



The True Value of Advice |  
**December 2020**



# The True Value of Advice

## November 2020

**This paper reflects the voices of thousands of advised Australians who receive financial advice and the value it brings to their lives, through improved overall wellbeing.**

Overwhelmingly, the research shows that advice improves the financial wellbeing of people who receive it. Moreover, better financial wellbeing flows on to better overall wellbeing, including improved mental and physical health and healthier relationships.

Findings from the **11,615** clients who currently receive advice from one of the seven IOOF owned Australian Financial Service Licensees - Bridges Financial Services, Shadforth Financial Planning, Consultum, Financial Services Partners, Lonsdale, Millennium3 and RI Advice - revealed the long-term benefits that financial advisers provide, with **90%** of advised clients saying that accessing financial advice has left them in a better position financially and **89%** reported that receiving advice allowed them to live their desired lifestyle.

Many more people could benefit from receiving advice than currently do. The benefits of advice transcend age, wealth and gender. Surprisingly, only 27% of Australians have received advice in the past, including only 13% who have received it in the previous 12 months. Why? Because there remain persistent barriers to more people experiencing the benefits of advice.

**The research reveals that clients of IOOF advisers:**

- Enjoy a sound understanding of the value of advice and can identify key elements of the advice offer that they recognise as having a value that exceeds the cost.
- Highly regard and trust their advisers, demonstrate a significant level of loyalty and are strong net promoters.
- Exhibit a high level of financial wellbeing, reflected in preparedness for retirement, a low tendency to worry about money and minimal impact of financial concern over their life and health.
- Find their journey through the advice process has provided them the ability to rely heavily on their financial adviser for guidance, a clear understanding of the areas of their life in which advice has helped them, greater confidence setting and achieving goals as well as a realistic understanding of the cost.
- Are fundamentally better off than unadvised individuals in a range of both tangible and less tangible measures – regardless of age, wealth and gender.



# Contents

06

01 Overview

07

02 Benefits that clients  
experience from advice

12

03 Measuring the  
benefit of financial advice

16

04 Why don't more people  
seek financial advice?

17

05 What would make a  
person seek financial advice?

18

06 Refuting common  
misconceptions about  
financial advice

20

07 Conclusion

22

08 Appendix

# Why did we undertake the research?

**The True Value of Advice research was commissioned by IOOF to understand the benefits and value experienced by clients who receive financial advice from professional financial advisers. It also tests whether individuals who do not have a financial adviser, have similar financial needs and goals. Further, it seeks to understand why more people do not seek financial advice.**

## Methodology

The research was conducted by global market research agency, CoreData on behalf of IOOF via an online survey during July 2020.

## Advised clients

Advised clients from advisers licensed by one of the seven Australian Financial Service licensees under the IOOF group were invited to participate in this study.

Advised clients were asked what they truly value about their relationship with their financial adviser and the benefits they receive from financial advice. The survey assessed both the tangible and intangible benefits of receiving financial advice, leading to a deep and rich understanding of their financial goals and how receiving financial advice helps them to achieve these.

## Unadvised individuals

Unadvised individuals were sourced from CoreData Research's consumer panel.

The survey explored unadvised individuals' attitudes towards advice and some of the barriers they perceive when considering advice. It also developed a clear outline of the unmet advice needs of unadvised individuals to enable comparisons with the needs that advised clients report are met.

## About IOOF

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become a leading provider of quality financial services.

As an ASX top 200 company, and with more than \$202.3 billion\* in funds under management, administration and advice, we currently service over one million customers\* around Australia.

IOOF is one of Australia's leading advice-led, wealth management organisations. We provide:

- Financial advice through our extensive network of financial advisers.
- Platform management and administration for advisers, their clients and employers in Australia.
- Investment management solutions to suit a wide range of investor needs.
- Trustee services including compensation trusts and estate planning.

We are committed to making advice accessible, engaging and affordable to more Australians. We continue to work together to support advisers and clients by demonstrating the value of advice and creating a sustainable and efficient advice business to ensure we are well-positioned for the future.

Further information about IOOF can be found at [www.ioof.com.au](http://www.ioof.com.au).

## About IOOF Advice Academy

This paper has been authored by the IOOF Advice Academy.

The IOOF Advice Academy believes that building better advice businesses leads to delivering better client outcomes. We build and deliver specialised solutions for financial advice businesses to enable more Australians to receive quality goals-based financial advice.

Our centre of excellence aligns to global best practice when it comes to advice and client engagement. We focus on business coaching, advice coaching and systems/process coaching all built to be at the forefront of industry standards, client expectations and regulation to deliver on our advice-led and client first strategy. Everything we do is centered on helping clients get to their chosen point using goals-based advice and supports our purpose: **understand me, look after me, secure my future.**

“Having inherited a large portfolio, I would not cope without my financial adviser. **His advice and guidance in establishing and maintaining a good financial strategy to meet my future needs is a must for me.** I would be stressed to the max if I did not have a financial adviser who I can rely on and trust.”

**Female, 65 years old, TAS**



# 1. Overview

**This research is one of the largest projects of its kind undertaken in Australia. IOOF engaged CoreData to survey more than 11,600 advised clients and more than 1,000 unadvised individuals to assess the impacts and beliefs related to receiving financial advice.**

This landmark research has revealed the long-term benefits financial advisers are providing their clients, with **90%** of advised clients saying that accessing financial advice has left them in a better position financially and **89%** reported that receiving advice allowed them to live their desired lifestyle. Advised clients say it also provides them with improved mental health, less worry and stress and better relationships with family and friends.

Clients associate trust, understanding of their needs, expertise and communication as the key overwhelming factors when assessing the benefits of their relationship with a financial adviser. **90%** of advised clients agreed that their adviser is a critical partner in their financial success and more than **93%** advised clients rated their financial adviser as very good or good with respect to the value of their services. Advised clients' satisfaction with their advisers have led to long-standing and loyal relationships with two thirds of clients having a relationship with their adviser for over 5 years and **41%** have had a relationship that is 10 years plus.

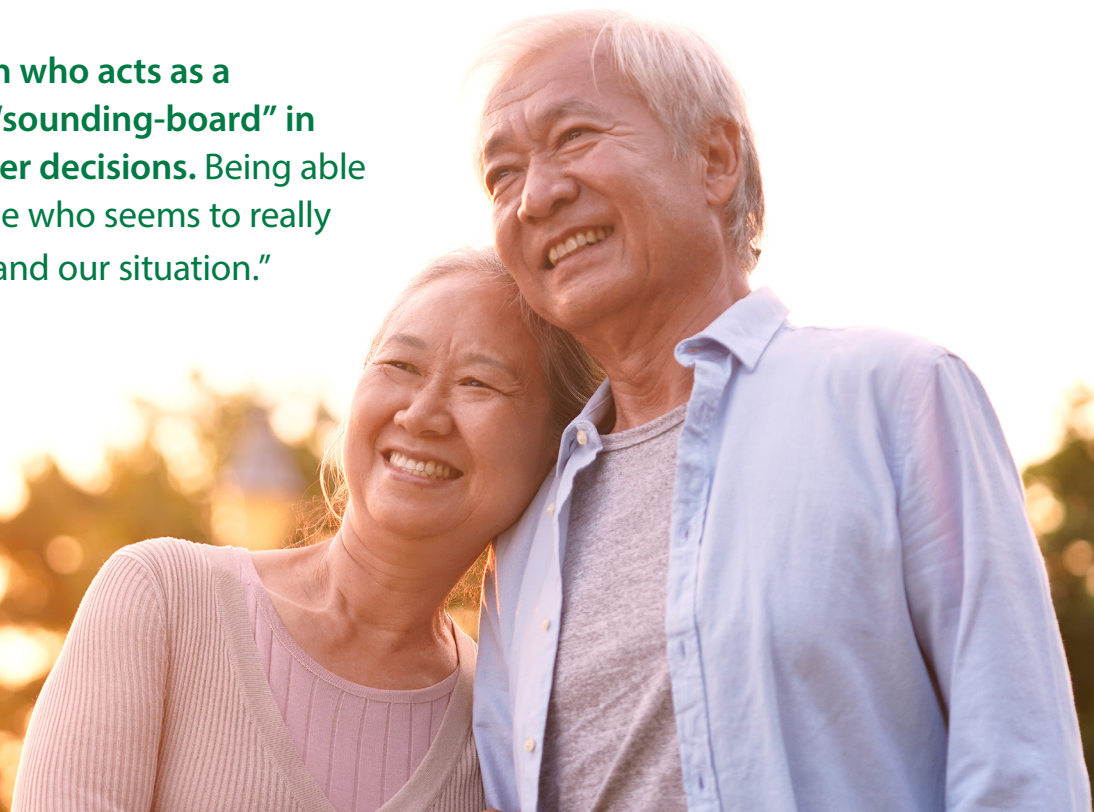
By comparing results between advised clients and unadvised individuals in relation to lifestyle position, it was possible to measure the benefit that advice provides. This 'advice dividend' was persistent across age, wealth and gender bands – dispelling long-held beliefs that advice only benefits wealthier or older Australians.

The research also uncovered that unadvised individuals have similar goals and needs to those who have sought and benefited from advice, with over one third saying that preparing for retirement compounds their financial worries, although they face ongoing misconceptions about advice that act as barriers to seeking it. Nearly two thirds do not think they have enough assets or wealth to warrant advice, over half do not believe it is the right time to seek advice or they believe they cannot afford it.

Despite these barriers, nearly half of the unadvised individuals were open to seeking advice in the future. With **80%** saying they would be more likely to seek financial advice if they recognised they had a specific need and **72%** saying they would be more likely to seek financial advice if they could find an adviser they felt they could trust.

**“A trusted person who acts as a knowledgeable “sounding-board” in financial and other decisions. Being able to talk to someone who seems to really care and understand our situation.”**

**Male, 69 years old VIC**



## 2. Benefits clients experience from advice

This section gauges the benefits advice provides and how advised clients perceive value. It assesses how clients understand the benefits of advice, how they rate their adviser, how they feel about their financial wellbeing and how they value their journey through the advice process.

### The importance of goals-based advice

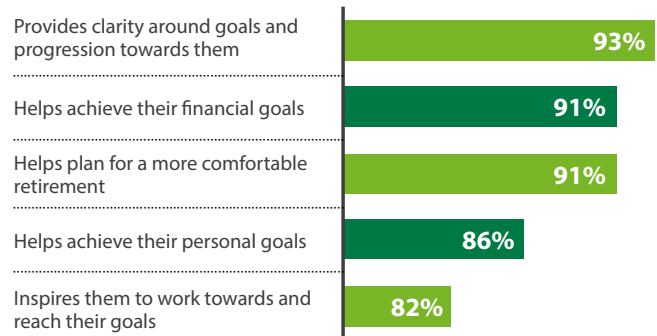
Advised clients ultimately seek advice to help them achieve their financial and personal goals and gain financial security.

**“It was so good to have someone listen to both of us and work out how we could achieve our financial and personal goals in our circumstances. I don’t have to worry about money anymore.”**

**Female, 67 years old, WA**

### Financial advice helps clients to identify, prioritise and achieve financial and personal goals.

The importance of goals-based advice is to truly understand a clients’ reasons for seeking advice. It provides clarity around their own personal and financial goals and how advice can help them achieve what’s most important to them.

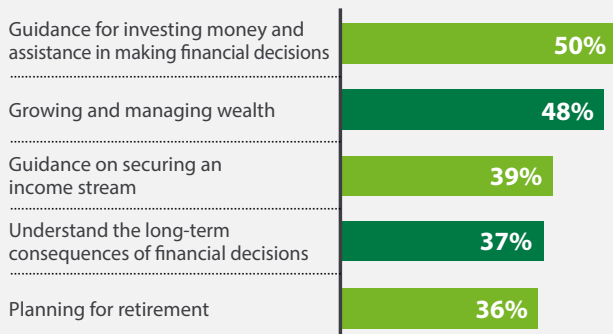


### Top rated services and outcomes for advised clients

Services that advised clients expect and what keeps them engaged with advice may differ from the outcomes they experience.

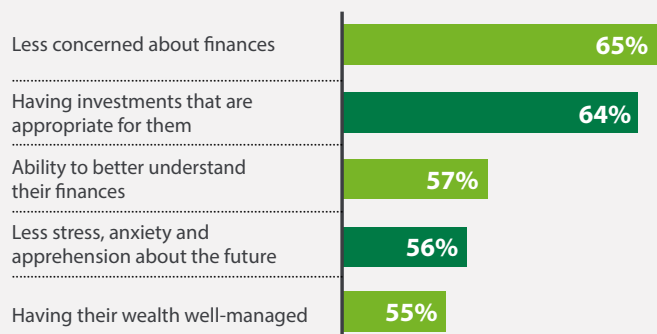
#### Top rated services for advised clients

Half of the advised clients surveyed, reported that ‘guidance for investing money and assistance in making financial decisions’ was the top reason they continued to seek advice. This was followed closely with ‘growing and managing their wealth’.



#### Top 5 rated outcomes for advised clients

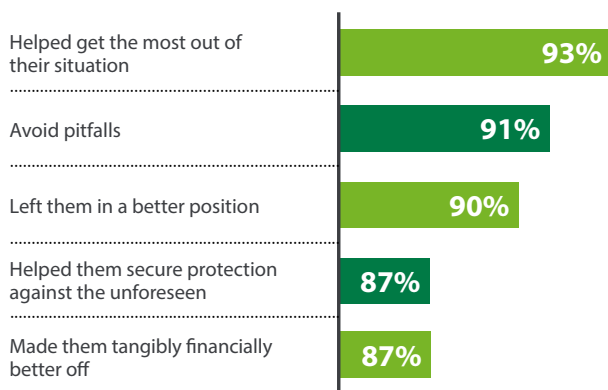
Advised clients rated being ‘Less concerned about finances’ and ‘Having investments that are more appropriate for them’ as the top two outcomes they experience from receiving financial advice.



Only 8% of advised clients cited “beating market returns” as a key financial outcome.

## Professional financial advice delivers a range of tangible benefits

The top five responses that advised clients agreed most strongly about when asked how advice benefited them in relation to tangible benefits included 'help in getting the most out of their situation' (93%), 'avoiding pitfalls' (91%) and 'that advice left them in a better position' (90%).



"The greatest benefit for us has been watching our considerable investment grow dramatically over the past ten years, which has allowed us to secure the ultimate sea change, living completely debt free and financially secure for good, in our beautiful beach house. The icing on the cake is knowing we leave our children a decent inheritance, something that we never had the benefit of ourselves."

Female, 64 years old, NSW

"The greatest benefit was understanding and being realistic about our insurances, such as income protection and critical illness insurance."

Male, 41 years old, VIC

## Professional financial advice improves financial wellbeing

Advice makes a meaningful difference in the lives of many Australians.

**Since first seeking financial advice, clients experience a change in their financial wellbeing;**

**89%** allowed them to live their desired lifestyle

**68%** saw improvements in their financial security

**36%** said their financial security improved dramatically

## Professional financial advice enhances overall wellbeing

Overwhelmingly the research shows that advised clients receive tangible benefits from advice, like meeting their financial and personal goals.

In addition to advice providing tangible benefits, there is clear evidence that addressing financial stresses and concerns is a key starting point in improving overall wellbeing and delivering a range of intangible benefits.

**Advice plays a large role in freeing clients from financial worries and stressors.**

**88%** of advised clients said it allowed them to be free from financial worries and stressors.

**Advice takes away the hassle and delivers greater peace of mind, control and confidence in achieving financial goals.**

**96%** say it saves them time and hassle planning/managing their financial affairs

**95%** have greater peace of mind financially

**92%** have greater control over their financial situation

**90%** have greater confidence in making financial decisions



**“Financial adviser has taken the stress of looking after my assets and helped to receive the income in the most effective way.”**

**Female, 82 years old, NSW**

### **Professional financial advice has a positive effect on mental health**

Precisely one in two advised clients cite direct benefits to their mental health from receiving financial advice and two in five cite benefits to their family life.

#### **The Top 4 intangible benefits from receiving advice were**

- Improved mental health
- Better family life
- Better social life
- Improved physical health

These results are particularly striking given this research was conducted in July 2020, when the height of the COVID-19 pandemic was widely reported as heightening stress and anxiety for Australians, particularly around issues of financial wellbeing, mental health and family relationships.

The findings from this research supports the 2015 research - IOOF 'The True Value of Advice' - where it was found that financial advice can positively affect not only the financial decisions and tangible outcomes for clients, but also the intangible aspects.

Emotional aspects experienced by clients receiving professional ongoing financial advice compared to unadvised individuals included:

- increase in peace of mind;
- increased level of confidence that their core goals will be achieved; and
- greater levels of happiness.

## Why a relationship with a financial adviser matters

Clients associate trust, understanding their needs, expertise and communication as the overwhelming factors of assessing the quality of their relationship with a financial adviser. The quality of the relationship coupled with the financial benefits clients report, leads to long and loyal relationships.

### The value of a long-term financial advice relationship

The quality of the relationship a client has with their adviser coupled with the realisation of the benefits of advice, leads to many clients having long and loyal partnerships with their adviser.

### Financial advice relationships are long term

**66%** of advised client's relationships are 5 years plus and **41%** are 10 years plus.

### Clients rely on their financial adviser and are highly satisfied with their services

Overwhelmingly, clients reported high levels of satisfaction with their adviser and saw them as a critical partner that they can rely on for advice and as a sounding board.

### Clients strongly rely on their financial adviser relationship

**90%** told us their financial adviser is a **critical partner to their financial success** and **89%** that their financial adviser is a **sounding board for them**.

### Clients are highly satisfied

**95%** told us that their financial adviser **always meets or exceeded their expectations**.

“Before we took the advice of the financial adviser, we were very uncertain and lacked understanding of the financial ramifications that impacted our retirement. **We have a very good relationship with her and at all times find her accommodating and we have built trust in her decision making on our behalf.**”

**Male, 69 years old, NSW**

“Our financial adviser has his finger on the pulse. **He knows what's going on in the market and his advice means we don't have to do that work ourselves.** His experience is valuable, and we trust him because he understands our life goals.”

**Female, 57 years old, VIC**

## Key factors that create a quality client-adviser relationship

Clients associate trust, understanding their needs, expertise and communication as the overwhelming top 4 factors of assessing the quality of their relationship with a financial adviser.

### Trusted relationship is rated critical

**96%** of advised clients rated their adviser's ability to build a relationship with them as good or very good and agreed or agreed strongly that their adviser has their best interests at heart.

### Advisers understand their clients and their needs.

**97%** of advised clients agreed or strongly agreed that their adviser understands them and their circumstances.

**95%** of advised clients rated the suitability of their adviser's recommendations to their needs and goals as either good or very good.

“Finance is not my area of expertise so I rely on my financial adviser for expert advice and guidance.”

**Female, 65 years old, WA**

### Clients highly rate adviser's skills, expertise and knowledge

**97%** of clients rated their financial adviser as very good or good when it comes to their ability to demonstrate knowledge and expertise.

**92%** of clients rated their financial adviser as very good or good with respect to the range of quality advice, investment solutions and services.

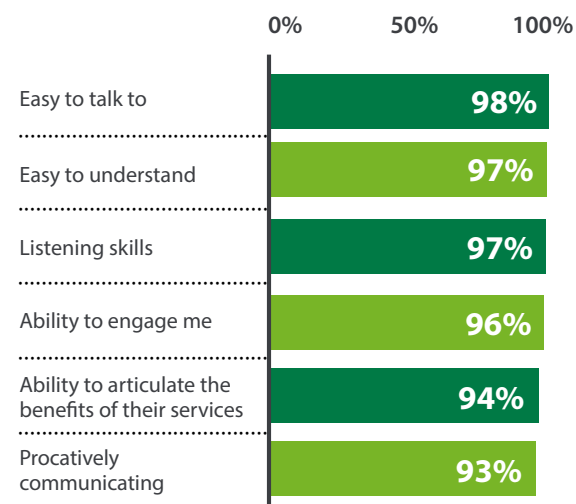
“My adviser is trusted to help me navigate a complex financial situation. He considers the emotional context of the path needed to maintain financial stability. I cannot recommend him more highly.”

Female, 58 years old, NSW

**Clients report that their advisers provide clear and effective communication.**

Effective communication is very important to clients. Clients rated their financial adviser as being easy to talk to and understand as the top feedback on communication, showing a high level of care and engagement.

**Degree to which advised clients rated their planner good/very good**



**Advised clients believe that the benefits of advice, exceed the costs.**

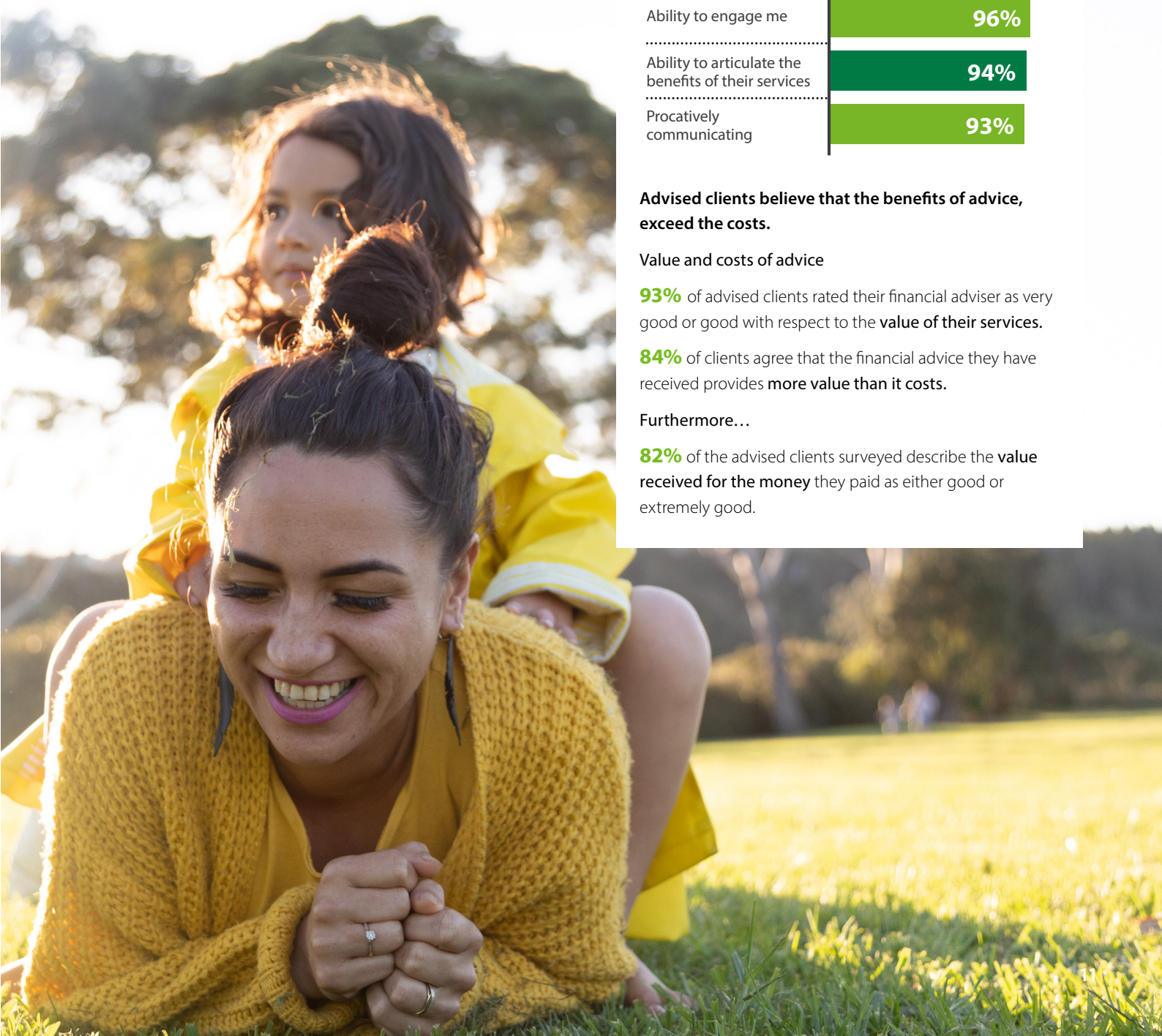
**Value and costs of advice**

**93%** of advised clients rated their financial adviser as very good or good with respect to the **value of their services**.

**84%** of clients agree that the financial advice they have received provides **more value than it costs**.

**Furthermore...**

**82%** of the advised clients surveyed describe the **value received for the money** they paid as either good or extremely good.

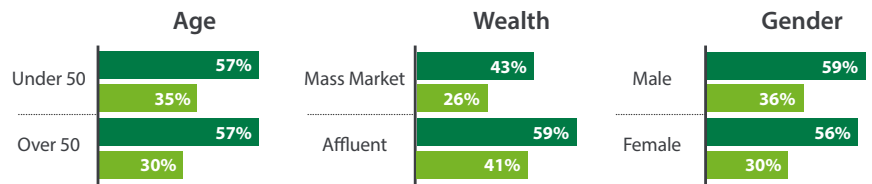


# 3. Measuring the benefit of financial advice

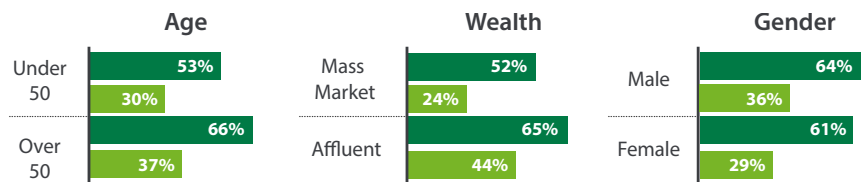
This section draws comparison between the responses from advised clients and unadvised individuals (across age, wealth and gender), in relation to retirement sentiment, ability to handle unexpected events and dealing with financial stressors.

It clearly illustrates that advised clients responded more positively than unadvised individuals regardless of their age band, wealth category or gender.

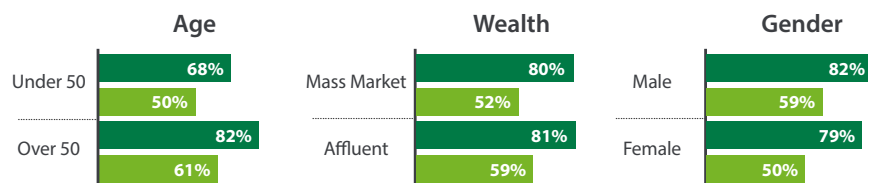
## Retirement sentiment



## Handling unexpected adverse events



## Wellbeing and dealing with financial stressors



■ Advised ■ Unadvised

## What is the advice dividend?

The advice dividend represents the value advised clients derive from having comfort that their financial affairs are being managed by a professional adviser, as well as the tangible (financial) and intangible (wellbeing) outcomes this arrangement delivers.

The advice dividend is calculated as the **difference** in percentage points between the results of the advised clients and unadvised individuals. It exists where the response from the advised clients is greater than that of the unadvised individuals.



\*An advice deficit would exist where the response of advised clients was less than the unadvised individuals – the research **did not** uncover any advice deficits.

Our research shows that an advice dividend exists across age, wealth and gender in relation to retirement sentiment, handling unexpected or adverse events, overall wellbeing and dealing with financial stressors.

## The advice dividend– retirement sentiment

The following graphs show the advice dividend for each of the questions asked in relation to retirement sentiment.

It clearly shows that advised clients responded more positively across all questions regardless of which age band or wealth category they belong to.

In some cases, we see that the advice dividend is even greater for younger age groups or those with lower levels of wealth.



## Findings

When compared to unadvised individuals, advised clients aged under 50 years old, enjoy an advice dividend of 27% on the measure of 'not needing to keep working past retirement to fund their retirement'. By comparison, advised clients aged over 50 enjoy an advice dividend of 19% on the same measure, compared to their unadvised counterparts.

This suggests that advised clients have a higher level of confidence that they will be able to comfortably retire regardless of their age band.

Advised clients with lower income enjoy an advice dividend of 25% relative to unadvised individuals on a measure of being more engaged with their retirement savings, including knowing their account balance either approximately or to the nearest \$1,000.

By comparison, wealthier advised clients enjoy an advice dividend of 14% relative to their unadvised counterparts.

This shows that the benefits associated with planning for a secure future are more impactful to those who are defined as having a lower level of wealth.

**It has long been assumed that financial advice is of greatest benefit to people who are older (and approaching retirement) or wealthier (and are seeking to have that wealth managed or grown). However, the research found that the advice dividend can be more impactful for people who are younger or have lower levels of wealth.**

## The advice dividend – dealing with adverse events and impacts on wellbeing from financial issues

As per the findings relating to retirement sentiment, advised clients responded more positively across all questions regardless of which age band or wealth category they belong.

Again, we see that in some cases the advice dividend is higher for younger people or those who have lower levels of wealth.



### Findings

Advised clients under 50 enjoy an advice dividend of 20% relative to unadvised individuals on a measure of worrying less about money and less likely to lose sleep over financial security. By comparison, advised clients aged over 50 enjoy an advice dividend of 15% on the same measure, compared to their unadvised counterparts.

When compared to unadvised individuals, advised clients with lower incomes enjoy an advice dividend of 33% on the measure being less likely to have their relationship with family and friends impacted due to financial stress. By comparison, wealthier advised clients enjoy an advice dividend of 19% on the same measure, compared to their unadvised counterparts.

In response to being asked if they were less likely to have their mental health impacted due to financial stress, lower income

“Having someone managing your investments that knows where NOT to invest your funds as well as making informed financial decisions.”

Male, 75 years, QLD

advised clients experienced an advice dividend of 34% and the more affluent advised clients enjoy an advice dividend of 29% relative to the unadvised individuals in the same wealth categories.

The advised client and unadvised individual data used to calculate the advice dividend graphs in this section can be found in the appendix.

**“If I didn’t go to a financial adviser years ago, I would have just stuck my money in a bank account earning high interest. I would not have understood all the tax implications involved in doing this so I’m really glad I sought professional advice. I highly value the work that my financial adviser does for me now and would be lost without him.”**

**Female, 63 years old, QLD**



## 4. Why don't more people seek financial advice?

**This section uncovers the reasons why so many Australians have not sought financial advice and that almost half of the unadvised individuals would be open to advice if those barriers were removed.**

Take-up of advice is relatively low in Australia with only 27%<sup>1</sup> of Australians having sought financial advice. This means that a lack of advice could be putting undue financial stress on many Australians each year. As we know, this can impact mental health, general wellbeing and strain relationships amongst families and friends.

Most unadvised individuals have misconceptions around whether they would benefit from financial advice. From our research, the top three reasons that people do not seek financial advice are:

- **61%** do not think they have enough assets or wealth to need advice
- **55%** do not believe it is the right time to seek advice
- **54%** do not think they can afford it.

Over one third of unadvised individuals (37%) said that preparing for retirement compounds their financial worries and stress versus only 20% of advised clients. Physical and mental health, as well as relationships can suffer more amongst the unadvised individuals than advised clients.

**“My financial adviser has taken the stress of looking after my assets and helped to receive income in the most effective way.”**

**Female, 82 years old, NSW**

The specific reasons unadvised individuals state for never receiving financial advice are varied. While some feel they can manage their own affairs or prefer to do it themselves, an alarming number of respondents believe financial advice is not justified by their needs, is too expensive or they simply don't understand the benefits.

Over two in five of the unadvised individuals surveyed say they would consider receiving advice in the future (46%). This provides an opportunity to dismantle the barriers perceived by this group.

The key reasons people have never received advice	
I didn't feel my circumstances justified the need	49%
I didn't feel I could afford it	38%
Felt I could manage my own financial affairs	34%
I preferred to just do it myself	30%
Felt too expensive for the value provided	26%
I didn't fully understand all the benefits of financial advice	22%
Just was not sure if it was right for someone like me	19%
Reasoned it was not the right time	13%
Procrastinated and put it off	13%
Difficulties finding someone I could trust	13%

Some of the common reasons stated for not seeking advice are challenged and addressed in [Section 6 – Refuting common misconceptions about financial advice](#).

<sup>1</sup> Report 627: Financial advice: what consumers really think, Australian Securities and Investments Commission, August 26, 2019. <https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-627-financial-advice-what-consumers-really-think/>



## 5. What would make a person seek financial advice?

**This section outlines the similarity of financial needs and personal goals between both advised clients and unadvised individuals. In addition, it reveals what factors would prompt advice being sought.**

The research found that financial and personal needs and goals of the unadvised individuals were very similar to those of the advised clients.

These ranged from being free of financial worry and stress, having greater peace of mind, achieving a comfortable retirement and having their wealth managed. These desires also included personal goals such as being able to travel regularly and living their desired lifestyle.

A better understanding of the benefits of financial advice would encourage **61%** to seek financial advice and **51%** say they would if they had time to organise it.

**“I feel more secure in these very troubled times.”**

**Male, 78 years old, VIC**

Most individuals reported that they are unlikely to seek holistic financial advice as their initial step. Seven in 10 say they would probably or definitely seek advice with limited scope of just one or two issues. **81%** reported that they would be more likely to seek holistic advice if they first experienced limited scope advice and found it to be valuable.

**Of the 46% of unadvised individuals who are open to the idea of seeking advice in the future, 80% say they would be more likely to seek financial advice if they recognised they had a specific need and 72% say they would be more likely to seek financial advice if they could find an adviser they felt they could trust.**



# 6. Refuting common misconceptions about financial advice

This section dispels several widely claimed notions around financial advice; including who it is relevant for, value of advice, demographic bias, preference for self-help and the level of personal financial complexity.



### Myth #1

**Advice is just about getting richer and getting higher returns**

While building wealth and making good investment decisions are core to the value provided by financial advisers – the real value, from the perspective of consumers, also lays in how advice makes them feel and the problems it solves.

It is about building self-awareness, feeling more in control, gaining confidence, setting goals and achieving them to attain peace of mind. It is important to note that those who experience financial advice are much more likely to identify the value of these non-monetary benefits than those who have yet to experience it.

**“We are able to live a peaceful, happy life, without the disruption that comes from financial uncertainty. This has been the case throughout our retirement. Your team makes the difference.”**

**Male, 84 years old, NSW**



### Myth #2

**Advice will cost me more than the value I will get**

Perceived affordability is typically the key barrier for many who have not sought advice. As the benefits of advice can be varied and need to be experienced to be fully appreciated, the unadvised individuals are less able to articulate the benefits it will provide them.



### Myth #3

**Advice is only for people who are older/richer (or male!)**

The large sample size of this survey demonstrates that the value of advice cuts through several sociodemographic groups. We find that when we control for age, wealth and gender within the advised client group, and compare it to the unadvised individuals, the perceived value of advice and the difference it makes to wellbeing persists across age, wealth and gender groups. **The value of advice transcends age, wealth and gender.**



### Myth #4

**I can do this myself, so I do not need advice**

The prevalence of this attitude among unadvised individuals reflects the simple fact that they do not know what they do not know. Whether unadvised individuals are capable of managing complex financial decisions, or simply just believe they can,

it appears that many are demonstrably making sub-optimal financial decisions that leave them more vulnerable and less financially secure.



### Myth #5

**My situation is not complex enough to justify getting advice**

The unadvised individuals clearly have unmet needs which can benefit from financial advice, despite their typical self-perceptions of only having ‘simple’ financial situations and needs.

This attitude leaves little room for what might be possible to achieve through financial advice – your finances might be simple now, but that is all the more reason to develop a longer-term plan to grow and diversify your wealth, while managing the financial risks you may face.

Advice also goes beyond juggling finances and helps us integrate our life plan priorities, defining the tangible and intangible things that are important to us. We can all attest to the complexity of budgeting for significant goals such as children’s education and holidays or having reassurance that we are on the right track for a comfortable life as we age and get closer to retirement and considerations that come with that.

“While I was married my partner managed all the finances, I had little understanding or knowledge of superannuation or planning for retirement. **When I discuss issues with my financial adviser they make it easy for me to understand.** I feel able to make decisions and confident I understand my own portfolio.”

**Female, 49 years old, NSW**



# 7. Conclusion

## Advised clients receive both tangible and intangible benefits that transcend age, wealth and gender

They experience not only tangible financial benefits, but improvements to their overall wellbeing, mental health and quality of personal relationships.

## Advised clients have long relationships with their advisers

The satisfaction levels advised clients reported reflects many longstanding and loyal partnerships with **66%** lasting over 5 years and **41%** over 10 years.

## Advised clients see value in the advice they receive

**93%** of clients rated their financial adviser as very good or good with respect to the value of their services and **82%** of the clients surveyed describe the value received for the money they paid as either good or extremely good value.

## Unadvised individuals have needs and goals that advice can help to achieve

The financial and personal needs and goals of the unadvised individuals were very similar to those of the advised clients. These range from being free of financial worry and stress, having greater peace of mind, achieving a comfortable retirement and having their wealth managed. These desires also included personal goals such as being able to travel regularly and living their desired lifestyle.

## Those who have not received advice have misconceptions about it

Despite **37%** of unadvised individuals reporting that preparing for retirement compounds their financial worries and stress, the majority have misconceptions around whether they would benefit from financial advice with **61%** believing they do not have enough assets or wealth to need advice, **55%** not believing it is the right time to seek advice and **54%** thinking they cannot afford it.

## But nearly half of the unadvised are open to advice

Of the **46%** of unadvised individuals who are open to the idea of seeking advice in the future, **80%** say they would be more likely to seek financial advice if they recognised they had a specific need and **72%** say they would be more likely to seek financial advice if they could find an adviser they felt they could trust. A better understanding of the benefits of financial advice would encourage **61%** to seek financial advice and **51%** say they would if they had time to organise it.

This research provides us the insights to help **guide the development of advice-led strategies to support IOOF's vision** to make financial advice more accessible, engaging and affordable to more Australians.

“Financial planning is crucial to us. What our financial adviser provides is trusted expertise and advice that has proved to be accurate and valuable. **During the last eight years of retirement we have had a great lifestyle and managed to keep our capital intact.** This could not have been achieved without our financial adviser.”

**Male, 70 years old, QLD**



# 8. Appendix

## Survey respondents

The True Value of Advice: survey summary	Advised	Unadvised
Sample size	11,615	1,028
Total verbatims	12,550	1,383
Female	5,178	673
Male	6,332	344
Rather not say	97	9
Other/non-binary	8	2
Under 50 years old	1,053	633
50 years old & above	10,562	395
Generation Z (24 years old & below)	15	104
Generation Y (25 - 39 years old)	357	370
Generation X (40 - 53 years old)	1,124	247
Baby Boomers (54 - 73 years old)	7,507	273
Pre-Boomers (74 years old and above)	2,612	34
Accumulator	4,129	850
Retired/semi-retired	7,348	140
Others	138	38
Mass Market*	1,338	384
Affluent	10,277	644

## Comparisons between the advised and unadvised

	Age				Wealth				Gender			
	Under 50		Over 50		Mass market		Affluent		Male		Female	
	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv
Engagement with retirement savings (more likely to know their superannuation balance to the nearest \$1,000/have an approximate knowledge of their super balance)	78%	63%	86%	56%	76%	51%	87%	73%	88%	62%	83%	58%
Believe they will <b>not need</b> to keep working past retirement to fund their retirement	46%	19%	40%	22%	28%	14%	43%	27%	42%	22%	42%	18%
Believe they are on track to have enough money for a happy retirement	47%	20%	48%	22%	32%	14%	49%	28%	49%	22%	47%	19%
Believe they will be able to afford where they want to live in retirement	50%	22%	57%	27%	41%	17%	57%	31%	56%	24%	55%	23%
Believe that preparing for retirement does not compound the financial worries and stressors they have	52%	31%	50%	25%	37%	23%	52%	35%	53%	29%	49%	29%
Are confident they will be able to save as much as they need to live comfortably in retirement	65%	41%	63%	30%	46%	30%	65%	47%	68%	49%	59%	27%
Believe they will afford a comfortable or lavish retirement	60%	46%	55%	26%	39%	35%	57%	46%	58%	46%	54%	34%
<b>Average</b>	<b>57%</b>	<b>35%</b>	<b>57%</b>	<b>30%</b>	<b>43%</b>	<b>26%</b>	<b>59%</b>	<b>41%</b>	<b>59%</b>	<b>36%</b>	<b>56%</b>	<b>30%</b>

**Table 2: Handling unexpected adverse events**

	Age				Wealth				Gender			
	Under 50		Over 50		Mass market		Affluent		Male		Female	
	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv
...are more likely to survive for longer if they were suddenly to become unemployed or unable to work	47%	27%	71%	46%	54%	28%	66%	38%	65%	37%	64%	29%
...took a longer-term view to how their money was invested due to recent market volatility and uncertainty	59%	33%	61%	28%	50%	19%	63%	49%	63%	35%	58%	28%
<b>Average</b>	<b>53%</b>	<b>30%</b>	<b>66%</b>	<b>37%</b>	<b>52%</b>	<b>24%</b>	<b>65%</b>	<b>44%</b>	<b>64%</b>	<b>36%</b>	<b>61%</b>	<b>29%</b>

**Table 3: Wellbeing and dealing with financial stressors**

	Age				Wealth				Gender			
	Under 50		Over 50		Mass market		Affluent		Male		Female	
	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv	Adv	UnAdv
...worry less about money and less likely to lose sleep over financial security	73%	53%	85%	70%	82%	59%	85%	62%	84%	59%	85%	61%
...are less likely to have their physical health impacted due to financial issues	82%	63%	86%	65%	84%	59%	86%	72%	88%	71%	84%	58%
...are less likely to have their mental health impacted due to financial issues	56%	35%	77%	55%	75%	41%	75%	46%	80%	51%	72%	36%
...are less likely to have their relationships with family/friends impacted due to financial issues	59%	49%	78%	53%	80%	47%	76%	56%	77%	56%	75%	46%
<b>Average</b>	<b>68%</b>	<b>50%</b>	<b>82%</b>	<b>61%</b>	<b>80%</b>	<b>52%</b>	<b>81%</b>	<b>59%</b>	<b>82%</b>	<b>59%</b>	<b>79%</b>	<b>50%</b>

