

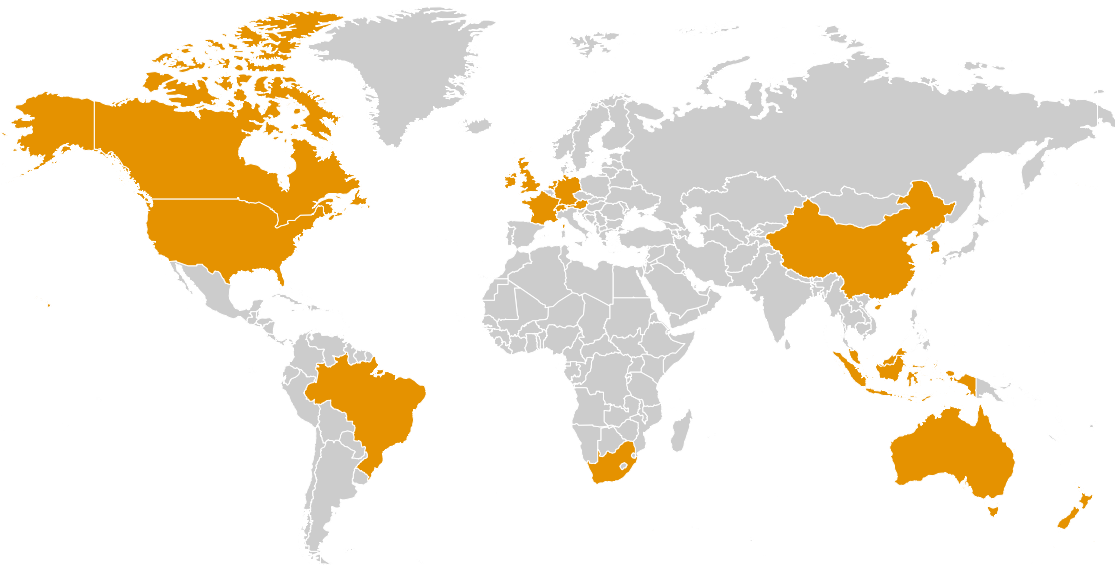


FINANCIAL PLANNING STANDARDS BOARD

# The Value of Financial Planning and Awareness of CFP Certification: A Global Financial Planning Survey New Zealand Results

# How was the global survey conducted?

- From 22 June to 26 July, 2015, a total of 19,092 adults who have primary or shared responsibility for household financial decisions were interviewed
- The online survey was fielded in 19 markets and took 10 minutes, on average, to administer
- Final market-level data were weighted by age within gender and education, and—where available—to region and household income benchmarks within each market. A total weight was then applied to give each market equal representation in the final global dataset



 Australia	 Malaysia
 Austria	 Netherlands
 Brazil	 New Zealand
 Canada	 Singapore
 China	 South Africa
 France	 South Korea
 Germany	 Switzerland
 Hong Kong	 United Kingdom
 Indonesia	 United States
 Ireland	

# Key Headlines: New Zealand

- **Low consumer confidence in achieving financial life goals:** Just 20% have strong confidence (strongly agree) that they will achieve financial life goals. Few consumers feel strongly in their financial know-how (13%) or success in sticking to their financial strategy (18%).
- **The debt burden tops the list of financial priorities:** Being debt-free of either major debt (69% rate as very important) or common consumer debt (63%) are top financial priorities for consumers. Home ownership (57%), being able to financially support loved ones (56%), and being prepared for an unexpected emergency (52%) are also prioritized.
- **There is broad interest in financial planning services to help consumers get on track financially:** Budgeting and debt management (48%) and retirement planning (44%) are seen as the most helpful financial planning services offered.
- **Yet consumers face a range of barriers to engaging with a financial professional:** Most consumers (75%) say trustworthiness is a very important consideration when choosing a financial advisor. Yet, nearly as many say they do not know whom to trust (71% agree either strongly or somewhat). Roughly two in three say they cannot afford it (64%) and question if the fees/costs are worth the expense (67%). More than half do not seem to understand the financial planning fee structure (58% are not sure whether they would prefer to pay fees or a commission for financial planning services).
- **Financial professionals can overcome consumer barriers by leveraging key benefits....:** Demonstrating how financial planners help save consumers money (63% cite as major reason to work with a financial professional), come up with a tailored long-term financial plan (62%), explain financial matters (62%), and adhere to a rigorous code of ethics (62%) are keys to becoming a trusted source of advice (also 62%).
- **...And by reminding consumers that financial planning works for others like them:** Consumers working with a financial professional generally feel better prepared. For instance:
  - ✓ 28% of those working with a financial professional strongly agree that they are confident they will achieve their financial life goals, compared to 15% of those not working with a professional.

**Next Steps:** Relevant messaging should focus on both retirement planning and debt management / budgeting, underscoring how help in these areas can set consumers up for success in meeting many of their goals. At the same time, messaging should attack the notion that financial planning is costly, with unreasonable fees. And, building trust starts with reinforcing the code of ethics. Lastly, increase PR/visibility, driving home the notion that those working with a financial professional have better outcomes.

# New Zealand Results



## Financial Landscape

			Vs. global results
<b>Outlook</b> (% Strongly agree)	I am confident that I will achieve my financial life goals	20%	-2
	I am successful in sticking with my financial strategies	18%	-1
	I am knowledgeable about financial matters	13%	-4
<b>Priorities</b> (Top 5, "Very important")	Being free of major financial debt	69%	14
	Being free of common consumer debt	63%	9
	Owning your own home	57%	5
	Being able to support financially the people you care about	56%	10
	Being prepared for an unexpected financial emergency	52%	0

# New Zealand Results (continued)



## Financial Planning

			Vs. global results
<b>Barriers to pursuing</b> (Top 5 selected)	I don't know whom to trust	71%	5
	Fees/costs are not worth it	67%	8
	I can't afford it	64%	7
	I don't know where to start	60%	3
	Too much work/paperwork	57%	1
<b>Services of interest</b> (Top selected)	Budgeting / cash flow / debt management	48%	12
	Planning for retirement	44%	-6
	Complete financial roadmap	34%	4
	Investment planning	30%	-8
	Assistance with defining and setting financial goals	25%	2
<b>Financial Professionals</b> (%)	Have considered using / Have used (net)	65%	-7
	Currently use	37%	-8
	Very satisfied with this professional	55%	13
	Currently use <u>CFP</u> professional	6%	-3
	Very satisfied with their <u>CFP</u> professional	68%	11

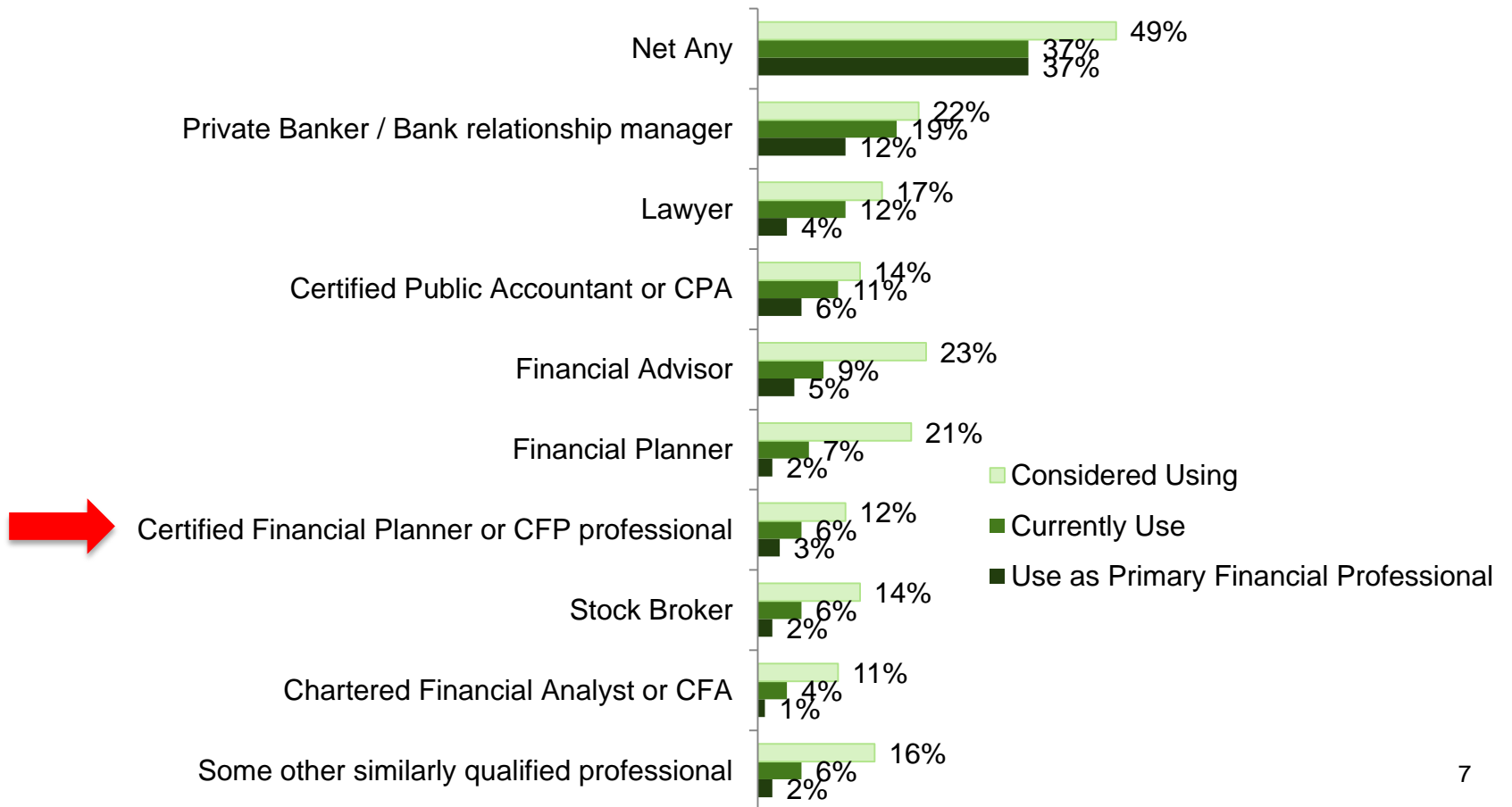
# New Zealand Results (continued)

## CFP Awareness & Messaging

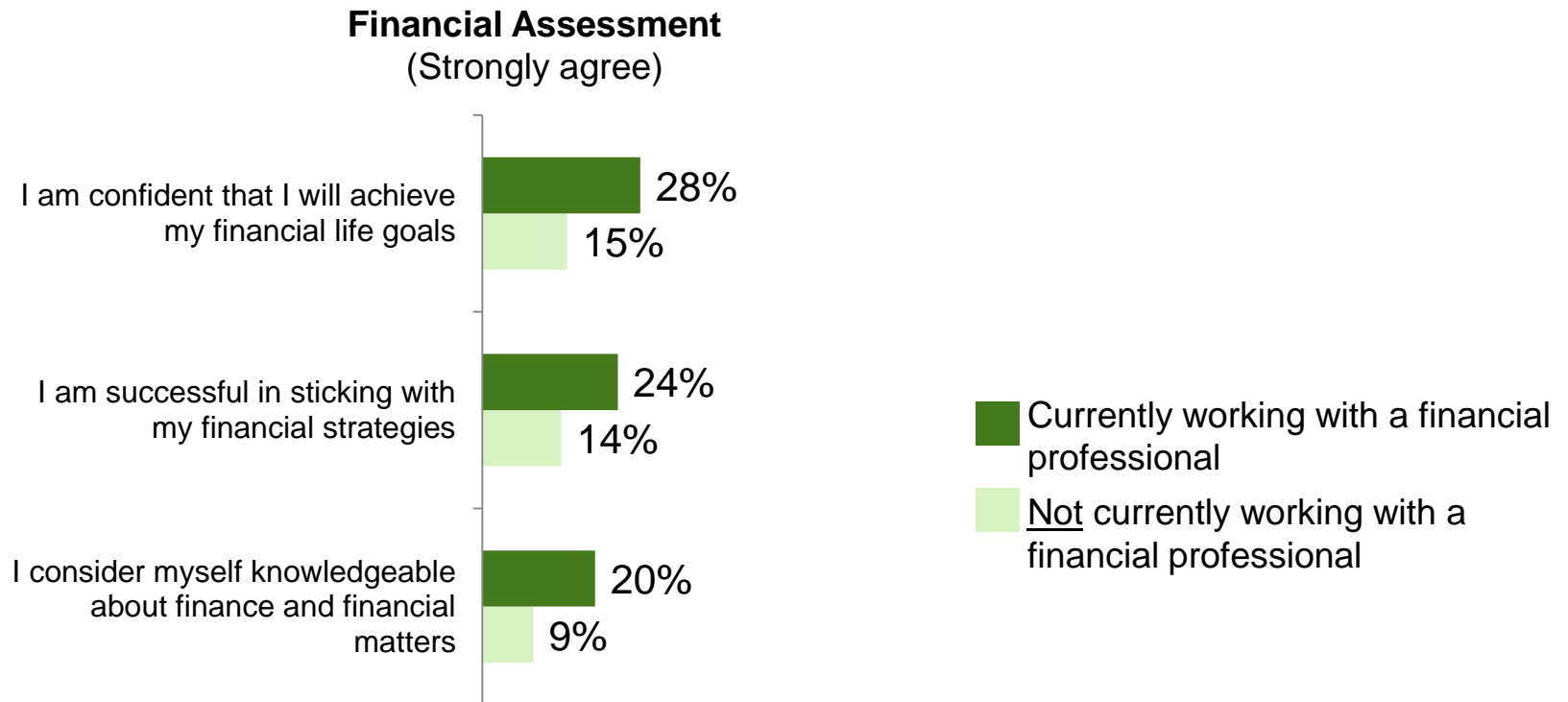
CFP Designation (%)		Vs. global results	
	Awareness of Certified Financial Planner designation	19%	-13
Messaging (Top 5, "Major reason")	Help save you money	63%	5
	Come up with a personalized long-term plan	62%	6
	Trusted source of advice	62%	4
	Help to simplify financial matters	62%	6
	Adhere to a rigorous code of ethics	62%	7

# 1 in 16 currently work with a CFP professional

Experience with Local Financial Professionals



# Those seeing a financial professional generally feel better prepared

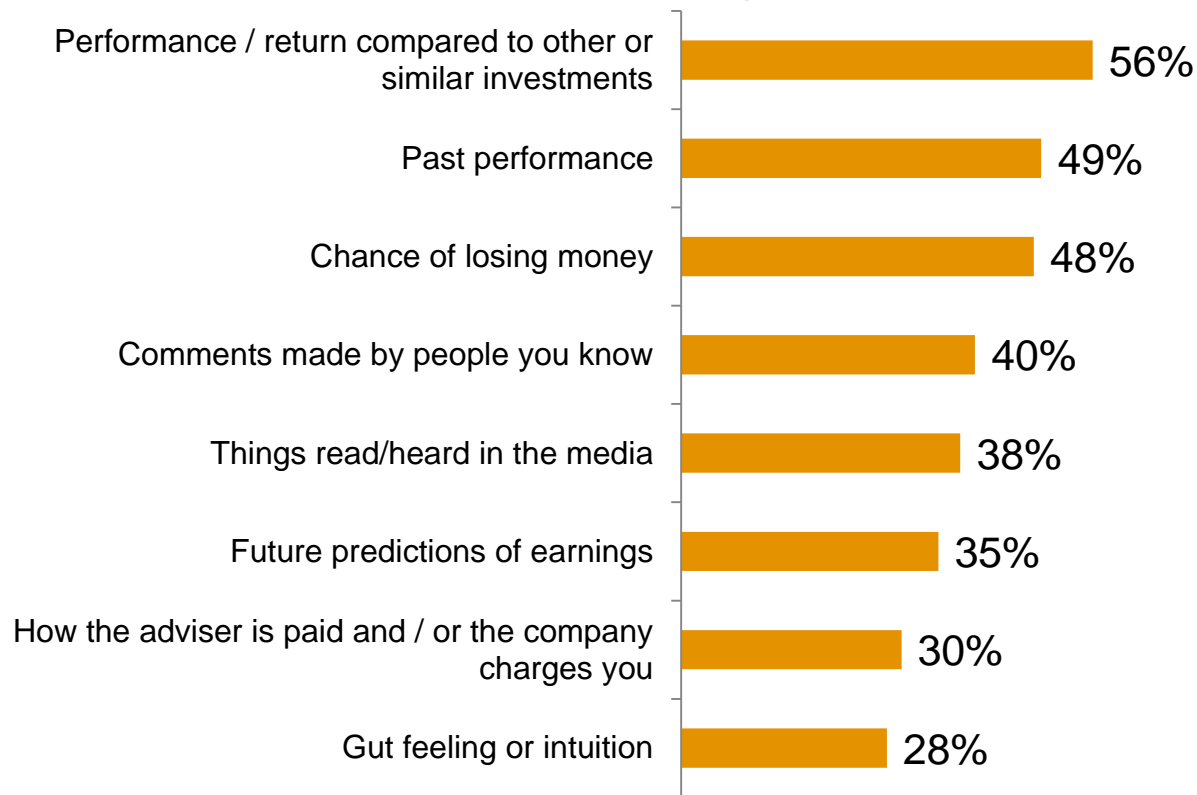




# LOCAL QUESTIONS: NEW ZEALAND

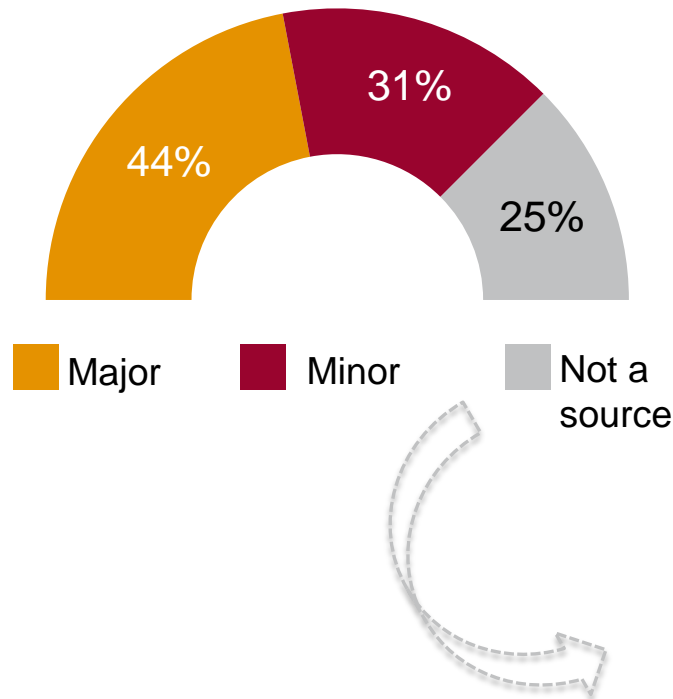
# Performance and risk are most apt to be considered when investing and/or buying insurance

## Considerations when making an investment or purchasing insurance



# Three in four expect a KiwiSaver or other similar account to be a retirement source

Expect KiwiSaver / other savings scheme to be this type of retirement income source



Among those using a KiwiSaver...

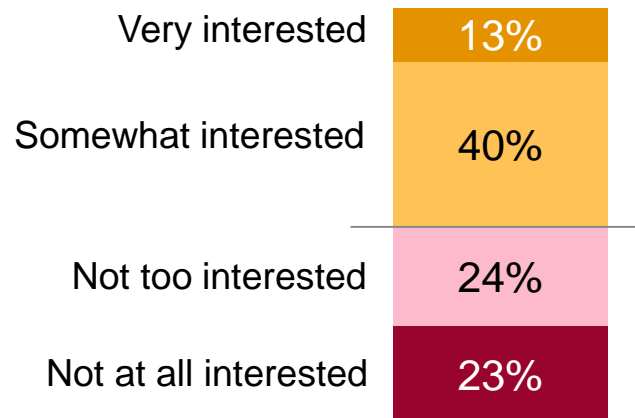
# 62%



are at least somewhat likely to seek help from a financial advisor when it comes to investing this fund

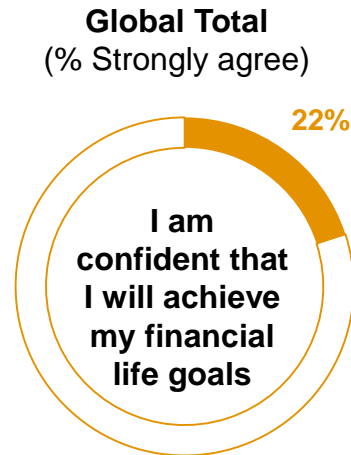
# Consumers express moderate interest in receiving payments from retirement savings

**Interest in purchasing a financial product that would use your retirement savings to pay you an agreed-upon amount for a given period of time**

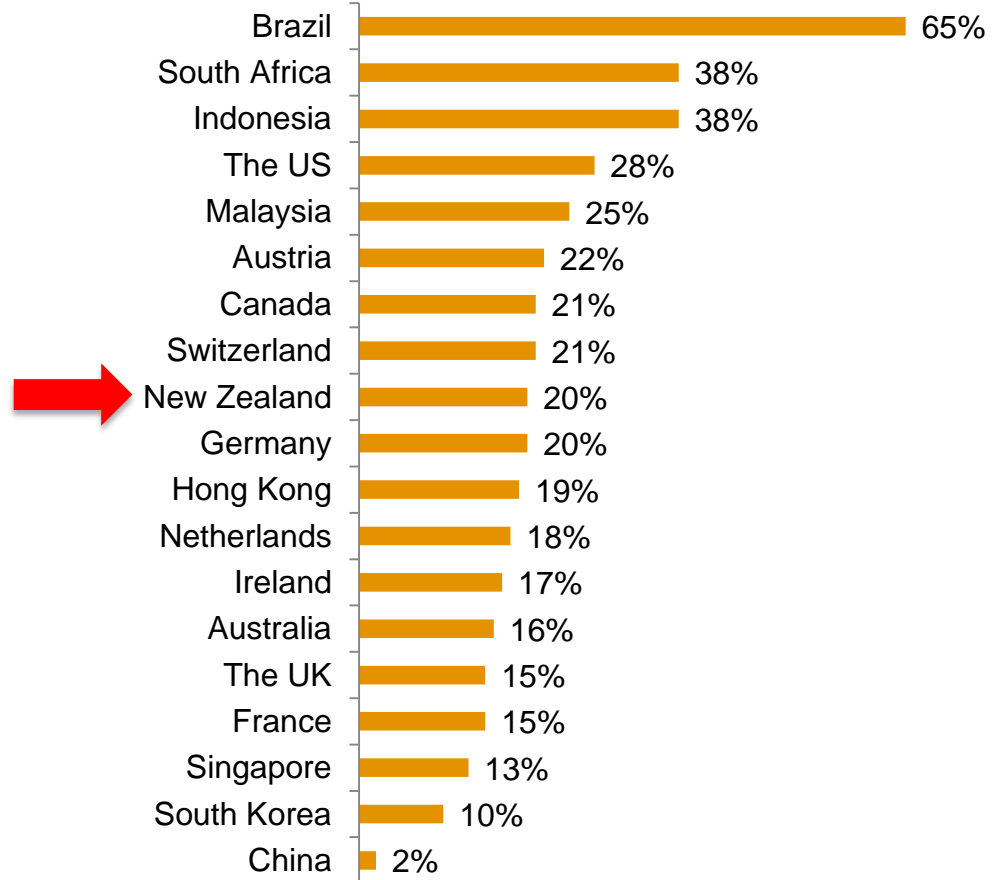


# APPENDIX: GLOBAL RESULTS

# Just one in five are very confident that they will reach their financial life goals



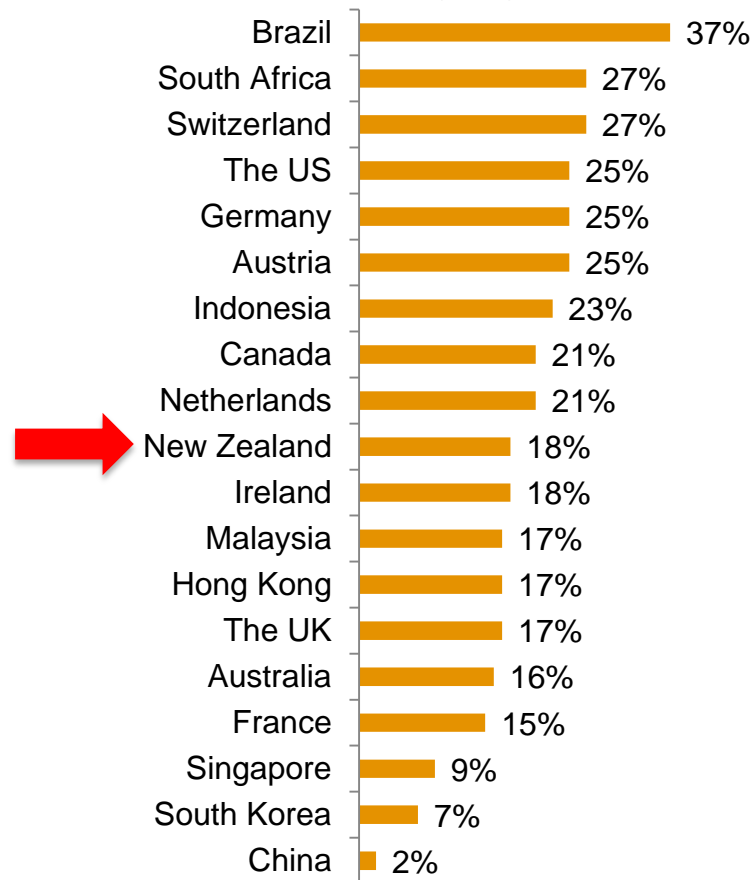
**I am confident that I will achieve my financial life goals**  
(% Strongly agree - by market)



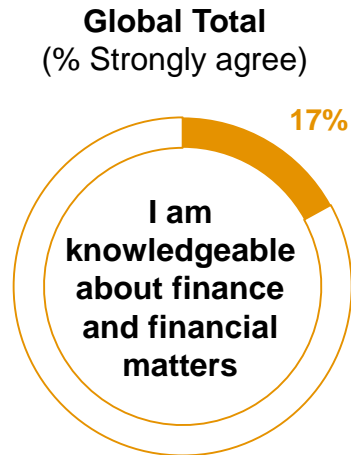
# One in five feel very successful in sticking to financial strategies



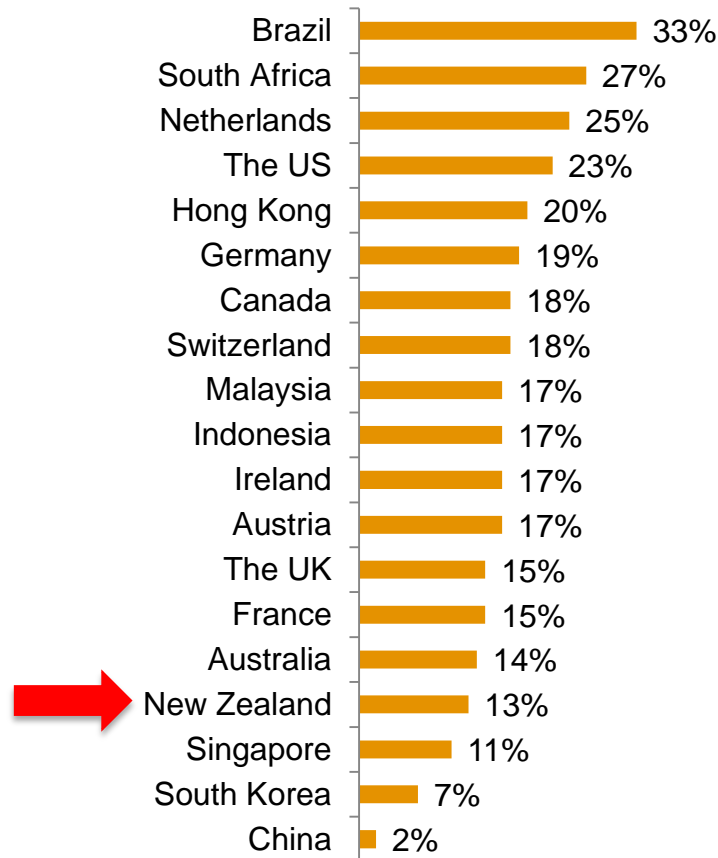
**I am successful in sticking with my financial strategies**  
(% Strongly agree - by market)



# Fewer than one in five feel very knowledgeable about financial matters



**I am knowledgeable about finance and financial matters**  
(% Strongly agree - by market)





# Being free of major financial debt ranks in the top two among all but five markets

## Financial Priorities

% Saying very important	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
Being free of major financial debt	<b>55</b>	<b>62</b>	<b>57</b>	48	<b>63</b>	27	<b>47</b>	<b>48</b>	29	60	<b>57</b>	66	<b>49</b>	<b>69</b>	<b>58</b>	<b>44</b>	<b>81</b>	<b>50</b>	<b>56</b>	<b>67</b>
Being free of common consumer debt	<b>54</b>	<b>59</b>	<b>51</b>	64	<b>63</b>	22	<b>46</b>	<b>44</b>	32	56	<b>59</b>	65	46	<b>63</b>	<b>57</b>	<b>48</b>	76	45	<b>56</b>	<b>67</b>
Owning your own home	<b>52</b>	53	32	<b>88</b>	54	<b>45</b>	<b>47</b>	25	<b>42</b>	<b>75</b>	49	<b>71</b>	31	57	<b>60</b>	27	<b>82</b>	43	46	58
Being prepared for an unexpected emergency	<b>52</b>	49	46	<b>81</b>	57	33	44	38	38	57	51	65	43	52	56	42	77	46	<b>47</b>	<b>63</b>
Building savings or an "emergency" fund	<b>51</b>	42	43	75	52	35	41	40	<b>41</b>	<b>64</b>	47	<b>68</b>	<b>51</b>	46	55	39	74	46	44	<b>63</b>
Retiring in the lifestyle that you want to	<b>49</b>	46	45	79	53	<b>40</b>	44	41	<b>42</b>	43	48	57	38	51	47	43	78	<b>48</b>	41	54
Successfully managing your finances to achieve life goals	<b>47</b>	44	40	79	52	38	37	35	34	55	42	59	34	49	45	36	78	42	38	57
Being able to support financially the people you care about	<b>46</b>	52	36	68	52	27	36	32	30	46	53	61	26	56	53	34	<b>82</b>	31	47	59
Making sure your investments are profitable	<b>43</b>	42	35	75	46	<b>40</b>	31	30	37	57	34	61	21	44	48	31	76	27	35	53
Having sufficient funds to make major purchases	<b>42</b>	44	35	71	49	27	33	32	23	34	42	53	34	44	43	26	68	39	39	54
Paying for education	<b>38</b>	33	25	79	33	28	31	25	26	63	23	56	31	36	42	31	73	31	20	37
Reducing the impact of taxes	<b>34</b>	36	31	56	43	19	31	26	19	22	27	44	30	37	32	31	61	30	28	43
Leaving a good sized inheritance	<b>21</b>	20	5	41	21	17	16	8	18	34	17	29	12	22	23	7	50	12	17	26

Orange numbers represent one of the top-two selections per market

# Retirement planning ranks first in all but five markets – and is in the top two in all but one market

## Financial Planning Services of Interest

%	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
Planning for retirement	<b>50</b>	<b>35</b>	<b>57</b>	<b>59</b>	<b>48</b>	38	<b>39</b>	<b>58</b>	<b>47</b>	<b>61</b>	<b>46</b>	<b>60</b>	<b>40</b>	<b>44</b>	<b>58</b>	<b>55</b>	<b>64</b>	<b>46</b>	<b>47</b>	<b>45</b>
Investment planning	<b>38</b>	24	18	<b>48</b>	<b>41</b>	<b>64</b>	28	15	<b>52</b>	<b>67</b>	29	<b>60</b>	14	30	<b>48</b>	22	53	37	30	<b>38</b>
Budgeting / cash flow / debt management	<b>36</b>	<b>37</b>	17	38	<b>41</b>	33	32	11	31	34	<b>37</b>	<b>58</b>	25	<b>48</b>	42	26	<b>56</b>	41	<b>35</b>	40
A complete financial roadmap including many of the above	<b>30</b>	24	<b>28</b>	41	32	37	18	26	25	43	23	44	22	34	30	21	44	17	23	<b>38</b>
Insurance services and planning / risk management	<b>27</b>	14	25	32	22	41	27	19	33	48	13	45	15	24	35	26	33	33	13	20
Assistance with financial products	<b>26</b>	19	19	24	25	40	<b>33</b>	21	24	27	21	32	17	21	30	23	27	<b>44</b>	22	25
Tax planning / planning to reduce the family's tax bill	<b>25</b>	24	20	27	31	18	29	23	15	17	21	30	<b>31</b>	22	16	<b>36</b>	35	32	22	27
Assistance with defining and setting financial goals	<b>23</b>	19	11	27	26	26	14	13	20	27	19	35	19	25	25	17	36	33	18	29
Estate planning	<b>22</b>	15	25	18	21	<b>43</b>	<b>33</b>	<b>28</b>	12	26	13	36	15	16	17	29	32	10	10	20

Orange numbers represent one of the top-two selections per market

# Being a trusted source of advice or cost savings rank in the top two reasons in all but three markets

## Reasons to Work with a Financial Professional

% They...	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
Are a trusted source of advice	58	57	54	67	64	50	59	52	50	58	63	61	61	62	64	55	72	36	60	62
Help save you money	58	60	58	70	65	48	62	54	43	62	63	62	56	63	52	56	78	29	63	59
Come up with a long-term plan that is tailored to your needs	56	59	54	69	62	41	54	53	44	68	57	64	55	62	54	53	76	32	53	59
Help to simplify and explain financial matters	56	57	61	69	62	40	56	56	42	65	56	65	59	62	53	56	75	22	56	54
Give you peace of mind	55	57	55	66	59	47	54	49	46	60	59	58	57	61	53	50	76	22	55	57
Adhere to a rigorous code of ethics and put their clients' interests first	55	58	51	65	60	47	55	48	51	61	59	57	55	62	50	52	70	29	59	56
Research the entire market and make recommendations	54	53	52	72	59	48	53	51	46	60	55	63	45	58	43	49	75	33	56	56
Help establish financial goals and put plans in place to achieve them	54	54	51	71	61	44	55	50	45	70	50	61	52	58	49	53	73	29	48	59
Give you confidence in making investment decisions	51	50	50	67	57	39	49	50	41	64	52	58	45	54	48	45	71	24	49	54
Spot new and emerging investment opportunities	45	41	42	75	46	44	44	40	37	61	38	57	37	42	40	41	66	24	35	43
Help save you time	44	44	39	65	46	40	42	38	37	58	38	55	37	45	51	38	65	26	40	42
Can manage global and local investing needs	40	40	33	59	44	31	41	35	35	53	36	52	31	38	41	37	62	17	31	38

Orange numbers represent one of the top-two selections per market

# Trustworthiness of financial professionals is the leading consideration across all markets

## Considerations when Choosing a Financial Professional

% Saying very important	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
Trustworthiness	68	64	69	83	73	55	48	59	56	71	70	71	65	75	68	63	87	69	71	75
Reputation of financial advisor	48	49	38	77	57	48	28	31	47	44	51	51	40	56	46	35	70	34	52	61
Experience / seniority	45	41	51	77	47	41	31	42	47	48	37	55	36	41	43	41	61	30	37	50
Level of service offered	45	48	44	67	50	39	26	36	44	42	44	50	39	50	46	36	73	38	42	50
Works at a reputable company / firm	40	47	31	61	52	44	20	24	41	26	44	41	24	46	40	25	61	27	44	55
Education / certifications / qualifications	39	44	37	70	49	28	27	30	30	43	37	39	32	41	30	29	60	29	36	54
Is a CFP® professional	31	38	14	53	37	27	19	16	26	31	34	36	29	31	27	17	48	22	33	42
Presentation style / personality of financial advisor	29	30	28	52	36	21	17	22	25	26	27	29	24	28	30	25	47	22	25	43
Size of financial advisor's portfolio	24	23	23	40	23	26	14	22	29	24	20	29	16	18	24	17	34	20	19	29

Orange numbers represent one of the top-two selections per market

# Not knowing whom to trust ranks first in all but three markets

## Barriers to Financial Planning

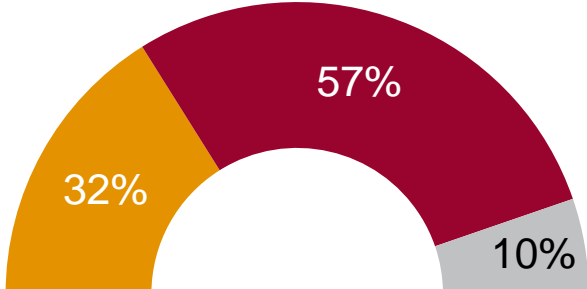
% Saying strongly/somewhat agree	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
I don't know who to trust	66	70	62	63	65	52	75	63	66	51	73	66	59	71	72	62	70	80	76	62
Fees/costs are not worth it	59	65	53	35	56	67	66	53	67	48	69	57	59	67	64	56	54	54	73	51
I don't know where to start	57	56	43	52	56	62	61	49	59	44	64	61	52	60	61	50	55	77	65	54
I can't afford it	57	66	43	46	55	70	61	49	48	33	61	53	54	64	63	50	62	76	65	53
It's just too complicated	57	59	46	54	52	54	66	49	70	40	61	58	53	57	66	53	46	79	65	48
Too much work/paperwork	56	60	49	52	49	33	64	49	73	47	65	57	54	57	69	53	50	70	67	48
It is too confusing	55	56	43	47	53	60	68	49	66	40	61	55	49	55	68	51	48	69	64	50
I am too busy	46	41	34	56	35	60	51	36	63	38	45	47	41	44	56	44	40	53	47	36
I don't believe I need a financial plan	45	50	60	27	34	77	64	61	46	26	49	26	60	38	39	60	19	30	52	31
I'll do it when I'm older	38	42	26	38	33	50	44	31	62	22	46	32	35	37	44	38	25	42	48	30

Orange numbers represent one of the top-two selections per market

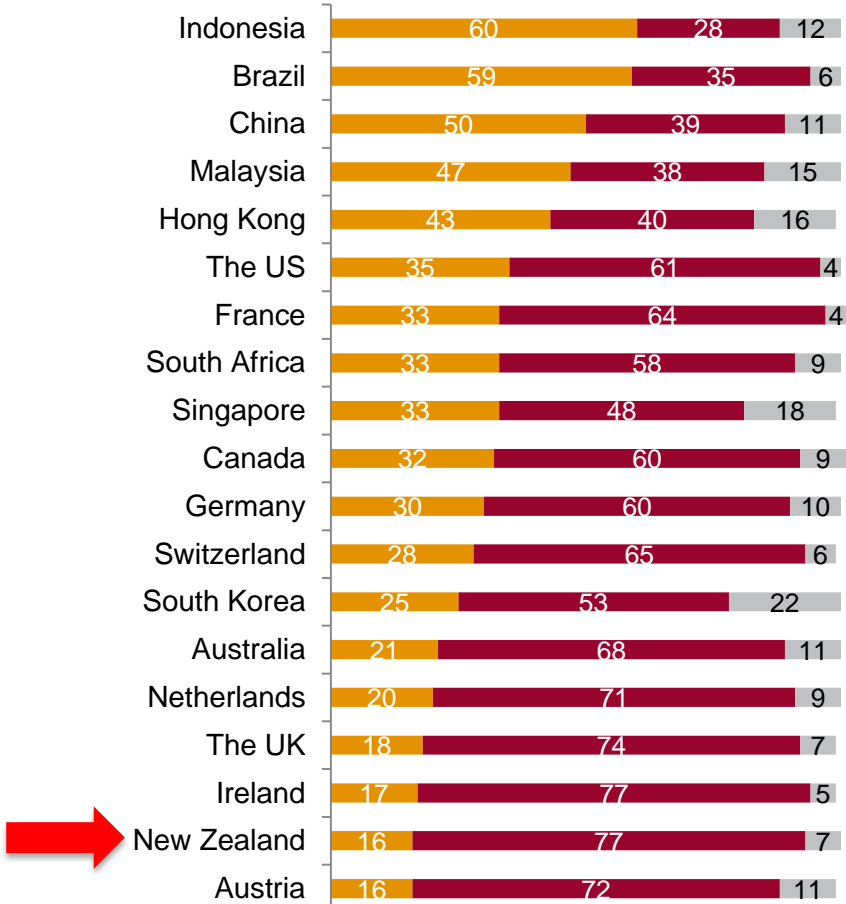
# Majority of global consumers lack a comprehensive written financial plan

■ Yes   
 ■ No   
 ■ Not Sure

**Have a Comprehensive Written Financial Plan**  
 (Global Total)



**Have a Comprehensive Written Plan**  
 (% by market)



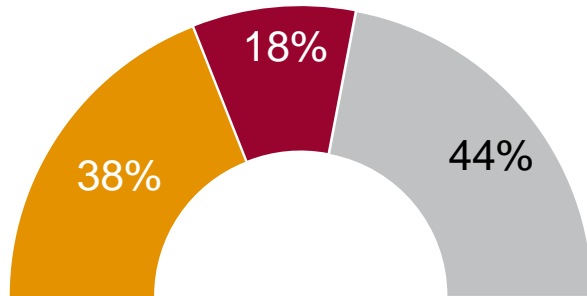
# Awareness of the CFP designation is highly variable by country

%	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
<b>Aware of CFP designation?</b>																				
Yes	32	32	11	46	39	48	22	20	50	40	12	55	17	19	42	18	42	41	23	37
No	68	68	89	54	61	52	78	80	50	60	88	45	83	81	58	82	58	59	77	63
<b>CFP designation is the only globally recognized mark of professionalism for financial planners</b> (among those aware of CFP professionals)																				
Agree	58	41	42	67	46	77	63	62	58	72	62	68	43	40	53	59	43	59	54	52
Disagree	15	13	38	16	15	7	19	22	16	17	11	12	24	17	18	21	15	13	11	13
Don't know/not sure	27	46	21	17	39	16	18	15	26	11	27	20	33	43	29	19	42	28	34	35

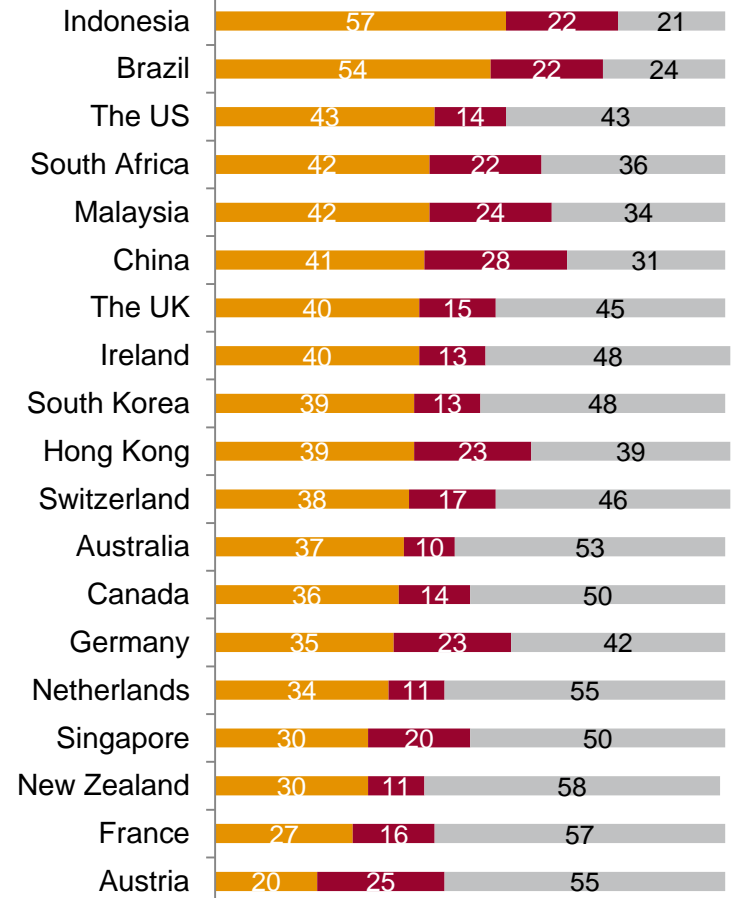
# More than four in 10 do not understand the financial planning fee structure

■ Charges a fee for services
 ■ Charges a commission
 ■ Not Sure

Would prefer to work with a financial adviser who...  
(Global Total)



Would prefer to work with a financial adviser who...  
(% by market)





# Another four in 10 are unsure if financial planning is regulated

%	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
<b>Is financial planning regulated?</b>																				
Yes	<b>38</b>	32	25	53	37	71	34	23	58	42	47	52	17	27	52	26	40	23	44	31
No	<b>21</b>	14	40	11	13	9	17	46	13	32	11	13	28	12	15	33	17	32	10	26
Not sure	<b>41</b>	54	36	35	50	21	50	32	29	26	42	35	55	61	34	41	43	45	47	43
<b>How important is it that financial planning be regulated?</b>																				
Very/Somewhat important	<b>79</b>	83	49	93	85	96	71	57	95	83	89	88	68	79	92	62	67	78	89	72
Very important	<b>39</b>	47	13	67	42	61	26	19	62	39	51	47	20	36	46	21	36	22	52	33
Somewhat important	<b>40</b>	36	36	26	43	35	45	38	33	44	38	41	48	43	45	40	31	56	36	39
Not too/Not at all important	<b>21</b>	17	51	7	15	4	29	43	5	17	11	12	32	21	8	38	33	22	11	28
Not too important	<b>14</b>	9	30	4	11	3	21	28	4	15	8	10	24	13	6	27	14	19	9	17
Not at all important	<b>7</b>	8	21	3	4	1	9	15	2	2	4	1	8	8	2	12	18	3	2	10

# Friends and family rank in the top two in all but two markets

## Information Sources Rely on for Financial Matters & Planning

%	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
Friends and family	44	41	30	38	40	53	34	35	54	61	47	59	34	43	53	37	47	45	47	40
Websites online	41	30	14	75	30	63	39	18	44	52	50	56	28	36	43	23	46	44	53	36
A financial planner	31	23	29	29	34	44	33	30	29	40	18	49	26	18	45	34	47	22	15	31
Other professionals (such as an accountant or personal banker)	30	24	53	37	27	28	41	41	20	42	16	40	31	29	21	42	33	12	12	25
Newspapers and magazines	26	23	9	45	16	35	19	12	43	34	27	36	13	24	32	16	37	33	27	22
TV programs	20	19	4	34	12	28	10	9	28	34	25	27	14	16	19	7	28	36	21	14
Social media sites	18	10	6	34	10	46	10	9	24	32	14	32	6	14	22	10	21	18	12	12

Orange numbers represent one of the top-two selections per market

# APPENDIX: NEW ZEALAND DEMOGRAPHIC PROFILE

# New Zealand Demographic Profile

	Unweighted Count	Weighted Percentage
Total	n=1000	100%
<b>Age</b>		
18-34	317	30%
35-49	238	24%
50+	445	47%
<b>Gender</b>		
Male	496	49%
Female	504	51%
<b>Education</b>		
Some college or more	701	40%
Secondary or less	299	60%
<b>Income</b>		
High	313	26%
Middle	282	27%
Low	296	34%
<b>Investable Assets</b>		
Top 40% (approx.)	365	31%
Bottom 60% (approx.)	635	67%
<b>Work with Financial Professional</b>		
Any	414	37%
CFP professional	67	6%