



Envestnet Institute

On Campus

Unprecedented times call for thoughtful execution.

**ANNUAL REPORT
SPRING 2020**

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Investnet Institute

On Campus

Providing the asset and wealth management industry with a talented, diverse pool of workforce-ready interns and entry-level employees.

“We deeply believe that the Investnet Institute on Campus builds an important foundation for the future of our industry. I am enormously proud that our organization has invested such energy into creating a program that inspires next generations, and how these students will contribute to what our industry grows to become. Our deepest hope, is that the future of advice will be defined by them, and will reach all communities to provide financial literacy, support, security and ultimately financial wellness for everyone.”



– **Bill Crager**, CEO, Investnet, Inc

A Letter from the Chairman

I am pleased to present the third annual report for Envestnet Institute On Campus (EIOC) with data ending June 30, 2020. The purpose of this report is to provide measurable results as well as insight to what we are seeing and hearing firsthand from employers and our ever-increasing student population.



Our last report was issued three semesters ago. Here are the highlights of the program since then:

- + Over the last three semesters, 1,456 students graduated from the program. This brings our **total number of graduates since our 2015 inception to over 3,300**, giving each participant foundational knowledge of the asset and wealth advisory business. Students have labeled the knowledge 'practical' and tell us it has "helped them to better understand the numerous opportunities in the industry".
- + **Fidelity Investments joined us as sponsor** in 2020. Their addition to our program allows us to dramatically impact outcomes on multiple fronts, one being Fidelity's organized approach to connecting advisors to students via job fairs to promote both internships and jobs. Fidelity's brand gives EIOC a broader reach, allowing us to better achieve our long-term objectives.
- + Envestnet is in the second year of our scholarship program that supports aspiring CFP® professionals and focuses on women and people of color looking to advance their careers in our industry. This year **we awarded twenty \$5,000 scholarships**, an increase from eleven in 2019.
- + Along with our emphasis on the Women in Wealth mentoring program, 2019 saw the **addition of four webinars dedicated to women interested in our industry**. The subject matter was also relevant to women already employed in our industry. Our goal going forward is to expand the mentoring program to include male mentors and male mentees.
- + We **added two Historically Black Colleges and Universities (HBCUs)** to the program in 2020. EIOC takes great pride in measuring the growth and success of our minority population and will be targeting additional schools with minority representation this year and beyond.
- + Lastly, we have been deliberate in our geographic expansion of new colleges and universities in the South, Midwest, and West coasts. Some of our **latest additions include Baylor University, Butler University, UCLA, and Howard University**.
- + For the first time in our history, we have **launched a summer program** based on the increasing demand for our classes. Over 200 participants are currently enrolled in the five-week course.

This annual report is being issued during an unprecedented time in our history, a pandemic, widespread economic uncertainty and the painful reminders of injustice and inequality in our country. Since inception, EIOC has been committed to engaging underrepresented individuals with the educational and career opportunities they need to launch successful careers in the wealth and asset management industry. Over one-third of our graduates are people of color and women. It is our hope that through our commitment to all students, our industry can better engage all communities so that financial security will be a reality for more American families.

Sincerely,



Jim Seuffert

Chairman, Envestnet Institute On Campus



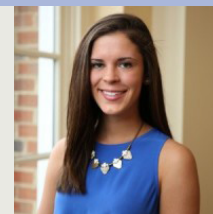
Envestnet Institute

On Campus

Measurements of Success

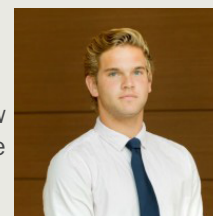
- + Investnet Institute On Campus just completed its eleventh session since its inception in spring 2015. **Over 3,300 students have completed the program.** Our objective is to train over 5,000 students by year-end 2021.
- + Starting with 4 schools in 2015, the program has grown to **40 participating schools as of the spring 2020 session.** University and college growth remain steady, with a goal of adding ten to twelve new schools per year. We continue to target opportunities in the Midwest, Southeast, and West for greater geographic diversity, as well as universities with diverse student populations.
- + **The rate of completion since inception is 71%.** This is an impressive statistic for online training, especially considering most students complete the coursework outside of their normal class workload.
- + Cheryl Nash, CEO of Tegra118, our long-standing and first partner continues to be the driving force behind our **Women in Wealth Management Initiative** and has expanded the **Mentoring Program** significantly in 2019, more than doubling the number of mentoring partnerships. Earlier this year, Tegra118 purchased a majority interest in the Investment Services business of Fiserv.
- + **EIOC continues their efforts in providing job and internship placements** throughout its partnership with DAKdirect in November 2016. We see this area as one of our measures of success in the future. We have over 1200 student resumes in the DAK Resume and Internship Hub. This database is dedicated to employers who are searching for work-force ready employees for internships and entry-level jobs.

“The Investnet Institute On Campus program has provided me with an education in the wealth management industry that has allowed me to excel not only in my internships and college courses, but also in post-graduate interviews and my current career in FinTech. EIOC offers an essential education beyond what is taught in Finance courses offered at universities – it teaches students practical information that can be used within any industry in a manner that truly fosters learning. From a basic explanation of acronyms that are EVERYWHERE in the industry to a Resume Hub designed to bring employers directly to students – EIOC is an unbeatable opportunity for anyone looking to expand their knowledge and get a leg-up among their peers.”



– **Jordan Cassella**
EIOC graduate

“As a student who is passionate about the Financial Services Industry and was eager to learn more about it and just did not know where to go, the Investnet Institute on Campus was exactly what I needed. I was able to gain hands on experience on how exactly the financial world operates on a day-to-day basis, as well as learning core principles that are the foundation to the industry as a whole. This experience not only provided insights and information that I could not find in any of my classes at school, but it also inspired me to dig even deeper into the industry and to take the next step in my young career. Upon completing the Investnet Institute on Campus, I was able to apply the concepts I had learned in all areas of my life including different classes I was taking at school to give myself a leg up, as well as everyday life and ways I could help myself attain Financial Wellness. This course ignited a fire within me to truly emerge myself in the markets, and to do everything I can to make a positive impact within the Financial Services Industry and beyond!”



– **Sam Goforth**
EIOC graduate



Program Statistics (since inception spring 2015)

40

Participating universities and colleges

3,388

Students completed program

1,133

Women completed program

71%

Student completion rate



62

Women mentored through the Women in Wealth Management Initiative (since Spring 2017)

1,045

Minorities completed program

Top Employers

JPMorgan
Vanguard
Merrill Lynch
Ernst & Young

Liberty Mutual
Fidelity
Morgan Stanley
Bank of America

BlackRock
UBS
DeLoitte
Barclays

21%

Average growth rate for new student participation per session

Participating Colleges and Universities

(as of spring 2020)

- + Baylor University
- + Bentley University
- + Bryant University
- + Butler University
- + Colgate University
- + College of Charleston
- + College of the Holy Cross
- + Delaware State University
- + Elon University
- + Fairfield University
- + Fordham University
- + High Point University
- + Hofstra University
- + Howard University
- + Illinois State University
- + Lake Forest College
- + Mount St. Mary's University
- + Roanoke College
- + Rowan University
- + Rutgers University
- + Saint Joseph's University
- + Saint Peter's University
- + Seton Hall University
- + Stonehill College
- + The City University of NY
- + Tufts University
- + UCLA
- + Union College
- + University of Arizona
- + University of Charleston, WV
- + University of Delaware
- + University of Hartford
- + University of Memphis
- + University of New Hampshire
- + University of North Carolina-Wilmington
- + University of Rhode Island
- + University of San Diego
- + University of Wisconsin-Madison
- + Villanova University
- + Widener University

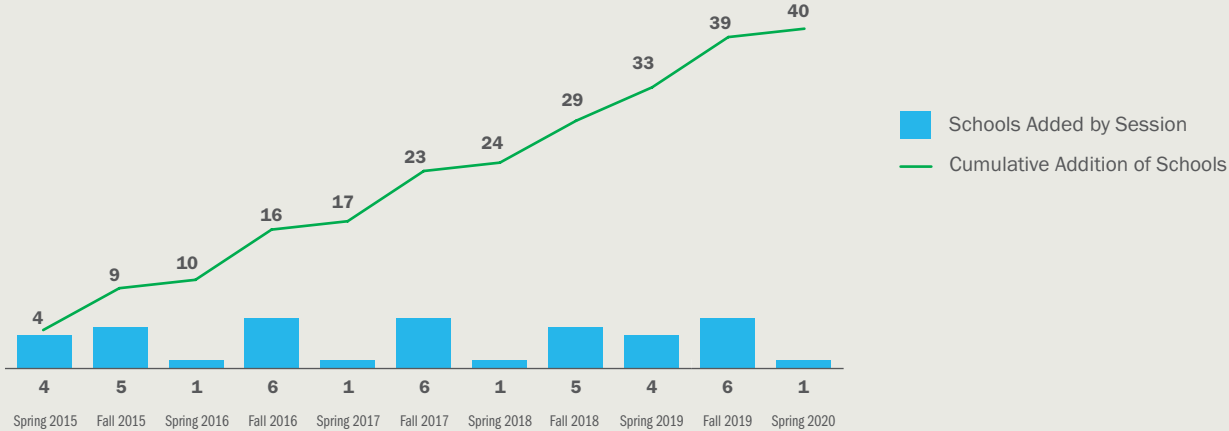


Investnet Institute

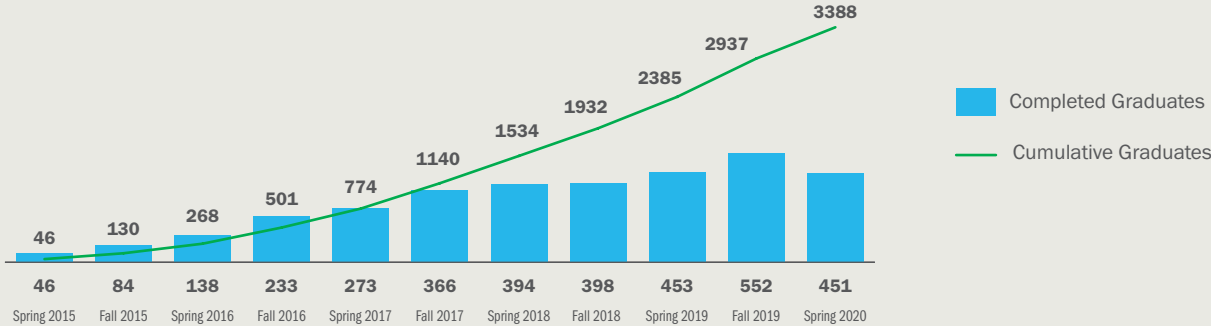
On Campus

By the Numbers

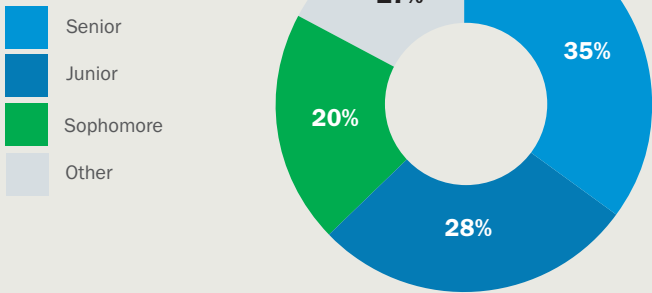
Addition of Participating Colleges and Universities by Session



Student Participation

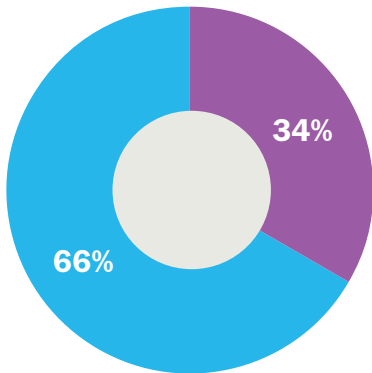


Breakdown of Student Grade Level

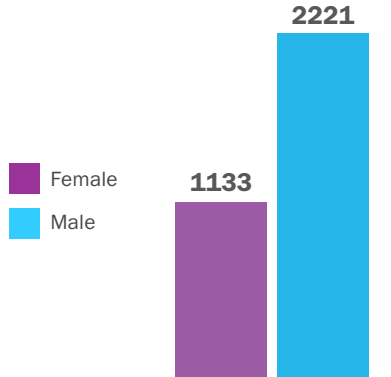


Demographics¹

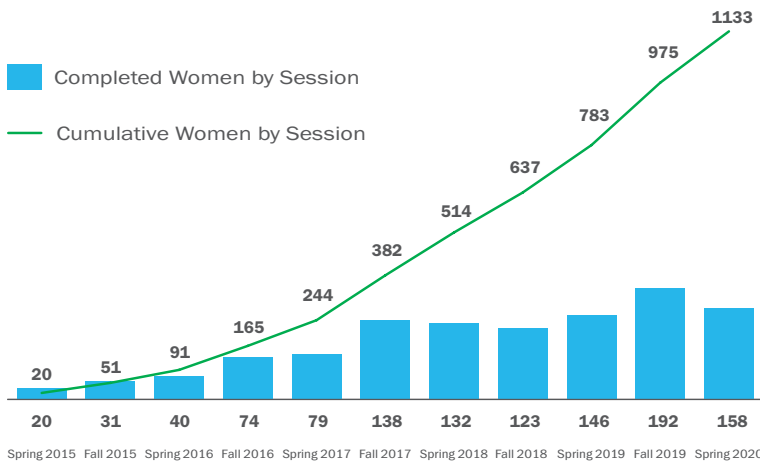
**% of Totals
Men vs Women**



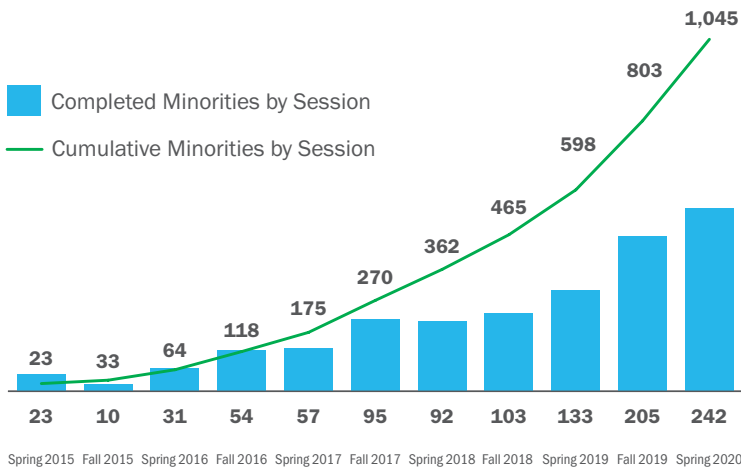
**Number of Men and Women
Completed Program**



Number of Women Completing Program Rising Steadily



Number of Minorities² Completing Program Increasing Since inception



“We’ve partnered with EIOC since its genesis as a driving force in bridging what students learn in the classroom and how they apply their knowledge in the wealth and asset management industry,” said Cheryl Nash, CEO, Tegra118. “Through the Women in Wealth initiative, we’ve built a strong and empowering network that is connecting young, diverse women with experienced, diverse leaders who are committed to seeing them succeed in our incredible, growing industry.”

– **Cheryl Nash**
CEO, Tegra118

¹ We track the demographic distributions of EIOC participants through the use of student surveys and research of individuals on LinkedIn.

² Minority: defined as women, Black, Latino, Asian, Indian, or International Students.

Three Ways We Can Shape the Future of Financial Literacy and Education

Jim Seuffert, Chairman, Envestnet Institute On Campus

As chairman of Envestnet Institute On Campus (EIOC), I am fortunate to interact with students, spending time on college campuses, holding virtual seminars, and providing one-on-one counseling. In my conversations with students and young adults during this trying time, I find they are struggling to figure out their next moves, contemplating the changing conditions on college campuses, and facing heightened financial insecurities.

The fact is, in the span of a few short months, the world has changed – the once-robust job market has slowed, and talented individuals are being laid off. Individuals were financially ill-prepared for the economic shut-down, and there has been resulting devastation to many American households. Today, over 59 percent of American workers live paycheck to paycheck and only 38 percent of Americans have an emergency fund.¹

Parents have begun questioning the cost of their children's educations and are also questioning the value of the on-campus experience versus virtual learning. Scott Galloway, Professor of Marketing at NYU, noted that tuition rates have risen 1,400% in the last 40 years without substantial changes to the university experience.² As universities develop contingency plans in the wake of the coronavirus pandemic, students and parents alike are evaluating the investment of college with the potential of on-campus learning being delayed or limited in the upcoming semester. Not surprising, results of a new survey by YouGov for Forbes Advisor show 68% of respondents think attending college remotely should cost less than attending in person.³ Universities are struggling to define their new value propositions as parents begin questioning the cost of their children's educations. With virtual education becoming the new norm, many students are planning to take a gap year. According to Bloomberg Businessweek, a survey found 12% of students are considering deferring college enrollment this fall.⁴

The fact is, some of the current challenges were already emerging trends that have simply now accelerated to the point of action. Here are three examples of how we, as an industry, can effect change to support both students and American families:

1. Deploy Technology to Help Solve the Financial Literacy Problem

The current pandemic crisis accentuates the need for basic knowledge around budgeting and savings that an individual can readily access. Our industry's natural response is to swoop in with slide decks and fly-by, company-sponsored events that have no measurable impact. Developing short tutorials to educate individuals on the basics of financial literacy would help provide the necessary knowledge and skills to make informed financial decisions regarding personal money management. Topics can be as basic as, "What is the difference between a debit card and a credit card?" More complex topics could be, "Should I buy or lease a car?" and "Do

I rent or buy a home?" Our industry is perfectly positioned to use technology, not only to educate, but also to adjust people's core attitudes and beliefs, so a change in financial behavior can help them reach a future of financial freedom and security.

2. Strengthen Partnerships Between Universities and the Financial Services Industry

Universities have increasingly been hiring industry experts to teach classes on everything from portfolio construction, trading, sales, and sales management. This trend needs to be expanded upon with industry and university collaboration to develop classes designed to bring practical knowledge and workforce-ready talent to the marketplace. Rather than today's version of summer internships, they should evolve into a year-round experience with agreed-upon projects and measurable results. This can be achieved through the hands-on use of technology. These are concepts upon which our EIOC program was created.

3. Expand Year-Round Curriculum

Online learning, podcasts, and webinars should be a year-round experience for full college credit. Classes could expand to teach the financial services industry, not only by subject, but also by job function. As an example, why not allow the student to experience an internal client service role and be taught its components? This idea could also be expanded into roles within advisor organizations where actual succession and growth planning takes place.

Accomplishing the Mission

Today, a student can get certified to use Bloomberg terminals. Why not use other readily available software that is used in the industry (e.g., tools used to design ETF strategy, account aggregation tools, analytics tools, etc.) to bring the student closer to real-life, practical application? This would serve to bridge the gap by making a student a more attractive, hireable job candidate.

The above discussion is focused on college students. The fact is, we as an industry, must broaden our audience. Our industry must make a coordinated effort to diversify the audience we serve. Tools created by the financial services industry will be most effective if we are all using the same set of learning modules. The modules must be readily accessible, both in the classroom setting and virtually.

Increasing the financial wellness of American families over time starts by introducing financial literacy to children in grade school. Our younger audience should be taught the very basics inclusive of how money works, compounding, debit vs credit, and budgeting. This could be accomplished by gamification, which would keep them engaged through the process. These financial building blocks would give students practical insights into being educated consumers beyond the primary years and into high school. An example of a much-needed high school course would be what to expect when you land your first job. This course could include how to read your paycheck; budgeting and savings; 401(k) investing; basic understanding of taxes; how an HSA account works; paying off student loans.

Current events have dictated an accelerated timeline for solving the financial literacy problems that exist at all levels. *Unprecedented times call for thoughtful execution.*

¹ Charles Schwab's 2019 Modern Wealth Survey

² <https://www.cnn.com/world/live-news/coronavirus-pandemic-05-21-20-intl/h.264c29a5f19359c8d0f8195963f0292c>

³ <https://www.forbes.com/advisor/student-loans/survey-americans-say-safe-in-person-college-attendance-should-take-place-this-fall/#:~:text=The%20average%20published%20cost%20of,include%20room%20and%20board%20charges>

⁴ <https://www.bloomberg.com/news/articles/2020-05-15/the-covid-19-college-gap-year-exposes-a-great-economic-divide>



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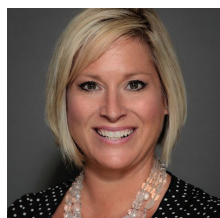
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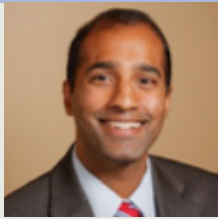
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“Now, more than ever, the efforts of Fidelity and Envestnet Institute on Campus are critical to raising awareness of the careers within the wealth management profession among an increasingly diverse population of students.”

Anand Sekhar
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