

A close-up photograph of a woman with dark hair and glasses, wearing a light-colored button-down shirt. She is looking down at a tablet computer on a white surface, with her fingers touching the screen. The background is softly blurred. A blue vertical bar is on the left side of the image, containing white text.

ATTITUDES
TOWARDS
WOMEN IN
FINANCIAL
ADVICE

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FOREWORDS

Ask any financial adviser and they will readily tell you how much they love their job. Helping Australians meet their financial goals and equipping them with the skills and knowledge to reach financial independence in retirement is reward in itself, but a career in financial advice is much more about people and relationships than it is about crunching numbers and meeting targets.

The trouble is, while the industry is making strides, this message is not filtering through and still too few people – especially younger women – are seeing financial advice as a viable career option.

That's why the Financial Services Council has teamed up with the BT Stella Network to bring you this report, which surveyed women working in the industry to find out what they loved most about their job.

The research found that one of the key reasons female financial advisers enjoy what they do is because they regularly meet new people and get to spend time understanding them and their situation in order to help them.

Further, progression through the industry today is more achievable for younger women than their older counterparts when they were the same age. Today, nearly three quarters of advisers aged 25-34 hold a supporting role for five years or less before progressing.

What's more, women seem naturally suited to excelling in the field. Clients of female advisers report higher levels of satisfaction with higher levels of trust. The research found that character traits related to emotional intelligence, or EQ, and empathy were valued highly in the client/adviser relationship and that women typically displayed more of these qualities.

The government has recently set a higher bar for entry into financial advice and, in time, it will become a profession like law and accounting. These new education standards present an opportunity for the industry to attract a new generation of women and will help create awareness about financial advice as a professional career.

As Australia faces up to the challenges of an ageing population, and we become increasingly focused on



Sally Loane
CEO, Financial Services Council

generating the right policies, products and services to better enable Australians to fully self-fund their retirements, the financial advice industry will clearly benefit from an influx of young, dynamic and highly skilled female talent.

I'd like to thank the Financial Planning Association and The Stella Network for their parts in assisting us with this important research.



Jane Watts
General Manager, BT Advice and Private Wealth

BT has long championed diversity and inclusion in all aspects of its workplace.

It is the reason why in 2013 we launched The Stella Network to bring together female advisers from across the industry in a supportive forum, to share their challenges, discuss industry issues and build meaningful connections.

Each year we're proud to connect thousands of women and promote Advice as a challenging and rewarding career option.

But we know there's more to do.

The need for quality advice has never been more important as our population ages and Australians strive for a dignified retirement.

That presents a great opportunity for women and men to consider a career in an industry that is undergoing positive change as it continues to build its professionalism and deliver strong outcomes for clients.

Right now, only one in five advisers across the industry are women and we wanted to better understand why.

For the advice industry to prosper we need to have a diverse group of specialists with varying skills and backgrounds to better represent the clients they serve.

That's why we have partnered with the Financial Services Council to identify the roadblocks to females becoming an adviser, career progression and what advisers and clients have to say.

I commend this report, as it confirms some views which are commonly held, but also sheds light on new insights.

My hope is it sparks an industry conversation about how we better attract, promote and retain quality women in the Advice profession.

BACKGROUND AND OBJECTIVES

The Financial Services Council is dedicated to continuously engaging in advocacy concerning the development of the social, economic and regulatory framework in which their members operate, thereby helping them to better serve their clients and customers. As part of this endeavour, the FSC is committed to being open, transparent, and collaborative; encouraging ethical and equitable behaviours by members through the development of industry standards, and creating 'level playing fields' and competitive markets.

The Financial Services Council has partnered with The Stella Network to conduct research to further understand an important social issue relevant to its members; women in financial advice, and in particular, insights into the consumer and professional mindset in relation to female financial advisers and gender equality within the industry.

This document provides a summary of the key findings and insights emanating from the research with the general public and female financial advisers.



The business aim

To provide important and insightful thought leadership on consumer and financial adviser attitudes to financial advice, the financial adviser profession, and the role that gender plays in this field; with the ultimate goal of raising awareness of key issues and building advocacy for women in the financial advice industry.

The key research aim

Comprehensively understand and measure the behaviours, attitudes and perceptions of consumers and financial advisers regarding financial advice and financial advisers; and identify any gender biases in order to educate and inform policy in the industry.

Specific research objectives

1

Understand the consumer mindset regarding financial advice and financial advisers

- Generate detailed understanding of consumer attitudes to financial advice and financial advisers
- Investigate uses of and relationships with advisers, and differences as a result of various factors
- Determine factors in selecting a financial adviser and key attributes sought
- Identify differences in perceptions of advisers with respect to gender and uncover existing biases

2

Investigate the perspective of female financial advisers with regard to the profession and their career, and uncover existing gender inequalities

- Understand the perspective of female financial advisers
- Evaluate the role of gender in financial advice
- Identify barriers to entry and obstacles women face in the financial advice profession
- Explore current solutions women adopt and evaluate the appeal of new solutions

An overview of the research

Consumer quantitative evaluation

An assessment of consumer attitudes toward financial advice and advisers

- n= 500 x 5 -10 minute online surveys of a nationally representative sample of main household financial decision makers who use a financial adviser, have used one in the recent past, or plan to use one in the near future
-

Financial advisers qualitative exploration

Deep exploration of attitudes among financial adviser professionals

- 8 x 60 minute in-depth interviews with female financial advisers of varying degrees of experience
 - Identify key themes and gaps that provide a deeper understanding of adviser attitudes and values as well as inform quantitative questionnaire design
-

Financial advisers quantitative exploration

Assessment of attitudes and behaviours among financial adviser professionals

- n=317 x 5-10 minutes online surveys with female financial advisers
 - Quantify attitudes, behaviours and perceptions extrapolated from the qualitative research
-



EXECUTIVE SUMMARY

Unlike in previous generations, financial advice is now a viable career for young female professionals

Two out of three young female financial advisers entered the profession immediately after university – it was their career of choice. However, this was not the case for more senior female financial advisers who typically joined the industry later in life. However, for young female financial advisers, when entering the profession there remains confusion about what a career in financial advice entails on a day to day basis. In particular, sales targets and the industry's reputation are increasingly more top of mind for young females entering the profession. This highlights an opportunity for the industry to educate and inform potential new entrants, whilst at university, of the expectations of financial advisers around sales targets and to bust myths about the industry.

Younger female financial advisers are more likely to have access to mentors and progress at a faster pace than previous generations

Across the board, most female financial advisers start their career in a supporting role, but the pace of progression is faster today for younger generations. When taking the step to move up from a financial associate to a financial adviser, most acknowledged the importance of having someone in the industry to guide them into this role. This suggests that young female financial advisers today are receiving more support, and have more opportunity to progress than their more senior counterparts did when they were in a similar position.

Pace of progression is a key driver of job satisfaction, especially for younger generations

Pace of progression and level of guidance are the two most important drivers of overall satisfaction with the profession. Ironically, despite being the fastest generation to progress in their roles, the 25-34 year old cohort is the least satisfied with the pace of their career progression. This suggests that younger generations may be more impatient when it comes to career progression and may be more inclined to switch employer in order to progress faster. With mentorship being a strong motivation to stay in the profession, mentoring programs could also be used to assist young financial advisers in managing career expectations.

For female financial advisers the profession is highly relational

Across all age groups, female financial advisers find that the main motivation to stay in their role and the main source of job satisfaction is helping their clients. They believe the most important professional traits are relational ones, which help create a bond with their clients. There is a perception that financial advice is more of a quantitative role, strongly associated with 'numbers', when in fact, these advisers feel advising is about building relationships, more than about financial numeracy.

On-going coaching relationships with clients drive higher levels of satisfaction and trust

Clients who have an on-going relationship with elements of coaching show the highest levels of trust and satisfaction in their adviser. Currently, only two in five customers feel they have this sort of relationship with their adviser. However, two-thirds of prospects will seek a relationship with their adviser that features some level of coaching. This strongly suggests there is an opportunity in the industry to embrace more coaching elements and develop stronger relationships with their client base.

Female advisers generally perform better than males on emotional intelligence - a key trait of a successful adviser

The most important attributes for a good adviser are being trustworthy, knowledgeable, and having strong emotional intelligence (EQ). In fact, female advisers are associated more strongly than male advisers with EQ qualities and are perceived on par with males in terms of knowledge and intelligence. These soft qualities drive satisfaction and are even more important drivers when it comes to trust. These findings could potentially explain why satisfaction and trust is higher among consumers with female advisers.

Key barriers to using a financial adviser include the absence of a perceived need and high fees

Lack of perceived needs and fees are key barriers to consulting a financial adviser, but poor information on the added value of consulting an adviser is widespread. Almost half the client base feels uncertainty about what the benefits of consulting a financial adviser might be – a reason people may overlook seeking advice. This highlights an opportunity to educate people more broadly on the benefits of financial advice and extend the reach of the profession.

Referral is king – and should be a key focus for business development strategies

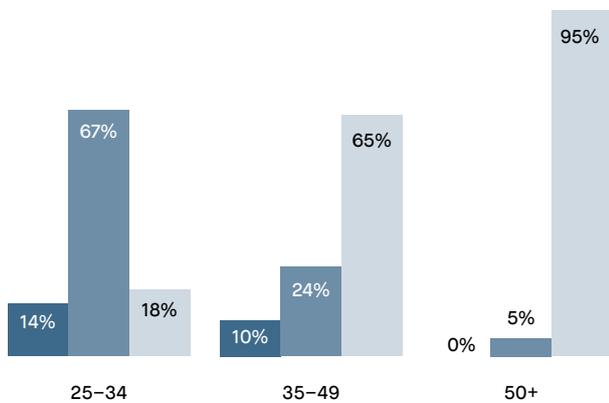
Almost two in three clients found their adviser through referral or recommendation. Interestingly, those who were referred by someone they know, tend to be more satisfied with their adviser. This implies not only is word of mouth key to triggering the search for an adviser, it is likely to be the main source of future revenue for most advisers and should be a key focus for business development strategies.

FEMALE ADVISERS: A VIEW FROM INSIDE THE PROFESSION

Younger females are more actively seeking a career in financial advice compared to previous generations when they were the same age

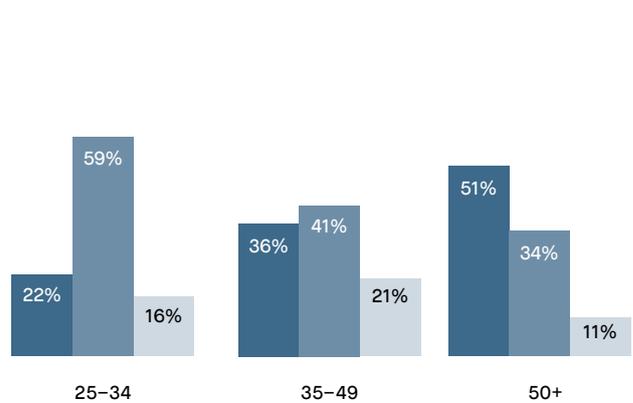
- Two thirds of female financial advisers aged 25-34 chose a career in financial advice during or after university... In contrast, nine out of ten females aged 50+ did not begin a career in financial advice until later in their life. This suggests younger females have a higher positive outlook when it comes to a career in financial advice today, compared to older cohorts when they were the same age – potentially a result of more opportunities for younger females today.
- However, among younger females, there is confusion over what a role in financial advice entails... further clarity on the variety of roles and tasks involved in financial advice would be useful for university students.

Timing of entrance into the profession (%)



- AFTER HIGH SCHOOL
- DURING UNIVERSITY OR AFTER UNIVERSITY AS A GRADUATE
- LATER IN THE PROFESSIONAL CAREER

Experience at the moment of entrance (%)

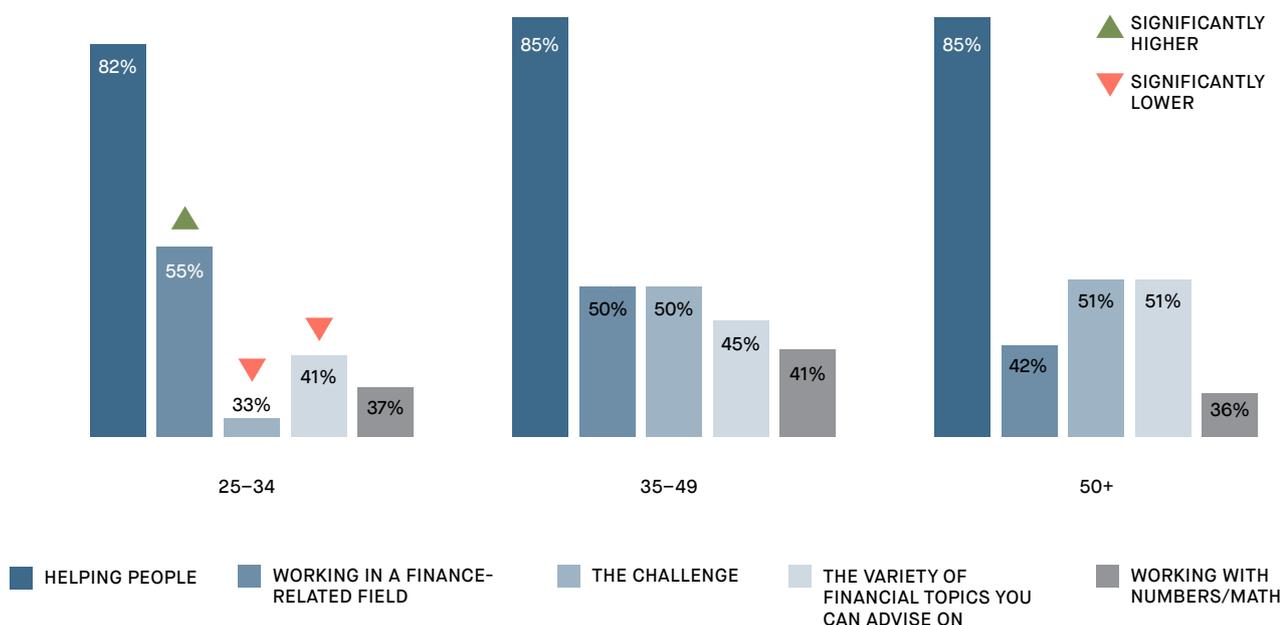


- I HAD DIRECT EXPERIENCE/ KNOWLEDGE OF THE FINANCIAL ADVICE PROFESSION
- I HAD HEARD OF FINANCIAL ADVICE BUT WAS UNCLEAR WHAT IT WAS
- I HAD NEVER HEARD OF FINANCIAL ADVICE

A key driver for choosing a career in financial advice across all generations is to help people

- More than eight out of 10 females are attracted to the industry to help people. More generally, younger generations are more likely to pursue a career in a finance related field compared to older generations when they were the same age – again potentially due to a lack of opportunity when older generations were starting out.

Top 5 drivers of starting a career as a financial adviser by generation (%)



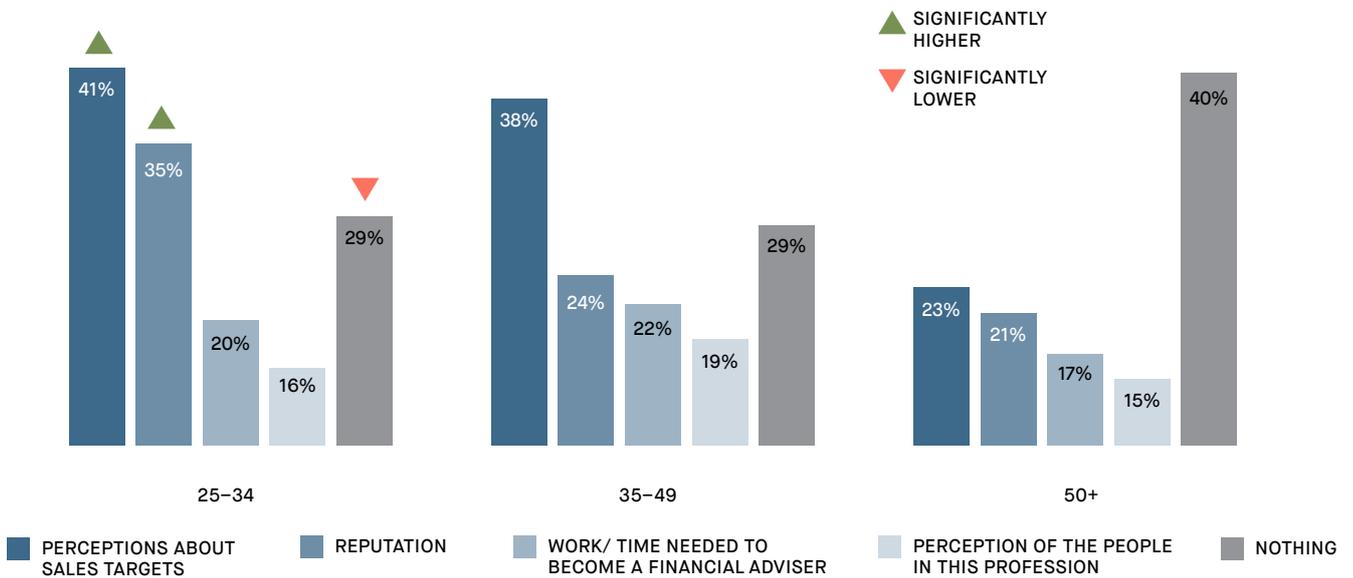
Financial advice is not just about numbers...

- One of the key reasons female financial advisers say they enjoy their role is because they regularly meet new people and get to spend time understanding them and their situation to help them.
- "I work with so many different people... families, small businesses, large corporates, retirees... it's a mixed bag. I enjoy getting to know them and offering solutions to their problems."
- There is a perception that financial advice is more of a quantitative role strongly associated with 'numbers', when in fact, these advisers feel advising is not only about financial knowledge, but about building relationships. By highlighting the qualitative nature of the role which includes listening and getting to know people, many female financial advisers believe this could attract more women to the industry.

However, younger females report having preconceptions about the profession upon entrance – in particular, sales targets and the industry’s reputation

- For the cohort age 50+, two out of five reported no concerns at all, representing a degree of comfort amongst experienced advisers. However, hitting sales targets and the reputation of the profession were increasingly more top of mind for the younger advisers entering the industry. This highlights an opportunity for the industry to inform and educate new entrants on expectations around sales targets and directly address industry reputation issues.

Top 5 barriers of starting a career as a financial adviser by generation (%)



Today, progression through the industry is more achievable for younger females than for older female generations when they were the same age

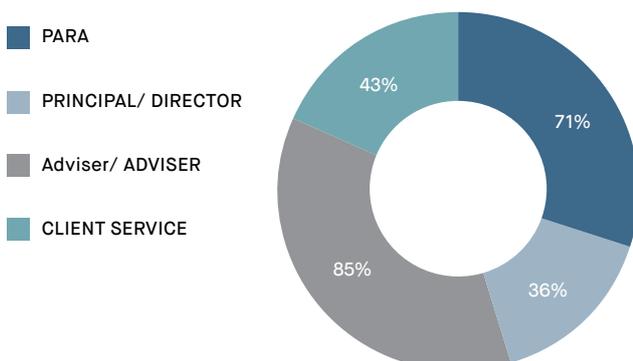
- Upon entering the industry, seven out of 10 females held a supporting role, with the most common length of tenure in this position being between one and four years.
- Interestingly, younger females have spent less time in supporting roles compared to advisers aged 35+. This shows younger females entering the industry are potentially more confident to progress and/or have had more opportunities than the 35+ cohort when they were the same age.

Qualitative insight

- Progressing from an associate position to a financial adviser is the key challenge, particularly for women.

“If I take you upstairs you will see plenty of women in the team, but they are all in admin and support roles. The males don’t tend to stay in support roles as long.”

Roles held during their career (%)



74% of advisers aged 25-34 held a supporting role for less than 5 years before progressing.

Among older generations, only 62% progressed within the same time frame.



CASE STUDY:

A day in the life of a female financial adviser

The story of Kate

Kate works in a large company which offers financial advice specifically around superannuation and retirement planning. Kate started off in the company as a paraadviser, and learned as much as she could about the industry while in this role. Kate was always interested in moving up to financial advising, but lacked confidence. Her main concern was being put in front of clients and not being able to answer their questions. Kate wanted to make sure she knew enough to not feel put on the spot before moving into a client facing role.

John started working as a paraadviser not long after Kate joined, and moved up to a financial advice role after two years. After five years as a paraadviser, Kate decided she was ready to go for a financial advice role that opened up in her company. The manager in the team did not hesitate, giving her the role as they knew she was very knowledgeable.

Kate now enjoys her role very much, however, is considering stepping down to a paraplanning role when she decides to have children. This is due to wanting to avoid the pressure of having to meet sales targets.

“Sometimes I am in a room with a table of older males and it can be quite intimidating.”

Confidence and time commitment are key barriers for women wanting to progress in the industry

Two key barriers have been identified which play a role in the decision for a female to progress in financial advice. They are:

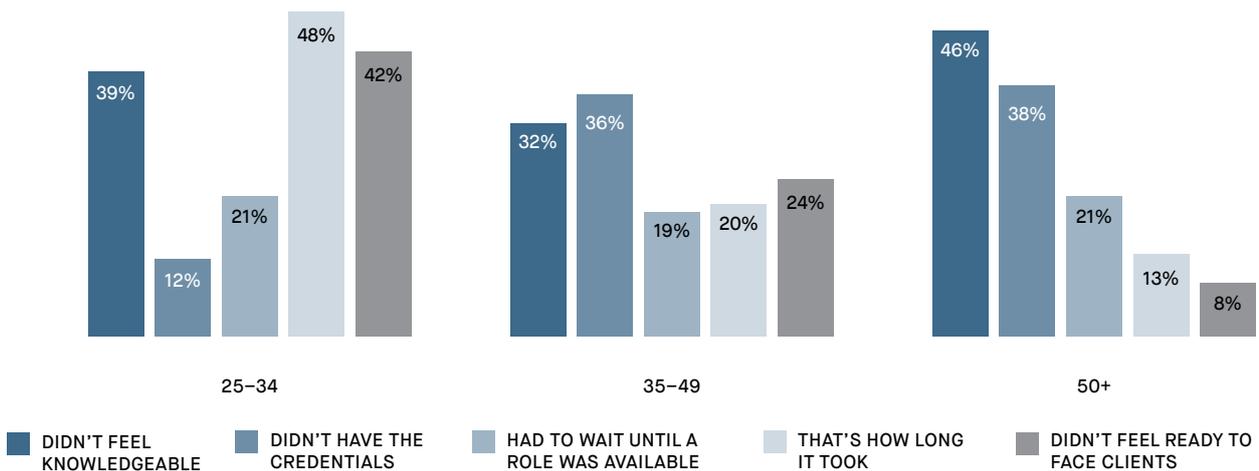
Confidence in knowledge and ability

- Women are more likely to spend a longer amount of time in support roles until they believe they have enough knowledge to give them the confidence to start advising.
- Female advisers describe their female associates as underestimating their abilities more than their male associates, who are seen to be more aggressive about progression and leaving support roles faster than females in the same position.

Time commitment

- For many, the jump to becoming a financial adviser means trading a salary based role for the responsibility of developing and maintaining their own book (or own business) which can be high pressure.
- Significant time and effort is required to build up a client base/manage clients to achieve the revenue required to cover license costs at a minimum. This commitment can be significantly more difficult for females planning a family, as they need to make a commitment to forgo any leave, including maternity leave.
- Males in the 35-49 age cohort indicated they didn't have the necessary credentials which may have impacted their tenure in support roles. Whereas females in the 25-34 cohort identified 'that's how long it took', rather than reflecting on their qualifications.

Top 5 barriers from preventing career progression as a financial adviser by generation (%)

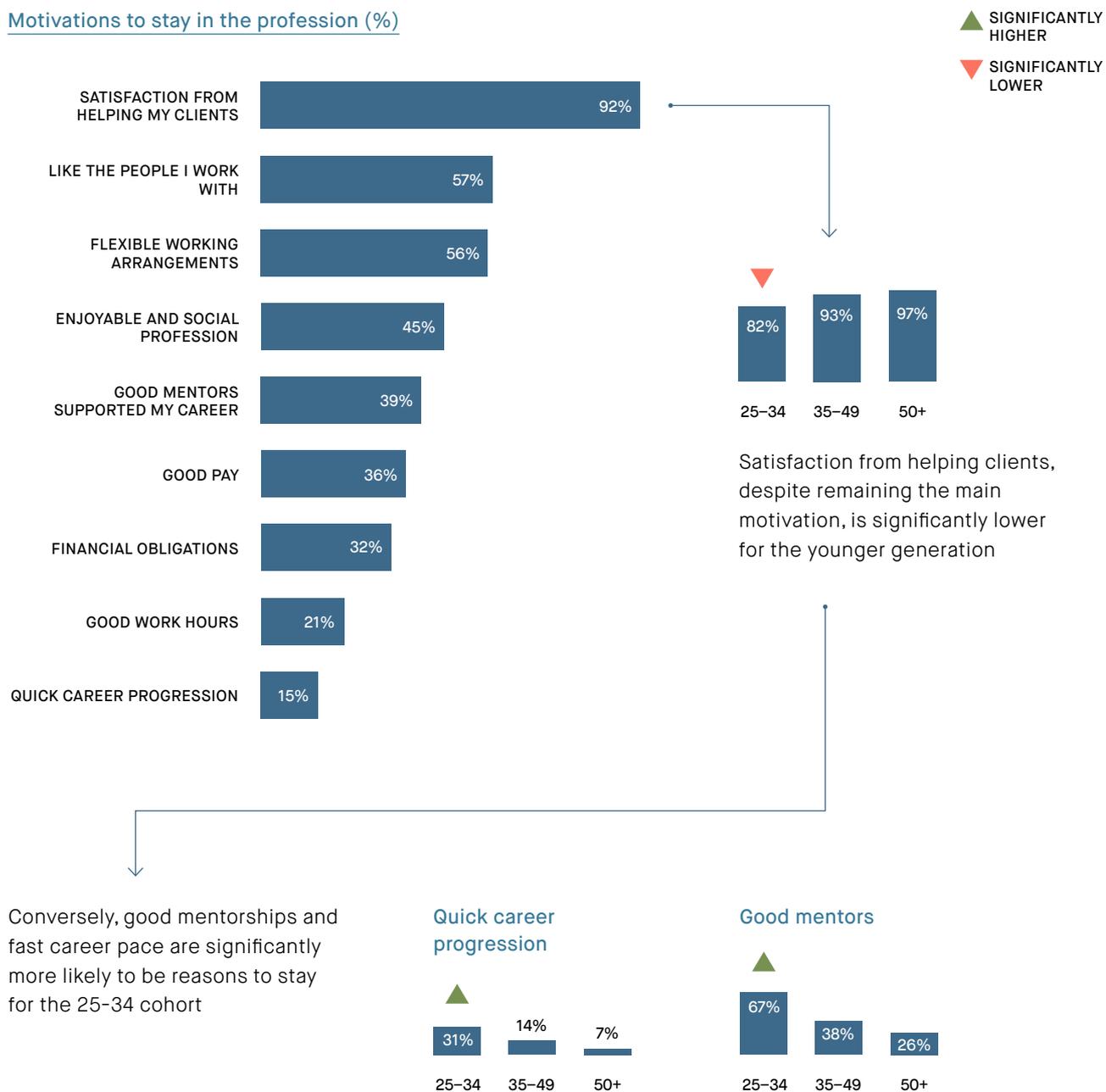


Females in the 35-49 age cohort indicated they didn't have the necessary credentials, which may have impacted on their tenure in support roles. Whereas females in the 25-34 cohort identified 'that's how long it took', rather than reflecting on their qualifications

Across the board, helping others is a key motivation for staying in the profession. However, for younger generations, career prospects are also vital

- Liking the people they work with and flexible working arrangements also rate highly... whereas quick career progression and good working hours are only motivators for a minority.
- However, among younger generations, the drive to help people is tempered slightly... mainly by the drive for fast career progression and strong mentors to guide them along the way.

Motivations to stay in the profession (%)





In terms of overall satisfaction with their career, the key drivers are the pace of career progression and mentorship programs

- Despite being the fastest generation to progress, the 25-34 cohort is the least satisfied with the pace of their career progression... Implying that younger generations may be keen to progress through the ranks when it comes to their career and may be more inclined to change employer more frequently, compared to their older counterparts at the same age.
- Respect from clients and annual income are also key drivers of satisfaction.

Satisfaction with each aspect of their profession (%)

	25-34 years	35-49 years	50+ years	
Overall satisfaction	82	80	82	
Pace of career progression	61	66	66	More important ↑ Drivers of job satisfaction ↓ Less important
Mentorship received to progress	57	49	45	
Respect from clients	94	95	98	
Annual income	55	61	77	
Ability to choose the work schedule	59	73	79	
Amount of work hours	67	70	70	
Ability to work from home	49	58	63	
Ability to take extended periods of time off	55	53	68	

“When I am ready to have children I plan on going back into para-planning because I wouldn’t want the pressure of meeting my revenue KPIs while having a family.”

“I wouldn’t be able to have a third child if I wanted to, because there is no-one I can trust my clients with.”

Support has a significant impact on pace of progression for female financial advisers

Guidance

When taking the step to move up from a financial associate to become a financial adviser, most acknowledged the importance of having someone in the industry to guide them into this role. Those who did not have a particular individual further up the hierarchy supporting them into this position often spent more years in support roles before feeling confident enough to move to advice.

“My dad is a financial adviser and I started out by working with him. If I didn’t have him pushing me and supporting me, I guess it would have been a lot harder to get established. I may not have even ended up here.”

Ability to take time off

Many females acknowledge the main dynamic influencing their decision to stay in the industry is whether they can find a way to manage their books and maintain connections with their clients when they need to step away from their roles. This is a challenge for all financial advisers, but particularly affects females when planning for maternity leave. To avoid ‘having to start from scratch’ after long periods away from their clients, financial advisers need someone they can trust to manage their clients while they are away who will do right by their clients and who won’t poach clients from them.

Trust in team

Women who have successfully come back to financial advice after maternity leave tend to work in teams with one or two other advisers with similar work ethic and values.

“We work together quite closely and know each other’s clients quite well, so I can support him when he needs to step away and he does the same for me. That’s why it was easy for me to go on maternity leave.”

Female advisers feel the profession is a highly relational one, built around strong bonds with their clients

- Across all age groups, female advisers share a similar view on what makes them good at their profession. As such, one of the most important professional traits for an adviser is being ethical (92%), being a good listener (85%), and building strong personal relationships (77%).

Import attributes to be a good financial adviser (%)

9/10

advisers

Feel that being ethical and always acting in the client's best interest is extremely important to be a good adviser

8/10

advisers

Believe that being a good listener is extremely important to excel

More than
7/10

advisers

Find it is extremely important to build personal relationships, explaining clearly complex financial situations, partnering with the clients and people skills

Fewer than
2/10

advisers

Find that being good with numbers, having good sales skills and getting the most for their clients, no matter how are extremely important skills for a financial adviser



CASE STUDY:

Women in the industry pride themselves on having strong connections with clients

The story of Susan...

After having children, Susan decided not to go back to her old employer in the banking industry, and decided to work part time in her husband's financial advice business. Susan worked with her husband for a number of years before deciding to open up her own business.

Susan prides herself on having good client relationships, as she does her best to ensure clients are comfortable opening up to her to discuss personal matters.

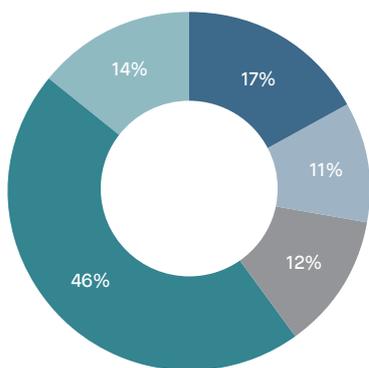
Susan believes financial advising is a fantastic career for women, and women can do very well in the industry due to their capability to connect with clients on a personal level. She believes men particularly can feel more at ease opening up to a woman as they are unlikely to judge and many are often good listeners.

RELATIONSHIP WITH ADVISERS: THE CLIENT'S PERSPECTIVE

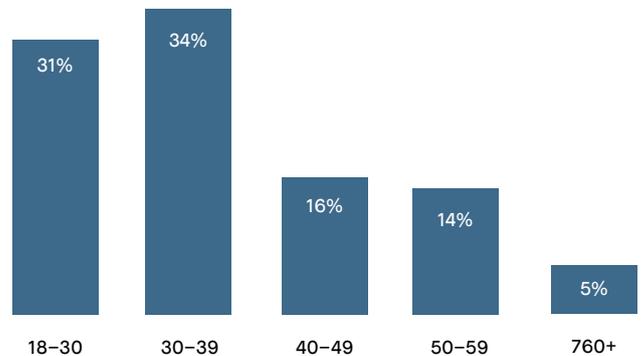
Two in five Australians have consulted an adviser at some point in their life, with a further 12% intending to do so in the next 12 months – most of these will be young Australians

- Almost three out of 10 Australians interacted with a financial adviser in the last two years, 61% of whom maintained an ongoing relationship... highlights the importance of building relationships with new and existing clients as the majority of clients tend to enter into going relationships.
- Over the next 12 months there is a growing opportunity to connect with younger Australians, aged under 40. These Australians primarily seek advice on superannuation (51%) and planning for retirement (39%).

Interactions with adviser (%)



Intention to consult an adviser in the next 12 months (%)

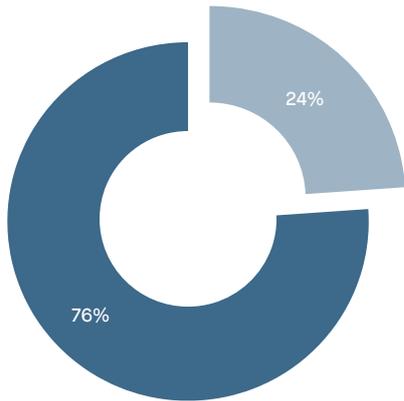


- ON-GOING RELATIONSHIP
- CONSULTED AD-HOC IN THE PAST 2 YEARS
- NEVER CONSULTED, BUT INTEND TO IN THE NEXT 12 MONTHS
- NEVER CONSULTED AND DON'T PLAN TO
- CONSULTED MORE THAN 2 YEARS AGO

Most clients consider their relationship to be with their adviser directly, rather than the institution

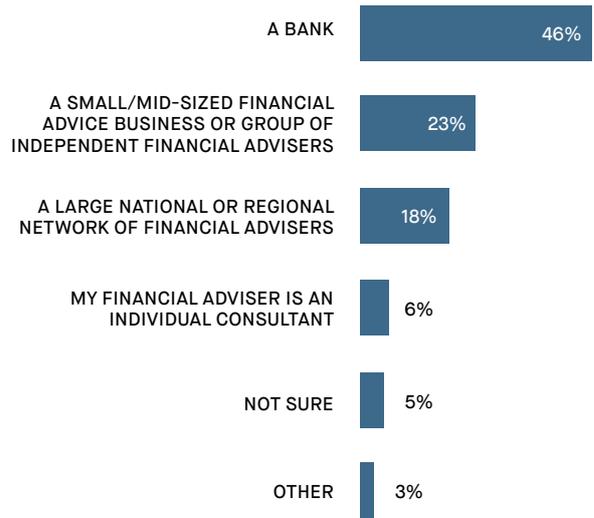
- For three-quarters of customers, the relationship with the adviser is a personal one... they consider their financial relationship to be primarily with their adviser directly. However, this leaves one quarter who consider their relationship to be with their adviser's organisation instead. Unsurprisingly, nearly half of these associate their relationship with a bank, most likely a result of leveraging their potentially long-standing bank relationship to find their adviser.

Who considered primary relationship to be with (%)



■ YOUR FINANCIAL ADVISER DIRECTLY
 ■ YOUR FINANCIAL ADVISER'S ORGANISATION/ COMPANY

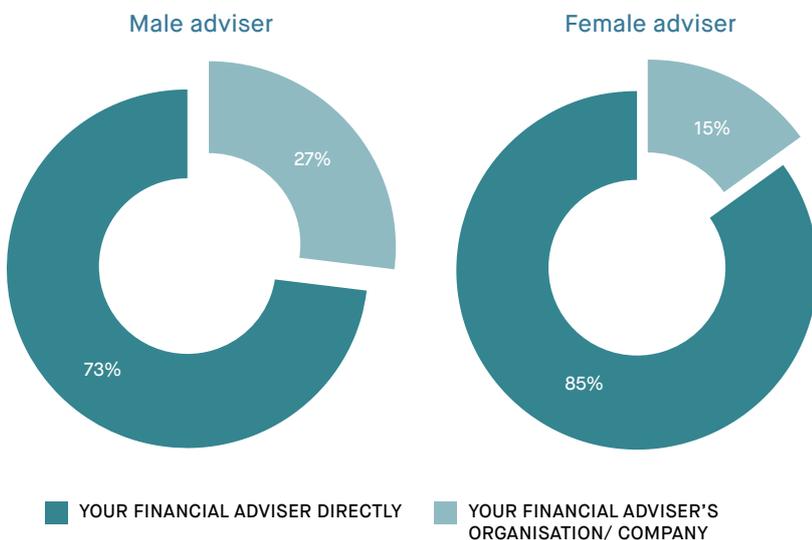
Type of company adviser is affiliated with, among those whose primary relationship is with the organisation (%)



A stronger personal connection is evident among female advisers, suggesting female advisers may have an advantage over males when connecting with clients

- Those who have a female financial adviser are even more likely to feel connected to their individual adviser instead of an organisation 85% of customers with female financial advisers believe their relationship is with the individual rather than the organisation; whilst only 73% of customers with male advisers feel this way. This significant difference suggests that female advisers may have the advantage when it comes to connecting with their clients on a personal level.

Who considered primary relationship to be with, by gender of financial adviser (%)



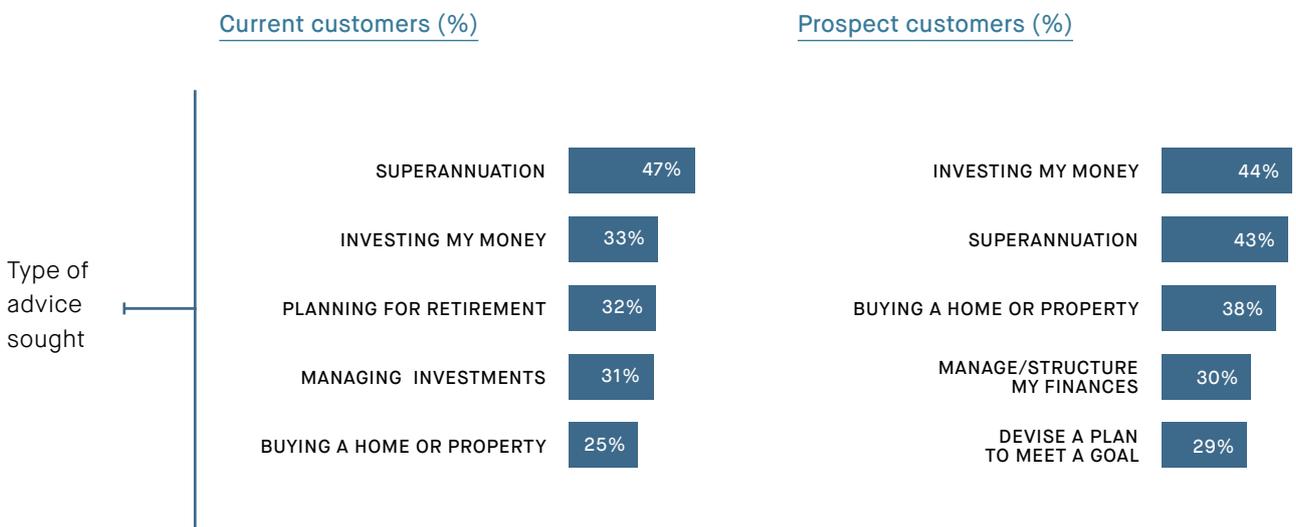
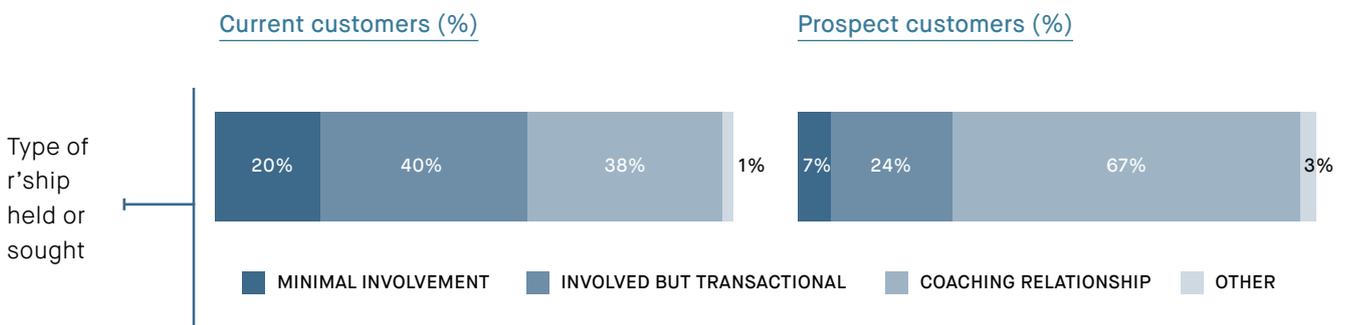
■ YOUR FINANCIAL ADVISER DIRECTLY
 ■ YOUR FINANCIAL ADVISER'S ORGANISATION/ COMPANY

The female factor...

Female advisers perceive they are more likely to possess the attributes required for strong relationship building (e.g. listening, empathy, understanding their clients dreams).

Today’s client is seeking a coaching relationship focused on investments, rather than savings

- Growing interest in coaching relationships...** Two-thirds of prospective clients will seek a relationship with their adviser that features some level of coaching. Currently, only two in five customers feel that they have this sort of relationship with their adviser.
- The focus of advice is shifting from savings to investment...** Whilst Superannuation is the main topic of advice for current financial advisers’ customers, intenders are first seeking advice on investment, with buying a home or planning to achieve a goal being other important motivations to seek financial advisers in the future.



When selecting an adviser, age and gender are not important: knowledge and empathetic skills are the key selection criteria

- Consumers seek qualified professionals who put them at ease. Only a minority consider gender and/or age to be an important factor.

Import attributes when selecting a financial adviser (%)

9/10
advisers

Feel appearing knowledgeable in the field and/or having good credentials is very/extremely important when choosing a financial adviser

8/10
advisers

Find it very/extremely important that their financial adviser makes them feel comfortable and/or is someone they can relate to

2/10
advisers

Believe a financial adviser should be the same age as them if not older

2/10
advisers

Have gender bias, expressing preferences toward male or female financial advisers

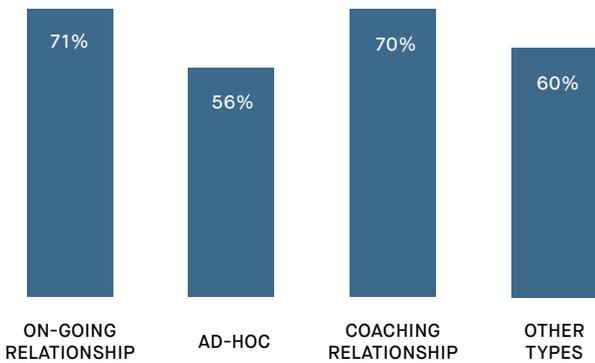
'Being a female in this industry is actually an advantage'...

- While some female advisers report they feel some male clients can be hesitant to book appointments with them on the basis of gender, this is typically during the first encounter and often is not an issue at all
- Once female advisers begin to establish relationships with their clients, many actually believe their gender proves to be an advantage as they believe clients are more willing to open up to them about their circumstances than they would be to a male

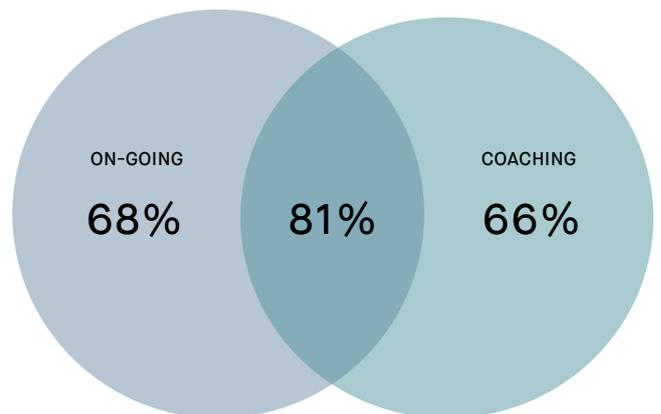
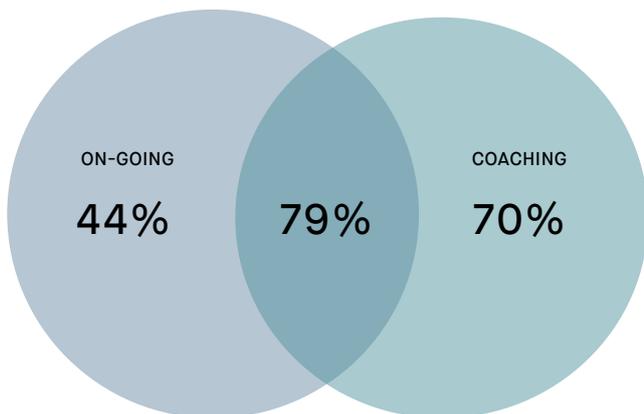
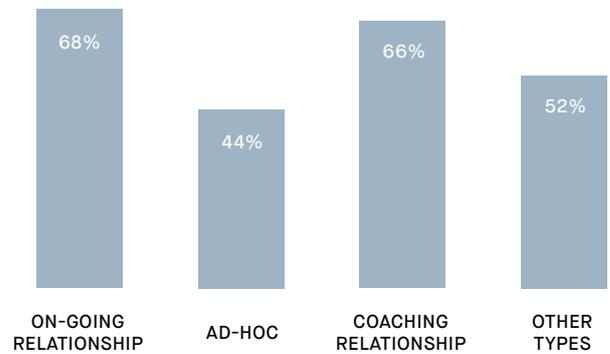
Ongoing relationships, as well as a coaching approach, are strongly associated with high levels of trust and satisfaction with an adviser

- Currently, only two in five customers feel that they have a coaching relationship with their adviser, but of these that do, they have the highest level of satisfaction and trust in their adviser.
- This strongly supports the notion that the best kind of adviser is one that builds long term client relationships centred around coaching. This evidence presents an opportunity for advisers to adopt elements of a coaching style into their client relationships, as a driver of client satisfaction, trust and ultimately loyalty.

Satisfied with their financial adviser (%)

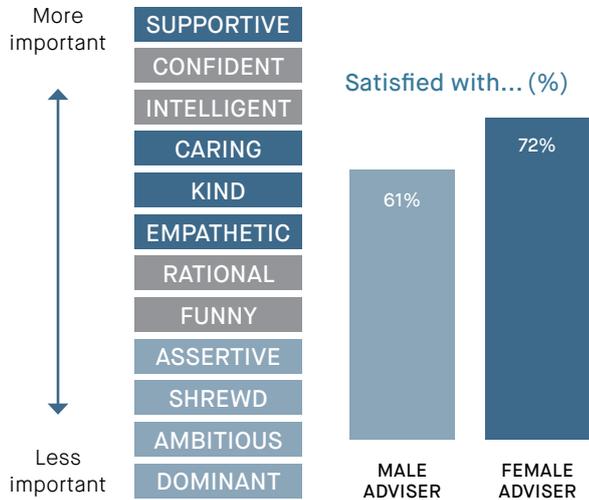


Trust in their financial adviser (%)

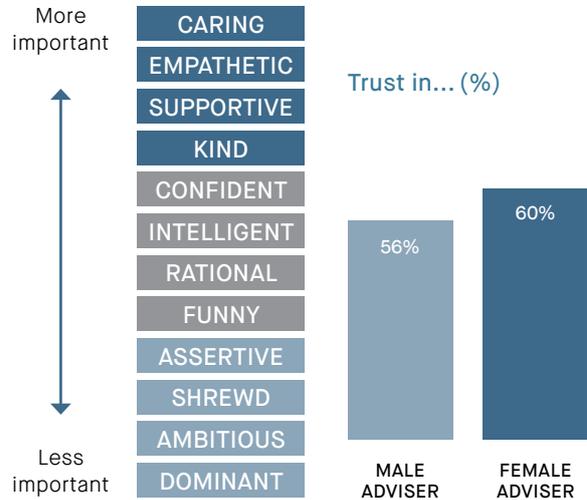


Emotional intelligence traits are strong drivers of satisfaction and trust – to engender trust, advisers need to be caring, empathetic and supportive

Drivers of satisfaction



Drivers of trust



■ MORE COMMONLY FEMALE PERSONALITY TRAITS ■ MORE COMMONLY MALE PERSONALITY TRAITS ■ NEUTRAL

While trustworthiness and knowledge are fundamental skills for a good advisers (stated by nine in 10 clients), eight of 10 clients find people skills to be equally important

- However, when focusing only on skills they consider to be extremely important, people skills take a strong lead.
- The importance that is placed on soft skills and personable traits re-emphasises the preference for coaching/ guided partnerships. 'Hard' business traits like being a skilled negotiator, getting clients the most for their money, and being a good sales person, are less important. Overall, the strongest financial relationships are ones that are ongoing, of a coaching nature and with advisers who are considered trustworthy, knowledgeable and have strong people skills.

Extremely important skill sets for being a good financial adviser (%)

PEOPLE SKILLS 65%
 KNOWLEDGEABLE 58%
 COMMUNICATION SKILLS 50%
 GOAL-ORIENTED SKILLS 47%

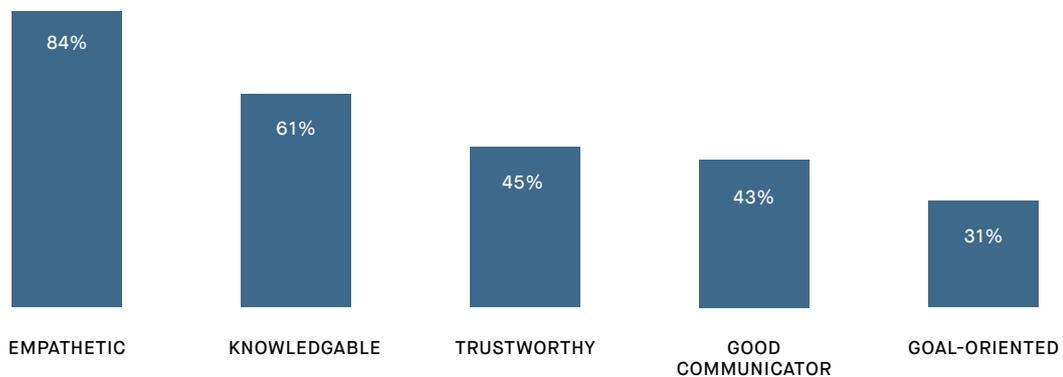
Most important skill within the skill set (%)



According to clients, female advisers are better than male advisers on the key empathetic traits of being a successful adviser.

- **Female financial advisers are more likely to demonstrate empathy.** They are often described to have emotional intelligence (EQ) attributes including 'understands my needs', 'listens to me', 'makes me feel comfortable', whilst being on par with men on 'is knowledgeable' and 'explains complex financial situations in an easy way' – both key qualities to what consumers feel makes a good financial adviser.
- **Conversely, males are more likely to be associated with informational qualities,** specifically, 'keeps me informed on policy that may affect my finances' and 'staying up to date on industry trends'- this last attribute, is considered by almost half of consumers (45%) as an extremely important factor in being considered a good adviser and is, therefore, an area for perceptual improvement for females.

Statements to describe their personal financial adviser (%) – grouped by underpinning quality



With a female financial adviser...

Consumers feel their needs are better understood (+6%), they are listened to (+8%) and made to feel comfortable (+7%). Their financial adviser is someone they can relate to better (+7%)

A female financial adviser's key strengths are their soft skills

With a male financial adviser...

Consumers feel they are better at keeping them informed if anything happens (+5%) and are confident their adviser is up-to-date with the latest trends (+5%). Their financial adviser is more likely to be the first person they will turn to (+8%)

Males in the financial advice sector are not as effective at the softer skills as females, but they make up for this on their technical capabilities

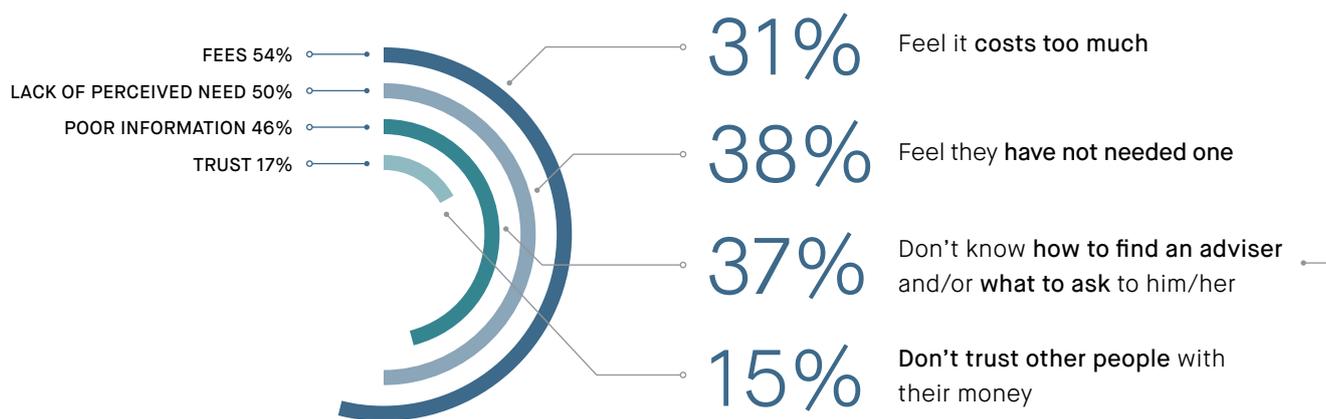


PATHWAY AND BARRIERS TO FINDING A FINANCIAL ADVISER

Lack of a perceived need and fees are the main barriers engaging with a financial adviser

- **Perceived needs and fees are key barriers...** but poor information on the value of consulting an adviser suggests an opportunity to educate the benefits and increase the reach of the profession.
- **Key barriers are similar between males and females, however, differences do exist...** Female consumers are more likely than males to blame cost, lack of a perceived need and lack of understanding. Males are slightly more likely to question the profession itself, expressing doubts regarding value of the service and level of trust in financial advisers.

Barriers to consulting a financial adviser (%)

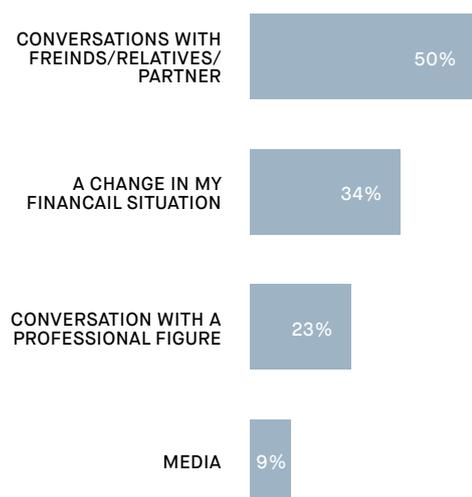


This suggests there is untapped potential for market penetration among more uninformed subgroups of the population

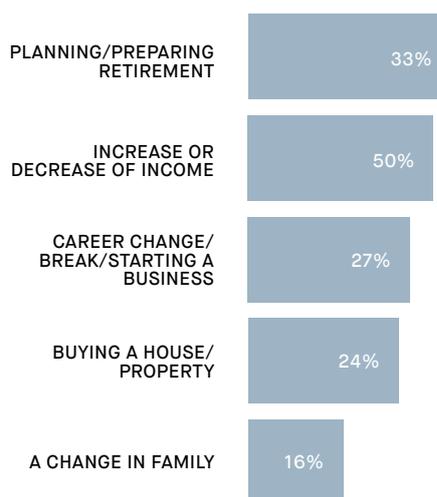
Conversations with family/friends and a change in financial situation can trigger intent to consult an adviser - retirement is a key motivator

- A change in financial situation and discussions with trusted family/friends are key triggers that spark consumers to think about consulting a financial adviser, while retirement and buying property are typically key motivators.
- Key motivations are often driven by life stage events... retirement, changes to the annual income and any career change stand out. Not surprisingly, couples without dependents are most likely to cite retirement planning (49%), while younger demographics are the most likely to be motivated by buying a house or property (37%).

Trigger for thinking about consulting an adviser (%)



Life events prompting toward seeking advice (%)

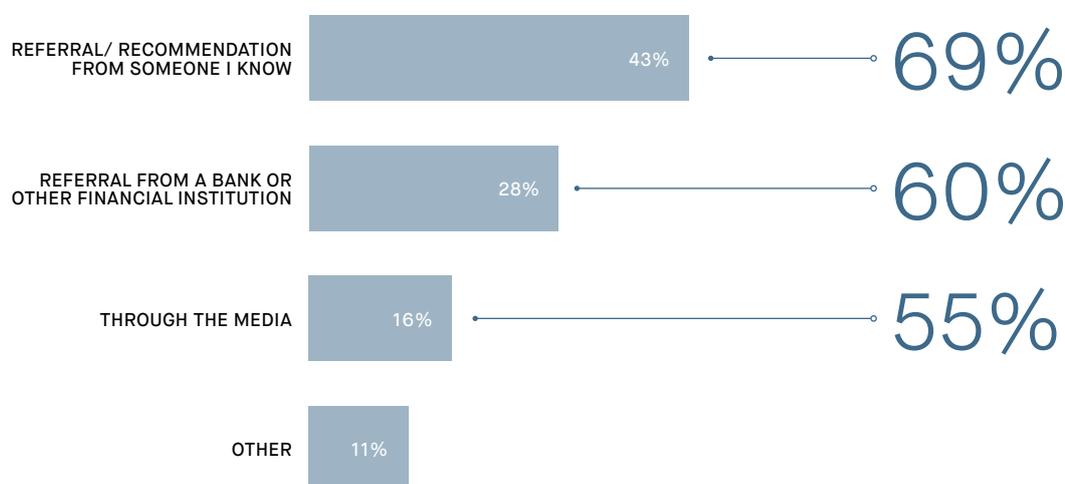


Referral is king: almost two in three found their adviser through referral/recommendation

- Interestingly, those who were referred by someone they know, tend to be more satisfied with their adviser... This suggests word of mouth plays a role in triggering the search for an adviser they trust, and can be an important step in the discovery of the benefits of using an adviser.

How financial adviser was found (%)

Satisfaction with adviser



CONCLUSIONS AND THOUGHT STARTERS

1

Educate and inform new entrants on industry expectations

- Many potential female entrants to the industry report an apprehension around unknown expectations from managers once in a role. This fear of the unknown could be putting some potential candidates off from a career in financial advice
- An opportunity exists for the industry to educate and inform potential new entrants, whilst at university, of the expectations of financial advisers around sales targets and to bust myths about the industry

2

Use mentoring programs to assist financial advisers in managing career prospects

- Pace of progression is a key driver of job satisfaction, especially for younger advisers
- Despite being the fastest generation to progress in their roles, the 25-34 year old cohort is the least satisfied with the pace of their career progression. This suggests younger advisers may be more impatient when it comes to career progression and may be more inclined to switch employer in order to progress faster
- With mentorship being a strong motivation to stay in the profession, mentoring programs could be used to assist young female and male financial advisers in managing career expectations as well as alerting employers to potential flight risks and providing the opportunity to retain promising young advisers

3

Consider implementing a coaching style to advice

- Clients who have an on-going relationship with elements of coaching show the highest levels of trust and satisfaction in their adviser. Currently, only two in five customers feel they have this type of relationship with their adviser but two-thirds seek this kind of relationship. This suggests there is an opportunity for advisers to embrace more coaching elements in their advice style in order to develop stronger client relations
- Female advisers are well placed to take advantage of this style of relationship in combination with their perceived superior EQ – a key trait of a successful advisor
- However, a key consideration of this approach is whether a coaching role would result in empowerment of the client that therefore makes the financial adviser role redundant

4

Make word of mouth a central feature of business development

- Almost two in three clients found their adviser through referral or recommendation
- Interestingly, those who were referred by someone they know, tend to be more satisfied with their adviser. This implies that not only is word of mouth key to triggering the search for an adviser, it is likely to be the main source of future revenue for most advisers and should be a key focus for business development strategies

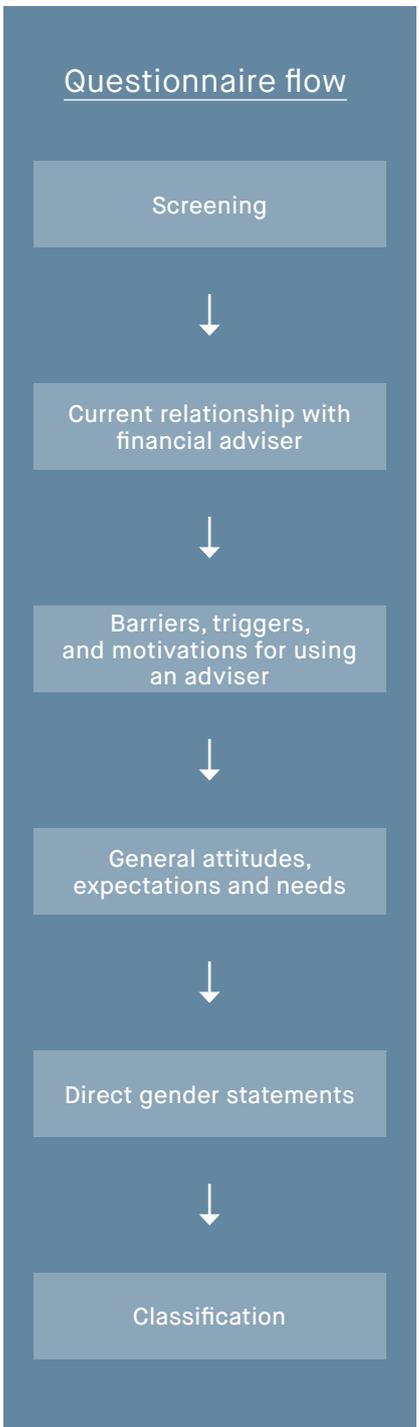
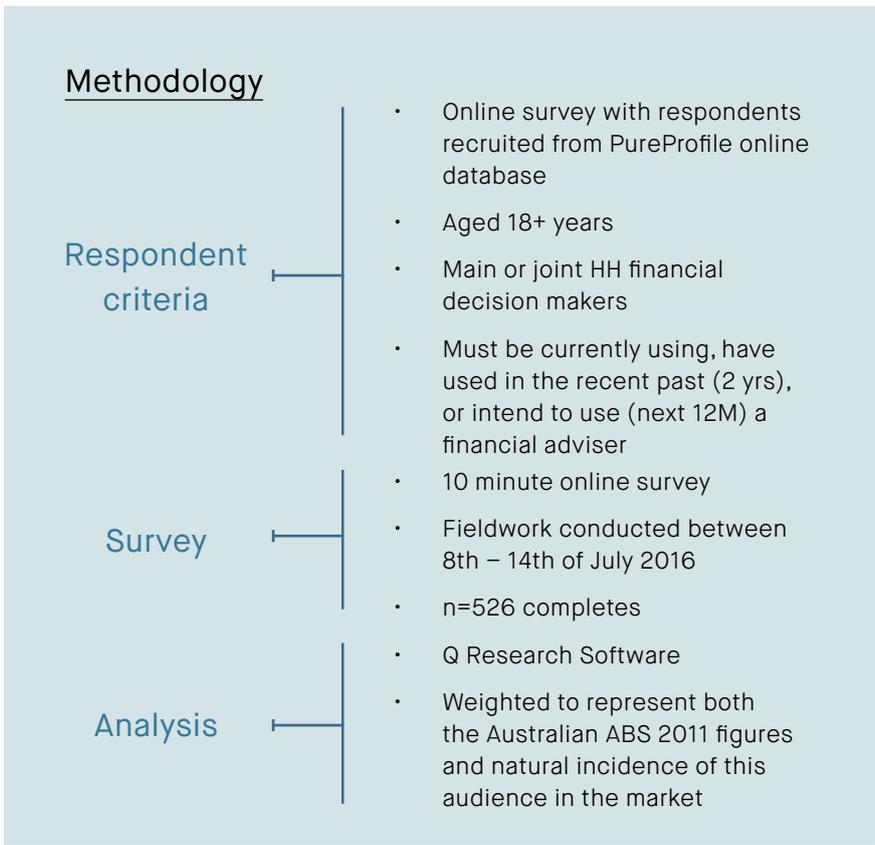
5

Further education of the benefits of financial advice required

- Key barriers of using a financial adviser include the absence of a perceived need and high fees. This perception which is held by many clients as the reason more people do not consult a financial advisor
- An opportunity exists to educate people more broadly on the benefits of financial advice and extend the reach of the profession for both male and female advisers

APPENDIX

Consumer quantitative evaluation methodology



Statistical reliability*

Sample size (total sample)

526

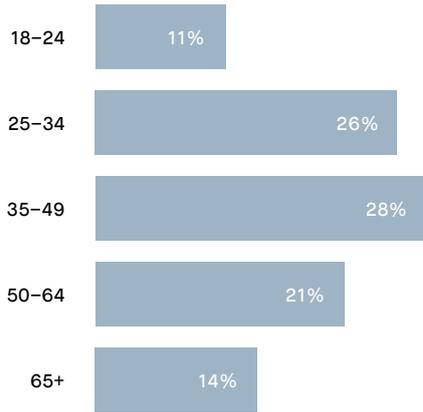
Maximum margin of error (95% confidence interval)

±4.3%

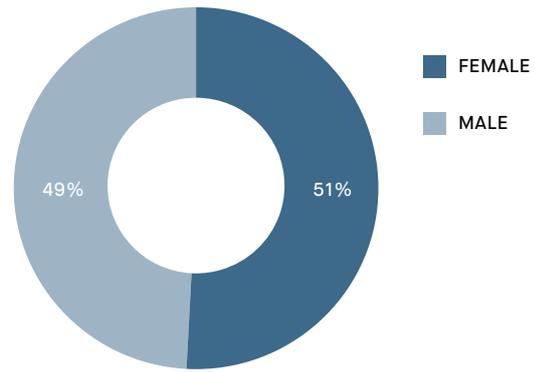
* Total sample size of n=526 has a maximum margin of error of ±4.3% at the 95% level of confidence. This means we can be 95% confident that survey estimates will be reflective of the real world to within ±4.3%

Consumer sample profile

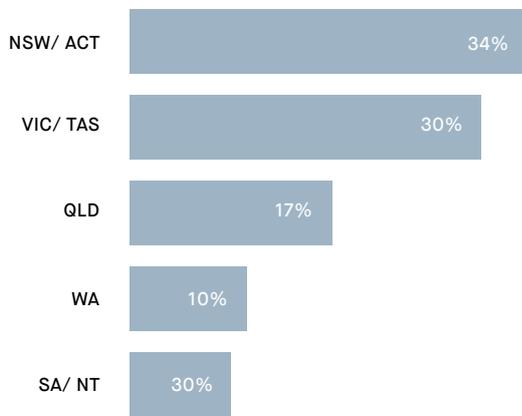
Age (%)



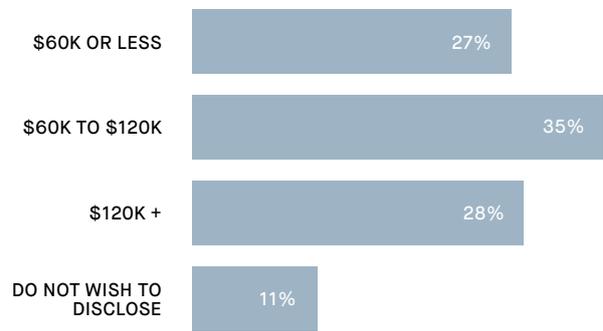
Gender (%)



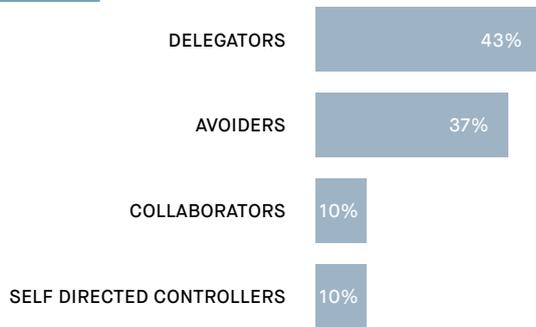
Residential location (%)



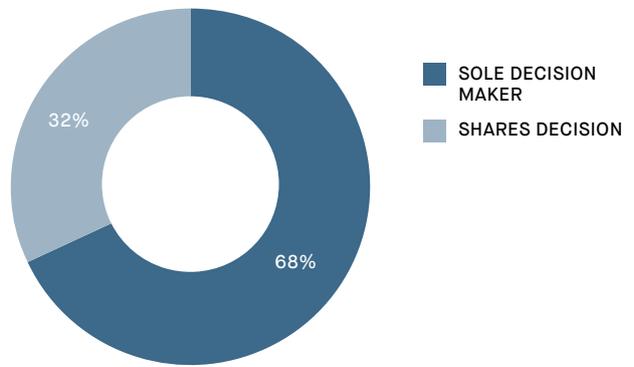
Household income (%)



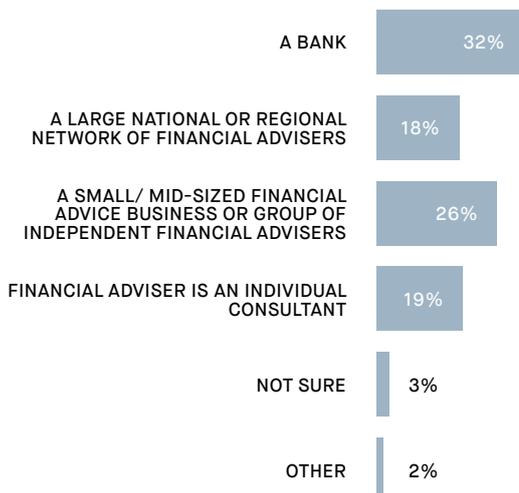
Segment (%)



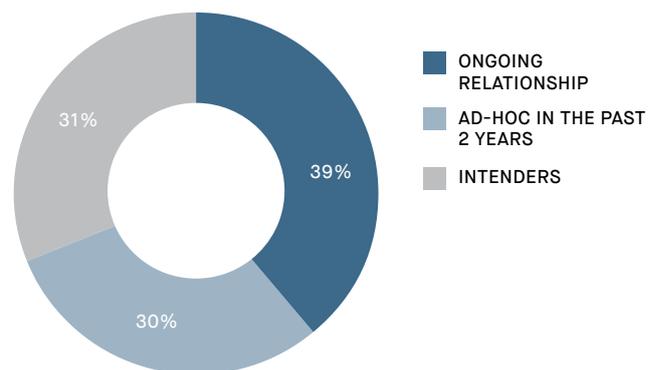
Decision maker status (%)



Financial adviser's organisation (%)



Relationship with financial adviser (%)



Financial advisers quantitative evaluation methodology

Methodology

Respondent criteria

- Online survey
- Aged 25+ years
- Currently working in the financial advice sector
- Support roles (e.g. para-advisers) were excluded from the research

Survey

- 15 minute online survey
- Research finalised in February 2017 with analysis and the full report completed December 2017
- n=317 completes

Questionnaire flow

Demographics and professional career information



Experience, drivers, barriers at moment of entry



Support role: length of position, reasons of duration



Satisfaction and important skillset



Maternity leave



Credentials and qualifications

Statistical reliability*

Sample size (total sample)

317

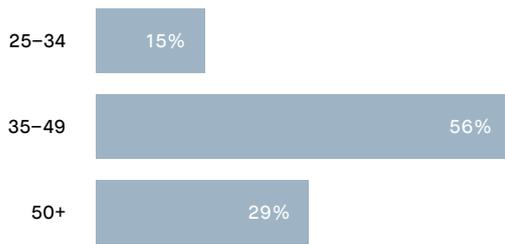
Maximum margin of error (95% confidence interval)

±5.5%

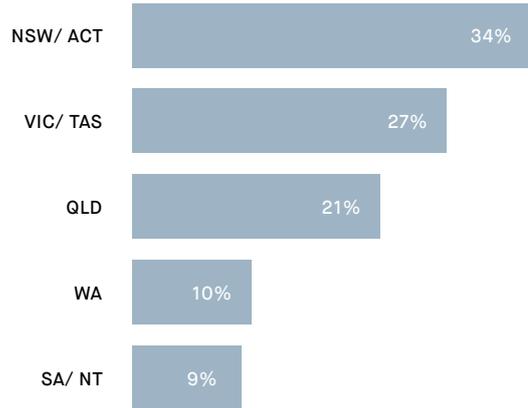
* Total sample size of n=317 has a maximum margin of error of ±5.5 at the 95% level of confidence. This means we can be 95% confident that survey estimates will be reflective of the real world to within ±5.5%

Consumer sample profile

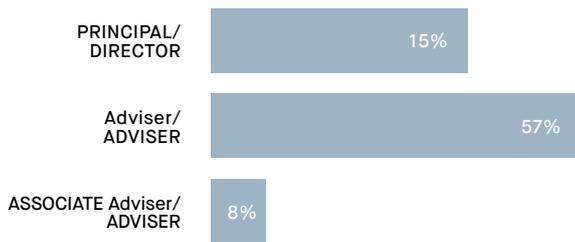
Age (%)



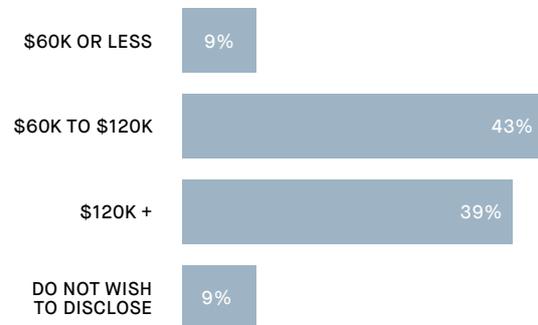
Residential location (%)



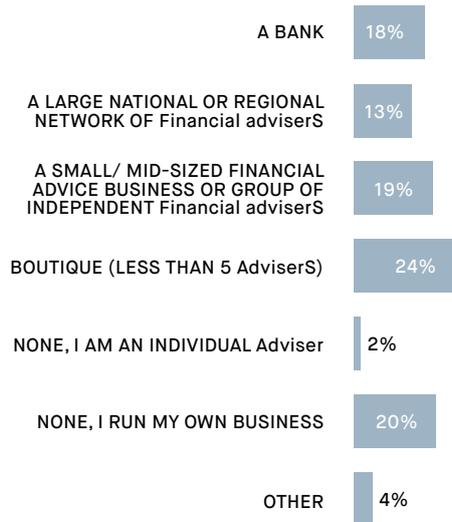
Current job title (%)



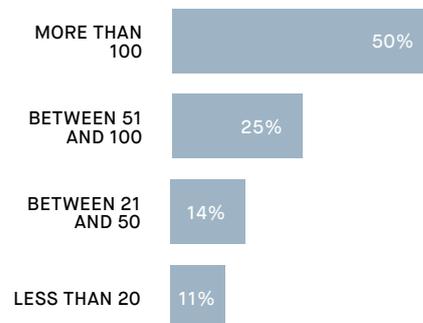
Personal income (%)



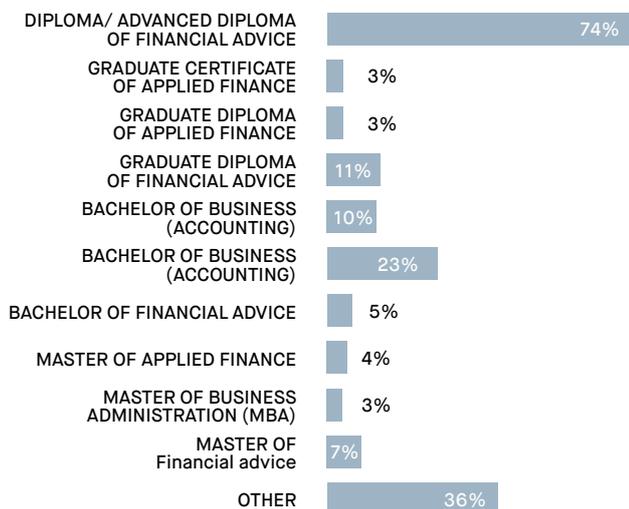
Type of organisation (%)



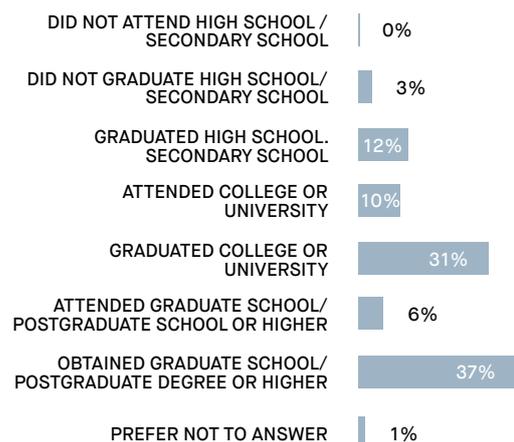
Number of clients (%)



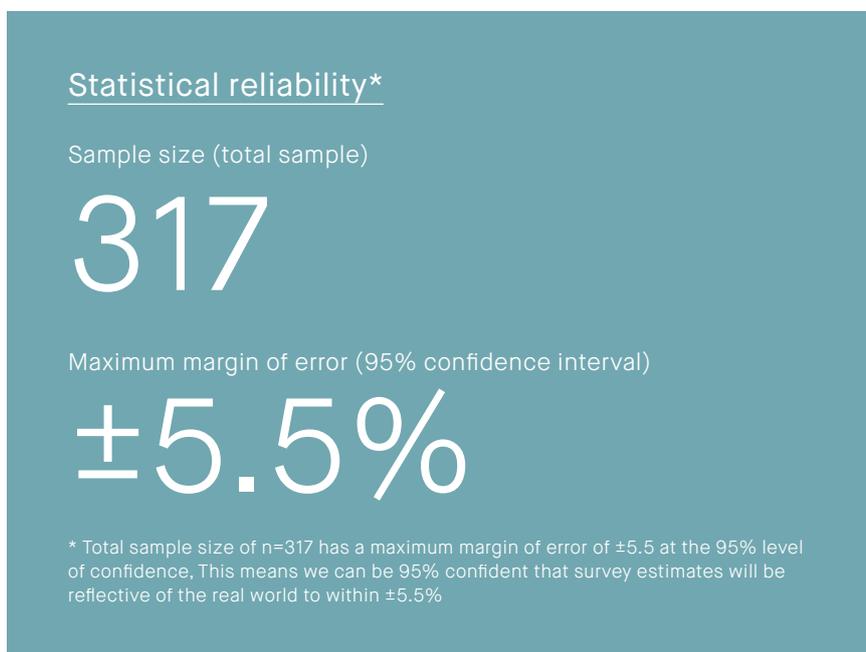
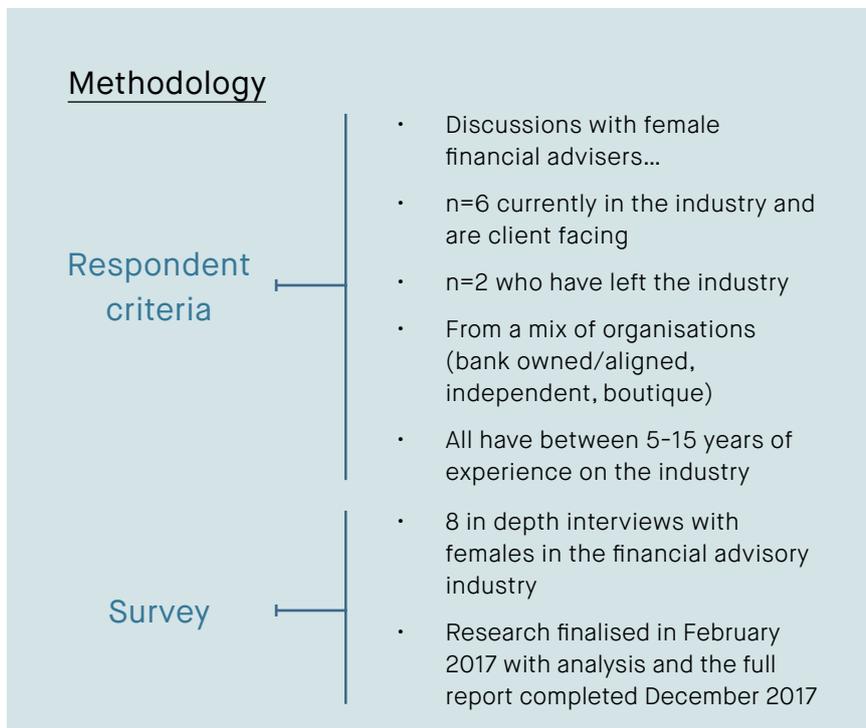
Decision maker status (%)



Level of education (%)



Qualitative research with financial advisers



ABOUT THE FINANCIAL SERVICES COUNCIL AND STELLA

About the Financial Services Council

The Financial Services Council (FSC) has more than 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies.

The industry is responsible for investing more than \$2.7 trillion on behalf of 13 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.

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Thank you to the Financial Planning Association for providing survey participants for this report



The Financial Planning Association of Australia (FPA) is Australia's leading professional body for financial advisers, representing the interests of the public and 13,000 members. We are unrivalled in our reach of the financial advice market and influence on government and regulators. Our Code of Professional Practice is world class and we are the certification body in Australia for the global CFP® designation. Building on a 20-year legacy, we have been changing the face of financial advice, from an industry to a profession that earns consumer confidence and trust. We believe that better financial advice will influence the financial wellbeing of all Australians.

About Stella

The Stella Network is a community that promotes diversity in financial advice by working on narrowing the gender gap. Using the LinkedIn platform, www.bt.com.au/stella, we currently have over 2400 members – men and women who believe that greater balance in the financial advice industry supports a better future for our customers, people and communities.

The idea behind achieving gender diversity is that diversity is better for everyone. It's better for those working in the industry - making sure that all the best ideas are being heard and better for clients who have greater choice in advisers that they may connect with.

The Stella Network provides networking opportunities through educational and inspirational events for financial advisers and advice supporters. It also provides a range of which is hosted on our website www.stellanetwork.com.au and promoted in our LinkedIn group www.bt.com.au/stella



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