15 September 2015

To:   Sarah C. Mangelsdorf, Provost and Vice-Chancellor for Academic Affairs

From:  Ella Mae Matsumura, Professor and Associate Dean, School of Business
        Elizabeth Odders-White, Professor and Senior Associate Dean, School of Business
        Kris Olds, Professor of Geography (Committee Chair)

Copy:  Jocelyn Milner, Director of Academic Planning and Institutional Research

RE:   Five-Year Review – BS-Personal Finance

Background

Thank you for appointing us to the five-year review committee for the BS-
Personal Finance. We have found the review process to be very positive. From
reviewing the background documentation (including an excellent Self
Assessment 2009-2014) to engaging with relevant faculty, staff, and students, the
experience was informative and enlightening.

In terms of process, we met twice in the late Spring 2015 term once Professor
Matsumura returned from overseas. The first of these meetings included Michael
Collins (Consultant-Program Representative, School of Human Ecology), and the
second was just the three of us. Over the summer term and at the start of the fall
term we also spoke with:

- Robert McCalla, Director, Personal Finance Program (2009-2015)
- Mark Fedenia, Associate Professor, School of Business, and Director of the
  Wealth Management & Financial Planning program within the Wisconsin
  School of Business (WSB) Finance major
- Nancy Wong, Faculty Director, Consumer Finance
- Karen Holden, Professor Emerita of Consumer Science (who guided
  establishment of the program in 2009)
- Five student representatives, all juniors and seniors who are Personal Finance
  majors (some also seeking certificates in other programs)
We also reviewed program documentation, the program website, and information about intersecting programs (most notably the Wealth Management & Financial Planning program within the WSB Finance major).

Program’s Key Features and Strengths

The BS-Personal Finance is a major offered by the Consumer Science Department, School of Human Ecology. Formally established in 2009, it is one of two majors offered by the department, the other being Retailing. As noted in the undergraduate Catalogue:

The personal finance major prepares students for careers in consumer and household finance, including retail financial services, financial planning, counseling, insurance, employee benefits, and banking. It also prepares students for graduate student [sic] in such professional schools as law, business, or public administration.

It is important to note that the major occupies a loosely coupled area of offerings on campus that focus on the “the economic well-being of consumers and society.” Students taking majors in Business and Economics also focus on themes related to the economic well-being of society, though it is only the Personal Finance program that prioritizes a focus on consumers, households (including lower income households) and the practices shaping financial inclusion and exclusion at a fine-grained level. In addition, this program is registered with the Certified Financial Planner (CFP) Board of Standards, which means students can, if they pass the exam and meet the requirements, acquire CFP status after a period of relevant employment. On our campus only the Wealth Management and Financial Planning track within the WSB also enables the acquisition of CFP status. The WSB program, though, prioritizes preparation for financial advisors to work in finance and insurance companies, or in small investment advisory firms. It is worth noting that the majority of required and optional course offerings for both programs are provided by Consumer Science (within the School of Human Ecology), the Departments of Accounting, Finance, General Business, Marketing, and Risk Management and Insurance (Wisconsin School of Business), and the Department of Economics (College of Letters & Science), a point we’ll return to below.

As noted in the detailed statistics presented in the Self Assessment 2009-2014, BS-Personal Finance is a strong and growing program, meeting a clear need as recognized by growing student demand. Learning outcomes have come to be delineated in an increasingly effective and sophisticated way, and we appreciate the evident thought going into this aspect of program planning. Note, though, that given CFP accreditation requirements, the impact of CFP expectations is significant and, in the eyes of some faculty, over-emphasized. Overall, though, it is our view that the BS-Personal Finance program has quickly achieved a level of quality appropriate for a young UW-Madison program, and that it is on a positive trajectory. The major serves a unique role at UW-Madison in terms of the competencies it helps engender: it is a program that successfully blends policy/research and highly applied material. This is unique on a number of
levels, and its value to students and the world is clear to us. For example, the students are also being positioned on a pathway that enables them, and society more generally, to serve less affluent sectors of society vis a vis household survival. And finally, we see clear institutional commitment to the students and the future of the program.

Challenges and Opportunities for Improvement

As with many new programs after a five-year start, the BS-Personal Finance major is clearly evolving though, as noted above, on a positive trajectory. On a related note, the program is embedded in and supported by a department (Consumer Science) and a school (Human Ecology) and both view it as an integral component of their futures.

In the course of the review process, four key challenges emerged, each with realistic opportunities for improvement.

The first key challenge is uncertainty about the role of, and the prominence of, CFP certification. We heard a range of views on this issue, some highly supportive of CFP certification, and others to a lesser degree. While it is not our place to decide if CFP certification is to be prioritized or not, we do recommend that Consumer Science and the School of Human Ecology open up dialogue about this issue and firm up a stance on just how important the CFP designation is, and should be. Resolution of this submerged debate can then ensure that curricular structure, CFP exam preparation support, student advising, program communications, and resource allocations match the decision. For example, we recommend that the CFP vs non-CFP pathways through the major be more clearly identified, though we understand that this is already being addressed via the implementation of two check sheets for consumer finance and financial planning starting this Fall term. [This approach is currently working in lieu of a named options proposal that was submitted and then withdrawn in summer 2015.]

The second key challenge is staffing. The program has been, in our view, too dependent upon a single full-time academic staff member, Robert McCalla, who resigned in the middle of the review process to pursue opportunities in the private sector. However, we note that Consumer Science has hired Linda Lepe as faculty associate and program director for the personal finance and CFP program effective 1 September 2015. The department will also post PVLs for the two tenure track positions in Personal Finance this fall once they have been approved at a SoHE APC meeting in October 2015. It is our view that, taken together, these three hires are critically important so as to better support the program’s many students: we recommend that the plan to make these two tenure track hires be approved as they will enable enhanced coordination regarding skills and responsibilities within the BS-Personal Finance. This is especially important given the program’s interest in producing graduates who will not only become financial planners, but future thought leaders in the field of consumer finance.
Third, it is clear that the BS-Personal Finance program is significantly dependent upon other schools and programs, most notably the Wisconsin School of Business, and L&S’ Department of Economics, for required and optional course offerings. This, in combination with the above staffing constraints vis a vis program growth, has generated a sharp uptick in course substitutions, some general student angst about access to required courses and/or delays in timely graduation. We recommend enhanced coordination between the School of Human Ecology and the School of Business, in particular, about courses that serve students in both schools, and enhanced advising to navigate through the course requirements. It is our understanding that such communication has already begun to take place and we are optimistic that both programs will benefit. BS-Personal Finance students also recommend that they receive equivalent registration status when taking required courses offered by faculty in another school or college. Moreover, there is a sense that the options for complementary certificates to the BS-Personal Finance program (e.g., a Business certificate) could be better flagged in program documentation and/or the advising process.

Fourth, as implied in the self-assessment and via feedback from students, we recommend that the experiential dimension of the program be enhanced, most notably via internship programming. Regardless of whether students opt for the CFP designation, the learning outcomes of a program focused on “the economic well-being of consumers and society” are clearly accentuated when programming includes 1-2 internships with relevant stakeholders in private, non-profit, and public sectors. An added benefit of doing this is enhanced communications about the nature of a relatively new program on our campus, a point the students wisely made.

Summary

It is our view that the BS-Personal Finance program is making an important contribution to the UW-Madison program offerings. It is a well-run program, serving clear student demand. It complements a number of other majors, and serves as a solid ‘leg’ in the suite of programs offered by the School of Human Ecology. And despite some recent staff changes, including the loss of the long-standing director, the School has moved quickly and strategically to use this five-year review window and the staffing problems as an opportunity to become more strategic about the future direction and resiliency of the program. We unanimously recommend that the program be continued.