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Required Text:

Practicing Financial Planning for Professionals, Mitra, Sahu and Starn, Eleventh Edition, 2012.

Watch the video “What is a Flipped Class”.

Financial Planning Learning Objectives:

This course is intended to provide an in-depth understanding of the basic principles underlying financial planning. Theoretical concepts needed to understand and practice financial planning are discussed in detail. This class should prove useful to you as you apply financial planning concepts in your future decisions, but the objective of the class is to teach at a professional level.

The course covers all financial planning areas: investment, insurance, cash management, retirement, education, taxes, and estate planning. In particular, within this framework, the student should learn:

Financial Planning Process and Job Domains

Risk Management

Cash and Debt Management

Educational Planning

Investments

Income Tax Planning

Employee Benefits and Retirement planning

Estate Planning

Planning for Special Situations

The class sessions will follow the textbook. It is difficult to say exactly when each session will end with respect to chapter coverage. Some chapters take more time to present and discuss. The instructor will provide guidance at the end of each session as to the assignments for the next session and preparation needs.

Grade Determination:

The course grade will be based on chapter quizzes, classroom participation, supplemental reading and writing assignments, and session projects. The weights to the individual components of the course grade are approximately assigned as follows:

Quizzes (open book)	60%
Class Participation	10%
Session Assignments	30%

Videos: It is important to understand how the course will be presented. It is assumed that students will watch the videos prior to class and that they will take notes from those videos to ask in class for further details. Student will bring to class either hard copy or electronically the study guide for the chapters. The study guide completion is part of the writing assignments for the class. It is the student's responsibility to be prepared for class. Participation is graded based on actual participation.

CHAPTER 1 EMERGING TRENDS

1. What is meant by changing trends in financial planning
 - a. Family patterns?
 - b. Rising costs of the dream
 - c. Retirement realities
 - d. Fears of clients

How are families changing?

Single parents

Two wage earners

What is the American Dream?

How much will you need at retirement to live the way you live right now?

Fears

Life concerns

Running out of money

Caregivers of parents

Excessive debt

2. What is meant by the process of financial planning?

a.

Can we skip parts?

Can we ignore parts

What if the client does not want a whole plan?

3. **KEY AREAS OF FINANCIAL PLANNING**

- a. **Risk Management and Insurance (CH4 &5)**
- b. **Cash Management, Savings, Credit and Debt Planning (ch6)**
- c. **Educational Planning (ch7)**
- d. **Investment Planning (ch8 – 10)**
- e. **Income Tax Planning (ch11 – 12)**
- f. **Retirement Planning (ch13 – 14)**
- g. **Estate Planning (ch15 – 16)**

Section 1 Chapters 1 – 3

Section 2 Chapters 4 – 5, CH 11

Section 3 Chapters 6 – 7, CH 12

Section 4 Chapters 8 – 10, CH15

Section 5 Chapters 13, 14, CH 16

4. **What is meant by the “SCIENCE AND ART OF FINANCIAL PLANNING”**

Science is the hard side – competence and experience

Art- pertains to the relationships with clients and other providers of services.

5. **Describe the following stages of the Economic Life Cycle. What are the major concerns in each?**

a. **Accumulation stage**

Young person – gathering assets

Living the life / Raising kids / Dying to young

b. **Consolidation stage**

Middle-aged – continue to gather but an eye to preservation

Slowing down life’s pace – enjoying life / Enjoying grandkids

Debt is an issue / Dying too soon

c. **Spending and gifting stage**

Retirement Age

Dying too soon / running out of money ()not dying soon enough)

Health issues / quality of life

6. **What challenges are faced in these situations?**

- a. Divorce
- b. Loss of spouse (widow or widower)
- c. Non-traditional families
- d. Single parenting
- e. Dependents with special needs
- f. Dependent elderly parents
- g. Permanent disability
- h. Terminal illness
- i. Loss of job or job change
- j. Planning for military families
- k. Monetary windfalls (i.e., “sudden money”)

7. Client concerns:

- a. What are the worries
 - i. Death
 - ii. Disability
 - iii. Caregivers
 - iv. Excessive debt

Death
Dying too soon / not soon enough
Disability
Duration / income needs / insurance / definition
Caregivers
Children & or parents / rest / duration / retirement
Excessive debt
How to eliminate / how can we by the things we really need

8. "People don't care how much you know until they know how much you care!!!"

What does this mean?
Trust / comfort

9. Communication!!

10. Basic Models of Financial Planning

- a. Financial planners work in two basic models
 - i. Planner as project manager
 - ii. Planner performs one or more components and out-sources the remainder
- b. How do people get paid in this industry?

The bigger question at work is compensation.

How do you as a client want to pay for the services rendered.

Fee only (pay as you go on a hourly basis). Much like an attorney?

Commission only (pay per unit or acquired products)?

Combination?

11. **COMPETENCE**

- a. How does licensing work?

State exams / online

b. Continuing Education

Each license is different
Some CE credits count for more than one license
Mostly done online now

What is required for the planning career?

For most licenses only a high school degree is required.

Would you like more? Sure

Does a college degree and certifications ensure quality?

How much licensing is required?

Life and health insurance?

Securities (Series 7, Series 6, Series 63)

(series 65)

Mortgage License?

Property and casualty?

What is the difference between licensing and appointment?

License you take a test and acquire the rights to market.

Appointments usually play off a license.

CFP Mark is the “gold” standard in planning.

However, this does not mean that when you use someone with the mark, you get competence and quality.

Characteristics of financial planners

https://www.youtube.com/watch?feature=player_detailpage&v=0mYstQ1uyzl

12. COMMITMENT TO ETHICS

a. Professional Financial Planners Should be:

- i. **E: Efficient**
- ii. **T: Trustworthy**
- iii. **H: Honest**
- iv. **I: Ingenious**
- v. **C: Caring**
- vi. **S: Sincere**

The golden rule is essential

Financial Planning: the right way

https://www.youtube.com/watch?feature=player_detailpage&v=e0G_ZKxbECM

Financial Planning 101

https://www.youtube.com/watch?feature=player_detailpage&v=BtbfbuFkuE8