

## The Virtual Externship Opportunity

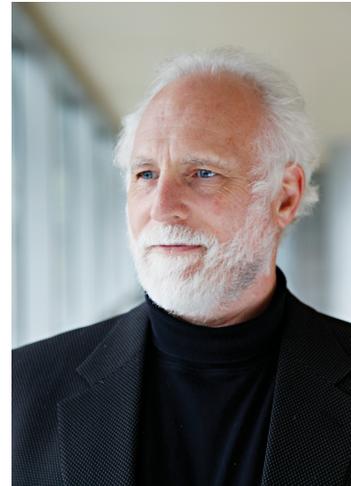
July 2, 2020

by Bob Veres

As you read this, the Financial Planning Association is engaged in one of the most consequential initiatives in its history, and for some reason this important program is getting zero publicity.

I'm talking about the FPA Virtual Externship, which currently enrolls 1,950 college students and career changers, who signed up for a full summer of 20-hour weeks of video content plus weekly live office hours with subject matter experts. The students get full credit for those hours qualifying toward their CFP Board experience requirement. But most importantly, they get an enhanced version of the hands-on learning experience that was denied them when the COVID-19 pandemic forced everybody out of the office.

"We realized in the spring that the pandemic was going to cause a lot of students to lose their internships over the summer months," says program coordinator and creator Hannah Moore, of Guiding Wealth in Dallas, TX. Moore is responsible for the ongoing FPA podcast, "You're a Financial Planner. Now What?" and over the past few years has been largely or personally responsible for virtually every successful new program that the FPA home office has initiated. "We started thinking, could we actually pull off an internship experience?" she says.



The obvious answer was "no." You can't have in-person, in-office experiences when planning offices are empty and every staff advisor is working from his or her kitchen table. But if the planning professionals are working virtually, shouldn't there be a way to create virtual internships as well?

"I started digging into and examining, what *are* internships?" says Moore. "What is the value that students get out of them? I talked with students and advisors, and the number one thing students told me was: *I want to know what direction to take my career. That's why I do an internship.*"

Would it be possible to do something more than give students a chance to sit in on client meetings and shred or scan documents for several months? "We found an innovative way to foster career readiness for students," says Moore.

The result is eight one-week "modules," each with two, three or four subject matter experts who Moore talked into participating in a video series on their topics. The modules start with a full week of investment planning; followed by, in successive weeks, insurance planning; client communications; cash flow planning (where Moore herself serves as a presenter); college and student loan planning; retirement planning; tax planning; and finally estate planning. Moore reached out to the FPA community, asking for planners who have expertise that they would be comfortable sharing on the various topics, and attracted what appears to be an all-star teaching cast of advisors who are well-known in the planning community. "We are asking every expert to give us deliverables, what they actually give to their clients," Moore explains. "And the videos walk you through what their process looks like."

The first investment planning module, which was presented over a week in late June, featured Keith Beverly of Grid 202 Partners in Washington, D.C.; Katie Brewer of Your Richest Life in Rowlett, TX and Daniel Yerger, of My Wealth Planners in Longmont, CO. They offered tips on how they, themselves, construct client portfolios, and then the students were given the task of building 60/40 model portfolios on their own.

"We partnered with eMoney, TD Ameritrade and Morningstar," says Moore. "The students are going into the software and recreating those deliverables, doing the work as if they were doing an in-person internship." They research the investments in Morningstar and then diversify those various holdings under predetermined guidelines across the style boxes, keeping the overall expense ratio below certain parameters.

"They aren't learning how just one advisory firm builds portfolios," says Moore. "They're seeing how different advisors would approach the task, and what they look for in the underlying investments and the way they fit together in the overall portfolio."

And then? The students were given a client portfolio that was very different from the one they proposed, and they had to figure out how to migrate from a mix of 90% individual stocks to a 60% allocation to (active or passive) equity funds or ETFs.

Finally, the students were tasked with entering the portfolio information into the eMoney client account portals, as if they were working in an advisor office.

The students who participated in the final exercise received their eMoney certifications, and then moved into insurance planning, with subject matter experts Carolyn McClanahan of Life Planning Partners in Jacksonville, FL and Charles Aid, of Blueprint 360 in Houston, TX. The third week in June featured Carl Richards of Behavior Gap, money psychologist Brad Klontz in Boulder, CO and Sofia Bera, of Gen Y Planning in Austin, TX, on the broad topic of client communications.

“Carl talked about how we simplify messages for our clients,” says Moore. “One of the assignments for the students was to take complex ideas and simplify them into a drawing. Dr. Klontz led a listening exercise. His assignment for the week was to do an active listening exercise with somebody in our lives. And Sofia Bera,” Moore continues, “talked about the importance of money stories, cultural competencies, and how our story and background impacts how we make financial decisions.”

The videos and tutorials (and many quizzes) are administered through a learning management software program called Kajabi. “I’m really proud that we have no Powerpoints anywhere in the externship,” says Moore. “We studied the best learning methods and the best practices in online teaching. All the videos are limited to 20 minutes per training session, and afterward the students fill out assessments to make sure they’re retaining the material.”

The live office hours let the externship students interact directly with the subject matter experts, through typed-in questions.

There is one drawback to the externship compared with the traditional internship: the externship students aren’t getting paid for the time they are spending on the program, which means not every student can afford to participate. The externship is free to student FPA members, who pay \$39 a year for the full package of member benefits.

Moore says she’s receiving positive feedback from the participants literally every day. “It has far exceeded anything I could have expected,” she says. But... is there a future for the externship once people start returning to financial planning offices, when students once again have the opportunity to get paid for their hands-on learning experience?

Moore is already working on the next iteration, which will connect students with planning firms in 89 FPA chapters. The exact shape of the intern/extern version of the externship is not clear yet, but it could involve students working (on a paid basis) in multiple offices over the summer, and also participating in the online program that features the best advice from the best subject matter experts in the country. Advisors reading this should consider the externship as a new job placement opportunity, where they can recruit young professionals who have learned their skills from top advisors. Firms that don’t currently have an internship could see this as an opportunity to start small, bringing in somebody for part of the summer, basically sharing an intern with other firms in your FPA chapter.

The students who participate in the summer of 2021, meanwhile, might be joined, virtually, by hundreds, thousands, perhaps even tens of thousands of would-be career changers who aren’t looking for a summer job, but who see the externship as a way to get a taste of what financial planning is all about. After all, the externship was built to be scalable. And it is reaching a more diverse community than the existing profession: 8.52% of the participants self-identify as Black or African-American; 10.07% as Latino; 15.95% as Asian, and there are smaller (less than 2% overall) percentages identifying themselves as Native Hawaiian or Pacific Islander; American Indian or Alaskan Native, or Middle Eastern or North African.

“I cannot get out of my head the fact that we have 40 million unemployed Americans right now,” says Moore. “A third of them say that they’re looking for a job- or career-change right now. And financial planning is a top-10 field that people want to get into. When I see that opportunity, when I see something where we have a scalable way to introduce people to the real way that financial planning is done, to me that opportunity is just crazy.”

*Bob Veres' **Inside Information** service is the best practice management, marketing, client service resource for financial services professionals. Check out his blog at: [www.bobveres.com](http://www.bobveres.com).*