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JIM: If you’re a recent college graduate or you’re contemplating a career change, you’re going to want to listen to today’s show or maybe someone you care about, like a child or grandchild, is in that position, you’ll definitely want to forward this show to them. Today, we have Professor John Gilliam who heads up the Financial Services Department at Texas Tech University. With 10,000 baby boomers a day reaching age 65, the need for financial service professionals and the opportunity as a financial service professional has never been greater. John is with us today to share some of the programs that are available for someone contemplating a career in the financial services industry. Welcome, John.

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JOHN GILLIAM: Thanks, Jim.

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JIM: It’s great to have you back again. I’m very passionate about education and I met you over a year ago at an industry meeting that I went to and you brought some students with you in the financial services arena that I didn’t even realize that there was formal education and I think you mentioned when we first met there was over 200 universities that offer financial service industry type degrees and I was just flabbergasted by that because I didn’t realize there were that many institutions that were teaching this as a profession. Can you talk about that a little bit?

1:18

JOHN GILLIAM: Most of these programs that I’m talking about were certified by the CFP Board, Certified Financial Planning Board of Standards, to teach the curriculum for individuals, whether they’re young students or whether they’re career changers, to enter the financial planning industry. Many of these only offer a select number of courses. About half of the universities only offer a series of six or seven courses that are required by the CFP Board but the other group of universities may go far beyond that and offer course, for example, in communication skills, which is vital, as you know, for an individual in financial planning to be able to effectively communicate the concepts that are necessary.

2:04

JIM: I’ve seen surveys by LIMRA, they did surveys of just the general American public, and they found 70 million or 80 million Americans felt they were underinsured in the area of life insurance. I go back 10 years and remember surveys that said that United States citizens had the negative savings rate. Now, fortunately, that has reversed itself but when I look at the average 401(k) balance and retirement balances for baby boomers, they’re a far cry from being able to have a comfortable retirement and I look at the financial planning industry, I see people that are trying to do it themselves, they’re not getting very successful results, and we hear the stories that there’s not enough money to keep funding the social security going forward at the current levels that it’s at. We talked about rising healthcare cost. A lot of people are ill-prepared to face retirement and when I go to my industry meetings, I look around, I’m 50 years old, and I’m probably the youngest guy in most of the rooms. It is such a tremendous opportunity and it’s such a fulfilling profession that I think a lot of young people or maybe people looking at a career change, there’s not enough of us to go around and then I see the statistics about the amount of wealth transfer that’s going to happen where these people who have not had a lot of experience with financial planning and investing and things like that that they might be inheriting some money and not having the tools or resources or know what to do with it. Boy, there’s an opportunity for people out there that want to get into this business.

3:32

JOHN GILLIAM: There certainly is, Jim. Last year, we graduated, our one little program, somewhere around 50 to 60 students yet we had over 180 firms contact us interested in either internships or offering career positions. I’m seeing that at every academic program around the country and that just shows that demand for young professionals and career changers in our industry.

3:59

JIM: I’m very active in several different financial services organizations, being involved in leadership positions where we’re all facing losing membership, and it’s not that the organizations don’t have anything to offer or people aren’t finding it of interest, it’s the pool that we’re drawing from has shrunk by leaps and bounds yet the people needing the services has increased by leaps and bounds and there truly is a gap right now. We always hear the stories about the jobs being lost to China. Well, the financial services industry, a lot of that is done across the kitchen table. It’s not something that you’re going to go to China and do cheaper.

4:34

JOHN GILLIAM: That’s right. It’s especially important that these students, as I mentioned a moment ago, have the ability to communicate to the clients exactly what you’re suggesting and that is they need to prepare, they need to start now, and to show them what the picture may look like 10 years or 20 years down the road unless they start preparing now.

4:56

JIM: I just had a client in my office yesterday, and I hear this story all the time. Their kids have reached out to them, they’re young adults, and they’ve gotten themselves upside down in their mortgage and extensive credit card bills. They’re spending money like there’s no tomorrow. They don’t really know how to balance a checkbook. One of the failings I see in our educational system is they’re not teaching financial fundamentals. If they’re not teaching it there, the need for professional services where somebody can take someone by the hand and teach them how to do a budget, how to save for the future, what are realistic expectations, how to make the most out of your paychecks, all these types of issues, how to protect yourself in case something like premature death or disability or things like that, these are all important issues. We had a guest on not so long ago where, at a very young age, he had a stroke and the first thought that came to his mind was he checked the wrong box at his employer when he checked I only want short-term disability and not long-term disability. I hear these stories all the time. Is the industry doing anything to help educate people, not only about the opportunities in financial services, but even just some of the basics to help prepare people for later in life?

6:08

JOHN GILLIAM: Something came across my inbox just this last week about financial literacy and there is a move going on partially by the government as part of the Dodd-Frank Act to develop financial literacy programs. We would love, as academics, we would love to see a basic financial planning course or personal finance course be taught to every student at the college level and even down into the primary and secondary grades of school as children are growing up but, with the squeeze on budgets, the squeeze to try to get people in and out of college, it’s just very difficult and what we need are advocates, maybe like some of your listeners, to contact their schools and say is anybody teaching these fundamentals?

6:57

JIM: Yeah, and I think that’s important. Hey, we’re going to take a short break. When we come back, let’s talk a little bit more about what resources might be available to help teach financial literacy and, also, what resources might be available for someone who wants to pursue a career in the financial services industry. Please stay tuned.

7:14

BREAK

8:18

JIM: Welcome back as we continue to visit with Professor John Gilliam who is in charge of the Financial Services Department at Texas Tech University. We’ve had John on before and I can’t begin to tell you how impressed I was. Last year, he came to an industry meeting called the Forum 400 that I’m involved in and, this year, they came back and he brought three or four of his students each time and these young men were so impressive in their mannerism, the way they carried themselves. They were well prepared whether they get in the financial services industry or any other industry. I was truly impressed with them. Now, let’s say someone is looking for some opportunities and are considering a career in this profession. Are there tools or scholarships or resources available that can help a student in pursuit of this profession?

9:07

JOHN GILLIAM: There are but it’s going to take some digging to find them. Of the universities around the country, as I mentioned, there are over 200 universities offering this kind of education but only about half of them are offering it as degrees. In those degree programs, then, students could potentially qualify for scholarships. In our Master’s program, we really try to bring in as many students from around the country as possible and certainly give them scholarships, if at all possible, but there’s a lot of competition for those scholarship dollars. Industry wise, there is a great organization called lifehappens.org that gives information on all different types of insurance products, it’s very educational, and it is a great resource for people looking into the insurance side of the financial services profession, and I’m sure that there are other organizations that are offering similar types of online information.

10:01

JIM: A lot of us have heard of the science competitions and the mathletes and things like that. We were just visiting at the forum this last meeting at the Forum 400. You left the meeting for a little while to attend one of these competitions. Share with our audience some of these competitions that are going on around the country.

10:18

JOHN GILLIAM: This particular competition is called the Industry Issue competition. It is sponsored by the Foundation for Financial Service Professionals and its attempt is to reach out to college students and get them involved in the industry. The purpose of this particular competition has students and teams up to three research on different career paths within the financial services industry. It could be an estate planning attorney. It could be a financial planner. It might be an employee benefits specialist or anywhere on the financial service industry but they do these research papers and then their papers are submitted to a panel of industry specialists who select three finalists and then they come to, in this case, Phoenix for the final presentation. Now, the Financial Service Professionals organization is only one of the many organizations that offers similar types of competitions and almost all of them offer some type of scholarship prizes. In the case of the Industry Issue competition, the first place prize was $5000, second $3000, and third place $2000, plus the students travel expenses to and from the competition. Other industry competitions are sponsored by the Financial Planning Association, Government Pension Benefit Organization, the Technology Conference, the AICPA offers a case study competition, so there are many different competitions. Schools are very interested in the visibility that their students receive from these competitions plus they’re also very interested, of course, in the scholarship money.

11:52

JIM: John, your school has been a perennial award winner at some of these competitions and you have a great program so why don’t we wrap up by sharing with our audience about Texas Tech’s program and, if people wanted to find out more information about Texas Tech or if there’s other resources for other schools as well around the country, where would you steer people to get that information?

12:11

JOHN GILLIAM: Of course, we would love to visit with students from around the country. We feel that by bringing students in from around the US that we have a more diverse and more rich discussion in the classroom. Our website would www.pfp (for personal financial planning).ttu (for Texas Tech University).edu so that’s www.pfp.ttu.edu. Another great resource is the CFP Board. If someone will Google CFP Board and go to that website, they can then search for educational institutions in their area.

12:51

JIM: Well, John, I really appreciate you joining us again. Hopefully, we’ve begun to shed some more light on this awesome opportunity for people and, again, it’s not just kids but if somebody is in a situation where they’re contemplating a career change, it’s so hard to find good employees that understand the business because there’s so few people to pull from and I know from seeing you with the kids at the meeting, I think everybody was pouncing trying to get them to intern at their shop. There’s a tremendous opportunity because 10,000 baby boomers a day are retiring, they all need help, and there’s not 10,000 new financial service professionals joining the industry each day so that gap is widening and the opportunity is growing.

13:31

JOHN GILLIAM: It certainly is, Jim, and there’s tremendous opportunities for the student or career changer that’s willing to take the time and invest in themselves for this great career.

13:42

JIM: Thanks for joining us this week and tune in again next week as we explore another phase of the Real Wealth process and, remember, if anything you heard in today’s show you’d like to get more information about, contact your Real Wealth advisor. Also, if you feel that any of this information would be helpful to a friend or family member, just click the Forward to a Friend button.