in many disciplines (e.g., education, psychology, personal development, time management, and business operation and employee management fields) provides support for the significant impact that motivation has on all aspects of personal performance. More specifically, educational research illustrates that motivation affects all aspects of schooling and the personal success of students. Motivation involves goals that provide the impetus and direction for action. Motivation and goal-setting theory provide a cogent argument for the integration of professional exams with the financial planning education curriculum in order to increase student performance and career success.

Cognitive views of motivation are united in their emphasis on the importance of goals. Goals may not be well formulated and may change with experience, but the point is that individuals have something in mind that they are trying to attain or avoid (Pintrich & Schunk, 2002). This description coincides with many of the students encountered by the authors on a daily basis, especially when those students are determining their major or future career path. A significant number of students switch majors during college, and some students experience a long period of time without having declared a major. Only after students have determined a direction for their study or career will they be optimally motivated to study. One indicator of motivation is choice of tasks. When students have a choice, what they decide to do indicates where their motivation resides. In other words, selection of a task under free-choice conditions indicates motivation to perform the task. But where do the choices come from? Educators do not expect students to identify the choices aimlessly and randomly. Rather, it is hoped that students make their decision from a group of choices that are proven to be beneficial to students. The decision process is comparably easier if an education program can offer a clear description of the choices that students have available in terms of career path enhancement, future professions and employment, and potential career concentrations. Making students aware of the myriad professional certifications available in financial services might also help students understand the various career paths from which they can choose.

### **The Goal of Passing Professional Certification Examinations**

Locke and Latham (2002) define a goal as the object or aim of an action, such as to attain a specific standard of proficiency, usually within a specified time limit. The core findings of goal-setting theory include the relationship of goal difficulty to performance and the effect of specific, difficult goals to a commonly used exhortation in organizational settings. According to Locke and Latham (1990) a positive, linear function is present in that the highest or most difficult goals produce the highest levels of effort and performance. At the same time they also found that specific, difficult goals consistently led to higher performance than the simple urging of people to do their best. In this sense, the theoretical benefits of making professional designations and examinations more salient to students are easily recognizable, as they are examples of specific and challenging goals. If students choose to pursue one or more professional designations at the same time they are enrolled in a course covering similar content, their overall performance should increase more dramatically than by simply instructing those students to do their best when studying the subject. Moreover, the more challenging goals will cause students to put more effort into study. For example, if students are aware that they are eligible and already substantially prepared to sit for the first level of the AFC<sup>®</sup> (Accredited Financial Counselor) exam after completing an introductory financial planning course, they are likely to put more effort in that course through additional study in hope of reaching two goals concurrently: (1) pass the class and (2) pass the first AFC exam.

According to Locke and Latham's theory, goals affect performance through different mechanisms. First, goals serve a directive function in that they direct attention and effort, both cognitively and behaviorally, toward goal-relevant activities and away from goal-irrelevant activities (Locke & Latham, 2002). Hence, students with specific learning goals learn better in goal-related activities compared to goal-irrelevant activities (Rothkopf and Billington, 1979). For example, when students have the specific goal of passing a professional exam, they, theoretically, will perform better in those classes covering information that is also tested on the professional exam, since their behavior will be directed by their chosen goal (i.e., passing the professional exam). Goals also have an energizing function as high goals lead to greater effort than low goals (Locke & Latham). When participants are allowed to control the time they spend on a task, difficult goals prolong effort. Another mechanism of goal-setting theory is that goals affect persistence (LaPorte & Nath, 1976). As the theory implies, there are tradeoffs between time of effort and the intensity of effort. Empirical evidence indicates that tight deadlines lead to a more rapid work pace than loose deadlines (Bryan & Locke, 1976; Latham & Locke, 1975). Wood and Locke (1990) purport that goals affect action indirectly by leading to the arousal, discovery, and use of task-relevant knowledge and strategies.

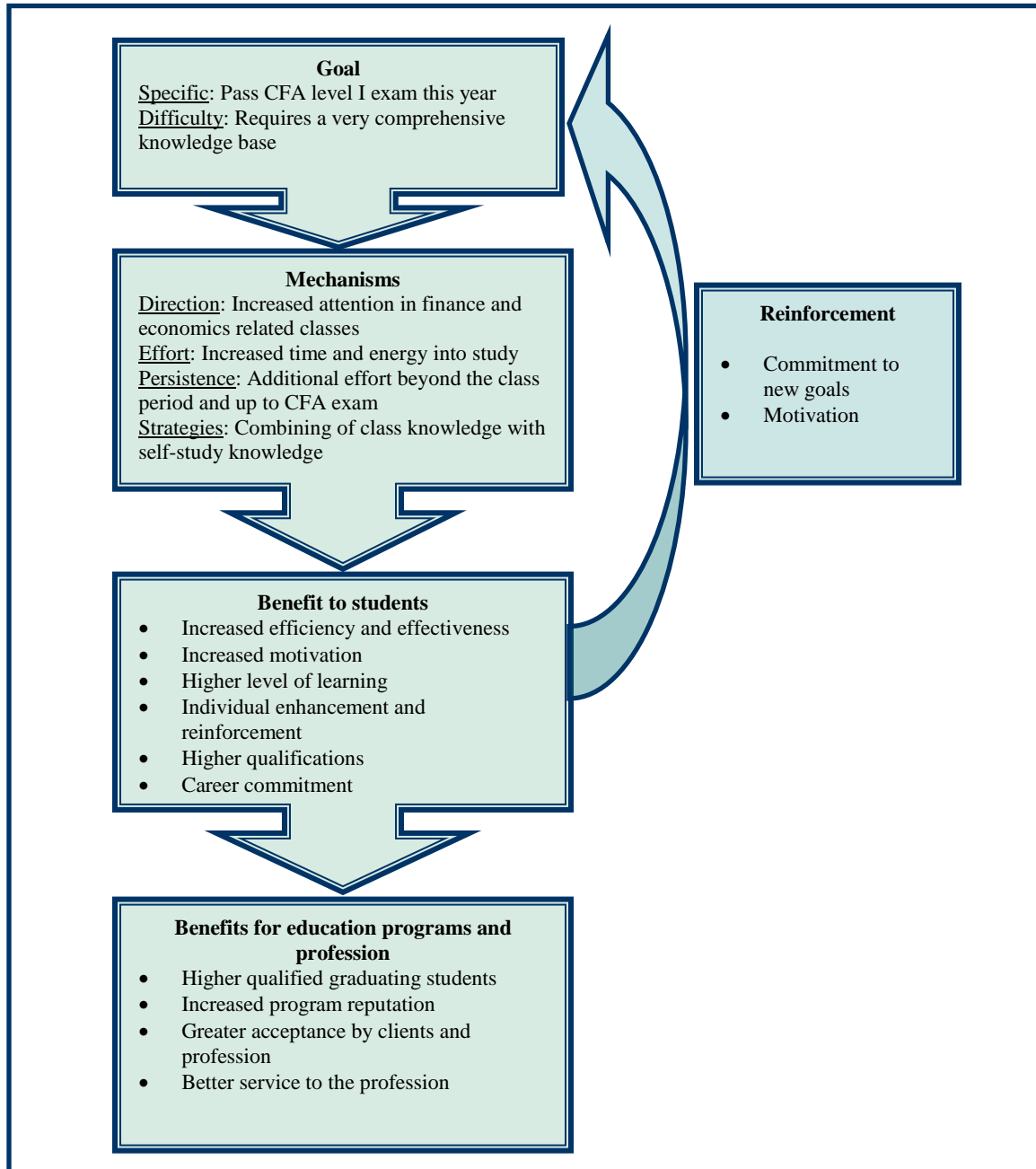
In sum, as suggested by goal-setting theory, students with established versus abstract goals, such as attainment of a professional certification or designation, results in better performance. The fact that possessing additional goals is positively related to performance supports the main thesis of this article: the integration of professional practice examinations with the personal financial planning curriculum may improve students' study efficiency, motivation and consequently, their professional success. Figure 1 provides a model of how goal-setting theory is applied to the integration of classroom and certification exam preparation.

### **PROFESSIONAL CREDENTIALS IN FINANCIAL SERVICES**

As stated, a myriad of financial designations exist in the financial services profession. Students should be educated about various designations so they are able to make informed decisions relating to which credentials will benefit them most in their chosen career. Some designations, such as Certified Financial Planner<sup>™</sup>, are broad in scope and may appeal to any student interested in a career in financial planning for individuals and families. Others, such as the Certified Retirement Counselor<sup>®</sup> are specialized in certain areas and may lead to specific careers. If students' career plans involve specialization in retirement planning or employee retirement benefits, those students might consider pursuing the Certified Retirement Counselor<sup>®</sup> (CRC<sup>®</sup>) designation. This designation involves a code of ethics, continuing education requirements, and four competency areas: (1) fundamentals of retirement planning, (2) fundamentals of investment, (3) fundamentals of retirement plan design, and (4) fundamentals of retirement income planning, retirement readiness, counseling and communication. Students majoring in financial planning and related areas often complete coursework substantially similar to the competency areas listed above (or if some content is not currently included, faculty might utilize material from the certification curriculum to enhance their course syllabi). Therefore, students can more efficiently yield success in the classroom while at the same time

acquiring this professional designation by strategically taking the comprehensive CRC® exam at about the same time they are completing corresponding retirement and investment courses. In other words, student preparation for the course exams and the professional designation exams could complement each other.

**Figure 1: An Example of Goal-setting Theory and its Application in Finance/Economics Education**



The CFA® (Chartered Financial Analyst) is perhaps the most prestigious designation that serves as a benchmark for aptitude and achievement in the areas of investment analysis and portfolio management. Its popularity is evidenced by the fact that more than 100,000 professionals from more than 150 countries register to

pursue the designation each year, as indicated by the CFA Institute. To attain this designation, there is a self-study curriculum designed to allow professionals to prepare for the exams. However, undergraduate and graduate students of finance and financial planning are required to take investment courses that overlap with much of the Level I Exam content. Thus, the time immediately following the completion of investment courses is an opportune time for students to pursue completion of the Level I Exam for the CFA charter. Furthermore, in preparation for the CFA exam, students can use the CFA study prep materials to supplement their classroom learning and textbooks. Ultimately, the effort that students invest studying for their degree coursework and for the CFA exam complement each other and yield a very efficient method of study in terms of time consumption and the “recency effect” in memory.

The AFC designation provides another example of how a professional certification could be pursued concurrently with a student’s coursework, likely yielding improved motivation and performance in the classroom and greater success on professional examinations. The AFC requires passing two examinations; one reflects the information learned in a *fundamentals of financial planning* course and the other covers material typically learned in a *financial counseling* course. A student who desires to be credentialed with a specialty in financial counseling could conveniently sit for each of the respective exams immediately following the corresponding coursework; thus, yielding a more efficient use of study time and better class performance.

Students attending CFP Board-Registered Programs often sit for the CFP® Certification Exam soon after graduation. Although, the CFP Board positions the exam as experienced-based, students are finding some success, and attributing this success to the recency in which they studied the material in class and the flexibility in their current schedules to dedicate a substantial amount of preparation time for the exam. Also notable is the fact that preparation for the exams required for one designation could complement the preparation required of other credentialing exams. For example, a student who takes a retirement planning course and subsequently the exam required for the CRC® designation may be even more prepared for the CFP® Certification Exam. In this example, a student would have three goals in mind when studying for her retirement planning course (i.e., performing well in the course and on the two professional exams), and would therefore, theoretically, perform better in that course.

Various other designations are referenced later in the article, including within a table listing many of the credentials and licenses potentially relevant to students of financial counseling and planning (see Table 1). Table 1 provides an outline describing the opportunities for students to overlap their study efforts to do well in their courses while also attaining professional credentials that benefit them professionally. The list of designations and licenses presented in the table is not comprehensive, endorsed, or prioritized in any way. The table is meant only to serve as a reference for how students and faculty can implement the ideas presented in this article. Although not specifically referenced in the table, the use of almost all designations and licenses requires adherence to professional and ethical guidelines as well as varying amounts of continuing education.

## **Licenses**

Since many financial service entities require licenses for their employees, licenses are perhaps the most valuable credentials that a student can acquire before graduating and assuming employment. For example, the Series 7, General Securities Representative exam, is required by many retail focused brokerage houses. The Series 7 license enables an individual to solicit, purchase, and sell securities products, and therefore opens many doors in the financial services profession. Upon passing the Series 7 exam, a student can sit for the Series 63, which allows individuals to sell securities within a particular state; some states, however, do not require the Series 63. The Series 66 exam is a combination of the 63 and the Series 65, and needs to be completed in order for one to become an Investment Advisor Representative in certain states and under certain service models. Some states require the completion of the Series 66 along with Series 7. The Series 65 allows students to provide investment advice to clients and is particularly valuable for students who plan on seeking employment with a fee-only financial planning firm.

The Series 7 requires that individuals be sponsored by a financial company who is a member of FINRA or by a self-regulatory organization (SRO) such as an exchange or state regulator. When students complete internships, those students can request to be sponsored at that time and offer to pay for the exams. A student does not need to

have a sponsor to take the Series 63, 65, or 66, and can therefore initiate the preparation and testing for these licenses on their own. After students have completed courses covering investment planning and retirement planning, they are primed to sit for many of these licensure exams with minimal additional study. Students who do not possess licenses when assuming professional positions, which are the vast majority of students, spend a significant amount of time during the initial phase of their employment simply preparing for these exams, rather than providing financial value to their employer. In fact, this represents an extraordinary training cost to the employer. Students who have already acquired relevant licenses are more prepared to be immediately productive, thereby increasing their marketability for job placement.

**Table 1: An Example of Professional Exams Corresponding with Coursework**

<b>Academic Courses</b>	<b>Examination</b>	<b>Experience</b>	<b>Other Requirements</b>	<b>Sponsoring Organization</b>
<b>Fundamentals of Financial Planning</b>				
Accredited Financial Counselor (AFC)	Exam 1 of 2	2 years	Reference Letters	AFCPE
<b>Financial Counseling</b>				
Accredited Financial Counselor (AFC)	Exam 2 of 2	2 years	Reference Letters	AFCPE
<b>Insurance Planning/Risk Management</b>				
Certified Annuity Specialist (CAS)	Comprehensive Exam		Case studies	Institute of Business and Finance (IBF)
<b>Retirement Planning</b>				
Chartered Retirement Plans Specialist <sup>SM</sup> (CRPS®)	Final Exam			The College for Financial Planning
<b>Employee Benefits Planning</b>				
Certified Employee Benefits Specialist (CEBS)	8 exams			The International Foundation
<b>Estate Planning</b>				
Certified Divorce Financial Analyst <sup>TM</sup> (CDFA <sup>TM</sup> )	4 exams	2 years		Institute for Divorce Financial Analysts
Certified Trust and Financial Advisor (CTFA)	Comprehensive Exam	3-10 years	Reference Letters	Institute of Certified Bankers (ICB)
<b>Investment Planning</b>				
Series 65	Comprehensive exam			NASAA / FINRA
Chartered Financial Analyst®	Exam 1 of 3	4 years		CFA Institute
Certified Investment Management Analyst (CIMA)	Final Exam	3 years	Qualifying exam	Investment Management Consultants Association
<b>After Majority of Above Coursework is Completed</b>				
Certified Financial Planner <sup>TM</sup> (CFP®)	Comprehensive Exam	3 years		CFP Board of Standards
Certified Retirement Counselor (CRC®)	Comprehensive Exam	3 years		INFRE
Chartered Life Underwriter (CLU®)	8 exams	3 years		The American College

**Experience Requirements**

Securities and/or insurance licenses are needed in some types of employment; hence, more employers are requesting students who have already passed various professional exams. Most certifications require 2 to 3 years of experience. Consequently, a new graduate typically must wait a period of time before being able to use the

credential. However, having the education and examinations already completed before beginning work could be a valuable asset to both students and prospective employers. Furthermore, there are opportunities through (1) internships, (2) part-time work, and (3) volunteer/community service work for students to fulfill all or part of the experience requirement necessitated for the use of most designations before even graduating.

For example, students can take advantage of internship opportunities that could be applied to the experience requirement for designations. In fact, at the authors' institution, all the students majoring in personal financial planning are required to participate in a minimum number of paid internship hours. Students who work part-time while in school could also be encouraged to assume part-time work that is financial services related, as this could also help fulfill experience requirements. Students who participate in campus financial education/counseling programs can apply their hours of service toward the experience requirements for nationally recognized designations in financial services such as the AFC® and CFP® (Goetz, Bagwell, Halley & Davis, 2011). Lastly, students can engage in other financial-related services such as counseling, mentoring, advising or teaching to fulfill experience requirements. These types of experiences are found in places such as tax clinics, bankruptcy courts, professional organizations or social service agencies.

### **Cost of Professional Certifications**

The study materials and testing fees may make professional examinations difficult to afford for the typical college student who possesses limited cash flow. The good news is that more and more sponsors of designations are offering special discounts and even scholarships for college students. For example, the CFA Institute allows one chartered holder in a college or university to recommend up to five first time exam takers to apply for a fee reimbursement scholarship upon passing the Level 1 Exam. Some professional associations offer financial assistance for students pursuing designations. For example, some Financial Planning Association (FPA) chapters offer a CFP® examination scholarship that pays for the cost of examination and/or preparation materials and courses. The American College and many other sponsors of designations allow a transfer of coursework under certain circumstances or the option of "challenging" to immediately sit for exams if relevant coursework has recently been taken in college, leaving only the examination cost. In sum, there may actually be a financial incentive to sit for professional examinations while still a student, versus paying the professional rate once out of school.

There are also the costs associated with the continuing education (CE) required for most professional certifications. Fortunately, students can submit financial-related coursework for consideration as continued education for professional designations. In addition, many of the designation sponsors allow work toward other designations as credit toward their CE requirements or simply do not require CE until the candidate fulfills the experience requirement and begins using the designation. Students investing their money in the pursuit of professional credentials are likely making a good investment, as these students may possess a significant edge over other applicants when applying for jobs. Moreover, students can yield a quick return on their investment by beginning employment with a higher salary than they would have without the licenses/certifications. This illustrates a potential flaw in the common rationale of students waiting to take professional examinations until after they are hired, so that their employer can pick up the associated costs. In sum, if students have the available cash flow and time, they should strongly consider opportunities to sit for licensure/certification exams before they begin job searching.

### **BENEFITS TO STUDENTS**

Concurrent study for coursework and professional designations yields four primary benefits to students: (1) availability of career choice information; (2) improved academic performance; (3) increased marketability and value to prospective employers; and (4) greater preparedness for the workforce. Experiencing the full extent of these benefits is contingent upon the correct selection of designations to pursue, and the timing of coursework and professional examinations within the student's curriculum plan. If students have a particular firm or type of company for which they would like to work in mind, then that student should research that firm to ascertain which designations the firm appears to value. Research methods might include perusing the company website, reviewing the current staff and their credentials, or even speaking directly with the principals of that firm to determine what credentials are most valued by them. In addition, sponsors of designations often have information about the specific

use of their mark accessible through their respective websites (e.g., how many currently hold the designation or a breakdown of different types of professionals using the mark). A common component of all four benefits to students is the concept of *efficiency*. Whether it is learning about various career paths, increasing knowledge, or easing one's transition to the professional world, students may be able to do so more efficiently by pursuing professional credentials while still a student.

### **Career Choice Information**

Making descriptions of the numerous professional credentials and associated benefits available to students can provide those students with additional information about career choices and directions. Recall the earlier discussion on motivation theory, one indicator of motivation is choice of goals. When students have a choice, what they choose indicates where their motivation lies. Many students who chose to major in financial planning, financial counseling, or other finance-related area are not fully aware of all the possible career paths. Based on the theory that goal selection under free-choice conditions indicates motivation to reach a goal, the integration of professional designations with the academic curriculum assists students in identifying their career aspirations and determining their future areas of expertise. It is likely the process of obtaining designations allows students to familiarize themselves with the skill sets needed by varying facets of the financial services profession, thus allowing them to make more informed decisions about the career paths they pursue.

### **Improved Academic Performance**

Integration of professional designations with students' academic curriculum may improve the efficiency and effectiveness of coursework study. As previously discussed, goal-setting and motivation theory suggests students can improve their level of learning and knowledge through the study for the professional designation or license exams concurrently with coursework. This in turn offers the individual positive reinforcement beyond the required coursework. When a student's goal is just to pass the personal finance or financial planning class, he or she may expend just enough study effort to pass the course. Whereas, when a student chooses to study for the first exam associated with AFC designation while enrolled in a personal finance or financial planning fundamentals course, the student likely invests greater effort in his or her other course study since the student's study benefits both the course completion goal and the goal of completion of the AFC exam. In sum, the knowledge of an upcoming professional exam provides extra study motivation for related coursework, and the study effort made for the upcoming professional exam reinforces the knowledge derived from the coursework. The completion of professional exams serves as a tangible marker for progress and achievement. In other words, the exam results provide a standard measurement for students to gauge their knowledge level as compared to others taking the exam, most of which are experienced professionals. When students do receive feedback that they have passed a professional designation exam, the feeling of achievement and success likely reinforces their career goals and strengthens their passion for learning and developing areas of expertise.

### **Increased Value to Prospective Employers**

Another benefit for students to integrate their coursework and the pursuit of professional designations is their improved marketability to employers upon graduation. When assessed from an employer's perspective, any evidence of a student's study for professional designations and/or passing those exams may suggest a high level of ambition, strong work ethic and career commitment from that student. In addition, a recent graduate already holding a designation is positioned to be more competitive for promotions as compared to his or her peers.

It is commonly known that young college graduates are not universally accepted by clients due in part to their lack of experience and the sometimes inaccurate perception of youth being less than competent. Students' attainment of professional licenses and designations may serve to counteract this age and experience disadvantage, as research indicates a strong preference among consumers for financial planners with professional credentials (Bae & Sandager, 1997). With the passing of professional examinations that demonstrate their competency, young college graduates can make themselves more credible to clients, thereby providing additional value to their prospective employers. Often when students are newly hired by a financial services company, they spend the majority of their first few months studying and working toward various licenses and certifications before they can begin to produce



and become of value to that company. This is typically a substantial investment into new employees, both in terms of time and money, before the employee actually brings revenue back into the company. Conversely, a newly hired student who has already attained these licenses/certifications can be of immediate financial value to a company or firm (i.e., possess the ability to sell products or provide advice and counseling).

### **Preparedness for the Workforce**

Students who have pursued professional certifications, designations, and licenses while still in college likely possess a greater preparedness for the workforce. Their transition to the workforce may be easier for a number of reasons. Rather than spending the time preparing for various credentialing and licensing exams, newly hired students can focus their time and effort on learning their specific job duties and working above and beyond the expectations set by their positions. This opportunity to focus on the specific duties of the job is conducive to greater professional development and faster advancement. Moreover, a common sentiment expressed from those already working in the profession is that completing professional exams when one is most likely not to have a spouse or children may significantly reduce future personal stress.

Students' knowledge base is also widened and further solidified with the additional studying, testing and continuing education that professional designations and licenses require; it is through the *repetition effect* that newly learned information becomes part of one's permanent memory bank (Jensen, 2005; Salasoo, Shiffrin, & Feustel, 1985). Furthermore, being able to use and display professional credentials shortly after a student enters the work force increases their credibility in the eyes of their employers, colleagues and clients (Bae & Sandager, 1997). In sum, students who have passed professional examinations will likely possess higher amounts of knowledge and exhibit greater confidence and career advancement, particularly in their initial years of their employment.

### **BENEFITS FOR EDUCATIONAL PROGRAMS**

Academic programs that make professional designation information available to the students and academically prepare students to succeed in the professional certification examinations however must not fall into the trap of making their curriculum excessively 'test oriented' (Fehr, 2008). A number of previous studies have argued that while it is a good idea to prepare students for professional designations and certification, it must not be done at the cost of offering a theoretically and quantitatively sound, high quality education which prepares students as responsible citizens and contributors to the society (Bond, 2006; Neil, 2003; Sacks, 2000). Making professional designation information available to students at the beginning of their academic curriculum and encouraging them to study for corresponding exams may benefit the educational programs that promote this information. By turning out highly qualified graduates with licensing and designation exams already passed, the university's program of financial planning likely becomes more valued by prospective employers and consumers. A favorable cycle is established as the higher reputation of the educational program attracts a more talented pool of students into the program to pursue their education in financial planning. Furthermore, encouraging the concurrent study of coursework and professional designations can improve the relationship and collaborative efforts between educational programs and various organizations that grant credentials, which can lead to research and grants opportunities as well as enhanced education for students. For example, many universities do not include the entire curriculum covered in some designations, but can obtain cutting edge materials for little to no cost from the designation's sponsoring organizations. A comprehensive offering of the CFP curriculum also provides students partial preparation for several professional designations. For example, Terry and Vibhakar (2006) compare the required curriculum for CFP® and CFA examinations to show that although the CFA and CFP exams individually cover several unique topics, there is still a considerable overlap in the curriculum related to individual wealth management, investment advice, fiduciary responsibilities, and regulation. The above mentioned benefits are of minimal cost and require relatively little time for faculty to facilitate. Only a relatively small amount of time is necessary to simply organize and make information about professional designations and credentials available to students.

## **BENEFITS FOR FINANCIAL SERVICES PROFESSION**

Theoretically speaking, the concurrent study of coursework and professional credentialing exams likely leads to more qualified students entering the job market. As previously mentioned, students provide a greater and more immediate value to financial planning firms when those students enter the job market having already attained licenses and professional designations. As the overall qualifications and levels of education of those entering the financial planning profession increases, so will the quality of the overall profession. Moreover, higher qualified students should ultimately benefit consumers by providing a higher standard of financial services.

When new graduates are career changers and already possess working experience, it is easier for employers to screen the applicants as a person's previous job success or performance can be accurately assessed and used as a predictor for future performance. For somebody directly out of college, employers are faced with the more challenging task of identifying ideal candidates. In general, employers attempt to evaluate the four domains of student achievement relevant to financial services: sales skills, leadership skills, self-motivation skills, and analytical skills (Grable & Cantrell, 2004). Students' participation in one or more professional designation or credential examinations during their time in college is a clear indicator of a high level of self-motivation skill as well as a commitment to the profession, which may set those who have a passion for financial services apart from their peers. Passing professional certification exams can indicate how serious a student pursued studies while in college. This tangible marker can help employers to make employment decisions by identifying ideal candidates.

## **PLAN OF ACTION FOR FINANCIAL EDUCATION PROGRAMS**

This section presents various strategic methods to be utilized by educational programs to promote students' attainment of certifications before graduating. The most effective way of successfully integrating professional designations with coursework is to make the information system available at the beginning of students' curriculum and reinforce that information throughout the academic program. Possible ways of disseminating the information and making each and every student entering the program aware of the opportunities to pursue the various professional credentials might include creating a website, pamphlet, or flier. This information source should be designed to illustrate the various professional certifications and the career tracks for which they are most beneficial. It should also include information about sponsors offering student discounts, course substitutions, corresponding education requirements, examination topics, and links to the sponsoring organizations so students can learn more about specific designations and their associated requirements. Most importantly, the information distributed to students should include information on how specific professional examinations contain overlapping content with specific courses in students' degree plans (see Table 1).

Including designation information in all class syllabi provides a shortcut to remind students about their choices and potential opportunities to pursue designations that are consistent with the content of a particular class. Students could also be encouraged to speak to their professors to learn more about the process of attaining professional credentials and about the optimal process for pursuing them concurrently with their coursework. Faculty could outline in their syllabi exactly how a student could pass a professional exam that is related to the current course content. They can encourage students to attain professional certifications by granting extra credit or allowing students to sit for a professional exam in lieu of a class exam. Another idea might be to present the benefits of integrated study in the course catalog, at new student orientation, and during academic advising sessions as these techniques allow students to most efficiently organize their curriculum plan and develop their respective expertise along the way. Financial planning education programs and the students in these programs can utilize their existing educational materials to assist each other and form informal study and support groups for professional examination preparation. The sharing of experiences with fellow students can assist students by directing them on the most helpful study materials and test-taking strategies. Faculty might also host review sessions for credentials, or schedule a professional review provider to hold a local review where students would have easier access to participate in the sessions.

It should be clarified to students that their school coursework does not necessarily qualify them to sit for exams, nor does coursework necessarily prepare students to pass the exams, but their coursework may contain a significant overlap of the knowledge required for both their coursework and the professional exam. It is ultimately

each student's responsibility to inquire as to the specific preparation materials and requirements associated with each of the designations. This is particularly important since the costs, eligibility requirements, continuing education requirements for most designations continually evolve. For example, as of the year 2007, a four-year college degree is required to receive the CFP® certification; the exam, however, can be taken before a student graduates. The CRC® certification has recently started a requirement of two years of work experience, and there is a four-year experience requirement to be able to use the CFA mark once completing the three levels of examination.

## **FUTURE RESEARCH**

Concurrent study for university courses and professional certification exams or licenses is just one model that may foster student success; however, it may not be the most appropriate model for all students. It may be that multiple models fostering student success exist in equilibrium. For example, a student whose time is extremely limited may simply not have the time to allocate toward the additional study necessitated for a professional certification or license. In a case such as this, it may be that a substantial proportion of a professional exam does not directly overlap with one's regular course study and in turn detracts a student's attention from the material that is specific to the course, possibly leading to a lower grade in the course. Some employers may place a high value on students' grades in terms of the hiring selection process; hence, for a student without any "extra" time, the specific model proposed in this paper may not be optimal. Additional research to identify and test various pedagogic models is necessary to optimize the success of students, university programs, and the profession of financial counseling and planning. On a more fundamental level, future research is also necessary to examine whether students of financial counseling and planning are fully aware of the myriad career paths available to them and the professional credentials associated with those career paths. Additional important questions include: (1) what factors (i.e., grades, internship experience, professional credentials/licenses, sales skills, technical skills, etc...) are most influential in the hiring process for new graduates of financial counseling and planning, and (2) what factors impact students' pursuit of licensing/certifications and the academic support of such goals?

## **CONCLUSION**

Premised on goal-setting theory and theories of motivation, this article makes the case that integration of professional practice examinations with the financial planning and counseling curriculum can provide multiple benefits to students, educational institutions, and the financial services profession. Graduating with certifications and licenses may shorten the interval of time between students' graduation and when they become productive financial-services professionals, thus easing their transition into the professional world. Students studying financial counseling and planning should be encouraged to explore these opportunities to enhance their education and preparation for the transition into their professional careers.

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