

Value of financial planning in 2023

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FPSB





**FINANCIAL PLANNING
STANDARDS BOARD**

Global body for financial planning

- Set, maintain & enforce global standards
- Work closely with global regulators
- Owner of the international CFP certification program

FPSB's Vision

Establish financial planning as a **global profession** and the CFP marks as the global symbol of **excellence in financial planning.**

FPSB's Mission

Benefit the global community by establishing, upholding and promoting worldwide professional **standards** in financial planning. FPSB's commitment to excellence is represented by the **CFP marks.**



Global excellence in financial planning

Financial planning professionals who are committed to better serving their clients through rigorous international standards, ethical practices and lifelong learning.



Agenda

- World Financial Planning Day
- FPSB Value of Financial Planning consumer research
 - Global and New Zealand insights

Happy World Financial Planning Day!



WORLD
FINANCIAL
PLANNING
DAY

HOSTED BY FPSB

Building consumer awareness



4 October
(Wednesday)

*Live Your Today.
Plan Your Tomorrow™*



2-8 October
(Monday – Sunday)

*Investor resilience, crypto
assets and sustainable finance*



Research objectives

1. Understand **value of financial planning**
2. Measure **benefits** of working with a financial planner
3. Understand **next generation of clients**

Global consumer research

15,332 consumers in
15 countries

Australia
Canada
Chinese Taipei
Hong Kong
India
Ireland
Malaysia
The Netherlands
New Zealand
People's Republic of China
Republic of Korea
Singapore
South Africa
United Kingdom
United States



People are financially stressed



GLOBAL

1 in 2 **worry** about finances (**51%**)

1 in 5 **lack** financial **security** (**20%**)

Top concern:

- Inflation / rising cost of living (60%)

Top need:

- Having enough cash flow (36%)

People are financially stressed

GLOBAL

- 1 in 2 **worry** about finances (51%)
- 1 in 5 **lack** financial **security** (20%)


Top concern:

- Inflation / rising cost of living (60%)

Top need:

- Having enough cash flow (36%)

NEW ZEALAND

- 1 in 2 worry about finances (56%) 
- 1 in 5 **lack** financial **security** (20%)

Top concern:

- Inflation / rising cost of living (60%)

Top need:

- Having enough cash flow (37%)

Demand for financial planning growing



GLOBAL

- **7 in 10** who have never worked with a financial planner would **consider** seeking advice
- **52%** intend to in the next **3 years**

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NEW ZEALAND

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Why people don't get advice

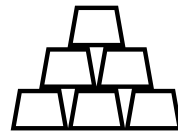
Global

It feels **too expensive**



30%

There's no one I can **trust**



29%

Prefer to do **on my own**



24%

My financial circumstances don't **justify** it



22%

Why people don't get advice

		Global	NZ
It feels too expensive		30%	35% 
My financial circumstances don't justify it		22%	32%
There's no one I can trust		29%	29%
Prefer to do on my own		24%	27%

Busting the myths

It feels **too expensive**

My financial circumstances
don't **justify** it

Busting the myths

It feels too expensive



My financial circumstances don't justify it



NZ

8 in 10 say financial planning:

- ✓ gives **more value than it costs**
- ✓ made them tangibly **financially better off**

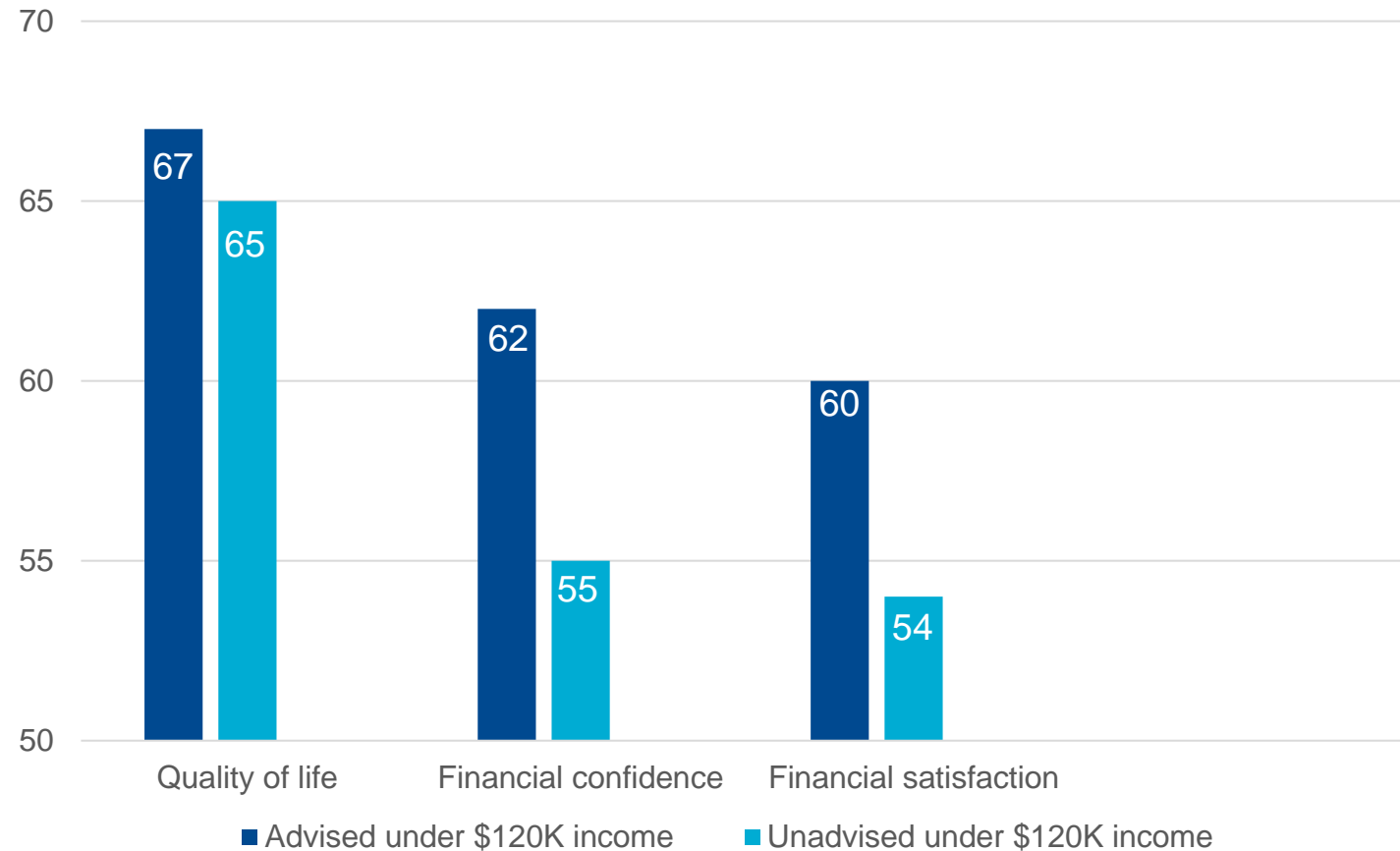


Less affluent clients still experience significant value

- ✓ Over **8 in 10** clients earning \leq \$120K feel financially secure

NZ

Less affluent still experience significant value



Busting the myths

There's no one I can **trust**

Busting the myths

There's **no one** I can **trust**



NZ

Clients **trust** their financial planner to act in the **client's best interests**

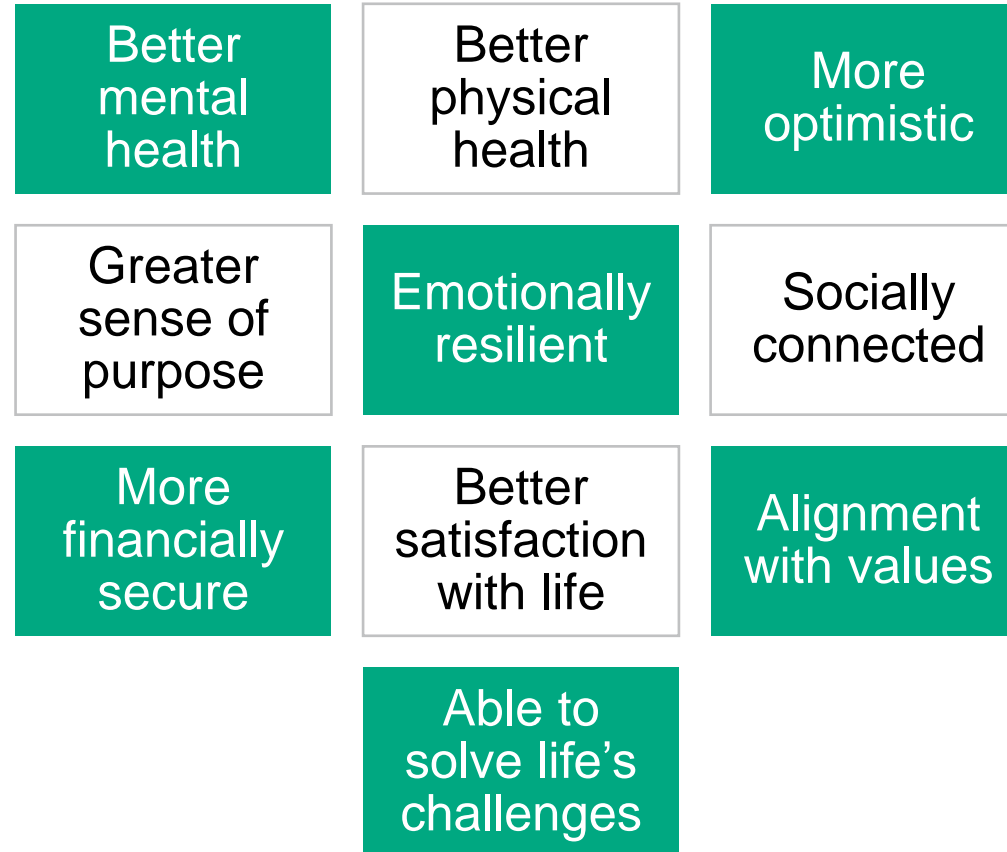
- ✓ **97%** of all financial planning clients
- ✓ **99%** of CFP professional clients

The value of financial planning

Financial planning clients report...

- ✓ higher **quality of life**
- ✓ greater **financial confidence & resilience**
- ✓ greater **satisfaction** with finances

Financial planning = better quality of life



Value of Financial Planning Index

NZ

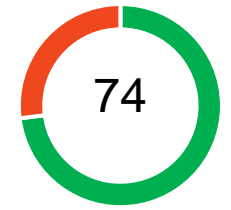
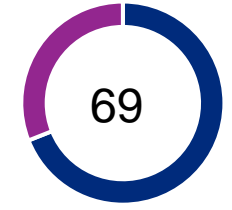
Unadvised

Other fin planner advised

CFP professional advised

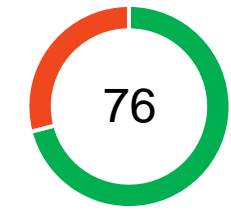
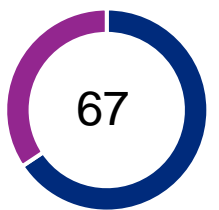


Quality of life



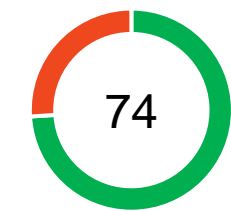
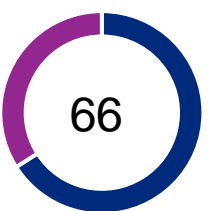
+8

Financial confidence



+19

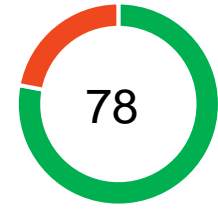
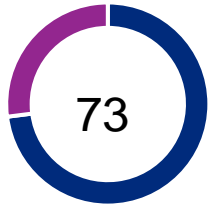
Financial satisfaction



+17

Fin planning experience

N/A



+5

Value of Financial Planning Index

Larger difference in NZ

NZ

Unadvised

Other fin planner advised

CFP professional advised



NZ Delta

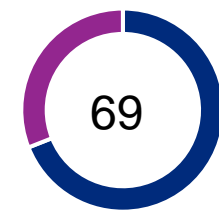
Global Delta

Quality of life

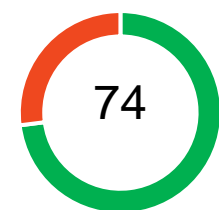


Global

66



69



73

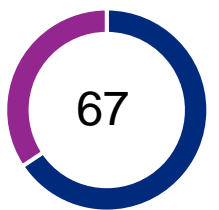
+8

+7

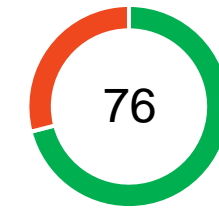
Financial confidence



60



65



71

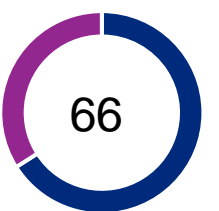
+19

+11

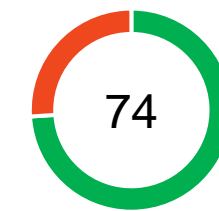
Financial satisfaction



59



66



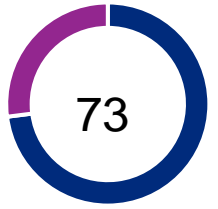
72

+17

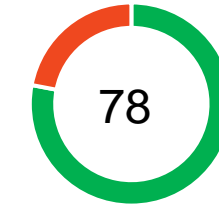
+13

Fin planning experience

N/A



73



78

+5

+5

The CFP professional difference

NZ

**Clients of CFP professionals
more likely to report:**

- ✓ higher **quality of life**
- ✓ greater **financial confidence & resilience**
- ✓ greater **satisfaction** with finances

99%

trust their financial planner to act in the best interests of the client

100%

likely to **continue the relationship** with their financial planner

A closer look at New Zealand

Qualified financial planner #1 trusted source of advice

- Nearly 1 in 2 trust a qualified financial planner
- Followed by family, and bank professional

TRUST is key to finding a financial planner

Nearly 2 in 3 consider trust most important, followed by proven track record and professional qualifications

Rising inflation greatest concern across generations

- Baby Boomers worry about govt budget decisions
- Gen X worry about having enough \$ for retirement
- Gen Y worry about saving in case of health scare & mortgage affordability

Questions?



Thank you

