

Career Development Corner – Chase Armer, EA, CFA, CFP®

The End of an Era

As many of you may have already heard, the Financial Planning Certificate Program at the UC Davis Extension is closing. This marks an end of an era for Sacramento Area financial planners as many of us have had at least some interaction with the program. Many of us are alumni of the program, some of us were instructors, still others hired planners out of the program, and many have worked with planners who were at least in part trained at the UC Davis Extension. I believe it is fair to say that the closing of the program will leave a hole in the local financial planning community that will not easily be filled.

I also think there are lessons that can be learned. To start, the Personal Financial Planning Program enrolment took a hit when the CFP Board announced that it would be including the fiduciary language in its code of ethics in 2007. While many of us support the fiduciary standard in our profession we must recognize that a large number of employers do not. Many of them opted to stop supporting the CFP® designation which not only hurt enrollments in some CFP® Registered Programs like the Personal Financial Planning Program but also reduced the industry's ability to speak with one voice during the regulatory battles that followed the 2007-09 recession and continue today.

Second, the Extension experienced a further decline in enrollments during the 2007-09 recession. This is no doubt partly due to a decline in available jobs in the industry. However, the drop in enrollments persisted even as industry employment began to recover unlike previous cycles. One reason may be the reputational hit that the financial industry as a whole took following the recession. This reputational hit was due largely to a relatively small number of bad actors but highlights the need for all of us to police our profession because whether we like it or not public will often judge us based on headlines rather than our individual behavior.

Third, technology will continue to change the competitive landscape in our industry and its affiliated service providers. While surveys showed that most students enjoyed the high quality, classroom-based instruction offered by the Personal Financial Planning Program, competing with online programs was a constant challenge. The convenience and lower cost of internet based services has become the first option for many people. Therefore, we must not only become more technologically proficient but must also become better at communicating the value of personal financial planning services above any beyond what algorithms and “the internet or things” can provide.

Lastly, change is constant. We must be able to adapt to the changing landscape of the financial planning industry to remain relevant in a world of changing regulations, client needs and preferences, and changing business models. I am sorry to see the Personal Financial Planning Program at the UC Davis Extension go but it does not come as a big surprise given several years of low enrollments. The question is: What are we going to do as a profession to make sure the same high educational standards that were provided at the Extension continues to be the standard for Sacramento Area financial planners?