



FINANCIAL PLANNING STANDARDS BOARD

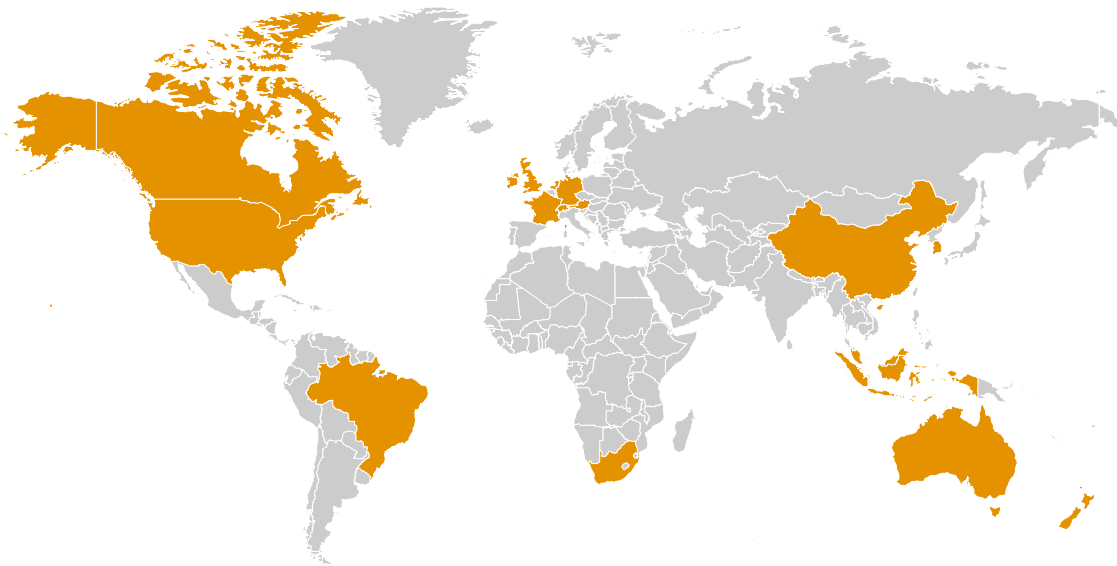


The Value of Financial Planning and Awareness of CFP Certification:

A Global Financial Planning Survey Hong Kong Results

How was the global survey conducted?

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



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

Key Headlines: Hong Kong

- **Low consumer confidence in achieving financial life goals:** Just 19% have strong confidence (strongly agree) that they will achieve financial life goals. Few consumers feel strongly in their financial know-how (20%) or success in sticking to their financial strategy (17%).
- **Home ownership and retirement top the list of financial priorities:** Home ownership and being able to retire in the desired lifestyle (each rated by 42% as very important) are the top financial priorities among consumers. Building up savings (41%), being prepared for an unexpected financial emergency (38%), and ensuring that investments are profitable (37%) are also prioritized.
- **There is broad interest in financial planning services to help consumers get on track financially:** Investment planning (52%) and retirement planning (47%) are seen as the most helpful financial planning services offered.
- **Yet consumers face a range of barriers to engaging with a financial professional:** Most consumers (56%) say trustworthiness is a very important consideration when choosing a financial advisor. Yet, even more say they do not know whom to trust (66% agree either strongly or somewhat). Sizable majorities feel that financial planning requires too much paperwork (73%), is too complicated (70%) and too confusing (66%), and question if the fees/costs are worth the expense (67%). Many do not seem to understand the financial planning fee structure (39% are not sure whether they would prefer to pay fees or a commission for financial planning services).
- **Financial professionals can overcome consumer barriers by leveraging key benefits...:** Demonstrating how financial planners help consumers by researching the entire market and providing recommendations (46% cite as major reason to work with a financial professional), giving them peace of mind (46%), and adhering to a rigorous code of ethics (51%) are keys to becoming a trusted source of advice (50%).
- **...And by reminding consumers that financial planning works for others like them:** Consumers working with a financial professional generally feel better prepared – and this pattern is even more pronounced among those working with a CFP professional. For instance:
 - ✓ 45% of those working with a CFP professional strongly agree that they are confident they will achieve their financial life goals, compared to 27% of those working with any financial professional and 10% of those not working with a professional

Key Headlines: Hong Kong

Next Steps: Relevant messaging should focus not only on investment and retirement planning – but on budgeting as well – underscoring how help in this area can set consumers up for success in meeting many of their financial goals. At the same time, messaging should attack the notion that financial planning is confusing and costly, with unreasonable fees. And, building trust starts with reinforcing the code of ethics. Lastly, increase PR/visibility, driving home the notion that those working with a CFP professional have better outcomes.

Hong Kong Results



Financial Landscape

Outlook (% Strongly agree)			Vs. global results
	I am confident that I will achieve my financial life goals	19%	-3
	I am successful in sticking with my financial strategies	17%	-2
	I am knowledgeable about financial matters	20%	3
Priorities (Top 5, "Very important")	Retiring in the lifestyle that you want to	42%	-7
	Owning own home	42%	-10
	Building savings or an "emergency" fund	41%	-10
	Being prepared for an unexpected financial emergency	38%	-14
	Making sure investments are profitable	37%	-6

Hong Kong Results (continued)



Financial Planning

			Vs. global results
Barriers to pursuing (Top 5 selected)	Too much work/paperwork	73%	17
	It's just too complicated	70%	13
	Fees/costs are not worth it	67%	8
	I don't know whom to trust	66%	0
	It is too confusing	66%	11
Services of interest (Top selected)	Investment planning	52%	14
	Planning for retirement	47%	-3
	Insurance services and planning / risk management	33%	6
	Budgeting / cash flow / debt management	31%	-5
Financial Professionals (%)	Have considered using / Have used (net)	81%	9
	Currently use	52%	7
	Very satisfied with this professional	27%	-15
	Currently use <u>CFP</u> professional	12%	3
	Very satisfied with their <u>CFP</u> professional	43%	-14

Hong Kong Results (continued)

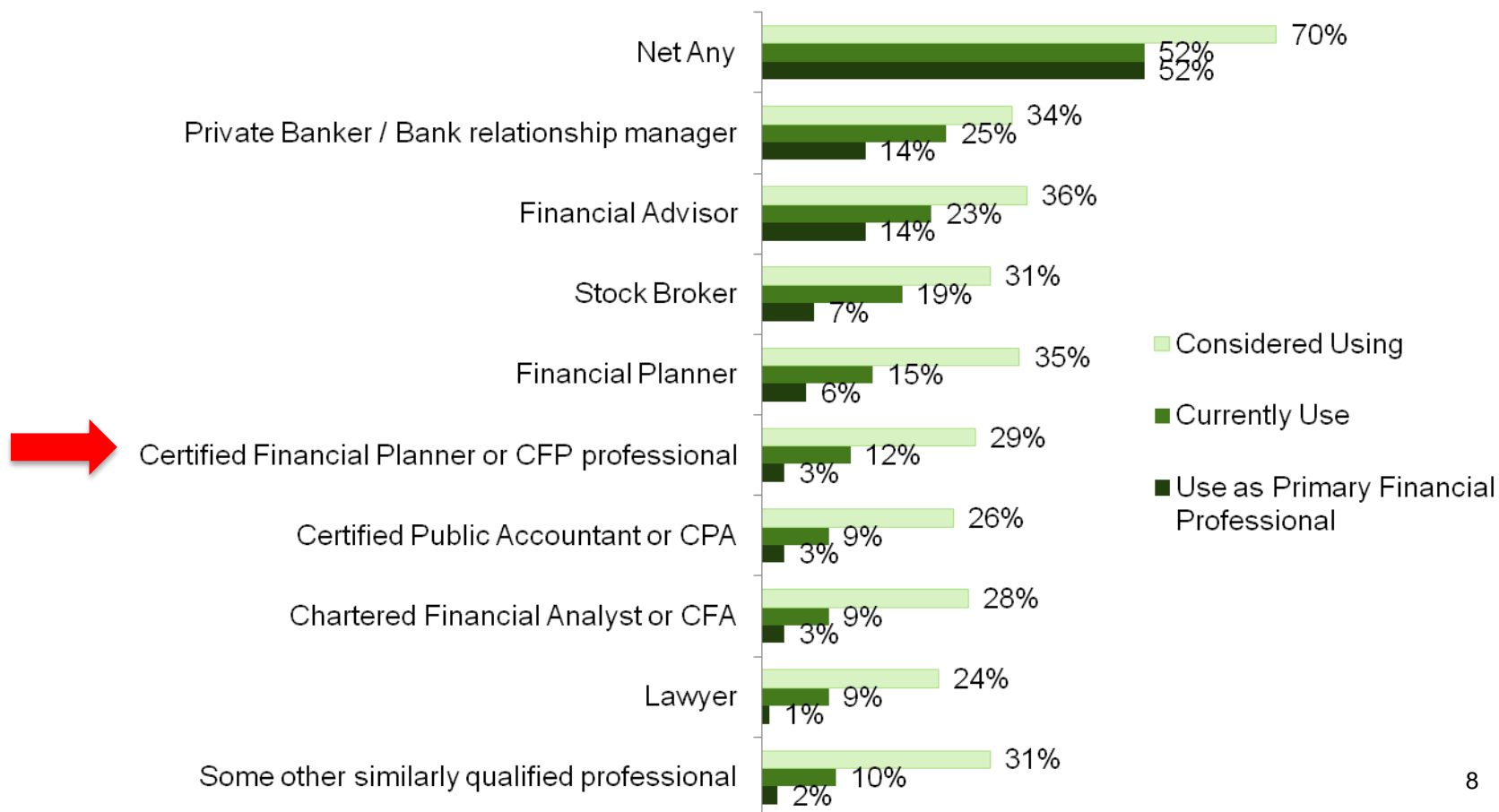


CFP Awareness & Messaging

CFP Designation (%)			Vs. global results
	Awareness of Certified Financial Planner designation	50%	18
Messaging (Top 5, "Major reason")	Adhere to a rigorous code of ethics	51%	-4
	Trusted source of advice	50%	-8
	Research the entire market	46%	-8
	Give you peace of mind that your financial affairs are	46%	-9
	Help establish financial goals	45%	-9

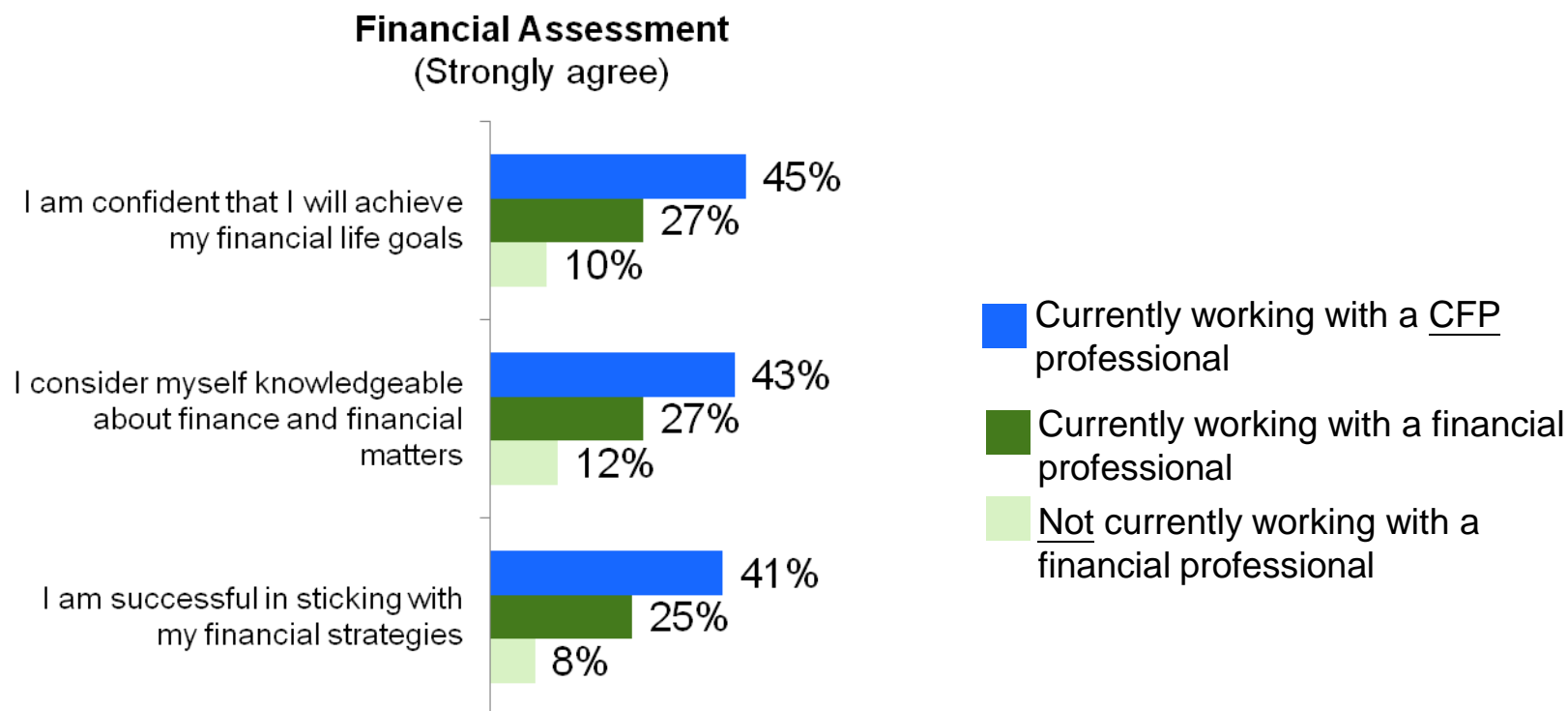
1 in 8 currently work with a CFP professional

Experience with Local Financial Professionals



Those seeing a financial professional generally feel better prepared

- Consumers currently working with a CFP professional tend to express even more financial confidence

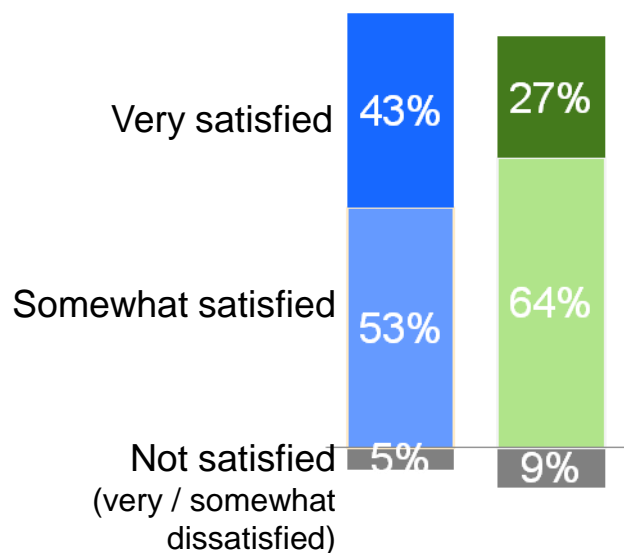


High levels of satisfaction with financial professionals – especially CFP professionals

Currently working with...

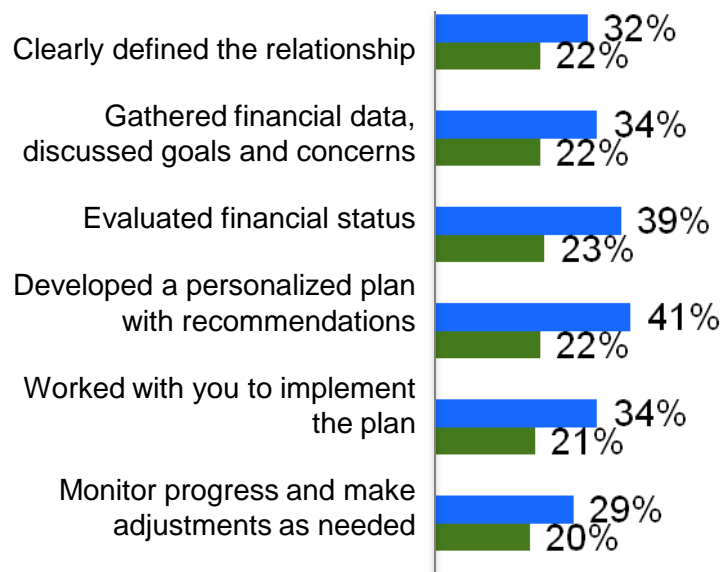
- A CFP professional
- Any financial professional

Level of satisfaction with primary financial professional



% Very satisfied with financial planning steps

Professional has ...

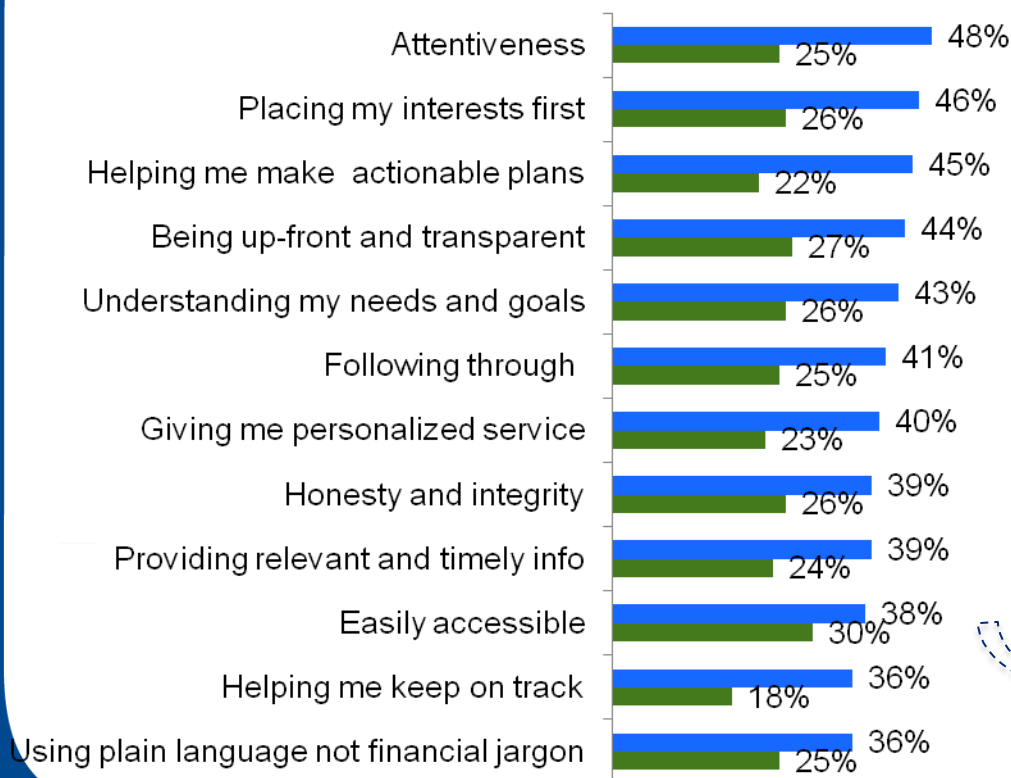


CFP professionals earn higher “excellent” ratings on key characteristics compared with those who use any financial professional

Give primary advisor an “Excellent” rating

Currently working with...

- A CFP professional
- Any financial professional



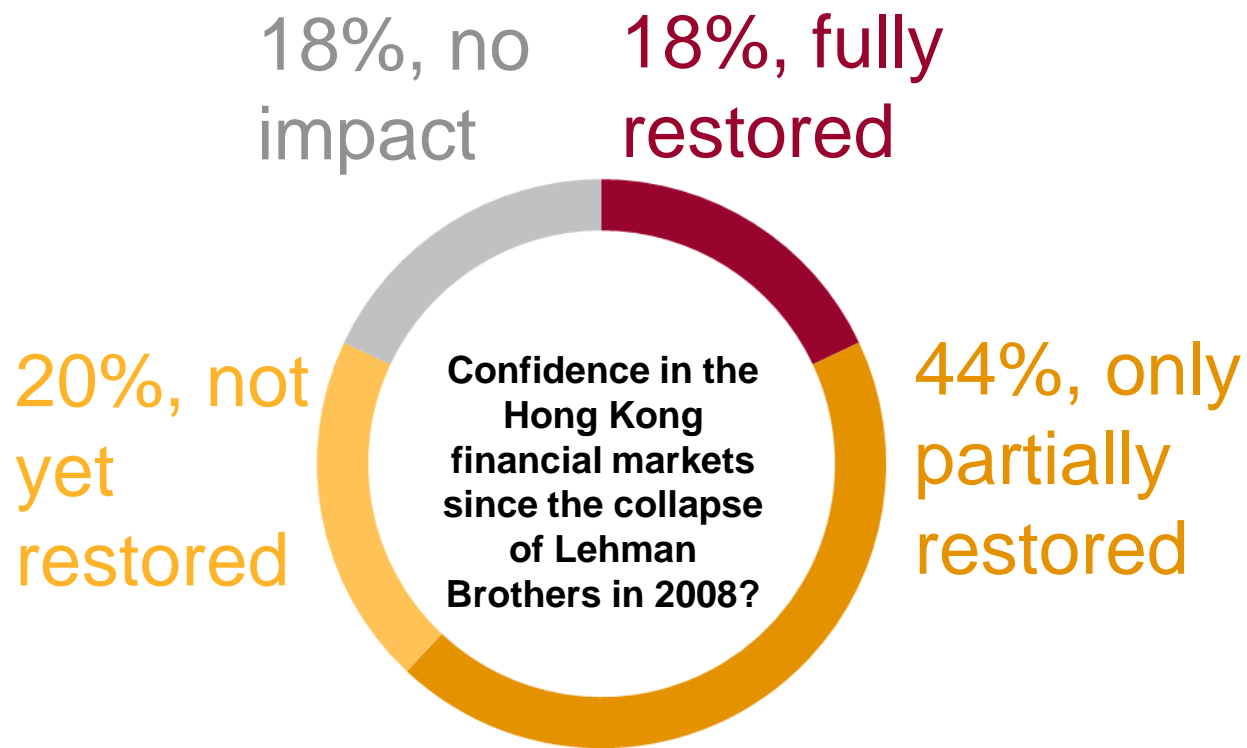
340 v. 104

Average number of minutes spent with primary advisor in a given year

LOCAL QUESTIONS: HONG KONG

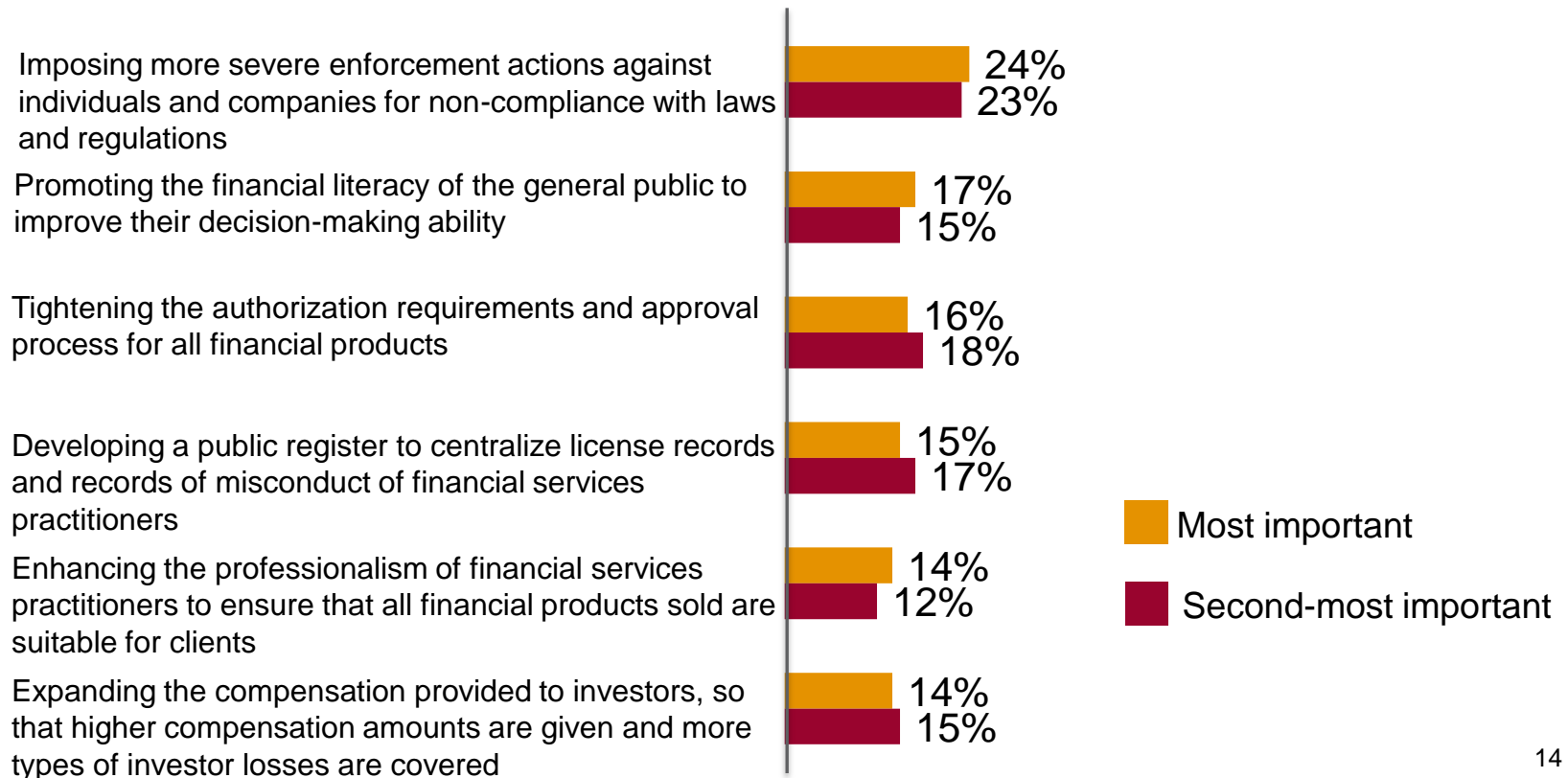
12

Post-Lehman Brothers, fewer than one in five consumers say their confidence in the markets has been fully restored



More severe enforcement against law-breakers is seen as the best way to protect investors

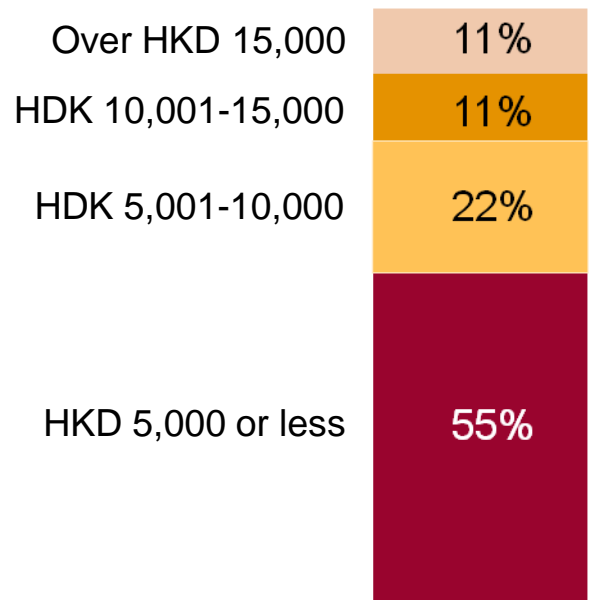
Important measures regulators can take to protect investor interests



14

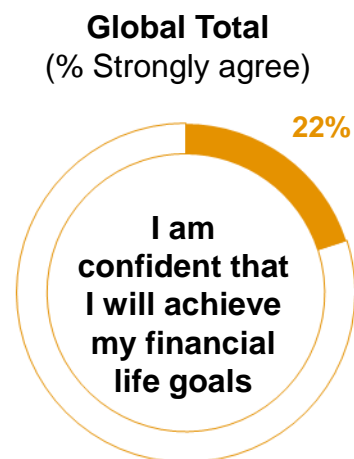
More than half of consumers would pay a maximum of HKD 5,000 for financial planning services

Maximum amount of money/fees willing to be paid for financial planning services

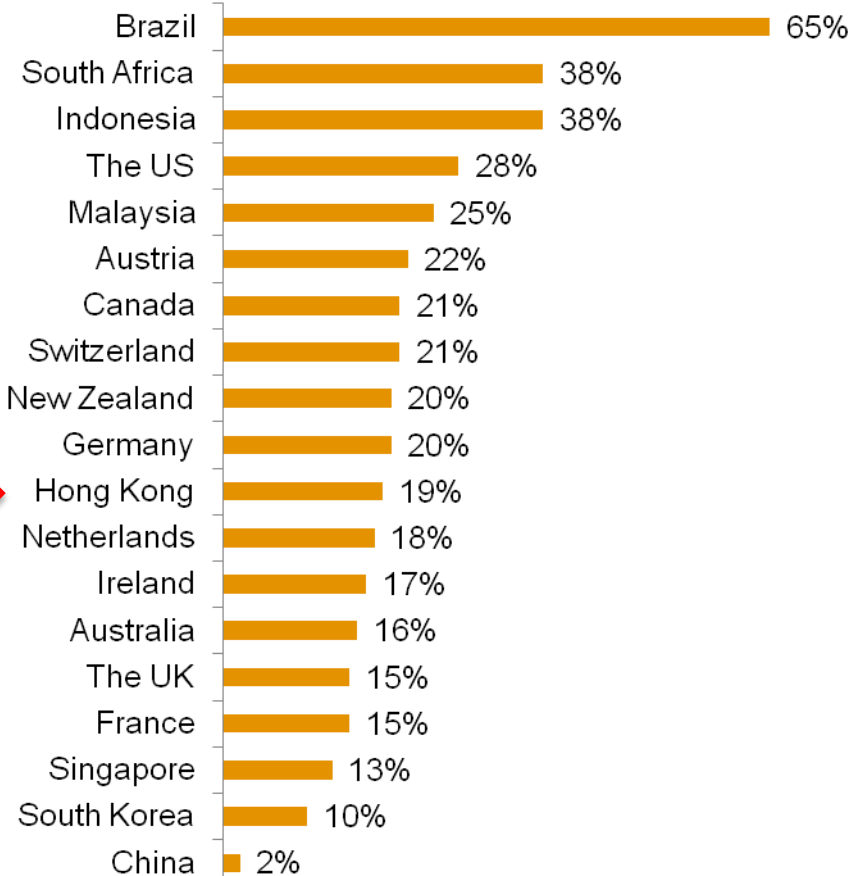


APPENDIX: GLOBAL RESULTS

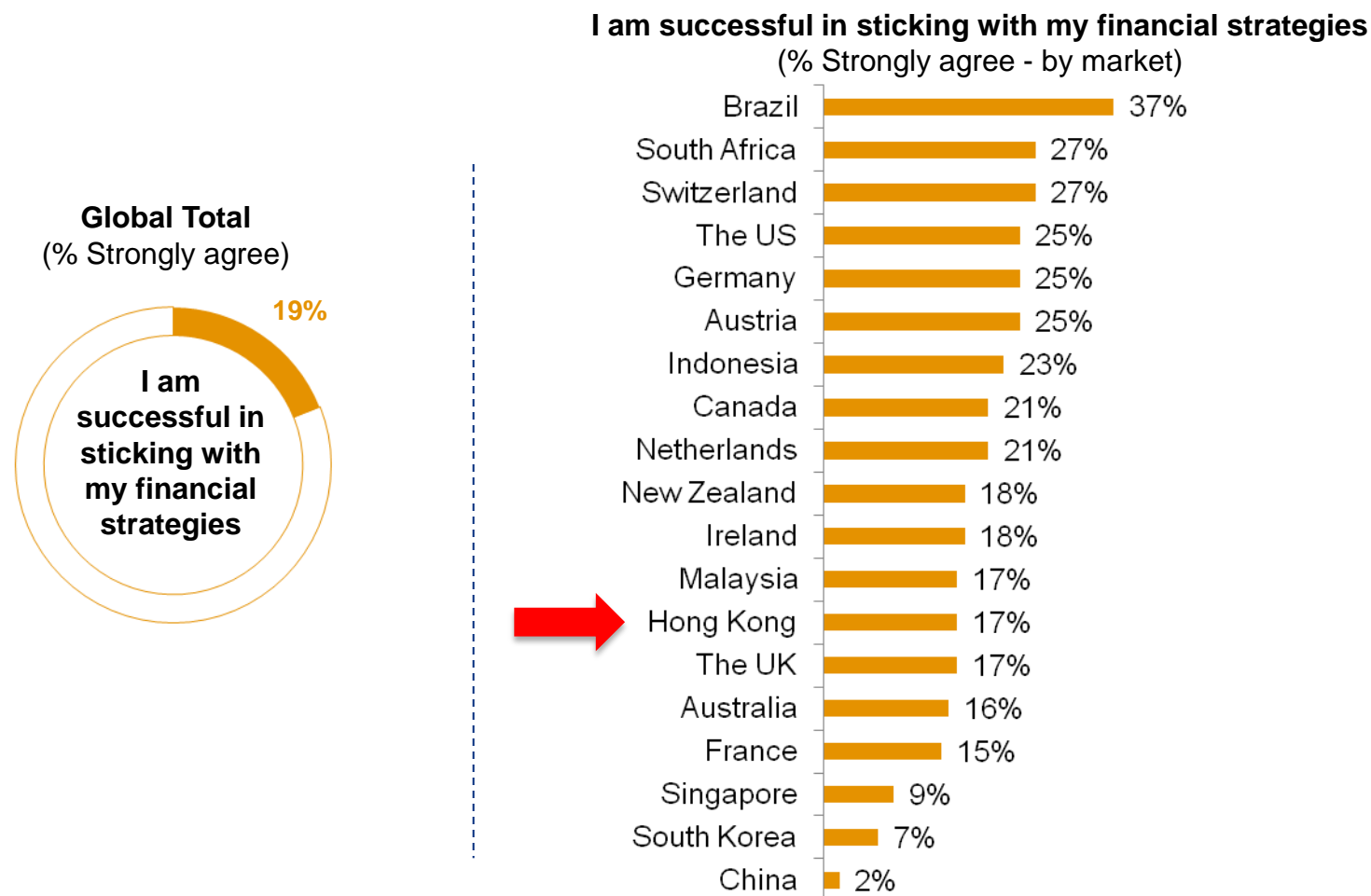
Just one in five are very confident that they will reach their financial life goals



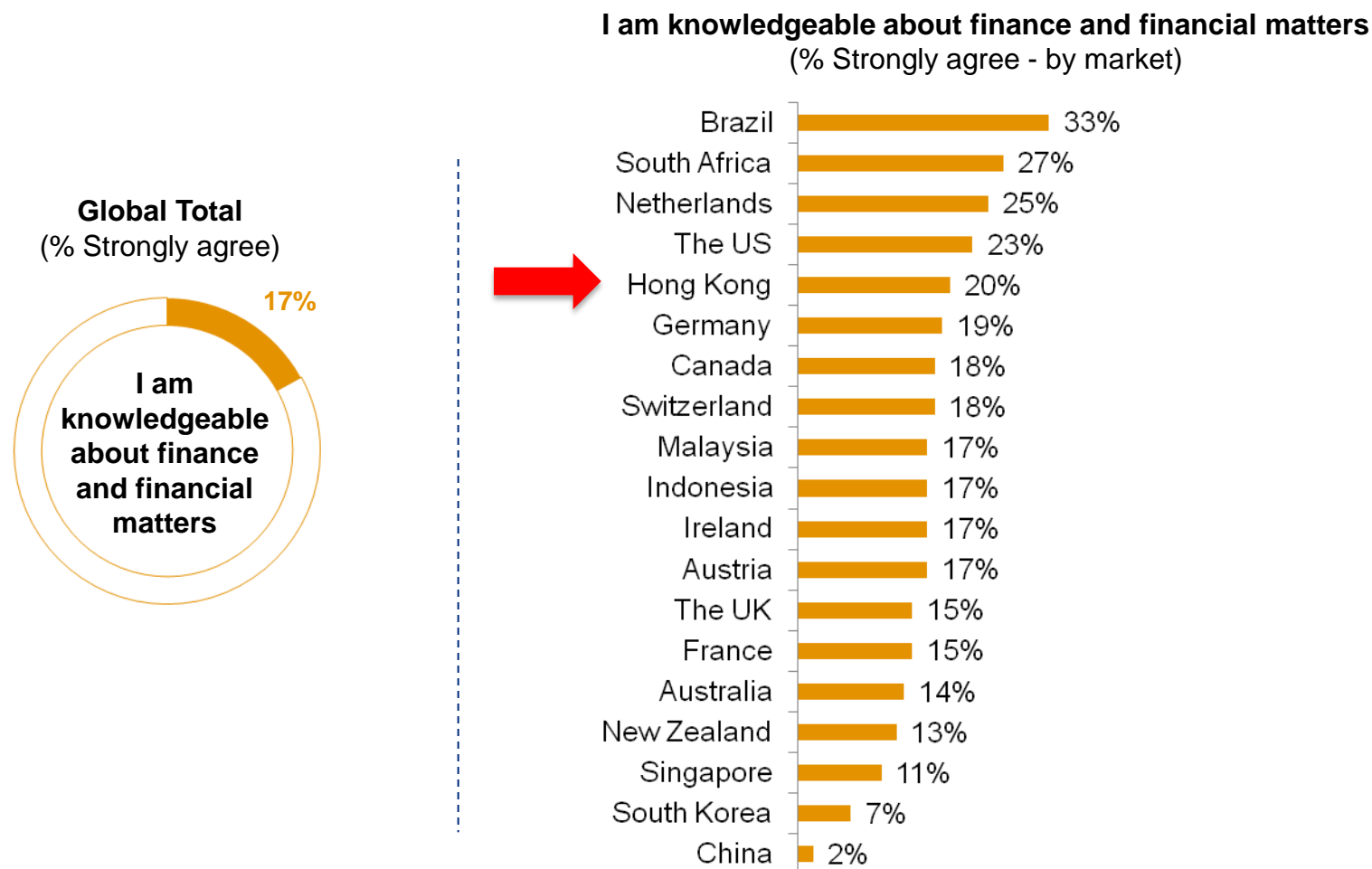
I am confident that I will achieve my financial life goals
(% Strongly agree - by market)



One in five feel very successful in sticking to financial strategies



Fewer than one in five feel very knowledgeable about financial matters



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

Financial Priorities

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

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

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

Financial Planning Services of Interest

%	Total	Aus- tralia	Aus- tria	Brazil	Can- ada	China	France	Ger- many	Hong Kong	Indo- nesia	Ireland	Malay- sia	Nether- lands	New Zea- land	Sing- apore	Switzer- land	South Africa	South Korea	The UK	The US
Planning for retirement	50	35	57	59	48	38	39	58	47	61	46	60	40	44	58	55	64	46	47	45
Investment planning	38	24	18	48	41	64	28	15	52	67	29	60	14	30	48	22	53	37	30	38
Budgeting / cash flow / debt management	36	37	17	38	41	33	32	11	31	34	37	58	25	48	42	26	56	41	35	40
A complete financial roadmap including many of the above	30	24	28	41	32	37	18	26	25	43	23	44	22	34	30	21	44	17	23	38
Insurance services and planning / risk management	27	14	25	32	22	41	27	19	33	48	13	45	15	24	35	26	33	33	13	20
Assistance with financial products	26	19	19	24	25	40	33	21	24	27	21	32	17	21	30	23	27	44	22	25
Tax planning / planning to reduce the family's tax bill	25	24	20	27	31	18	29	23	15	17	21	30	31	22	16	36	35	32	22	27
Assistance with defining and setting financial goals	23	19	11	27	26	26	14	13	20	27	19	35	19	25	25	17	36	33	18	29
Estate planning	22	15	25	18	21	43	33	28	12	26	13	36	15	16	17	29	32	10	10	20

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

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

Reasons to Work with a Financial Professional

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

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

Trustworthiness of financial professionals is the leading consideration across all markets

Considerations when Choosing a Financial Professional

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

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

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

Barriers to Financial Planning

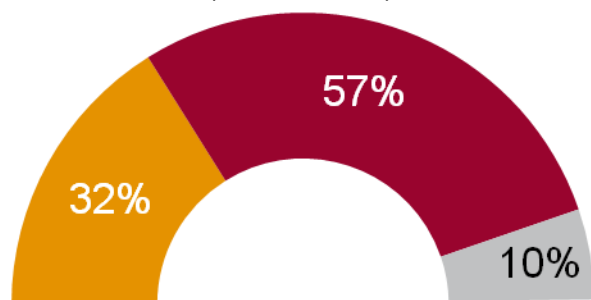
% Saying strongly/somewhat agree	Total	Australia	Austria	Brazil	Canada	China	France	Germany	Hong Kong	Indonesia	Ireland	Malaysia	Netherlands	New Zealand	Singapore	Switzerland	South Africa	South Korea	The UK	The US
I don't know who to trust	66	70	62	63	65	52	75	63	66	51	73	66	59	71	72	62	70	80	76	62
Fees/costs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

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

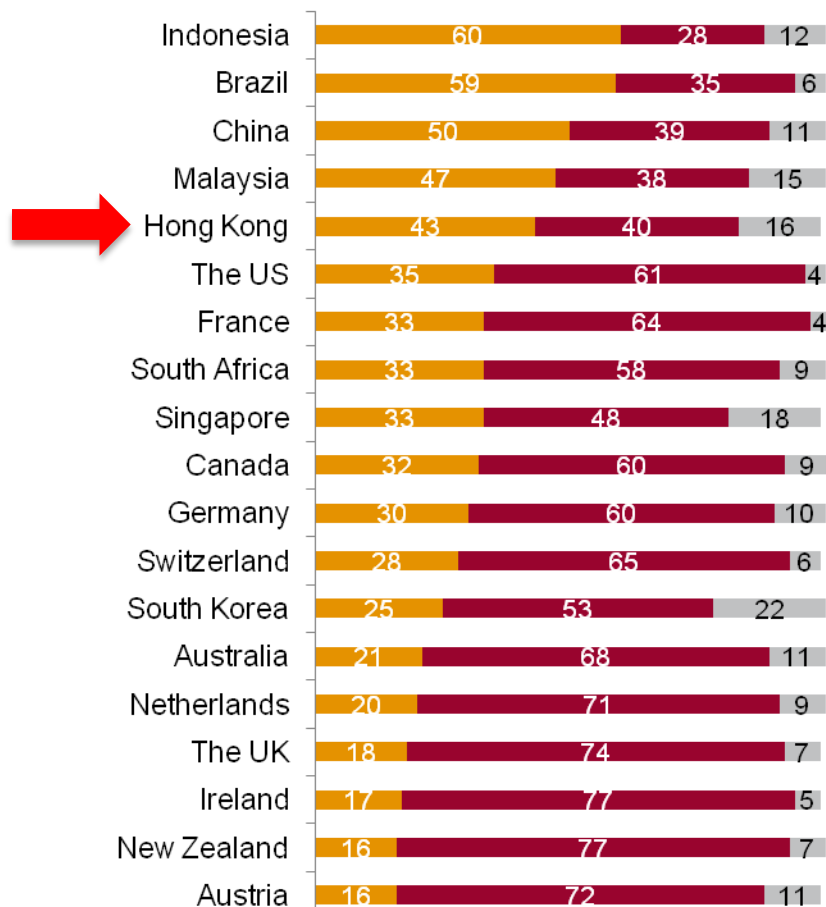
Majority of global consumers lack a comprehensive written financial plan

■ Yes
 ■ No
 ■ Not Sure

Have a Comprehensive Written Financial Plan
(Global Total)



Have a Comprehensive Written Plan
(% by market)



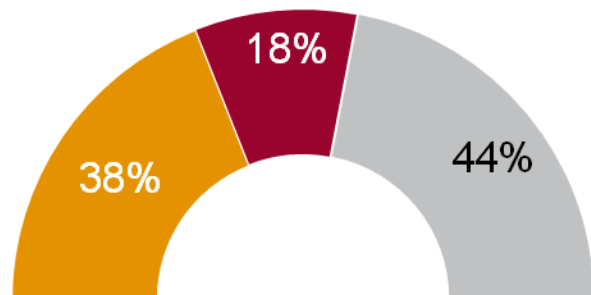
Awareness of the CFP designation is highly variable by country

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

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

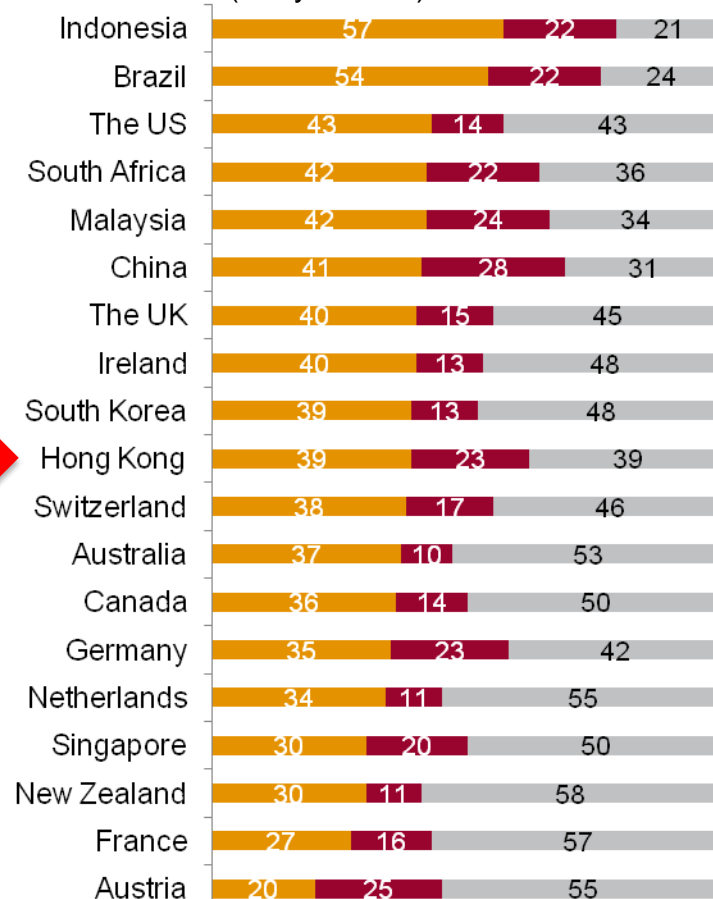
■ Charges a fee for services
 ■ Charges a commission
 ■ Not Sure

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



Would prefer to work with a financial adviser who...

(% by market)



Another four in 10 are unsure if financial planning is regulated

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

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

Information Sources Rely on for Financial Matters & Planning

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

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

APPENDIX: HONG KONG DEMOGRAPHIC PROFILE

Hong Kong Demographic Profile

	Unweighted Count	Weighted Percentage
Total	n=1000	100%
Age		
18-34	386	27%
35-49	479	37%
50+	135	36%
Gender		
Male	473	48%
Female	527	52%
Education		
Some college or more	704	57%
Secondary or less	296	43%
Income		
High	314	29%
Middle	357	35%
Low	329	39%
Investable Assets		
Top 40% (approx.)	407	41%
Bottom 60% (approx.)	593	59%
Work with Financial Professional		
Any	527	52%
CFP professional	119	12%

The Institute of Financial Planners of Hong Kong (IFPHK)

13/F, Causeway Bay Plaza 2,
463 – 483 Lockhart Road, Hong Kong

Tel: 2982 7888 Fax: 2982 7777

Website: www.ifphk.org

Facebook: facebook.com/official.ifphk

Email: info@ifphk.org