



FP Canada[®]
*Advancing Professional
Financial Planning*



QAFP[™]

IMAGINE 2030



FP Canada[™] IMAGINE 2030

Benchmark Report

IMAGINE2030

Financial Wellness for all Canadians

By 2030:

- Financial planning is a unified, recognized profession, deemed essential by society
- All Canadians have the financial confidence and well-being they need
- All Canadians have access to professional financial planning that supports their diverse needs



Canadians



Canadians have embraced and have confidence in financial planning as an important professional service on the path to financial wellness

The Profession



The profession operates in the public interest; is accessible and inclusive; is holistic and client-centric; and remains current and relevant to Canadian society

Industry



Industry embraces professional financial planning, always in the client's best interest

FP Canada



FP Canada leads the evolution of financial planning as a unified profession that all Canadians can confidently rely on to deliver at consistently high standards

Government



Governments recognize financial planning as a profession and support its broad accessibility, through appropriate policy and regulatory frameworks

Message from President & CEO



Tashia Batstone, MBA, FCPA, FCA, ICD.D
President & CEO

At FP Canada, we're dedicated to the financial wellness of Canadians, and we strongly believe a better future is possible. That's the foundation for IMAGINE 2030, our vision for a future where:

- Financial planning is a unified, recognized profession, deemed essential by society;
- All Canadians have the financial confidence and well-being they need; and
- All Canadians have access to professional financial planning that supports their diverse needs.

As we embark on this bold vision for the future, it's important to measure our progress along the way. But first, we need a clear understanding of where we are now. That's why we set out to gauge how Canadians are feeling when it comes to financial well-being, confidence, access and trust, through an in-depth survey.

The results of this benchmark report are eye-opening, and frankly, disconcerting. The survey clearly reveals that not all Canadians experience the same level of confidence or well-being when it comes to their finances, and not all Canadians believe they can access financial services. For example, Indigenous peoples, the 2SLGBTQI community, women and people living with disabilities all under-index on these key measures of financial wellness.

What this tells me is that the financial planning profession has an opportunity to do better. With collaboration among all stakeholders in the profession, from individual planners and firms to academic institutions, regulatory bodies and organizations such as FP Canada, I'm confident that we can come up with new ways to enable all Canadians—including the underserved demographics identified by this research—to access the professional financial planning advice they need to achieve greater financial well-being.

When it comes to diversity, equity and inclusion, it's time for meaningful action in the financial planning profession. This is something I'm personally passionate about, and I'm proud to see FP Canada and the broader financial planning profession stepping up to address this critically important issue.

This research is a call to action, and we all have a role to play. I look forward to working closely with stakeholders from across the financial planning ecosystem to make progress towards our IMAGINE 2030 vision in the years to come.

Tashia

Tashia Batstone MBA, FCPA, FCA, ICD.D
President & CEO

The IMAGINE 2030 Vision



IMAGINE 2030 is FP Canada's bold vision of a future where all Canadians have financial confidence and well-being. A vision of the future where all Canadians have access to professional financial planning that supports their diverse needs, where financial planning is a unified profession, recognized in statute and deemed essential by society.

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According to IMAGINE 2030, by 2030:

1. Financial planning is a unified, recognized profession, deemed essential by society;
 2. All Canadians have the financial confidence and well-being they need; and
 3. All Canadians have access to professional financial planning that supports their diverse needs.
-

Introducing the IMAGINE 2030 Benchmark Report¹

Promoting diversity, equity and inclusion is an FP Canada priority.

To help the **IMAGINE 2030** vision become a reality, FP Canada is committing to an evidence-based approach to identify key hurdles to these goals, particularly as they relate to Canadians' financial confidence, well-being and access to professional financial planning. In this white paper, we are highlighting results of the *IMAGINE 2030 Benchmark Survey*, through which we sought to measure these challenges.

The report introduces a series of four indices measuring Canadians' feelings of financial health and well-being. This is the first of an annual national survey which will gauge progress on Canadians' sense of financial well-being as measured by these four indices. FP Canada will provide a progress report each year until 2030.

By tracking standardized indices, we can be disciplined and focused on making progress on these critical issues.



¹ See Appendix 1 for the full survey methodology.

IMAGINE 2030: The Benchmark Report

This white paper presents the IMAGINE 2030 Benchmark Report. It contains details on each of the index measures, how they are defined and how to interpret the scores.

There are three core indices measuring Canadians' overall financial health:

1. Financial Well-Being:

- Do Canadians feel secure in their financial situations or do they have anxiety about money?

2. Financial Confidence:

- Do Canadians feel confident about financial matters or are they unsure?

3. Financial Access:

- Do Canadians feel professional financial help is accessible for them or out of reach?

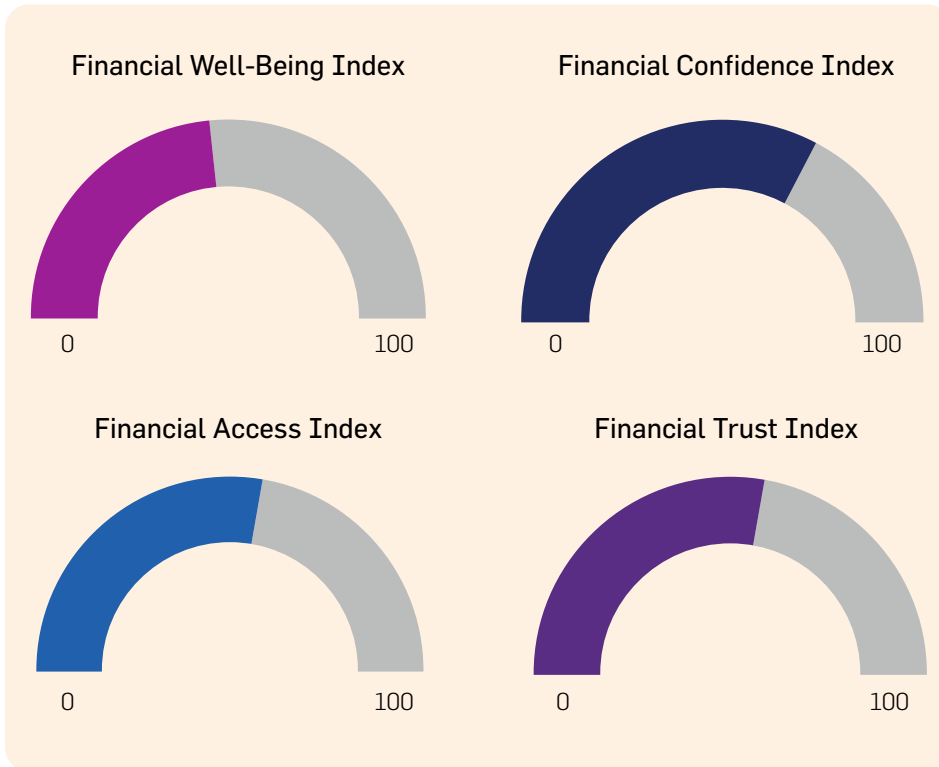
Additionally, we know that trust is a critical component underpinning financial health, and so we are also committed to tracking a fourth index:

4. Financial Trust Index:

- Do Canadians trust financial professionals or do they have concerns about working with them?



Overall Index Scores



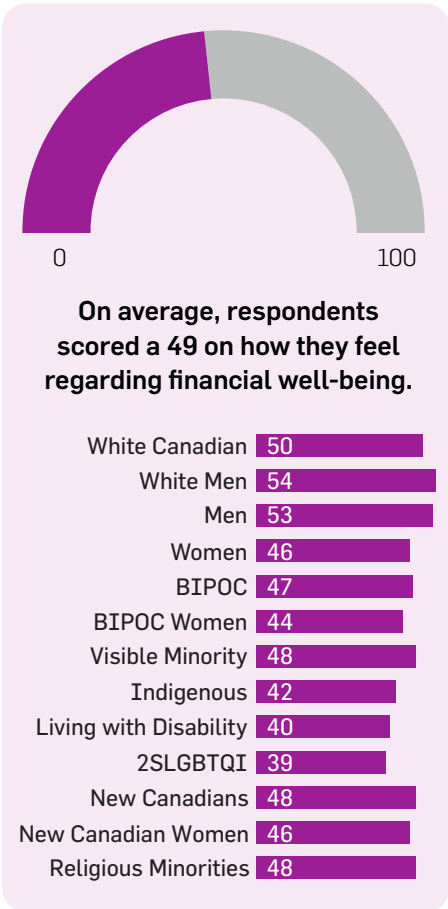
Some key facts about the **IMAGINE 2030** Benchmark Indices:

- Each index is constructed from multiple attitudes about Canadians' own finances and their relationships with the financial services sector.
- Each index runs from a minimum score of 0 to a maximum score of 100.
- Each index has an overall score for all Canadians, and scores for a broad array of sociodemographic groups.

Promoting diversity, equity and inclusion is an FP Canada priority. The indices introduced in the 2021 IMAGINE 2030 Benchmark Report will track progress towards the **IMAGINE 2030** goals on an annual basis not only for the average Canadian, but for Canadians from a variety of backgrounds.²

Appendix 2 provides detailed information on how the indices are calculated.

² One of the key objectives of the Indices is comparability over time and between different groups of Canadians. As such, it is imperative that the same standardized questions and methodological approach is used year over year.



Financial Well-Being Index

Do Canadians feel secure in their financial situations or do they have anxiety about money?

“I already have a financial plan in place and I will continue to stick with it. I trust my accountant and financial advisor to make the right decisions for me.”

The overall score for 2021 on the Financial Well-Being Index is 49 out of 100. Half of Canadians say they are worried about their financial security, and that is reflected in a score that shows room for improvement.

Men (53) and particularly white men (54) felt more secure, as measured by the Financial Well-Being Index.

Indigenous peoples (42), Canadians living with a disability (40), and 2SLGBTQI Canadians (39) were most likely to express concerns about their well-being, with scores below the national average.

Take note:

Half of Canadians (50%) are worried about their financial security, and nearly half (47%) agree that they spend a lot of time worrying about money.

“I currently don't make enough to even think about how to save anything.”

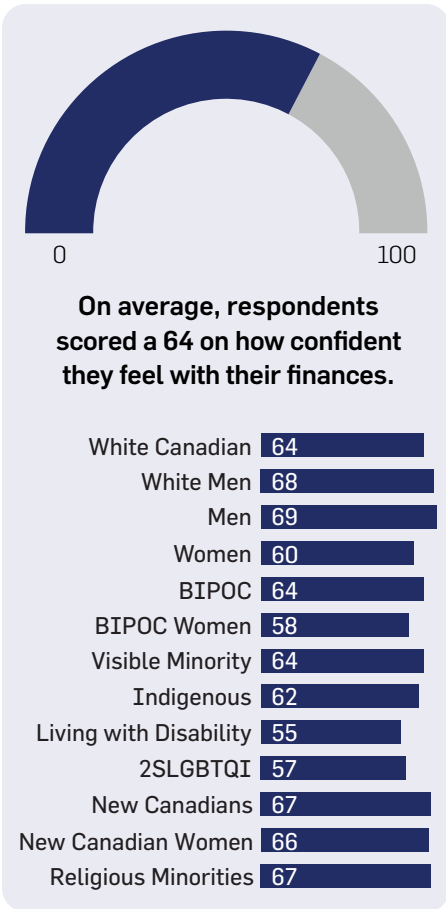
The Financial Well-Being Index combines three attitudes:

I feel my finances are under control **54%** of Canadians Agree

I am worried about my financial security **50%** of Canadians Agree

I spend a lot of time worrying about money **47%** of Canadians Agree

- Agreement increases the index score
- Agreement decreases the index score



Financial Confidence Index

Do Canadians feel confident about financial matters or are they unsure?

“I have no difficulty whatever making financial decisions - have been doing it for the last 50+ years.”

Overall, most Canadians can at least say they feel some confidence about their finances. The Financial Confidence Index scored a 64 out of 100 in 2021.

Men overall (69), white men (68), and new Canadians (67) are the most confident about their finances.

BIPOC women (58), 2SLGBTQI Canadians (57) and Canadians living with disabilities (55) are the least confident, though no group had an average index score below 50.

Take note:

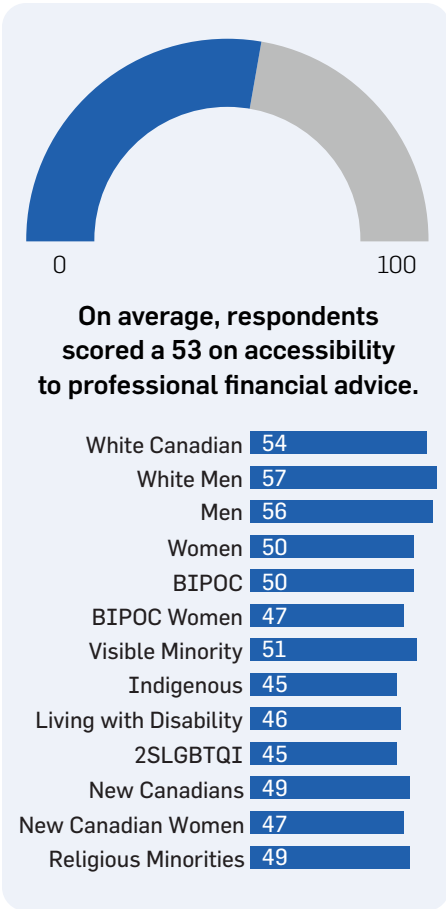
The Financial Confidence Index has the largest gap between men and women of any of the *Imagine 2030 Benchmark Indices*, with a nine-point difference in their index scores.

The Financial Confidence Index combines two attitudes:

How confident are you when it comes to making financial decisions? **78%** are confident

How confident are you about your financial future? **64%** are confident

“How much can we afford to put away?...Is it enough? I think we basically picked a number and kind of went with that, and felt that it looks good, but is it really enough? I don't know.”



Financial Access Index

Do Canadians feel professional financial help is accessible for them or out of reach?

“I used to spend a lot of time creating my own financial plan. But lately, I’ve been getting busy with my work. So, I hired a financial planner to take over that role.”

Canadians are on the fence when it comes to how accessible they feel the industry is, and there is certainly room for improvement.

Overall, the 2021 score for the Financial Access Index is 53 out of 100.

Overall, men (56) and particularly white men (57) scored the highest.

On the other hand, Indigenous peoples (45), 2SLGBTQI Canadians (45), and Canadians living with disabilities (46) had the greatest concerns about access.

Take note:

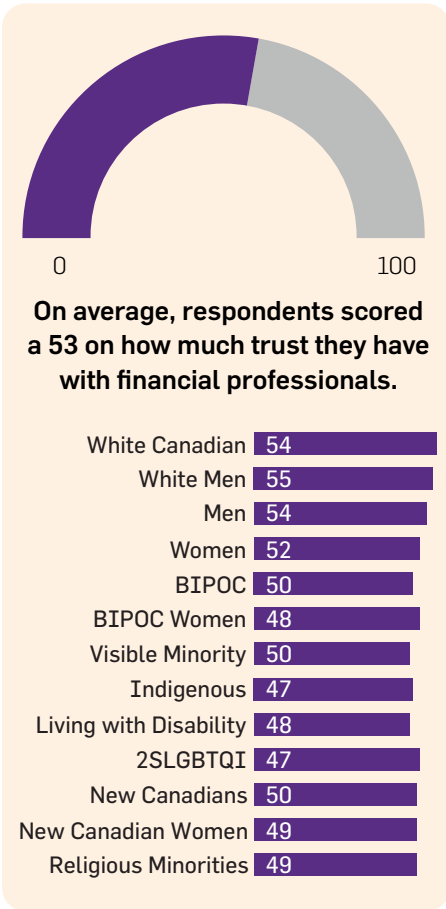
Only half of Canadians feel they can afford professional financial advice or know what questions to ask, and a third feel it is hard for people like them to find good advice.

“I’m just like, I can’t, I don’t understand it, it’s too intimidating. To have someone else do it for me is really expensive.”

The Financial Access Index combines five attitudes:

- Agreement increases the index score
- Agreement decreases the index score





Financial Trust Index

Do Canadians trust financial professionals or do they have concerns about working with them?

“Trust is huge... it’s a small town. [My advisor has] been there forever, and I think everybody trusts him.”

An important component underpinning the three core indices is trust. On the Financial Trust Index, the 2021 score is 53 out of 100.

Consistent with the other indices, men (54), white men (55), and white Canadians overall (54) have the most trust in financial professionals.

Indigenous peoples (47), 2SLGBTQI Canadians (47) and Canadians living with disabilities (48) are most likely to have concerns about trusting financial professionals.

Take note:

Only one in four Canadians say financial professionals often look like them, and four in ten say they find dealing with financial professionals “intimidating”.

“I see myself as being a customer of the bank. But I don’t see that the bank is working in my best interest necessarily.”

The Financial Trust Index combines four attitudes:

I trust financial professionals **45%** of Canadians Agree

I find dealing with financial professionals very intimidating **39%** of Canadians Agree

Financial professionals often look a lot like me **27%** of Canadians Agree

It’s hard to find a financial professional who understands my culture and background **23%** of Canadians Agree

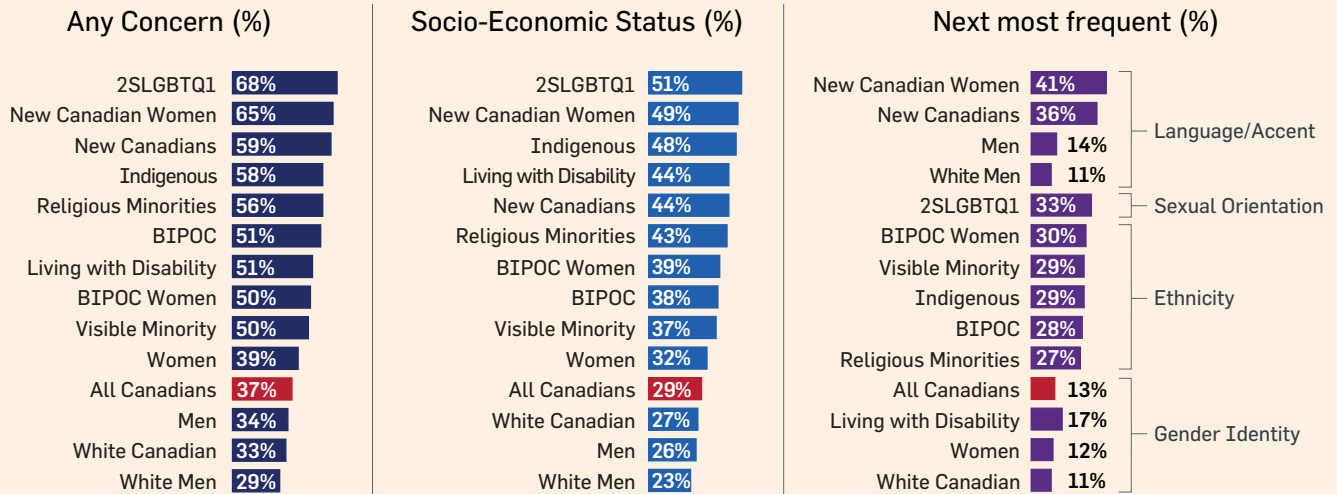
- Agreement increases the index score
- Agreement decreases the index score

Why it matters

The results of the *IMAGINE 2030 Benchmark Survey* show that concerns about the possibility of experiencing discrimination in the financial industry are common and have real consequences for Canadians.

Fears about possible discrimination are much higher in marginalized communities. We see this both in specific concerns tied to their identities, but also in greater concern about discrimination based on socio-economic status in these communities.

I worry that I'll experience discrimination when seeking advice from a financial professional based on my...



These concerns have real consequences

1. For how marginalized communities interact with financial professionals:

- As many as one in five say they've had to stop working with a financial professional;
- As many as one in three have visited or spoken with a professional less often; and
- As many as one in three have avoided asking all the questions they wanted to.

2. For feelings of financial confidence, well-being, and perceptions of accessibility:

- Having any concern about experiencing discrimination:
 - Reduces feelings of financial well-being by 33% (from 56 to 38 points on the 0 to 100 index);
 - Reduces perceptions of how accessible financial help is by 26%; and
 - Reduces feelings of financial confidence by 13%.

Putting the scores into context

Financial security is determined by a complex mix of circumstances, opportunities, and experiences.

We can use regression analysis to understand the index results in this context. By modelling how the indices impact one another, while controlling for differences in demographics and financial circumstances, we see why each index measure is important in its own right.

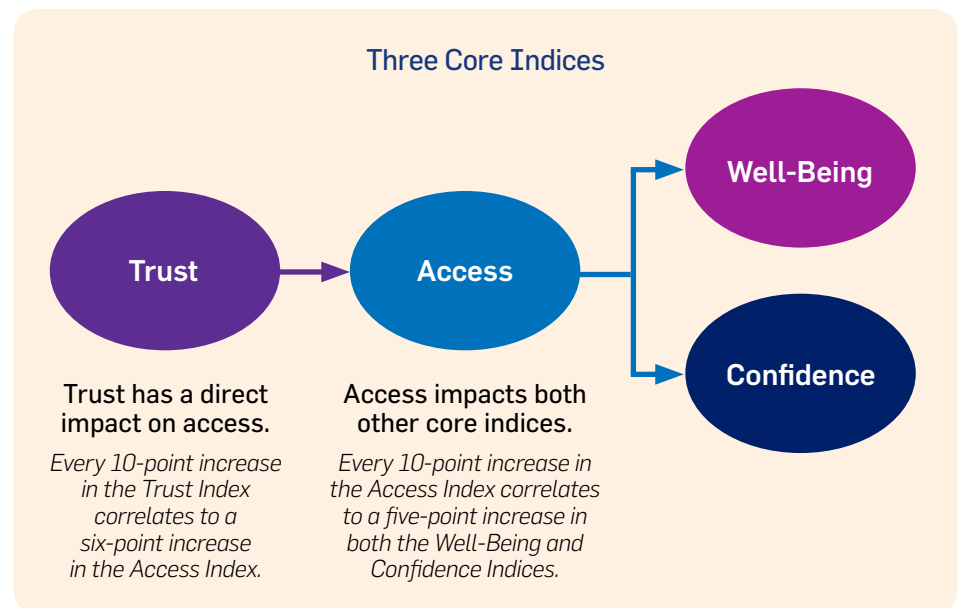
How big are these differences really?

When we find – for example – that Indigenous Canadians have a Well-Being Index score seven points below the national average, is that a big or a small difference?

The modelling we mentioned above can also help us to put differences in the index scores into context. We do this by comparing these differences to the impact of major differences in financial circumstances.

For example, not having any debt aside from your mortgage is equivalent to a 10-point difference in well-being and a four-point difference in confidence. Saving your first \$10,000 is equivalent to a 13-point difference in well-being and a 10-point difference in confidence.

Considering this context, a seven-point difference like the one we observed for Indigenous Canadians vs. the national average represents a tangible difference in the level of financial well-being.



The more Canadians trust the industry, the more accessible they say it is. Trust is a key secondary index because we see how directly it impacts perceptions of access. With results that show every diverse community represented in the research has less trust than the average Canadian, the impact of this low trust is less ability to access professional help and a lower level of comfort while doing so.

While we firmly believe access is important in and of itself, we also see that it has direct impacts on feelings of overall well-being and confidence. Even after accounting for differences in demographics or financial circumstance, a 10-point difference in the Access Index predicts a five-point change in each of the Well-Being and Confidence Index scores.

The bottom line? Building trust and removing barriers to accessing financial professionals can play a key role in increasing the overall financial confidence and well-being of Canadians.

Conclusion

This research paints a concerning picture of the inconsistent experiences that different groups of Canadians are having when it comes to their financial well-being. It demonstrates that large proportions of the Canadian population are not embracing financial services because they are worried about discrimination, they lack the confidence, or they simply don't feel they have access.

This is a call to action. It's time for change.

At FP Canada, we are committed to taking action on diversity, equity and inclusion in the financial planning profession. This includes efforts to expand the diversity of financial planners entering the profession, through initiatives such as our Financial Planning Ambassador Program, to enable more Canadians to see themselves reflected in the profession. It includes professional development offerings focused on diversity, equity and inclusion for existing financial planners, through our annual Financial Planning Conference during Financial Planning Week. It includes efforts to educate Canadians from all walks of life about the benefits of professional financial planning, regardless of their income, age, gender or race. And, it includes measuring progress towards our IMAGINE 2030 vision by repeating this survey on an annual basis.

These are just some of the steps FP Canada is taking to address diversity, equity and inclusion. These, along with other key priorities in pursuit of our IMAGINE 2030 goals, are outlined in our three-year Strategic Plan, which will be released in June 2022.

However, FP Canada is only one organization within the financial planning profession, and to facilitate meaningful action, all stakeholders have a role to play. FP Canada invites all planners, firms, educational and academic institutions, regulatory bodies and industry associations to consider the ways they could each make a difference when it comes to diversity, equity and inclusion and improving the accessibility of professional financial planning advice. Not only is it the right thing to do, but it makes sense from a business perspective. It's in everyone's best interest.

The financial planning profession has an opportunity to do better for Canadians. Together, we can make an impact.



Appendix 1: Survey Methodology

The findings in this study are based on an online survey conducted for FP Canada by INNOVATIVE Research Group. The online survey of 4,103 Canadians outside of Quebec was conducted from September 1st to 8th, 2021. The survey was recruited using Lucid, a leading provider of online sample. The sample of n=4,103 Canadians is weighted to a representative weighted sample of n=4,000.

The survey was weighted by age, gender, education, province, and provincial sub-region for all Canadians outside of Quebec based on Statistics Canada Census data. Additionally, respondents were further weighted by investable assets level according to Statistics Canada's Survey of Financial Security.

Table 1: Regional Breakdown of Sample

| | BC | AB | Prairies | Ontario | Atlantic | Total |
|----------------|-----|-----|----------|---------|----------|-------|
| Unweighted (n) | 719 | 620 | 360 | 2021 | 383 | 4,103 |
| Unweighted (%) | 18% | 15% | 9% | 49% | 9% | 100% |
| Weighted (n) | 698 | 569 | 362 | 1960 | 410 | 4,000 |
| Weighted (%) | 17% | 14% | 9% | 49% | 10% | 100% |

Appendix 2: Index Methodology

For the purpose of comparability, the same index score methodology is applied for each of the *Imagine 2030 Benchmark Indices*. The calculation is performed in three steps.

STEP 1: Individual Question Scores

Each individual question is scored between zero and one. According to the following rubric:

| Response (Direct questions) | Response (Reversed questions) | Score |
|--------------------------------------|---|-------|
| Strongly agree Very confident | Strongly disagree Not confident at all | 1 |
| Somewhat agree Somewhat confident | Somewhat disagree Not very confident | 0.75 |
| Neutral Don't know | Neutral Don't know | 0.5 |
| Somewhat agree Somewhat confident | Somewhat agree Somewhat confident | 0.25 |
| Neutral Don't know | Strongly agree Very confident | 0 |

Note: Questions are reversed when the attitude measures the index concept in a negative way. Reversed items are marked in the full description of each index in the body of the white paper.

In the first step, a score for each survey respondent can be calculated on each question according to the rubric.

STEP 2: Total Index Score

After the score from zero to one is calculated for each individual item for each respondent, a total index score is calculated by summing the individual question scores and dividing the sum by the number of questions in the index. For example, the Financial Well-Being Index consists of three questions. If a respondent scored a 0.5, and 0.25, and a 0.75 their total index score would be:

$$\frac{(0.5 + 0.25 + 0.75)}{3} = 0.5$$

STEP 3: Index Scaling

Each individual index score is rescaled from 0 to 100 by multiplying the total index score by 100.

STEP 4: Average Index Scores

The overall scores for each index among either all Canadians or a particular group is calculated as the mean of the individual scores for that group among the survey respondents.



Commitment to Accessibility

FP Canada is committed to ensuring equal access and participation for people with disabilities. We are committed to treating people with disabilities in a way that allows them to maintain their dignity and independence. We believe in integration and we are committed to meeting the needs of people with disabilities in a timely manner. We will do so by removing and preventing barriers to accessibility and meeting our accessibility requirements under the Accessibility for Ontarians with Disabilities Act, 2005 and Ontario's accessibility laws.

Commitment to Inclusion and Diversity

FP Canada values inclusion and diversity, and different perspectives and experiences; and we are committed to working towards an inclusive and diverse organization, reflective of Canada's population.

Commitment to Impartiality

FP Canada's Executive Leadership Team is committed to ensuring impartiality and objectivity in all our activities, including certification and education. FP Canada undertakes to act impartially in relation to its students, candidates, certificants and all other stakeholders, and all of FP Canada's policies and procedures are designed to be fair and consistent. FP Canada identifies and assesses risks that may result in a conflict of interest or pose a threat to impartiality.

Further, FP Canada employees, volunteers and contractors also understand the importance of impartiality and the consideration of any potential conflict of interest in carrying out their activities, including certification and education. Conflicts of interest and objectivity are addressed through a strong governance structure, comprehensive policies and procedures and binding agreements to ensure that all activities are conducted in an independent and impartial manner.

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