Implementing Internships

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About the Authors

Jon Yankee, MBA, CFP®
Jon P. Yankee, MBA, CFP®, founded Fox, Joss & Yankee in January of 2006 with Marjorie Fox and Dan Joss. In addition to his duties as a Partner, Chief Financial Officer, and Senior Financial Advisor, Jon leads the development and implementation of the firm’s human capital strategy and its well-known summer associate (internship) program. Jon is also a former member of the Board of Directors of the Northeast Region of the National Association of Personal Financial Advisors (NAPFA).

Jon earned his Master of Business Administration in International Management with a focus on Finance from Thunderbird, the American Graduate School of International Management, in 1998. He received a Bachelor of Arts degree in International Studies with a concentration in Asian Studies and Japanese from the University of Richmond in 1992. He also completed undergraduate work at Kansai University of Foreign Studies in Osaka, Japan from 1990-1991.

Jon has been a speaker at a number of industry events and conferences focusing on internship programs and his firm’s hiring practices and strategies. He has also been quoted in publications such as Investment News, Financial Planning, The Journal of Financial Planning, Investment Advisor, Bloomberg Wealth Manager, Forbes.com, Men’s Health, Financial Week, Bankrate.com, and Dow Jones Newswire.

Laurie Belew, MBA, MS, CFP®
Laurie A. Belew, MBA, MS, CFP® joined Fox, Joss, & Yankee in August 2006 as an Associate Advisor. In 2009, she was promoted to Financial Advisor. Prior to joining FJY, she worked for Amicus Financial Advisors, LLP and Pennington, Bass & Associates in Lubbock, Texas. Laurie is a member of the Financial Planning Association, where she is active in the NexGen community of interest. She served on the task force for the 2007 and 2009 NexGen conferences, and has been played an important role in the development of a local NexGen chapter in the DC Metro area. She is also a member of NAPFA.

Laurie earned her Master of Science degree in Personal Financial Planning, as well as a Master of Business Administration degree from Texas Tech University in May 2006. While in school, she was an officer of the Texas Tech Personal Financial Planning Association and a graduate assistant, specializing in retirement planning and estate planning. In 2001, Laurie graduated summa cum laude with a Bachelor of Business Administration in Finance and a Bachelor of Arts in Public Policy from Southern Methodist University in Dallas, Texas.

Laurie has been a panelist at industry events and conferences focusing on the firm’s human capital practices and strategies.

Lisa Crafford
Lisa Crafford joined Fox, Joss & Yankee as Office Manager in June 2010. For the previous three years she worked within staffing and recruiting, providing administrative, human resources and customer service staffing solutions to businesses across all sectors.

Lisa graduated cum laude with a Bachelor of Business from the University of Technology, Sydney with majors in French and Business Management. Lisa is an alumnus of the GYLC (2001), and Rotary International Exchange (2003), and achieved the Duke of Edinburgh’s Gold award in 2004 and President’s Volunteer Medal in 2009.
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INTRODUCTION

It seems that the majority of advisors we speak with express a desire to leverage their time more effectively through the use of interns or some other version of part-time/seasonal assistance. However, most of these extremely bright and innovative advisors/business owners do not know where to find good interns. They do not feel confident about how to keep a talented intern busy with productive work, nor how to properly compensate them.

Whether you are a sole practitioner or a large firm with multiple advisors, a solid internship program can add significant value to the quality of work your business produces. Of course, it goes without saying that a good internship program can be invaluable to these future planners, and it can help them better experience and define their career aspirations. In addition, interns can increase your capacity to continue business growth or can enable you to carve out additional free time for yourself – whatever personal and/or business goals you may have.

In a profession where revenues are largely related to assets that are impacted by volatile financial markets, keeping a watchful eye on expenses and having predictable cash flows are both important. An internship program is a good way to improve productivity while continuing to provide quality client service in all market environments.

This whitepaper is intended to provide guidance to advisors who have expressed a desire to develop some sort of internship program but who are not quite sure where to begin. These people have asked for some sort of “Internship in a Box”, a quick and simple guide to developing an internship program that is effective for their specific business circumstances. The following is this guide, based not only upon our firm’s highly successful summer associate program, but also dozens of discussions with advisors, CFP Board-registered Program Directors at colleges and universities throughout the country, respected consultants and—perhaps most importantly—students.

“We know through research at our company Angela Herbers Inc., a human capital management company, internship programs are not only very low cost but also dramatically enhance the ability of an advisory firm to attract top talent. Fox, Joss & Yankee has proven through its dedication to hiring interns, the true value an internship program can bring to the company, and they have outlined how it can be done in this useful whitepaper.”

Angela Herbers
Founder, Angela Herbers & Associates, Inc
www.angelaherbers.com
Why do you need an Intern?

White paper: Implementing Internships

Whether you look at Moss Adams’ comprehensive research on the issue, listen to Chip Roame’s speeches, or read any of the numerous industry publications: the one consistent message from all of these sources is that the independent financial advisory business is booming – with no end in sight. The past few years have only reinforced the belief that current trends of movement away from large wirehouses to the independent model will continue to pick up steam. Client and revenue growth will result.

With growth come challenges, particularly in the area of human capital, and questions of how to staff appropriately without hurting profitability. Many advisors who have been toiling for years (or decades) to build successful practices are now being faced with capacity issues that mean growth cannot continue without additional staffing. This challenge comes at a time when many of these same advisors are just beginning to reap the financial rewards of their hard work. So making a decision to essentially cut your own pay in favor of hiring staff can be more difficult than most newer advisors fully appreciate.

Moreover, when firms are impacted by declines in the financial markets and the subsequent decrease in revenues, many put on hold the execution of human capital plans. Tightening the belt may mean not hiring or postponing a decision to hire new staff.

An internship program can help facilitate a softer entry into the human capital area for advisors who want to get their feet wet or explore hiring opportunities. A qualified intern can help ease some of those capacity issues for advisors at a much lower cost than hiring a new, full-time employee. The leveraging of an advisor’s time is possibly the most important benefit of hiring an intern. With more time – our most valuable commodity – advisors are able to focus on things many have neglected for a long time -- things such as their own personal lives, their health, or things they need to do to evolve their advisory practice into a viable, sustainable business (including process improvement and documentation, marketing, and succession planning).

In addition to leveraging time, an advisor can utilize interns to get to certain projects that have not received enough or an appropriate amount of his/her attention. In this hectic world and profession in which juggling and prioritizing are invaluable skills, some tasks or issues that we would like to get to … just don’t get done. Whether it is confirmation of IRA or life insurance beneficiaries or a review of a client’s estate planning documents and decisions, life overtakes us often, and many items on a practice’s “to do” list get put off indefinitely. An intern can be very useful as a means to accomplish some of those tasks.

An internship can also be an invaluable way to try out a potential future employee. Given the high costs of recruiting, hiring, training, and retaining employees, it is essential today – especially in a competitive labor market – to get it right the first time when you hire someone.
According to the Institute for Research on Labor and Employment (University of California, Berkeley) “the turnover costs for a manager average 150% of their salary including the tangible costs of hiring new workers and relocation and intangible costs such as the new workers inefficiency, and lost productivity while the job is vacant.” In addition to turnover costs, other hiring costs include updating equipment and other resources, potentially creating a new work space, training costs, and health insurance. The Kaiser Family Foundation published in 2009 that the average employer contribution to employee health plans was $4,045 for individuals and $9,860 for families. Researchers estimate that the cost of hiring a new employee is up to 40% of their base salary (Susan Brown, www.suite101.com, April 4, 2010).

An internship gives you the ability to get a 2 to 3 month look at someone in the context of your company culture and a professional atmosphere without the initial financial commitment of a full-time employee. The rigors of working every day and the pressures of working in a potentially stressful profession (giving important advice to people who need it) are the types of situations that can truly give you a sense of how someone would fit in with your organization and culture.

At the same time, you are able to show off your company as a great place to work for potential employees in a way that is much more tangible and real than an hour-long interview with a candidate. In many ways, the “interview” process has become a two-way street. Given the tremendous demand for quality talent, the best/strongest candidates are able to pick and choose for whom they want to work. Thus, an opportunity to show a future planner what it would be like to work in your company is a very real advantage that an internship program provides.

Finally, an internship can be a meaningful way for an advisor to “give back” to this emerging profession. Educational and mentoring opportunities are among the most important things that new planners are seeking out of an internship experience. Experienced advisors can impart their wisdom and experience during an internship. This can be the difference between a mediocre summer internship and a motivating career opportunity for new advisors. By interacting with the next generation of financial planners, your firm will become influential in the future of the industry. The time spent with interns will shape their expectations of full-time employment, the financial planning profession, and their career path. For the right candidate, a great internship experience will influence his/her career choices for years to come.

“In order for a college graduate to have the best chance of finding post-degree employment, I believe an internship is essential. My internship experience, with Fox, Joss and Yankee LLC., gave me individualized, relevant experience and allowed me to hone in on what specific type of firm I would like to be employed with. Through my internship and my prior experience in the military and the retail industry, I came to the conclusion that I want to be employed with a smaller firm (i.e. not a corporate giant). Mentorship is large consideration for me, and at a smaller firm, I believe there is a greater opportunity for interaction with everyone in the firm, including the principals.

For a firm to have a successful internship program I believe they need to constantly offer feedback and inspire dialogue with the interns as to where they want to be in the future and what types of firms might offer the best fit. At Fox, Joss & Yankee, I had multiple conversations with both the planners and partners concerning this very subject, and I know that they have been fully committed to helping me get to where I want to be.”

Josh Blair, FJY Summer Associate, 2010
MS, Personal Financial Planning, Texas Tech University
How do you find an intern?

Finding an intern can be the most daunting task an advisor faces in the process. It is easy to find a high school or college student who is willing to stuff envelopes and file. But you need much more: a competent, even talented, individual who can not only provide real, tangible help, but can do so while giving you confidence that your clients’ and business’ privacy and financial information will be respected and protected. You are not looking for someone to do busywork; rather, you are looking for someone who is teachable and who will produce work product, providing a return on your investment and leveraging your time.

There are several “no cost” options for staffing open positions. First, start with your own resources. Leverage your firm’s website with an alert or update: include a general description of the open position with contact information for candidates. According to the 2007 Robert Half International Report “What Millennials Want: How to Attract and Retain Gen Y Employees,” “75% of Gen Y professionals visit company websites to learn more about prospective employers”. Second, contact the program directors in your local college’s or university’s business or finance departments. Many of these schools make mention of portfolio management or some sort of financial planning, but most do not have full-time degree programs specific to the profession. Nonetheless, there are highly qualified students out there who might have a keen interest in an opportunity with your firm – if they only knew that you were looking. In today’s job market, most students will jump at an opportunity to get a foot in the door through an internship.

For many firms, the most valuable places to look for talent have been the educational institutions that are CFP Board-registered programs. There are 101 bachelor’s, 45 master’s and six Ph.D. programs at universities and colleges in the U.S. that teach a financial planning curriculum that satisfies the education requirements of the CFP Board of Standards. A full listing of these programs can be found at www.cfp.net/teamup/colleges.asp. Most of these programs have a wealth of talented students who are clamoring for experience in this field. Postings at these schools (either online or actually on location) can be a very rich place to find your help.

Among the most active and well known of the CFP Board registered programs are Texas Tech, Virginia Tech, Kansas State, Utah State, San Diego State, the University of Missouri and the University of Georgia. These schools have undergraduate and/or graduate degree programs in financial planning, and are finding their programs increasingly popular among the best and brightest students. Just because you may not be located near one of these institutions does not mean that you cannot access these students. More and more schools, like Kansas State (www.ipfp.k-state.edu), have online degree programs and students taking classes from around the United States. Our firm, located in the Washington, D.C. area, has had no problem finding numerous candidates willing to relocate from Texas to the D.C. area for a summer – so geographic location is not necessarily a deal-breaker.
If you have identified a particular school that is located near you or has students you want to meet, most schools have some sort of job posting website where you can post your employment opportunity or search student resumes. Check out Texas Tech’s site, www.depts.ttu.edu/pfp/job_bank.php, or Virginia Tech’s website, www.fnpn.agecon.vt.edu, as good examples. Many of these schools also have events such as job fairs or career days that showcase their students to possible employers. Over the years of running our internship program we have developed relationships with program directors at several key CFP Board Registered schools, which helps us proactively identify students who would be a good fit for our internship program and business culture.

Industry-specific websites such as the National Association of Personal Financial Advisors (NAPFA) (www.napfa.org/career/opportunities/index.asp), Financial Planning Association (FPA) (www.fpanet.org/CareerPractice/Jobs/), and Charles Schwab Institutional GrowthPoint® Human Capital (www.schwabinstitutional.com/humancapital) provide links where potential interns can post their resumes for your review, as well as places for you to post internship opportunities at no cost.

There are also many industry-specific events where you can find this type of talent. At most NAPFA regional and national conferences, there are scholarship winners attending, most of whom are students or others trying to break into this profession. Historically, the FPA’s national conference has been a gathering place for dozens of students looking to network and/or find employment opportunities. Most recently, Charles Schwab Institutional has developed a program at their annual IMPACT® conference, for scores of students from various CFP Board-registered institutions to mingle with and identify potential employers. At the 2010 conference, there were 93 students from more than 14 schools.

If you are unsuccessful in identifying talent using those resources, an alternative place to look is job-related websites, including CareerBuilder and Monster. Just be aware that these may require more filtering on your part. There is a fee associated with posting a job and viewing resumes; and these forums will expose you to more candidates who may not have the specific skill set or experience you are looking for in an intern, and therefore may not provide the best return on time and money.

Lee Financial Corporation in Dallas, TX hires interns for a variety of reasons. Interns provide a constant flow of young talent to evaluate as potential hires for future openings, in addition to presenting an inexpensive alternative to close loops on outstanding projects. Full-time junior planners are also able to practice their leadership skills by mentoring and/or delegating tasks to an intern. This is the first step to prepare junior planners to become future senior planners.

The firm utilizes three main avenues to source interns. Its principal source is through the annual Dallas Financial Planning Association’s career day, when firms have a chance to meet with a large group of students at one time. The firm also finds interns though university career departments or posting internship opportunities on its website.

Interns’ duties are similar to those assigned to a junior planner. Their interns focus on corporate level and/or client level projects that could include modeling, insurance analysis, updating client files, etc. Interns also “fill the gaps” and finish outstanding clients tasks or other special projects. All interns are mentored by lead and junior planners and are provided with feedback. The end goal is for the intern to leave having had an experience of what it is like to be a junior planner in the financial planning career model.
Texas Tech University

The internship program at Texas Tech is the largest and most robust in the country. Each year, the personal planning program (PFP) sends 45-60 students into the workplace to be mentored by some of the top advisors in the country. The formalized program requires internship sponsors to be vetted and approved by PFP faculty before they are able to take on summer internship students. Sponsors sign a contract committing to giving the intern a wide variety of experiences, from back office operations to planning support and client services. Students are required to spend 300 hours at the firm, working a 40-hour week paid internship. At the completion of the internship, students write a comprehensive report on their experiences with the firm. Sponsors provide evaluations that contribute to 30% of the student’s grade.

Because of TTU’s Schwab Technology Complex and software gifts of more than $4.5 million, students are fully prepared to add value to their internship experiences immediately. Interns have knowledge of financial planning programs, CRMs, portfolio management, and even document management. Many students have installed and integrated software into firms, prepared financial plans, taken notes in client meetings, and a few have even prepared business and marketing plans for their sponsors. Interns have been placed in 43 states and 9 countries.

The program is designed to give undergraduate and graduate students the opportunity for career exploration and development related to the PFP major. Although most positions involve advisor support, all placements enable students to learn new skills, explore career interests, and encounter new social and intellectual challenges. Students are encouraged to view the program as an opportunity for a learning experience with long-range benefits, not just for valuable career experience, but many have been offered employment after graduation after completing their summer internship.

Deena Katz, CFP®
Associate Professor, Personal Financial Planning
Texas Tech University

Program Statistics

Founded: 1999

Alumni: 1,000 (from BS, MS and PhD)

Degrees Offered:
• BS in Personal Financial Planning (PFP) and Undergraduate Minors
• MS in PFP and dual degrees offered for JD, MBA, MS Finance
• PhD in PFP with minors in Finance and Ag Econ
The Virginia Tech CFP Programs have long supported, and in some cases required, an experiential learning component to their undergraduate education. Students are encouraged to develop relationships within the profession and to learn more about how financial planning works by attending professional conferences, “shadowing” professionals, or doing short-term exploratory externships. But the most beneficial opportunity takes the form of internships – typically summer experiences. Approximately 50 VT financial planning students annually complete internships and the benefits are noticeable both inside and outside the classroom. Students return to campus eager to share their experiences with others and demonstrate a higher order of thinking in the classroom. They often comment on the value of seeing, in real life, what they have been studying in the classroom – and are motivated to work even harder to complete their degree and tackle the challenges of licensing or the CFP exam. Most importantly, several return to campus with a job offer in hand – from the firm where they worked as an intern.

Since initially registering the program in 1997, Dr. Ruth Lytton, Program Director, has recognized the value of having students experience the work place. At that time, for many students their internship was their first “real” job and while today many more college students are “working their way through school” the internship is still their first view into the financial planning profession. Their experiences help them (1) determine whether or not planning is the right profession for them; (2) identify which channel within the profession may be the best fit for their personality and professional goals; and (3) truly understand the integrated and recursive nature of planning and the nuances of client-planner relationships. Without experiential learning, financial planning is “just words on a page,” but with it the “profession comes alive.”

Students from the VT program have completed internships in every corner of the US – from Boston to San Diego, and in every channel available – from wirehouses to independent RIAs and wealth management firms. It is amazing how much they learn, when the firms take the risk of giving them meaningful work. And, it is a win-win-win – the student, the firm, and the first employer that benefits from the knowledge and experience gained.

Derek D. Klock
Assistant Professor of Practice
CFP Program Coordinator and Placement Advisor
Department of Finance, Virginia Tech

Program Statistics

Founded: 2007 (previous program ran 1992-2005)

Alumni: 125 since 2007, with an additional 40-50 per year

Awards and Honors:

• 19 students have been awarded with scholarships for NAPFA Conferences
How do you select an intern?

After you have identified where you will search for potential interns, you need to focus a little on the process by which you will identify and select your intern. It is important to focus on the process for a few reasons. First, you want to make sure that the people you select have the integrity and personality to fit in your office and culture. Your confidence in their ability to respect your client privacy, data, and your office environment is of utmost importance. Second, the more time you spend on the front end of the hiring process, the higher the likelihood that your intern experience will be positive for you and your intern. The mantra of “slow to hire, quick to fire” should be front and center not only when hiring full-time employees, but also when hiring interns. One mistake can be costly to your reputation and/or productivity.

Of course, it goes without saying that you should have a detailed and concise job description written so that potential interns know what you expect of them and what type of experience and work they will be receiving. This job description is what you will post on any websites or send to potential candidates or CFP Program Directors. A job description should be very similar to the one you have for a para-planner/associate advisor position. You want to give the intern a flavor for what the career will be like in the first few years and thus, their experience should mirror what newer, less experienced advisors go through in their first years. In drafting a job description, it is important to remember that it is a legal document and there are guidelines to follow regarding what is acceptable to publish. The job description should include: the title of the direct report, key responsibilities, qualifications, expectations, and compensation. It is also useful to communicate a deadline for applications to allow concurrent evaluations of all the candidates.

Once you have any number of candidates who have shown interest in your job posting and job description, you should have a consistent way that you screen and interview them. Develop a set of “hard” and “soft” criteria to use to evaluate the applicants. For example, look for candidates who have educational experience in the financial planning field, exposure to a professional setting, and an initiative with community service, or extracurricular activities. Cull through resumes and identify a few candidates with whom you want to speak by phone or in person. Then, prioritize the candidates and schedule a 15 to 20 minute phone interview. The phone interview is a great opportunity to evaluate candidates’ soft skills and gather a sense of their understanding of the program and commitment. After the phone interviews, select the top candidates for an in-person interview. Every firm’s process will vary depending on the time you want to spend and the number of resumes you are reviewing. It is important to ask similar questions of each candidate so that you can have appropriate comparisons when making your decision.
It is important that interns are not only capable of doing a job well, but are able to fit into your culture and could eventually become a part of your full-time team. Look at existing employee performance evaluation criteria and identify questions for intern interviews that follow closely those criteria. If we judge your employees on certain criteria, then it makes sense to use those criteria as part of the hiring process. Regardless of what questions you use to interview, it is supremely important to treat an intern interview like you would any other interview — you cannot afford to get this decision wrong. If possible, it is wise to involve your associate planner or other team members in the interview process. Since he/she will be working closely with the intern, it is helpful to obtain their support of the candidate.

Remember also that your intern opportunity is supposed to provide the intern with a learning experience and valuable benefits other than an hourly wage. So you are doing them a service by treating the interview and selection process very seriously. It is good practice for them as they begin to enter the working world, and it is, many times, their first impression of our wonderful profession. If you are able to spur their enthusiasm about our profession and this career, they are much more likely to show a passion and competence that will end up providing you with the type of work and experience you want to achieve through an intern program.

Finally, it is important to establish and communicate to the candidates the anticipated timeline for this process, as the best students will be in line for other opportunities. If your program is due to start in May, then your recruiting program should begin in the Fall and be completed with offer letters sent by at least the first week in March.

Yeske Buie, with offices in Vienna, VA and San Francisco, CA, uses interns extensively. During the school year, the VA office has a business/admin intern, from a local Chamber of Commerce program, and the CA office has a finance/financial planning intern, from one of several local universities. Summer interns can often relocate for the summer, so during the summers, one or both offices have a financial planning intern from a CFP Board accredited program.

Over the years, a culture of Interns has developed, resulting in the commonly heard exclamation: "That would be a great intern project!" This fondness for interns has emerged over time for several reasons. First, Yeske Buie has a formal intern training program that supports staff in bringing on new interns and helps the interns hit the ground running. Next, there have been multiple successful projects implemented by interns that resulted in significant operational improvement for the firm (data base projects, software research projects, financial planning support and ongoing implementation of recurring tasks). And ultimately, the wonderful energy and enthusiasm contributed by young people in the office environment makes everyone’s workday more enjoyable.

To what does Yeske Buie attribute its success with interns? Designing their internships to provide three types of work in order to serve everyone involved: (1.) work that is all about the intern (e.g. education, mentoring, etc.); (2.) work that is all about the company (e.g. tedious database updating, reorganizing the back room, etc.); and (3.) work that is genuine learning AND genuine help to the firm (e.g. supporting financial plan updates, preliminary work on rebalancing portfolios, flowcharting estate documents, etc.). Focus on all three of these types of work has resulted in robust learning experiences for the interns that have also provided exceptional support for the firm.

Internships are part of the life blood of Yeske Buie, benefiting the firm and, by all accounts, having significant positive impact on the interns. As evidence of the latter, here is a direct quote from a thank you note from one of the best interns Yeske Buie has ever had the privilege to work with: "My summer internship with Yeske Buie has been the most beneficial professional experience of my life."
**How do you keep them busy?**

A number of advisors we speak with tell us that they know how to find interns, but they just do not know if they can find enough substantive work to keep an intern busy. In addition, they do not want to spend an inordinate amount of time training an intern. No one wants to just give someone busywork, and most advisors want to give the intern a great experience – so there is an apprehension about whether they can give the intern the opportunity they deserve. Of course, a list of job duties and tasks can include as many tasks as there are advisors and clients, but your first focus should be on the job description you have created. Again, the goal is not only to give the intern a great experience, but also to get quality work product out of the employee.

Once the number of interns has been finalized (ideally at least 2 months ahead of time), meet and discuss what responsibilities each full-time individual will have in training the interns. Task each employee with some aspect of training, which is not just limited to the financial planning software the intern will need to know to get the work completed. The training program should encompass professional skills (such as telephone etiquette and filing) as well as a discussion of your firm’s vision and strategy, client value proposition, and introduction to your internal committees and processes.

Break the job into two different roles. The first and main role is to support the paraplanner/associate advisor with preparations for client meetings; these may include data gathering, putting together performance reports and rebalancing recommendations, and other due diligence related to a client’s investments or financial situation. This gives the intern a feel for the responsibilities of an entry-level type position. The goal is for the intern to be doing as many of the associate advisor’s job duties as possible by the end of the summer. It is also a great opportunity for less experienced, full-time advisors to begin developing their mentoring and leadership skills by supervising much of the preparation for client meetings and the intern’s workload. The leveraging of time can be significant after the intern has learned your firm’s processes and planning methods.

The primary objective is to give the interns insight into what it means to be an associate advisor at your firm. Year after year, the experience they most appreciate has been the ability to interact with clients. It is one thing to prepare materials for a meeting, but to see how those materials are presented in a meeting and to understand how an advisor interacts with his or her clients is not something that can be learned in a textbook or a classroom. Thus, try to give interns several opportunities throughout the summer to observe client meetings. It is useful to allow the interns to see a wide breadth of topics discussed and to observe both clients who are new to your firm and those who have been with you for decades. Of course, this is a sensitive subject for many advisors, but it has worked very well at many firms.
First and foremost, do your best to be sure that your clients are comfortable having the intern in their meeting. You know your clients well and can pretty easily identify which meetings will be best for your interns to observe. Ask the client for permission in advance and when the intern is not present. Also, set expectations with the intern in advance that they are not in the meeting to participate, but only to be a silent observer. Of course, should a client initiate conversation with the intern, encourage some small talk and view it as an opportunity for the intern to interact professionally with your clients. Even if you are not comfortable having an intern in client meetings, there are other ways to provide the opportunity for client interaction, such as answering phone calls, greeting them in your reception area upon arrival, and drafting communications to be sent to clients.

Abacus Planning Group in Columbia, SC believes hiring interns has multiple advantages, including giving budding leaders within the firm the opportunity to lead and manage others. An Abacus team member will typically fill this leadership role for three years. The checklist below was created by Abacus to capture the best practices, lessons learned, and tips for creating a “terrific” internship experience for the new leader and the interns.

- Submit recruiting information and job description to schools
- Develop intern project list with assistance from staff, assigning a leader to each project
- Review resumes and conduct interviews in person and via telephone
- Make internship job offer(s) only after completing background and credit check
- Provide feedback to those applicants who did not receive an offer
- Assist interns from out of town find housing
- Train interns on telephone system, office software, and systems, and allow for sufficient practice experience
- Assign projects to interns, with leaders helping to drive the process
- Include interns in all internal meetings and have them lead one staff meeting during the summer
- Have an “expectations” meeting at the beginning of the internship to ensure that intern and company understand each other and can communicate well
- Schedule appropriate social events to ensure interns are properly welcomed into the company
- Educate interns on business etiquette
- Give staff freedom to have regular lunches with interns to ensure good communication
- Regularly check in with interns to make sure they are comfortable with what is expected of them, and to monitor progress on projects
- Conduct exit interview at end of summer

The learning curve is very small for high-quality interns from the schools that are teaching financial planning. Because these students are learning the technical requirements of the profession and earning the educational background of a CPF Board Registered Program, you will spend less time training and explaining and more time simply delegating. This speaks volumes toward the value of the degrees that these schools are providing. Because they are coming out of these schools with the technical and educational background necessary to be successful in this field, what the students need upon graduation is experience in the profession.

The second role of the intern is to take the lead on any number of different projects as defined by the firm. These projects could be tasks that you have been meaning to do for a long time, but just never get around to, or items that will get you even more in the loop regarding your clients’ financial affairs. Having an intern take a lead role in some of your due diligence on investments might also be a project that would be helpful to you and interesting for the intern.
Prior to the start of an intern’s tenure, taking a little time as a firm to develop a list of 5-10 projects will lead to fewer worries about keeping them busy during their time with you. For example, one firm had an intern verify and confirm all the client IRA, 401(k), and life insurance beneficiary designations. During this process numerous disparities were discovered in what the designations should have been versus what they actually were. Interns have also worked on similar projects related to Long-Term Care Insurance and also have helped to integrate new risk assessment tools among a firm’s client base. Again, the projects are there for the interns to have as a fall-back if there is a slow week or not as many client appointments, but their priority focus during the summer is client preparation.

Just as you expect your interns to participate in the shared workload of the firm, you should also expect their participation in internal meetings. If you have periodic financial planning and investment committee meetings, allow the interns to not only observe but help prepare for, participate in, and sometimes present during the meetings. Part of knowing what it means to be an advisor is to understand how your firm determines what advice to give to clients. You want to also provide them with insight into the business of financial planning. Therefore, involve them in your weekly staff meetings, long-term strategy meetings, and other discussions related to running your business. This involvement shows them the owner’s mentality necessary in our profession before their careers truly begin.

As the program draws to a close, set aside time for each of the interns to sit down with multiple members of your team for an exit interview. As with the hiring process, afford the interns the same rights as full time staff when he/she is leaving the firm. The exit interview is an opportunity for the intern, the manager, and the staff to share insights, constructive criticism, and feedback on the program. Use this feedback from students to adjust your program and improve it.

Interns are interested in frequent and formalized recognition and feedback from managers. In the Robert Half International Report “What Millennial Workers Want: How to Attract and Retain Gen Y Employees” the findings show that only “10% of Millennials are comfortable with communicating once a week with their bosses – most want daily feedback”. During your program the interns can meet off site for lunch one-on-one with each of the advisors; in addition they should have regular meetings with the Associate planners and operational staff to provide feedback on specific tasks and projects.

“I encourage all of the students and new planners I encounter to try and secure at least two internships while in college. This gives them a glimpse of what really goes on inside a financial planning firm and should solidify whether or not they want to pursue financial planning as a career. If they have multiple internship experiences, it increases their chances of finding the right firm type, fee structure and service model thus increasing their likelihood of success in the industry long term.

Frankly, most of the clients I represent won’t consider a candidate I present to them unless they have done at least one internship in financial planning. Doing an internship shows a potential employer that you are serious about your career and have at least a base level of knowledge about the inner-workings of an RIA firm. The candidates who complete multiple experiences clearly stand out over those who have not and their opportunities in the permanent position market are more plentiful.”

Caleb Brown, MBA, CFP®
Partner, New Planner Recruiting
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**How do you compensate them?**

*Fortune Magazine* (May 28, 2007) deemed Generation Y the most “high maintenance, yet potentially most high performing generation in history because its members are entering the workplace with more information, greater technological skill and higher expectations of themselves and others than prior generations,” and *Time Magazine* (July 16, 2007) described them as “wanting the kind of life balance where every minute has meaning.” Therefore, in designing a compensation package for today’s interns, it is important to take into consideration their motivators and what kind of relationship you intend to have with the intern after the program has been completed.

You should financially compensate your interns. Pay a competitive hourly wage, provide flexible work schedules, and offer other non-financial perks, such as participation in office social events (for example, in the past, our firm has taken a cruise on the Potomac River, toured the White House, and had a day of Go-Kart racing). As it is a short-term internship, and not a full-time position, most interns will not be eligible for your Health Insurance program, 401(k), or other benefits. You should confirm this in your plan documents.

Internships should be paid so you can demand a higher quality of work, secure better talent, and provide motivation for learning. Since your goal is for your interns to be producing work at the level of an associate advisor by the end of the summer, you should expect a commitment from the intern to complete tasks as directed and often to meet a deadline. In addition to that, projects completed during the course of the internship remain property of your firm and can be used as an ongoing resource.

Should your firm choose not to financially compensate your interns, it is important to consider the legal limitations of performance expectations. The FLSA (Fair Labor Standards Act) states that “if a person meets the definition of an ‘employee,’ that person must be compensated according to mandatory minimum wage provisions. An ‘employee’ is defined as “any individual employed (to suffer from or permit to work) by an employer”. According to the FLS Handbook for States, Local Governments and Schools, an intern is not considered an employee when they are involved in education or training programs that are “designed to provide students with professional experience in the furtherance of their education and training and are academically oriented for their benefit” (*Wage and Hour Opinion Letter, Jan. 28, 1988*).

“My opportunity to work as a summer associate provided some incredible experiences at the beginning of my career. I could not believe the opportunities I had to work with clients! I spent considerable time preparing material for client meetings, and the advisors were not shy about inviting me to observe several client meetings.

I was very impressed that the firm would invest considerable time and resources in me, and I can tell they have a genuine interest in my future success. I really appreciated that they valued my input even though I was only going to be with them for a short time. They were also very transparent about their firm structure and even invited us to participate in strategic planning meetings. All these experiences have given me a new perspective that will positively impact my entire career.”

Benjamin Cummings, FJY Summer Associate 2008
PhD Student, Personal Financial Planning, Texas Tech University
Final Thoughts

While the temporary nature of an internship program allows you and your business to move on after the term of the internship, there are very valuable opportunities for you as you increase your intern alumni base. The last day of work for your intern should not be the last time you speak with or see your interns. Spend time as a reference promoting your alums for future employment opportunities, as they have earned your praise and support. Similarly, past interns should become advocates for your company, and sources of employee and intern referrals for future years. We have had interns in our program who would not have known about our firm if not for the good words and enthusiastic praise our intern alums had about our company and program. Alums can become ambassadors for your firm within the profession. Of course, it also follows that when your company is set to hire new full-time employees, the first group of candidates to look to is your intern alums, who have already had an opportunity to “interview” for that position.

Our firm has found that the most important aspect of a summer internship program is to give students truly valuable and meaningful responsibilities within your firm. Many intern candidates now have the technical training to take on tasks that you might first have thought were too big. Trust them and challenge them. The rewards of an effective internship program greatly outweigh the associated risks and costs, providing you a wonderful opportunity not only to utilize and reward capable talent, but also to give back to this extremely important profession.

“Fox, Joss, and Yankee’s internship program is an incredible introduction to the financial planning profession. Three months of my life turned into invaluable lessons of a lifetime in my career. The program is well thought-out; it outlined meaningful work such as preparing for client meetings and performing due diligence research for the firm. I was also encouraged to take initiative, be creative, and speak up.

By taking initiative, I aided one advisor in an education planning presentation he created for prospective and current clients. The advisor explained his goal to have an available and up-to-date resource on education planning and I volunteered to assist with the project. This facilitated his focus on other business development activities and provided me with a great learning opportunity to which I may not have otherwise been exposed.

During investment and financial planning committee meetings, I presented my research to the firm and participated in best-practices discussions. My academic knowledge was applied to and refined in the workplace. I developed professional communication skills, learned to be concise, and became a better listener. During my time at FJY, I grew personally and professionally. I gained experiences that I often draw from and ultimately built a strong foundation from which to launch my career in the financial planning profession.”

Honeigh Meletis, FJY Summer Associate 2010
Associate Financial Planner, Harris SBSB
Fox, Joss & Yankee is a fee-only financial planning and investment management firm serving the Washington, DC metro area, in particular the Tysons-Reston-Herndon-Dulles corridor.

The firm was founded when three of Northern Virginia’s top financial planning and investment management professionals—Marjorie Fox, Dan Joss and Jon Yankee—combined their decades of collective experience to build a client-centered firm that works the way they believe it should:

• Focused expertise in helping clients articulate their vision and goals and customizing our advice accordingly.
• A fee only, fully transparent model—acting as our clients’ fiduciary, we never sell or recommend anything that puts our interests before theirs.
• A holistic, integrated approach that proactively anticipates every milestone in a client’s financial life, including retirement, estates and trusts, education and business succession planning.
• A strong, consistent commitment to the Northern Virginia community we serve.

Today, Fox, Joss & Yankee is one of the most respected, trusted and successful financial planning and investment management firms serving the Washington, DC metropolitan area.