

Investment Trends acknowledges the Government's response to the Quality of Advice Review

- **These reforms provide the opportunity to solve the unmet advice needs of ~12m Australians**
- **Our research shows advised Australians feel better off financially and are significantly more prepared for retirement than those unadvised**
- **44% of unadvised Australians are likely to turn to their super fund for their unmet advice needs**
- **2 in 3 Australians either don't know what to do or intend to seek advice to assess their options at retirement**

11th December 2023, Sydney – Investment Trends acknowledges the government's final response to the Quality of Advice Review (QAR). The roadmap titled "Delivering Better Financial Outcomes" is designed to increase the availability and affordability of advice for the majority of Australians and includes provisions for the introduction of a new category of financial advice provider.

The updated standard will provide clearer legislative grounds for restricted advice where this meets the client's objectives and needs.

Our research shows the pool of Australians with unmet advice needs remains substantial (11.8m in 2023). The barriers to seeking advice are proving difficult to abate with those unadvised (and with unmet advice needs) most often citing high (41%) or unclear (30%) costs as barriers to entry. The top three areas consumers would like to receive financial advice (but currently aren't) include:

1. Investment strategy (31%),
2. Longevity risk (27%) and
3. Growing their superannuation (24%)

In contrast, those Australians who engage with an adviser state they feel significantly more confident in their financial wellbeing (61% agree). Looking specifically to people's confidence in being prepared[^] for retirement, 57% of advised Australians agree versus 35% for unadvised Australians.

A key insight in the Investment Trends research reveals that 2 in 3 Australian's either say they don't know what to do or intend to seek advice when they begin to plan for their retirement – further reinforcing not only the need, but also the desire for accessible and affordable financial advice.

Responding to recommendation 6 of the QAR, "proactive nudges" from superannuation funds are proposed to assist at important life stages in the retirement income journey. Our research shows:



Media Release

Media Contact

Dr Irene Guiamatsia, Head of Research

Phone +61 420 319 177

Email i.guiamatsia@investmenttrends.com

- 44% of unadvised Australians are likely to turn to their super fund for their unmet advice needs.
- Accumulators (40-54) and pre-retirees (55-64) are the most concerned about retirement planning.
- Over half of retirees (65 and over) express the need for assistance with aged care.

As the industry continues to navigate this period of transformative change, the importance of robust guardrails and standards cannot be overstated. Investment Trends looks forward to continuing to provide statistically valid insights to clients and regulators on this topic, leading to Australians having access to high quality, accessible and affordable financial advice.

Note: ^Prepared is calculated using the sum of 'Very well prepared' and 'Somewhat prepared'.