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FOR IMMEDIATE RELEASE

Amid a backdrop labelled ‘worst cost of living crisis in decades’, cost remains the No 1 barrier preventing everyday Australians with advice gaps from getting professional assistance

- **1.3 million Australians with advice needs plan to seek an adviser in the next two years**
- **Unadvised Australians who would pay for advice are prepared to commit an average of \$540**
- **Close to 4 million Australians would be open to low-cost digital advice solutions if the right conditions were met**

7th March 2024, Sydney – Leading financial services industry research firm *Investment Trends* releases its 16th edition of the **2023 Financial Advice Report**.

Providing an in-depth analysis of Australians’ attitudes towards financial advisers, their current and intended use of advisers, their advice needs and how financial institutions can support them across the wealth spectrum with affordable guidance towards their financial goals, this year’s edition highlights:

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, the value of advice is well perceived with more than 80% of unadvised Australians seeing benefits in receiving financial advice. Australians who engage with an adviser state they feel significantly more confident in their overall financial wellbeing (61% agree) – demonstrating the meaningful impact advice can deliver to people who are able to access,” said Dr Irene Guiamatsia, Head of Research at Investment Trends.

When analysing the profile of potential adviser clients – the 1.3 million with unmet advice needs who plan to seek an adviser in the next two years – is very similar to that of the 9.1 million with needs who don’t plan to seek the help of a professional adviser.

When asking unadvised individuals how much they would pay to receive help with each one of their unmet advice needs, on an average basis, the purchase of an investment property is the single topic people are willing to pay the most to receive assistance (\$800). Noting that potential adviser clients would pay a lot more for help to start a retirement income stream (\$800, compared to \$580 for all unadvised with needs).

“These findings further highlight the necessity to address the cost barrier, three in four unadvised with needs state tax-deductible advice fees would be a likely incentive to seek advice – increasing to 85% among potential adviser clients,” added Guiamatsia.

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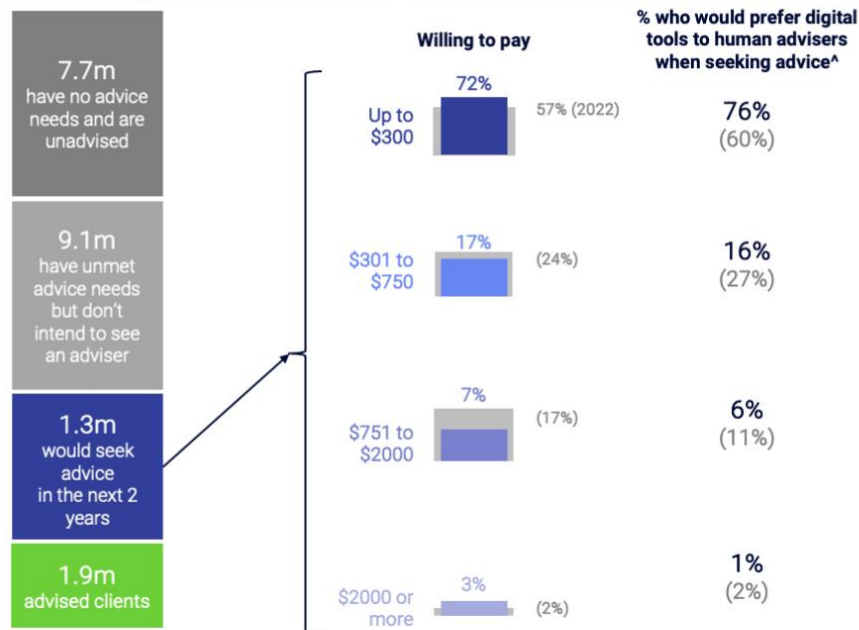
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Looking to the remaining 9.1m Australians who have unmet advice needs but don't intend to seek advice in the near future, 38% of those would turn to digital advice tools when seeking advice – equating to another 3.3 million Australians that could see some of their advice gaps fulfilled, if the right digital solution came along.

In terms of specific features in a digital advice offering, the most common types of tools already used by unadvised adults are budget planners (54%), retirement needs projectors (46%) and super contributions calculators (46%) – where all three also received the highest in demand.

“Appetite for digital advice naturally increases as the amount they are willing to pay reduces. We estimate 750,000 potential adviser clients (58%) would use digital tools at a calibrated cost of \$320,” concluded Guiamatsia.

Summary: Appetite for digital advice among potential adviser clients



Question wording: Which of the following are you more likely to use first when seeking advice? Digital vs. human financial advisers
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Notes to the editor

About the report: The sixteenth edition of the Financial Advice Report examines Australians' attitudes towards financial advisers, their current and intended use of advisers, their advice needs and how financial institutions can support them across the wealth spectrum with affordable guidance towards their financial goals. This is based on a detailed online survey of 5,202 Australian representative adults conducted between September and October 2023.

About Investment Trends: Investment Trends is the leading researcher in the retail online share dealing and leveraged trading markets globally. We combine our analytical rigour and strategic thinking with the most advanced research and statistical techniques to help our clients gain competitive advantage. We have over 20 years' experience in researching the retail wealth management and global broking markets from which we provide new insights and decision-making support to over 130 leading financial service businesses globally. Investment Trends' clients include several global banking organisations, all major online brokers and CFD providers as well as industry regulators, advice providers, fund managers, super funds, investment platform providers, and industry associations.