

## PROPOSAL TO THE SENATE COMMITTEE ON EDUCATIONAL POLICY

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## TITLE OF THE PROPOSAL:

FINANCIAL PLANNING Concentration  
Agricultural and Consumer Economics Major  
Department of Agricultural and Consumer Economics (ACE)

## BRIEF DESCRIPTION:

The Department of ACE proposes to add a new concentration, Financial Planning (FP). The Financial Planning curriculum will prepare students for growing career opportunities in financial planning, with particular emphasis on careers associated with the Certified Financial Planner<sup>TM\*</sup> (CFP) designation.<sup>†</sup> It will capitalize on historical strengths of the Department of Agricultural and Consumer Economics (ACE) while increasing opportunities for students.

## SPONSOR:

John B. Braden, Director of Undergraduate Programs, Department of ACE  
[jbb@uiuc.edu](mailto:jbb@uiuc.edu), 333-5501

## JUSTIFICATION:

Over the last decade, the dramatic shift toward self-managed retirement saving programs has created a large new demand for financial planning services for individuals, families, and small businesses. In addition to traditional banks and independent advisory services, many former investment and insurance companies have repositioned themselves to provide these services. However, no existing department or curriculum at the UIUC focuses on this rapidly growing career domain.

The new concentration will build on, but not displace, strong applied finance programs in the Department of ACE. The existing Agricultural Finance (AF) concentration dates back to the 1930s and grew to become one of the signal strengths of the Department. AF faculty members have been recognized as national leaders in academic, research, and extension programs. These programs focus on the financial needs of small, closely-held businesses. They have attracted significant external support through grants, contracts, and endowments. With the deregulation of financial services that began in the 1980s, today, agribusinesses participate in mainstream markets for capital and credit, risk management, and asset transfers. Our proposal recognizes and responds to this convergence in the marketplace by reorienting and sharing some former AF courses to serve both concentrations.

The proposed concentration also builds on three decades of work in consumer finance. As early as the 1970s, this field was part of the mission of the former School of Human Resources and Family Studies. With reorganization of the College of ACES in 1995, this area of study was integrated into the Department of ACE. The consumer economics and finance program provides research, outreach, and limited instruction in personal financial planning and counseling. Recent areas of emphasis have included retirement and estate planning, credit management, and health insurance. Several of these initiatives have been recognized with state and national awards. This year, for example, two ACE faculty members will receive the CFP Board's ACCI Financial Planning Paper Award. However, only one or two undergraduate courses in consumer finance have been offered – too few to prepare students adequately for careers in

<sup>†</sup> Copyright © 2006, Certified Financial Planner Board of Standards Inc. All rights reserved. The proposed concentration neither aims for certification by the Certified Financial Planner Board of Standards nor purports to serve as a self-contained preparatory curriculum for the CFP examinations.



financial planning. This deficiency will be addressed in the new concentration through revision and realignment of courses and requirements.

In addition to longstanding programs in applied finance, the Department of ACE houses the University of Illinois Tax School. The Tax School annually delivers educational materials and programs to more than 15,000 tax planners, attorneys, and advisors throughout the United States. The proposed concentration will enjoy valuable synergies with the programs of the Tax School.

This concentration will be structured to include and a core set of additional courses covering the fundamentals of financial planning in addition to the courses required of all ACE majors. Beyond the core courses, students will select from a list of course options that cover various aspects of financial planning.

#### **BUDGETARY AND STAFF IMPLICATIONS:**

The new curriculum will be implemented largely through redesign of existing courses and a faculty recruitment currently underway. We anticipate little net change in overall enrollment, with the new concentration absorbing some majors from Agricultural Finance plus some from the former Consumer Economics and Finance concentration (which will be retitled to eliminate the "finance" element).

The Department of ACE employs seven faculty members specializing in applied finance and two focusing on commercial law. Several of them were educated in finance programs. Following some faculty retirements and departures, as well as an assessment of student interests, the Department of ACE has identified financial planning as the focus of renewed investment.

With respect to other units, only the Department of Finance is directly affected.. Demand for FIN 221 and FIN 300 may decline slightly from current levels if enrollments shift from Agricultural Finance, where both courses are required. Demand for FIN 230 may increase.

No appreciable net impacts are anticipated for library services, computer usage, and other infrastructure.

#### **GUIDELINES FOR UNDERGRADUATE EDUCATION:**

The proposed concentration adheres to the 1972 "Academic Plan for the Urbana-Champaign Campus," current General Education requirements, and other campus and Colleges of ACES academic policies for undergraduates.

#### **CLEARANCES:**

Sponsor: \_\_\_\_\_

Date: 5/23/07

Dep. Head: \_\_\_\_\_

Date: 5/23/07

Dean: \_\_\_\_\_

Date: 5-21-07

#### **STATEMENT FOR PROGRAMS OF STUDY CATALOGUE:**

Students in Financial Planning study finance and economics as they apply to individuals, households, and small businesses in the course of accumulating and using financial resources. Students prepare for positions with banks, companies providing insurance and financial planning services, private or nonprofit financial advising and counseling services, credit assessment and management, and financial consulting.



### Required for the Financial Planning Concentration in Addition to Departmental Requirements

Hours	Course		Replaces	
3	ACE 245	Personal Financial Planning†	ACE 245	Personal Finance
3	ACE 270	Consumer Economics		
3	ACE 340	Financial Decision-Making for Individuals and Small Businesses	ACE 340	Agricultural Finance
3	ACE 441*	Financial Services for Individuals and Small Businesses†	ACE 443	Intermediate Agricultural Finance
3	ACE 445	Intermediate Personal Financial Planning†	ACE 445	Financial Planning & Counseling
9	<i>Three courses from:</i>			
	FIN 221	Corporate Finance		
	FIN 230	Fundamentals of Insurance		
	ACE 303	Tax Policy & Financial Planning†	ACE 303	Rural Taxation
	ACE 442	Modeling Applications for Financial Planning†	ACE 442	Modeling Applications in Agricultural Finance
	ACE 443*	Case Studies in Agricultural Accounting & Financial Planning†	ACE 441	Case Studies in Agriculture Accounting & Finance
	ACE 474	Economics of Consumption		
	ACE 476	Family Economics		

† Revised course and title

\* Revised course number

### EFFECTIVE DATE:

Fall 2007 or as soon thereafter as possible