

ILLINOIS STATE
UNIVERSITY



University Curriculum Committee

*Telephone: 309/438-3183
Campus Box 2202
101C Moulton Hall*

February 2, 2009

TO: Daniel Holland, Chairperson, Academic Senate

FROM: Carlyn Morenus, Chairperson, University Curriculum Committee

RE: Executive Summary of Proposal for New Minor in Financial Planning

The University Curriculum Committee has approved and is forwarding for Academic Senate review the attached proposal to add a new Minor in Financial Planning. Three new courses are being proposed for the new minor. Letters of support from the departments of Accounting and Marketing are attached to the proposal.

The Department of Finance, Insurance and Law provided a reasonable rationale for adding the new Minor in Financial Planning. Times are good for current planners and for those considering a career change for five reasons which deal with the financial planning environment:

- **Demographics:** America's population is both growing and aging; the implosion of the current form of Social Security is coming – the number of retirees per 100 workers is continuing to rise; the “dependency ratio” is expected to grow; and the existence of a large middle class in the U.S.
- **Need/Diversity:** The large intergenerational wealth transfer that will occur as baby boomers pass on and their heirs receive the value of any remaining estate; the multiple options available to invest and/or shelter investment returns are complex and require study – or good financial advisement – before deciding what to do. Based on the 1998 Survey of Consumer Finance, the implications for attracting, training, mentoring a diverse group of persons equipped to advise on retirement planning, health care, long-term care planning, and financial planning issues is obvious. The financial planning field is predominantly white male, but one third of the U.S. growth is anticipated to come from Hispanic and Asian immigration.
- **Complexity of the Field:** The field of finance is gaining complexity and individuals have limited time to spend in learning, reviewing, and selecting financial options. The assistance of a trusted and knowledgeable financial planner will help in decision-making. As more people recognize this, the growth of the profession is assured for many years.
- **Growth Potential:** The number of CFP certificants has more than doubled, increasing 111 percent, since 1990. Growth and demand for this and other financial planning designations is expected to rise as the population ages.
- **Employment Opportunities:** Many employers make hires in the financial planning field, including insurance firms, banks, and securities brokers. There were approximately 120,000 personal financial advisors in the U.S. in 2002. An academic program which combines the CFP body of knowledge, work experience and connection to industry can have a positive impact in the field. It can graduate students who are better prepared to work in the financial planning field.

The University Curriculum Committee supports adding the new Minor in Financial Planning.