



FPA FINANCIAL PLANNING WEEK RESEARCH

September 2022

ABOUT THE RESEARCH

Sample composition

- The final sample composed of n=1051 consisting of Australians 40 and over:
- n=212 Advised CFP
- n=194 Advised Non-CFP
- N=645 Unadvised

Methodology and fieldwork

- An online quantitative survey was conducted for this study
- The study was in field from the 9th September to the 20th September



KEY INSIGHTS

Australians with an active relationship with a financial planner are better off.

Advised clients with a CFP® professional benefit more than clients of non-CFP® professionals.

Advised Australians are better off

Australians with an active relationship with a financial planner are better off. They suffer less financial stress, enjoy a higher quality of life, more financial confidence and are more satisfied with their wealth.

CFP® professionals are exceptional

Advised clients of a CFP® professional benefit more than clients of non-CFP® professionals.

They have the highest quality of life, most financial confidence and are most satisfied with their wealth.

Advised Australians have better retirements

Advised pre-retirees envisage a brighter retirement future, and advised retirees actually experience a better retirement than those who are not advised.

Advice worth every cent

Advised Australians overwhelmingly believe advice has made them tangibly financially better off and that its value outweighs the cost.



VALUE OF ADVICE INDEX

In this study we have compared perceptions of unadvised and advised Australians, measuring their quality of life, financial confidence and satisfaction, drawing attention to the difference, or 'DELTA'.

This has been distilled into an index measurement which can standalone or form the basis of periodic tracking of the value of advice over time and the difference it makes - benchmarking among advised Australians and also in comparison to unadvised Australians.

The inaugural index findings reveal that Advised Australians are significantly better off across the board than those who are not advised. Furthermore, those Australians advised by a CFP® adviser report demonstrably improved outcomes.

01

- Measures of holistic health, capability, connection, purpose and overall satisfaction.

Quality of Life

Advised Score = 68

Unadvised Score = 59

CFP® Advised Score = 70

02

- Measures financial security, worry and how confident they are to maintain a comfortable life

Financial Confidence

Advised Score = 62

Unadvised Score = 51

CFP® Advised Score = 65

03

- Measures satisfaction with current wealth situation

Financial Satisfaction

Advised Score = 62

Unadvised Score = 44

CFP® Advised Score = 65

04

- Measures value, outcomes and satisfaction with financial advice (only for advised)

Perceived Value

Advised Score = 67

Unadvised Score = NA

CFP® Advised Score = 70

*Note all differences between advised and unadvised scores are statistically significant. CFP Advised also have statistically significant higher index scores compared to non-CFP Advised Australians.

QUALITY OF LIFE



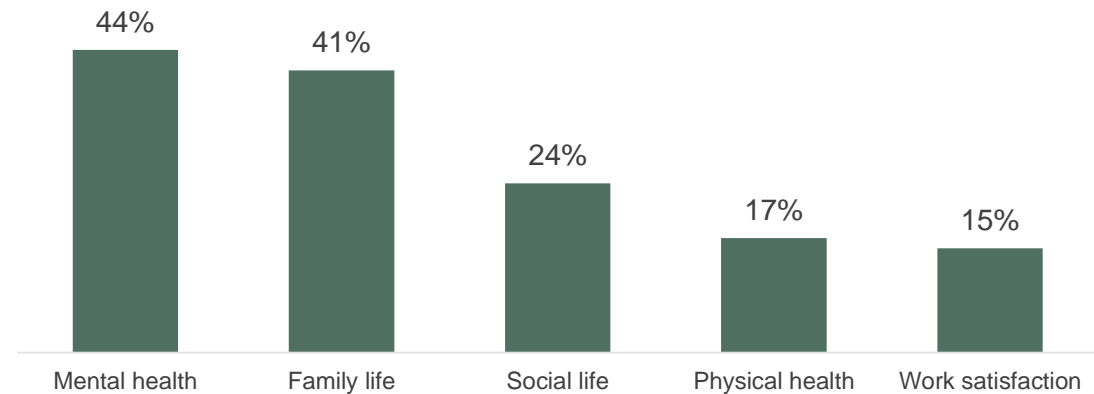


THE HOLISTIC BENEFITS OF ADVICE

The benefits of advice are not just about money

- Almost 1 in 2 say their mental health has benefited from receiving financial advice, 2 in 5 that is has benefited their family life and 1 in 4 their social life

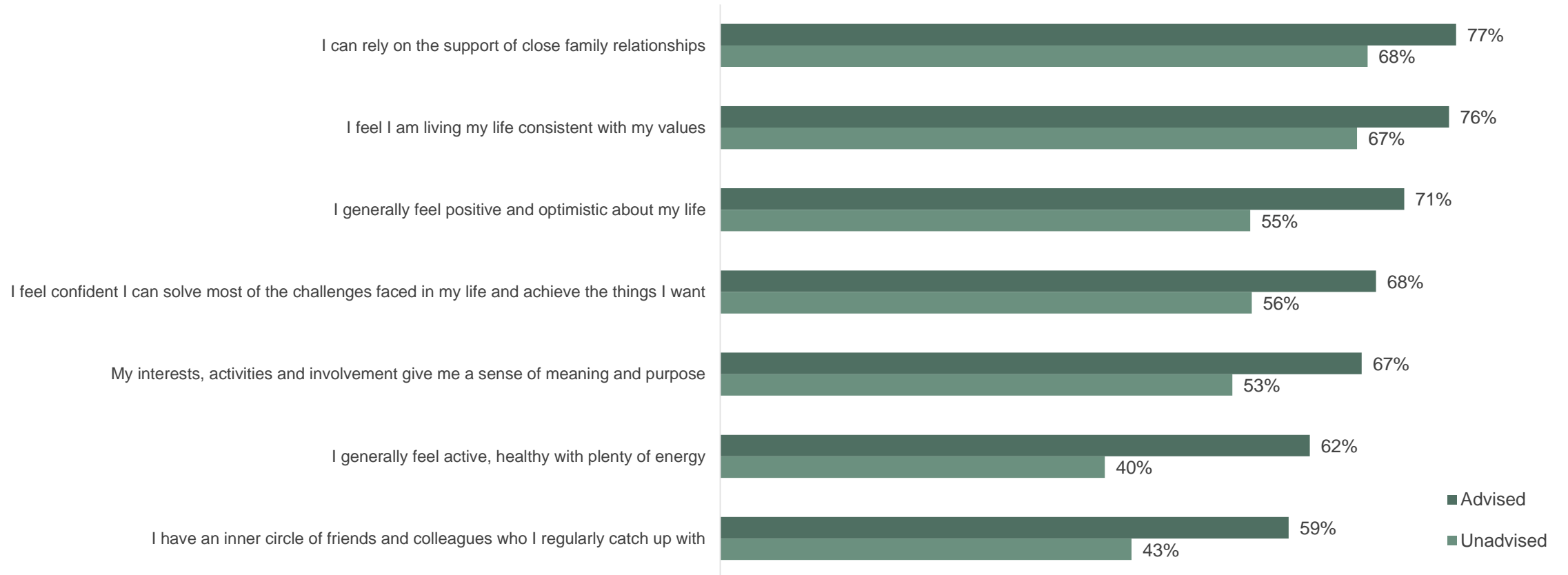
Aside from your finances, which aspects of your life have benefited from receiving financial advice? Choose all that apply



QUALITY OF LIFE ASSESSMENT

Those who have a financial planner measure better on all aspects of quality of life. They are more likely to be living with purpose, are more optimistic, have more resilience in the face of challenges, are more connected with others, and even feel healthier. It's a virtuous cycle of increasing quality of life.

Quality of life measures - % who answered often and always

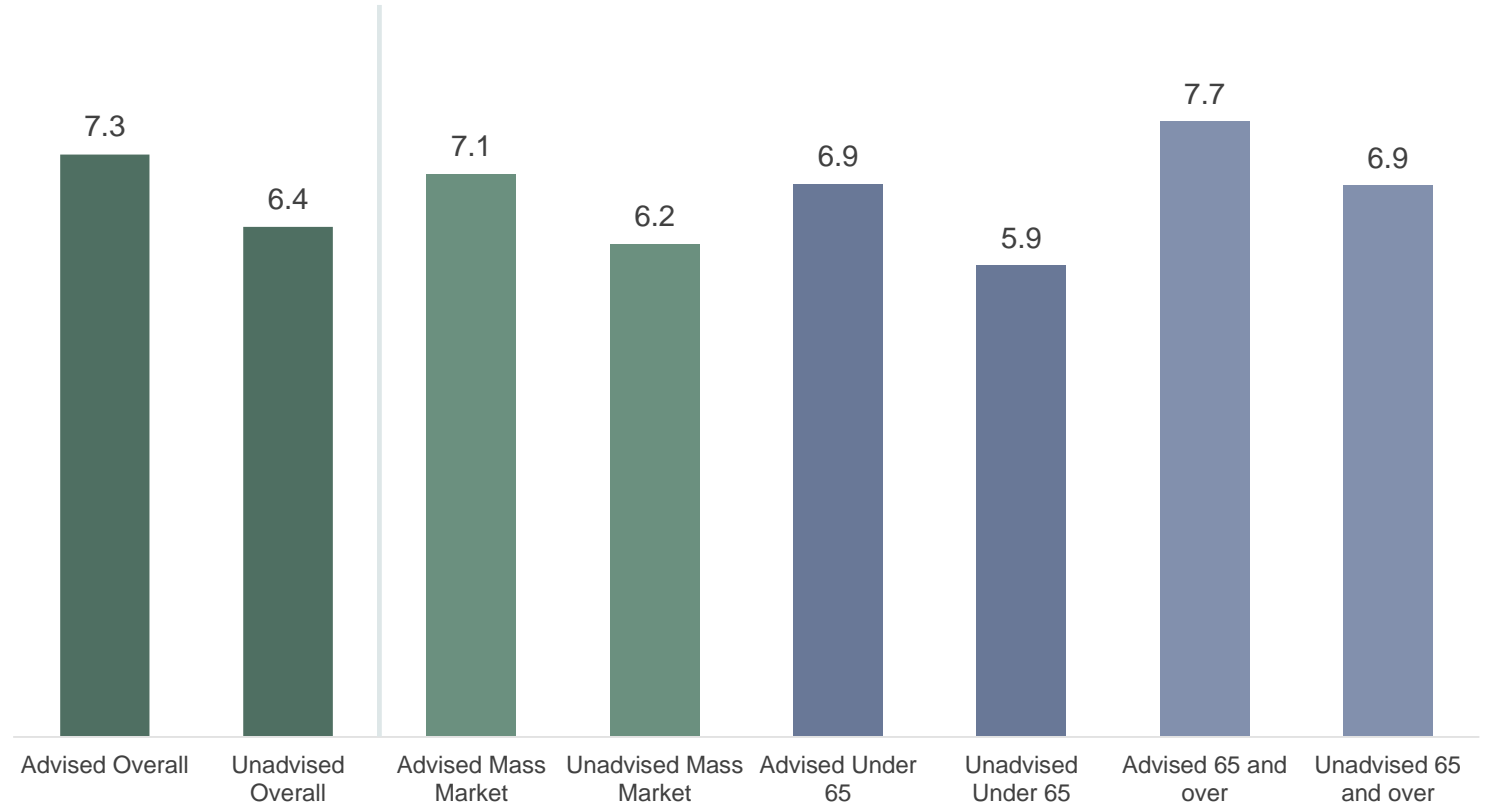


OVERALL LIFE SATISFACTION

Overall life satisfaction for advised clients is higher even when controlling for age and wealth

- Life satisfaction for advised clients is 7.3 out of 10, compared to only 6.4 for those unadvised
- For mass market individuals, those receiving financial advice is still higher than their unadvised counterparts
- The same is true when we look at age
- Those 65 and over are more likely to be in early retirement and we can see they have higher life satisfaction than pre-retirees

How satisfied are you overall with your life? (0-10)



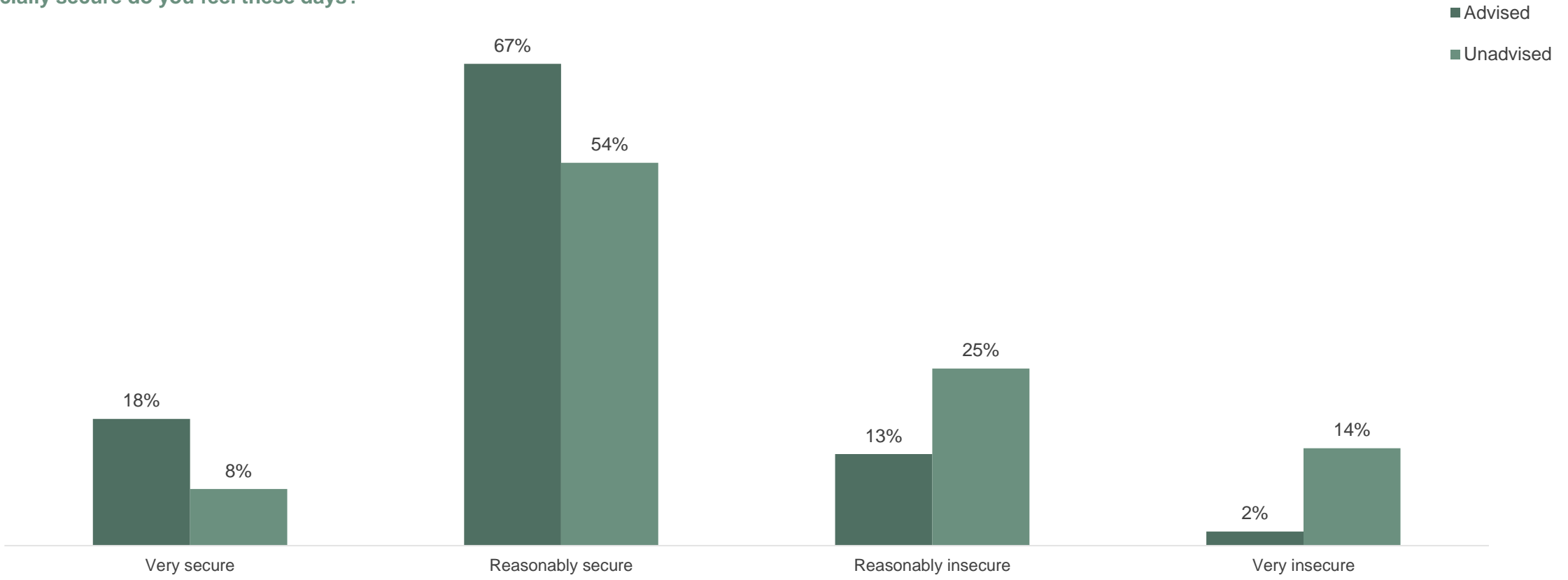
FINANCIAL CONFIDENCE AND SATISFACTION



FINANCIAL SECURITY

Those with an active relationship with a financial planner are more likely to feel financially secure than those who do not (9 in 10 vs 3 in 5)

How financially secure do you feel these days?

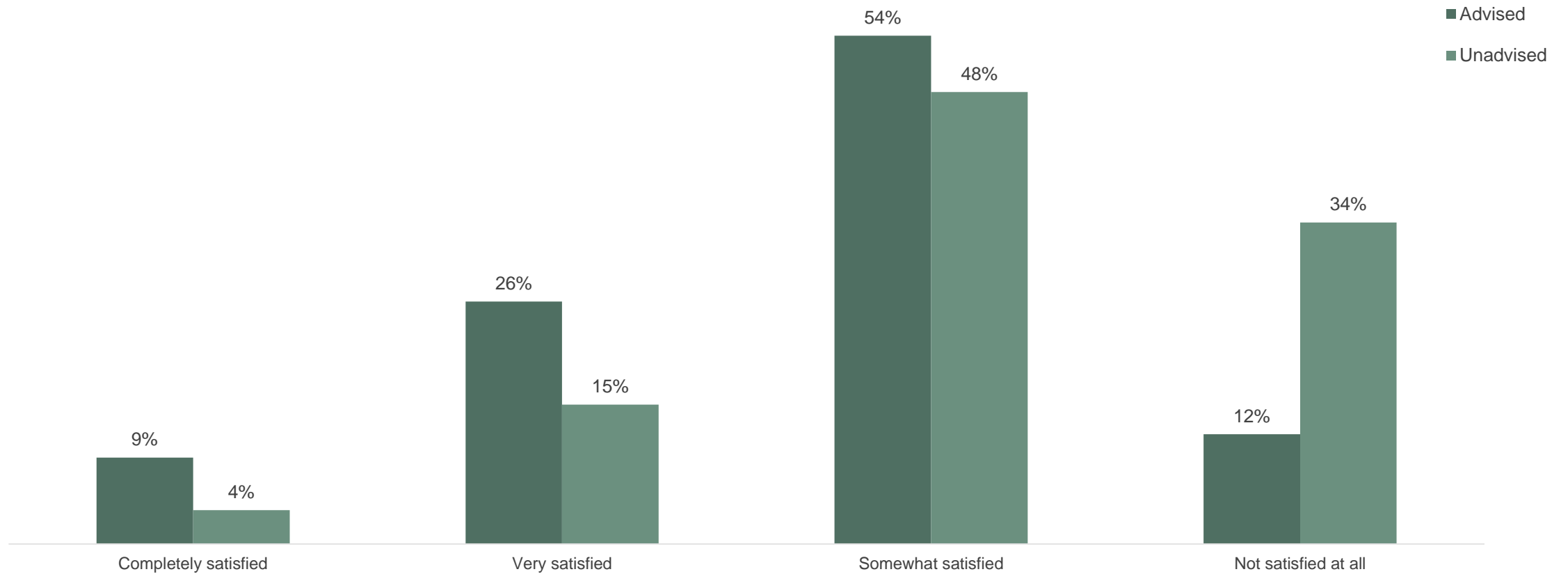


n = 406 Advised; 645 Unadvised

FINANCIAL SATISFACTION

More than 1 in 3 advised Australians are completely or very satisfied with their level of wealth compared to less than 1 in 5 who are not

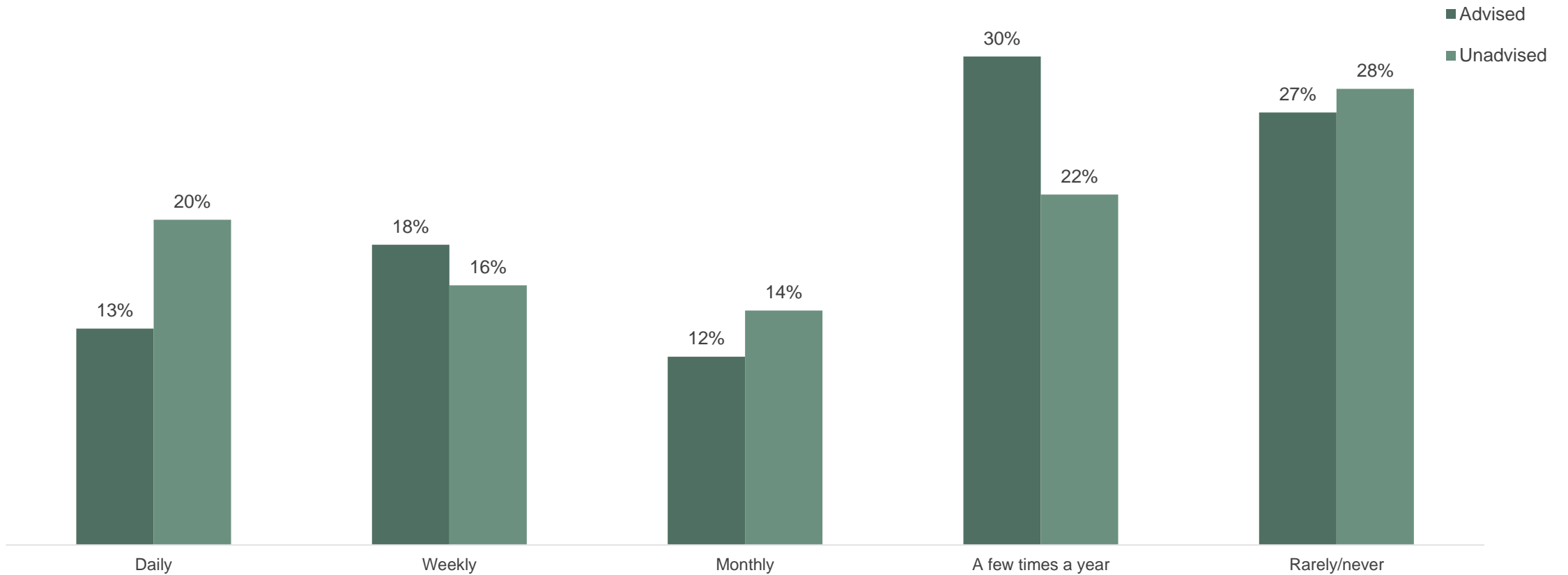
How would you rate your satisfaction with your current level of wealth i.e. enough resources to live the life you want?



MONEY WORRIES

1 in 5 unadvised Australians worry about money daily while for advised, that proportion is closer to 1 in 10

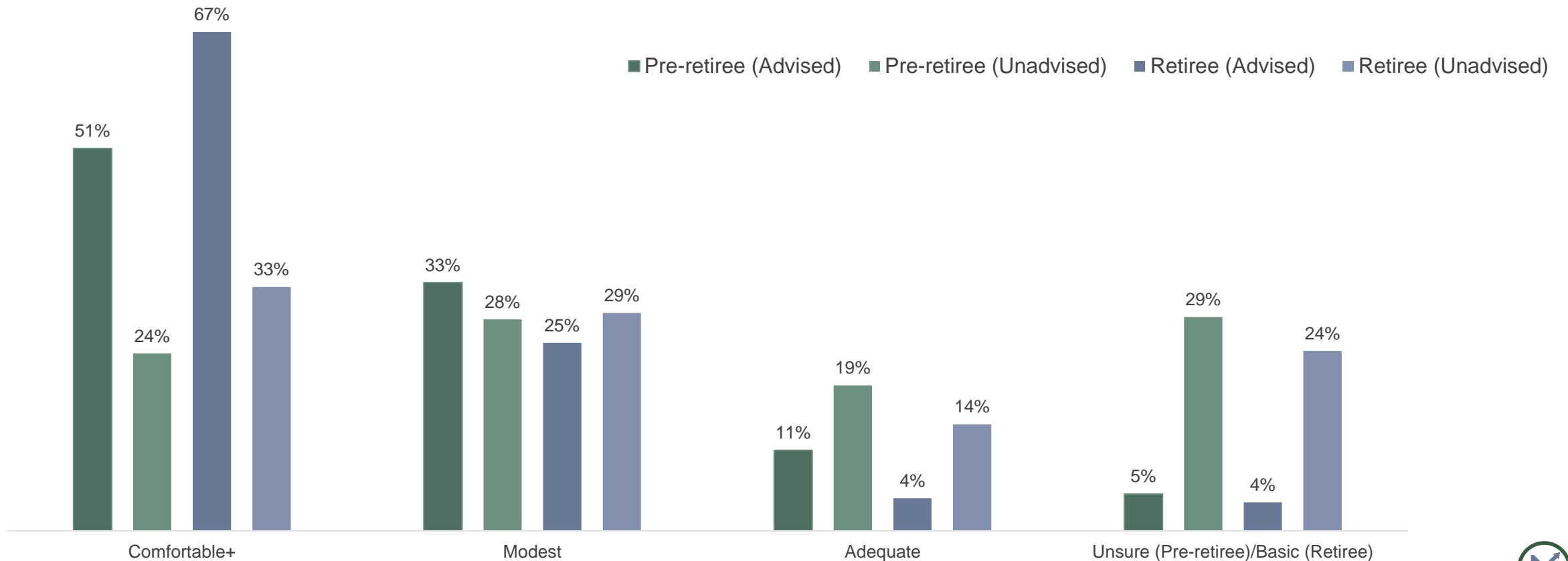
How frequently do you worry about money?



RETIREMENT LIFESTYLE

Advised pre-retirees and early retirees are twice as likely to envisage and experience a comfortable retirement than those who are not

What kind of retirement standard of living do you feel you currently have/ will be able to afford?



PERCEIVED VALUE OF ADVICE



KEY BENEFITS OF FINANCIAL ADVICE

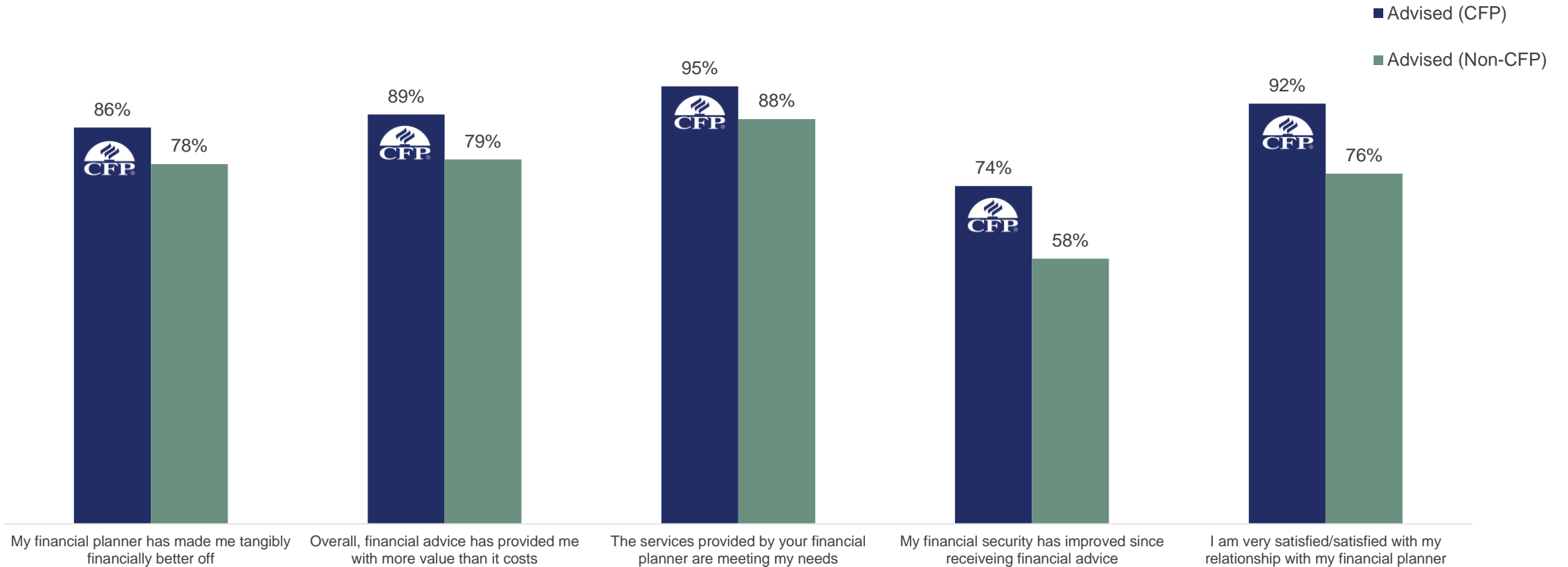
Improved financial confidence, wellbeing and decision making are the top of the key benefits, notably above greater wealth growth

What do you see as the key benefits you receive from your financial planner? Choose all that apply



CFP[®] ADVISED HAVE ENHANCED OUTCOMES

Australians with a CFP[®] adviser tend to report better outcomes and relationship with their adviser than those who have a non-CFP adviser



VALUE OF ADVICE INDEX



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In this study we have compared perceptions of wealth between unadvised and advised consumers, and measure their financial confidence, life satisfaction and happiness drawing attention to the difference, or 'DELTA'.

This measurement can stand alone or form the basis of a periodic index that will track the value of advice over time and the difference it makes - benchmarking value among advised Australians and also in comparison to unadvised Australians.

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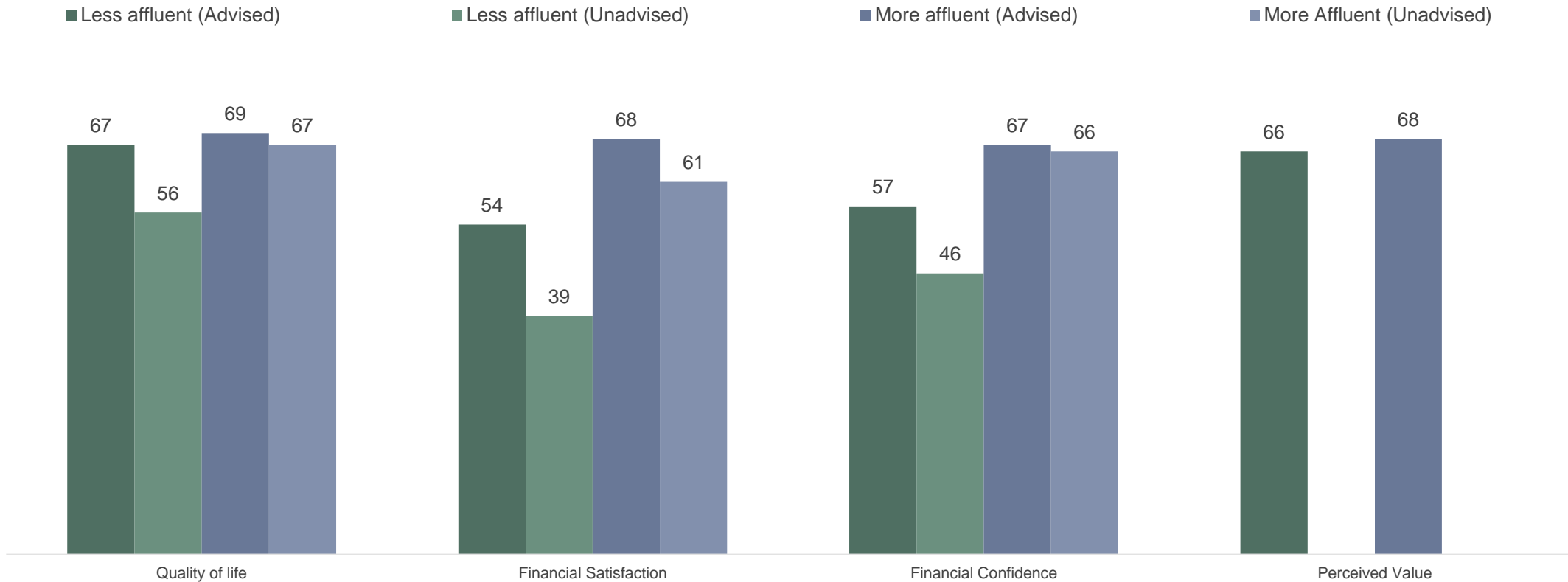
CFP® Advised Score = 70

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VALUE OF ADVICE INDEX BY WEALTH

The difference in outcome for advised vs unadvised is more distinct in those less affluent. The advice DELTA is bigger for the less affluent.

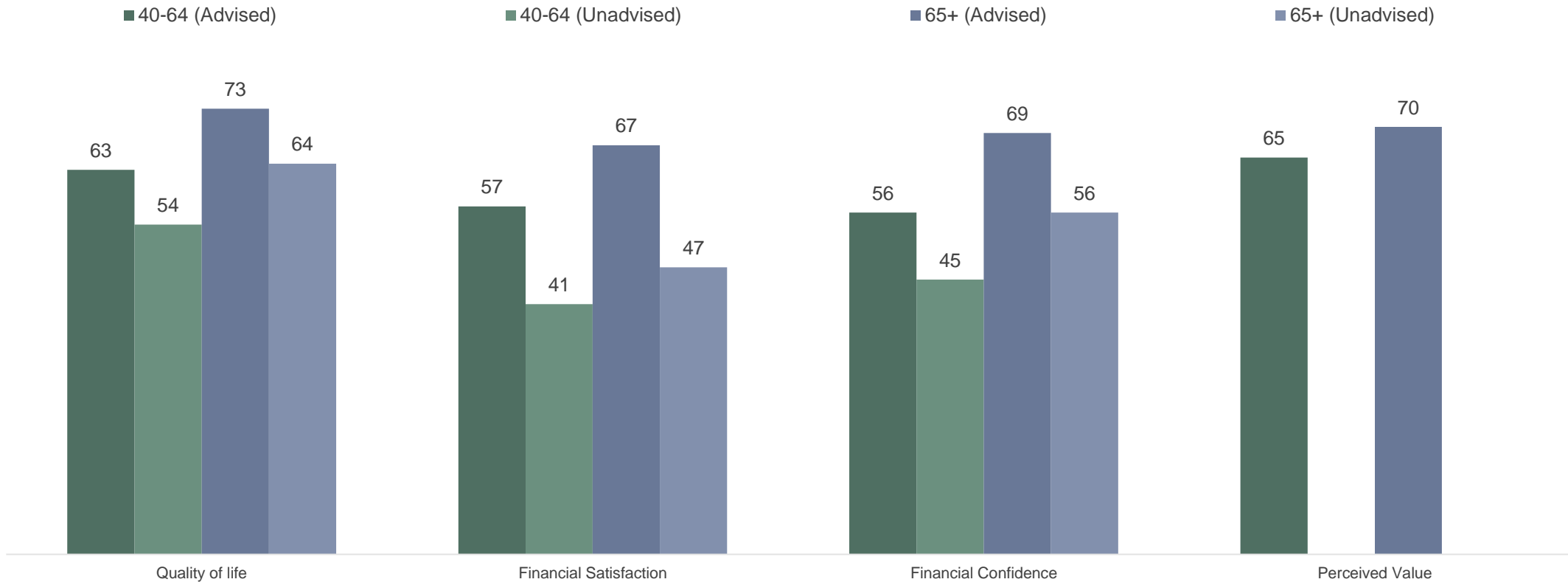
Value of Advice Index Measures (0-100)



VALUE OF ADVICE INDEX BY AGE

While older cohorts tend to score better across the board, advice provides benefit no matter the age group

Value of Advice Index Measures (0-100)



A LOOK AT UNADVISED PREFERENCES



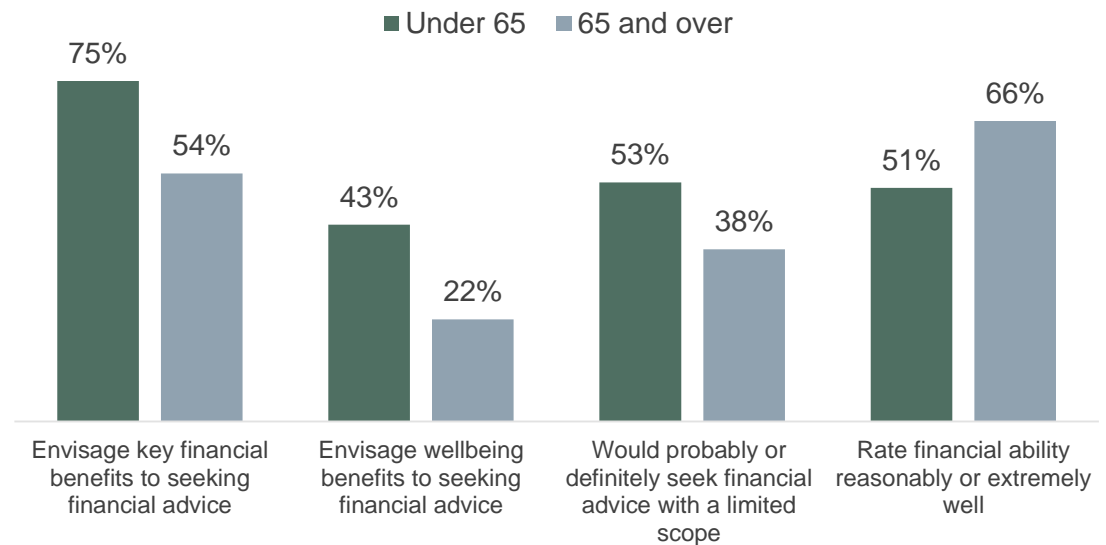


n = 645 Unadvised

THE OPPORTUNITY

There is clear opportunity with younger pre-retirees

- Unadvised Australians under 65 years are more likely to envisage benefits of financial advice, envisage wellbeing benefits and be open to seeking limited scope financial advice than their older counterparts.
- Those 65 and older are more likely to rate their own ability well and tend to have more of an “I can do it myself” mentality.



TRIGGERS VS BARRIERS FOR ADVICE

Triggers

For many, financial advice is seen primarily as a response measure to navigate sudden and major life events that may occur. The top triggers include coming into an inheritance, health issues, approaching retirement and financial distress.



Top 5 triggers under 65

| | |
|--|-----|
| Approaching retirement | 26% |
| Coming into a substantial amount of money | 25% |
| Health issues | 18% |
| Desire to have more control of money and grow wealth | 16% |
| Financial distress | 15% |



Top 5 triggers 65 and over

| | |
|---|-----|
| Coming into a substantial amount of money | 25% |
| Health issues | 23% |
| Financial distress | 12% |
| Family breakdown | 8% |
| Recommendation from family, friends or colleagues | 8% |

Which of the following would be likely to trigger you to start seeking financial advice from a financial planner/financial adviser?

Barriers

Barriers to advice revolve around the perceived cost, affordability and the value received. Those under 65 tend to look more at the outright costs while those 65 and over feel like they can just do it themselves. Notably those who have actually received advice typically feel it has made them tangibly financially better off and the value outweighs the cost.



Top 5 triggers under 65

| | |
|---|-----|
| I feel I couldn't afford it | 31% |
| Felt too expensive for the value provided | 30% |
| I didn't feel my circumstances justified the need | 26% |
| I preferred to just do it myself | 25% |
| Felt I could manage my own financial affairs | 24% |



Top 5 triggers 65 and over

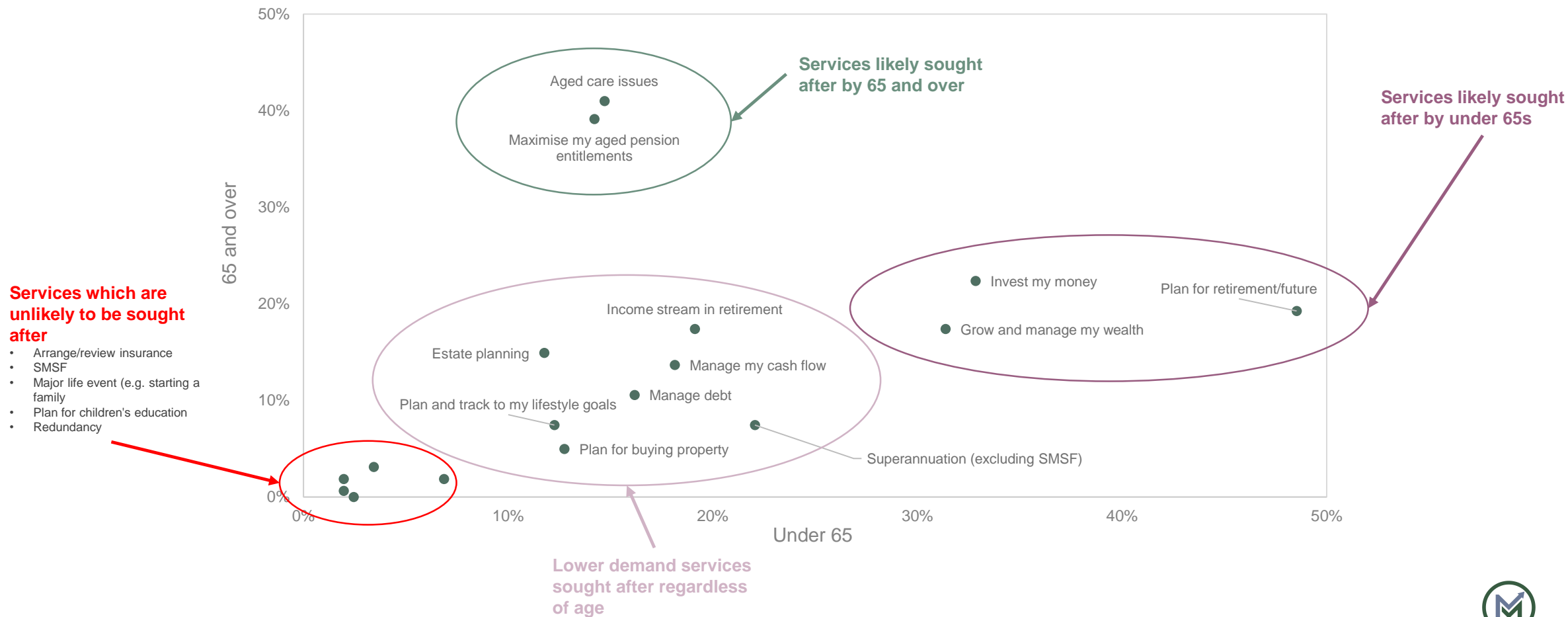
| | |
|---|-----|
| I preferred to just do it myself | 41% |
| I didn't feel my circumstances justified the need | 37% |
| Felt I could manage my own financial affairs | 33% |
| Felt too expensive for the value provided | 27% |
| I feel I couldn't afford it | 22% |

What are the key reasons you have never received financial advice from a financial planner/financial adviser?

MOST IN DEMAND ADVICE SERVICES

Older unadvised Australians are relatively more likely to seek age care and pension services whereas younger unadvised Australians focus more on ways to grow their wealth and plan for retirement ahead

If you were to consider seeking professional financial advice, which services would you be most likely to seek?



THANK YOU

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