

# Financial Services Regulatory Authority of Ontario 2022 Consumer Research: Financial Advice

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May 2023 – Report

**FSRA**  
Financial Services Regulatory  
Authority of Ontario



**FORUM  
RESEARCH**

# Table of Contents

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<b>Background</b>	3
<b>Methodology</b>	4
<b>Interpreting This Report</b>	5
<b>Key Findings</b>	7
<b>Detailed Findings</b>	10
Detailed Results by Financial Vulnerability	12
Detailed Results by Worked/Have Not Worked with a Financial Advisor	40
<b>Vulnerability</b>	46
<b>Demographics</b>	55

# Background

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The Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) have been working on a few projects related to insurance compensation arrangements, including the Incentive Management Guidance and the Discussion Paper on Upfront Compensation for Segregated Funds.

FSRA has been actively participating in these projects. In support of future FSRA implementation of these CCIR and CISRO projects, FSRA conducted additional research to better understand how consumers engage with their financial advisor and their preferred method for paying for the services they receive. The term "financial advisor" was used in the survey as it is generally understood by consumers to be an individual that provides financial services.

# Methodology

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<b>Fieldwork dates</b>	January 10 <sup>th</sup> – January 31 <sup>st</sup> , 2023
<b>Sample</b>	Ontario residents, aged 18+
<b>Survey collection method</b>	Online survey using computer-assisted web interviewing (CAWI)
<b>Sample size</b>	$N = 1,007$
<b>Margin of error</b>	+/- 3.09%

## Notes:

- Respondents were screened to ensure all respondents are Ontario residents aged 18 and over.
- Because the survey was conducted online, the sample cannot be assumed to be truly random. A random sample of this size would have a margin of error of +/- 3.09%, 19 times out of 20.

# Interpreting this Report

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## TOP2 / BTM2 Groupings

Top 2 (TOP2) and Bottom 2 (BTM2) reference the collected TOP2 positive and BTM2 negative responses, respectively where applicable. For example, a TOP2 grouping referred to as “satisfied” may be the combined result of “very satisfied” and “somewhat satisfied,” whereas a grouping of “not satisfied” (BTM2) may be the combined result of “not very satisfied” and “not at all satisfied.”

## Rounding

Due to rounding, numbers presented throughout this document may not add up to the totals provided. For example, in some cases, the sum of all question values may add up to 101% instead of 100%. Similar logic applies to TOP2 and BTM2 groupings.

## Multi-mentions

In some cases, more than one answer option is applicable to a respondent. Multiple mention questions allow respondents to select more than one answer category for a question. For questions that ask for multiple mentions (e.g., “*Where do you go to get your financial advice, if at all? Please select all that apply.*”), it is important to note that the percentages typically add to over 100%. This is because the total number of answer categories selected for a question can be greater than the number of respondents who answered the question.

# Interpreting this Report

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## Significance Testing

Throughout the report, statistically significant differences (at the 95% confidence level) between demographic segments (level of vulnerability, age, gender, visible minorities, education, employment, and household income) are reported on each slide in the Detailed Findings, when statistical differences exist and when appropriate. Statistically significant differences between vulnerability segments have also been shown in vulnerability break out slides.

58%  
(A)

Denotes the percentage which is significantly higher (at the 95% confidence level) than the segment with the corresponding letter. Each segment is denoted with letters (e.g., A, B, C, etc.). If the letter “A” appears under the response of a certain segment, this indicates that the response of that segment is significantly higher than the response of the segment denoted with the letter “A”. Note that due to sample sizes, it is possible for one segment to be different from another segment, yet not be statistically significantly different.

## Question Framework

The footnote on each page indicates the related question from the survey questionnaire, the sample framework used in the analysis, and the sample size of the related data.

## Small sample size

Note that footnotes have been added to small sample sizes (defined as  $n < 30$ ) in the report, and caution should be exercised when interpreting these results. Additionally, significant differences between demographic segments with small sample size are not flagged.

# KEY FINDINGS

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# Key Findings

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## **The most common source of financial advice is word of mouth.**

- Only about a third of respondents work with a professional/consultant such as a financial advisor or planner to get their financial advice. Those who are highly vulnerable are less likely to work with a professional. *(Slide 13)*
- The highly vulnerable respondents are also more likely to say they do not get financial advice compared to others. *(Slide 14)*
- For those who are working with a professional, the most common reason is because the advisor has the expertise that they don't have. *(Slide 31)* Furthermore, most respondents say they did not experience any barriers when getting financial advice from an advisor. However, those who are highly vulnerable are the exception – for these individuals, the most common barrier they've experienced is not being confident about finding the right financial advisor for them. *(Slide 33)*
- In general, respondents who do not work with a professional most commonly say it's because their current financial circumstances are not worth getting advice on. However, for the highly vulnerable respondents, the most common reason is because they cannot afford the advisor's fees. *(Slide 35)*

## **About two thirds agree that they believe they have the knowledge to make their own financial decisions and are confident in their abilities to do so.**

- Agreement with these two statements drops as respondents are more vulnerable. Slightly less than half of those who are vulnerable agree that they believe they have the knowledge to make their own financial decisions, and slightly more than half agree that they are confident in their abilities to do so. *(Slide 27 & 29)*



# Key Findings

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**Receiving personalized advice on a range of financial products but choosing the product from the options is most preferred by respondents, across all levels of vulnerability. *(Slide 39)***

- When presented with different situations, respondents do not have a strong tendency to say they are likely to use automated online financial advice. Slightly more than half say they are likely to use online services if it also has the option to speak with an advisor and if they felt like their data was protected. *(Slide 41)*
- However, less than half are likely to say they will use automated online financial advice if it is more accessible than an advisor, if it is cheaper than an advisor, and if they do not have a financial advisor near them. *(Slide 41)*

**Most respondents currently pay for their financial advice from an advisor indirectly and this is also the most preferred method.**

- Those who are highly vulnerable are more likely to say they are currently paying directly out of pocket. However, their most preferred method of payment is dependent on the amount they are investing. *(Slide 43 & 45)*
- Making a regular payment on an ongoing basis is the most common payment schedule that respondents have. However, their preferred payment schedule depends on the amount they are investing. *(Slide 47 & 49)*
- Most respondents agree that the costs for receiving advice from an advisor should be based on the amount of time and effort they use. Slightly more than half also agree that advisors should be compensated at or near the time they provide their advice and that they should be able to get advice at a lower cost if they are investing more money. *(Slide 51)*
- In general, respondents are less likely to agree that costs should be subsidized. However, six in ten highly vulnerable respondents agree that the costs should be subsidized. *(Slide 51 & 52)*
- Only three in ten respondents agree that they know how much money is a reasonable amount for a financial advisor to charge for providing financial advice. *(Slide 51)*

# DETAILED FINDINGS

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# Detailed Findings

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The detailed findings have been organized into two different points of view:

1. Financial vulnerability, which follows from the consumer research that we have done in the past; and
2. Working with a financial advisor, which is relevant to questions asked to both people who received advice from a professional and those who did not.

If comparing the results of this survey against previous FSRA consumer research, please note statistical results are based on the data collected at a specific point in time and may vary from one survey or poll to the next, depending on factors such as sample size, sampling method, and the population being studied.

# DETAILED RESULTS BY FINANCIAL VULNERABILITY

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# Financial Vulnerability Classification

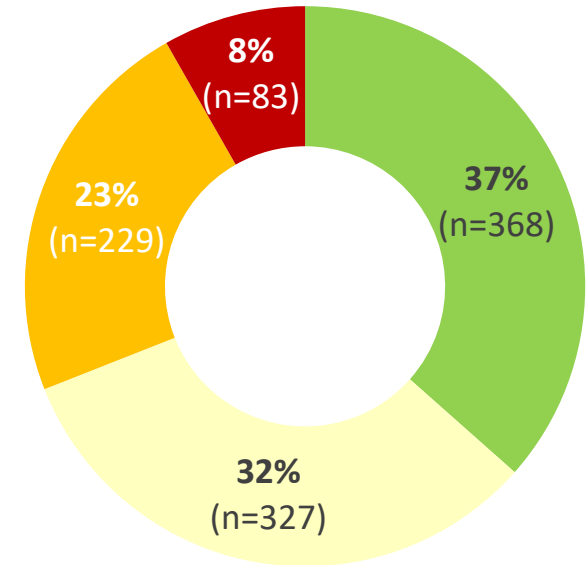
Financial vulnerability classifications were determined based on four categories: health, capability, life events, and resilience. Each of the category has between three to four vulnerability markers that were measured against the results gathered from the survey. This framework is guided by the vulnerability definition set by the UK Financial Conduct Authority issued on February 2021 for organizations on the fair treatment of vulnerable customers.

<b>Health</b>	At least one physical or mental health condition	An additional physical or mental health condition beyond the first	Physical or mental health condition(s) with a “somewhat significant” or “very significant” impact	
<b>Capability</b>	“Somewhat unconfident” or “completely unconfident” with numbers	“Somewhat unconfident” or “completely unconfident” with using computers and the internet	Low financial literacy (correctly answered 2 or fewer of 4 financial literacy questions)	
<b>Life events</b>	If they are providing help/financial support to someone in their household	If they are providing help/financial support to someone not in their household	Experienced an impactful life event this year	
<b>Resilience</b>	Feel that keeping up with household expenses is a “heavy burden”	Household income that is under \$40k or is highly variable	Feel that their non-mortgage debt is a heavy burden	Only enough savings to last less than a week if main source of household income was lost

# Vulnerability Classification

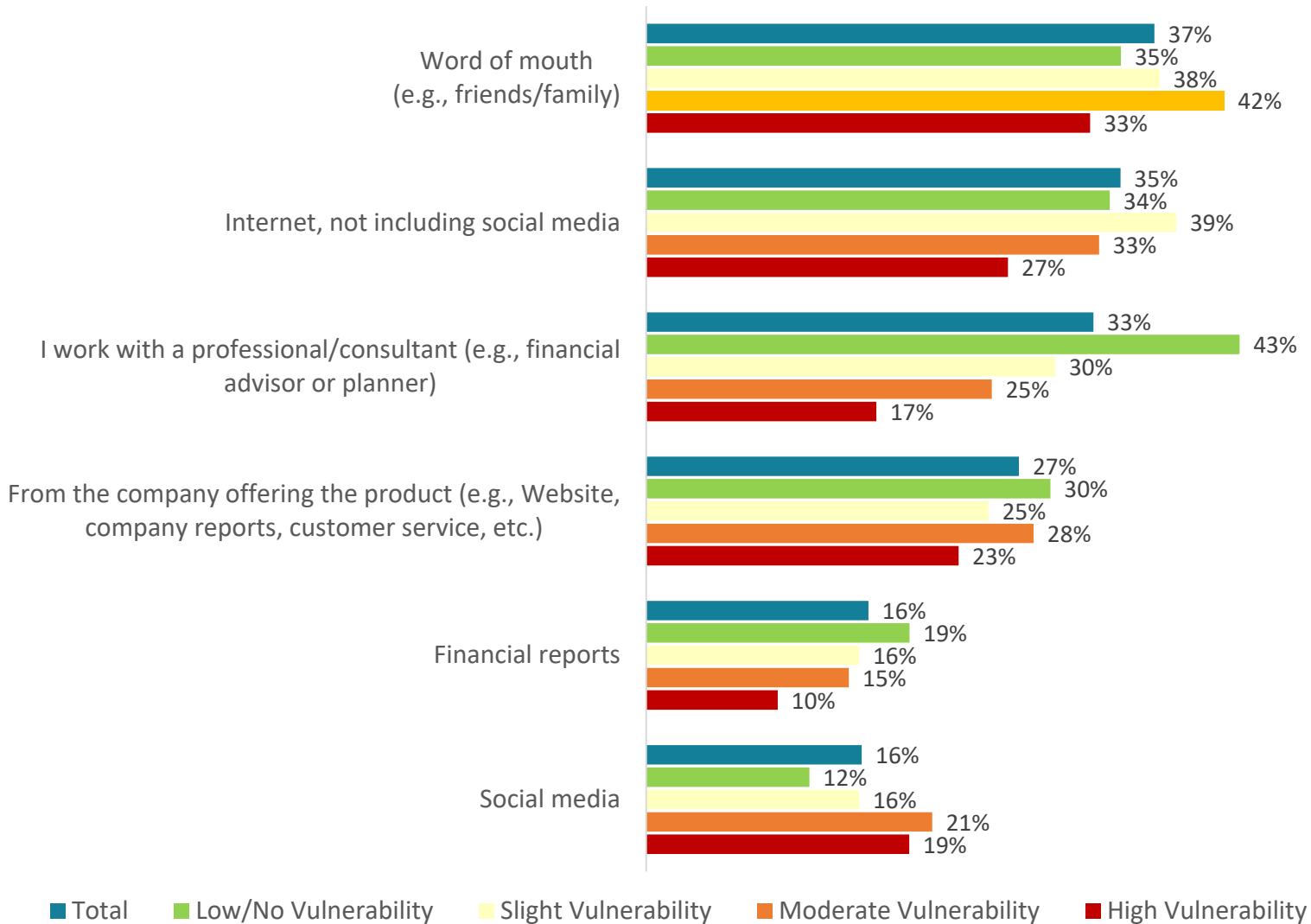
Respondents were classified based on level of vulnerability defined by the number of markers garnered from each category. Classifying respondents based on their level of vulnerability allows for better insights on interpreting the results of the study. Further details on the vulnerability questions can be found in the Vulnerability section of this report.

Level of Vulnerability	Overall Vulnerability
High Vulnerability	7 or more markers across all four categories
Moderate Vulnerability	4 to 6 markers
Slight Vulnerability	2 or 3 markers
Low/No Vulnerability	One or zero markers



- Low/No Vulnerability
- Slight vulnerability
- Moderate vulnerability
- High vulnerability

# Sources of Financial Advice

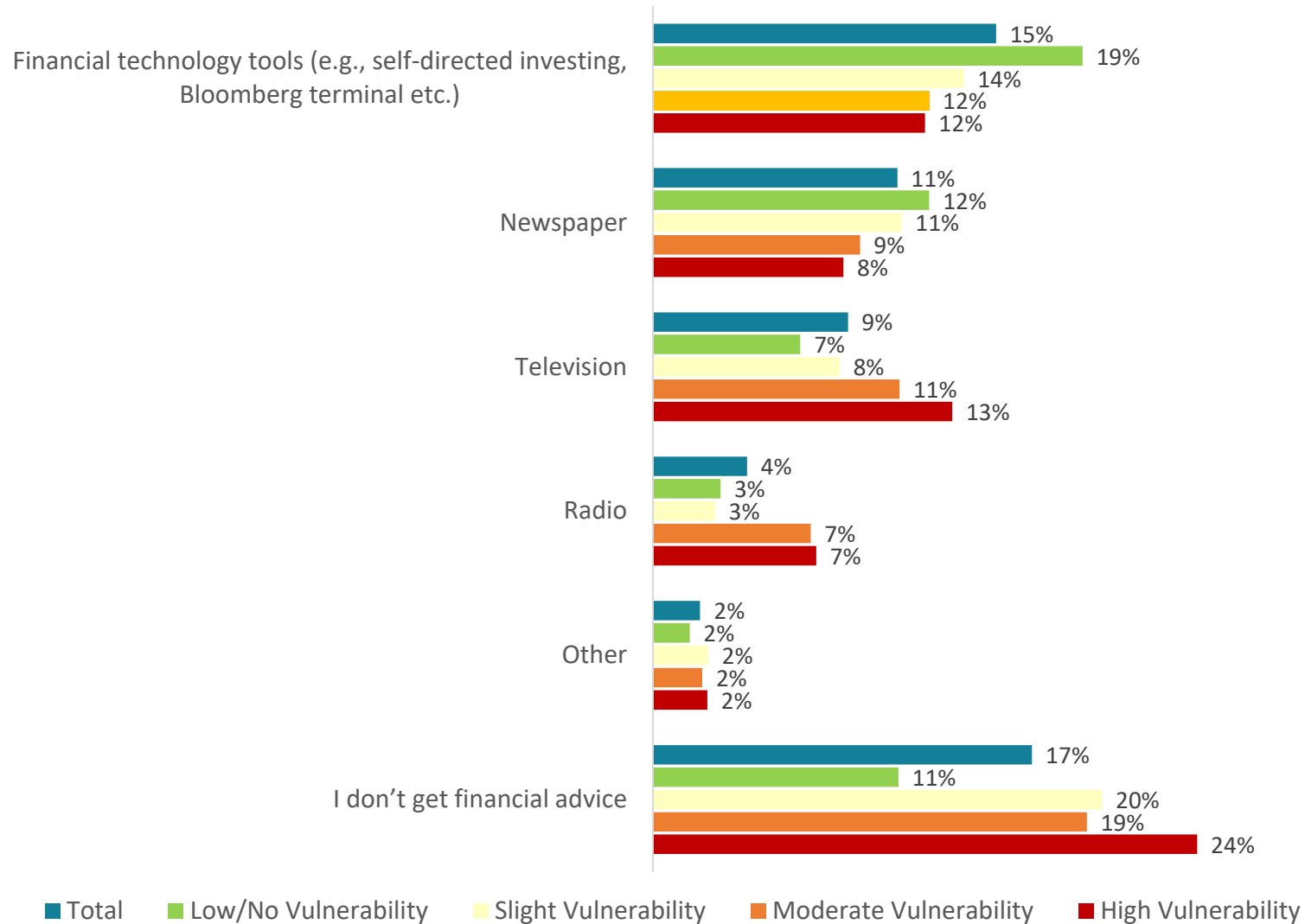


- Overall, over a third of the respondents get their financial advice through word of mouth (37%), followed by the internet (35%), and a professional/ consultant (33%). The following groups are significantly more likely to rely on word of mouth through family and friends:
  - Those who are employed, unemployed, and students (34%-56%) compared to those who are retired (23%).
  - Those aged 18 to 44 (40%-52%) compared to those aged 55 years or older (22%-26%).
- The following groups are significantly more likely to work with a professional:
  - Low vulnerable individuals (43%) compared to the other vulnerability groups (17%-30%).
  - Those aged 25-34 and 45+ (23%-59%) compared to those aged 18-24 (15%).
  - Those who are retired (53%) compared to those employed, unemployed, and students (15%-34%).
  - Those earning \$20k+ (26%-61%) compared to shoe earning <\$20k (8%).

F1a. Where do you go to get your financial advice, if at all? Please select all that apply.  
 Sample size: Total n=1007, Low/No Vulnerability n=368, Slight Vulnerability n=327, Moderate Vulnerability n=229, High Vulnerability n=83  
 Framework: Total sample



# Sources of Financial Advice (con't)



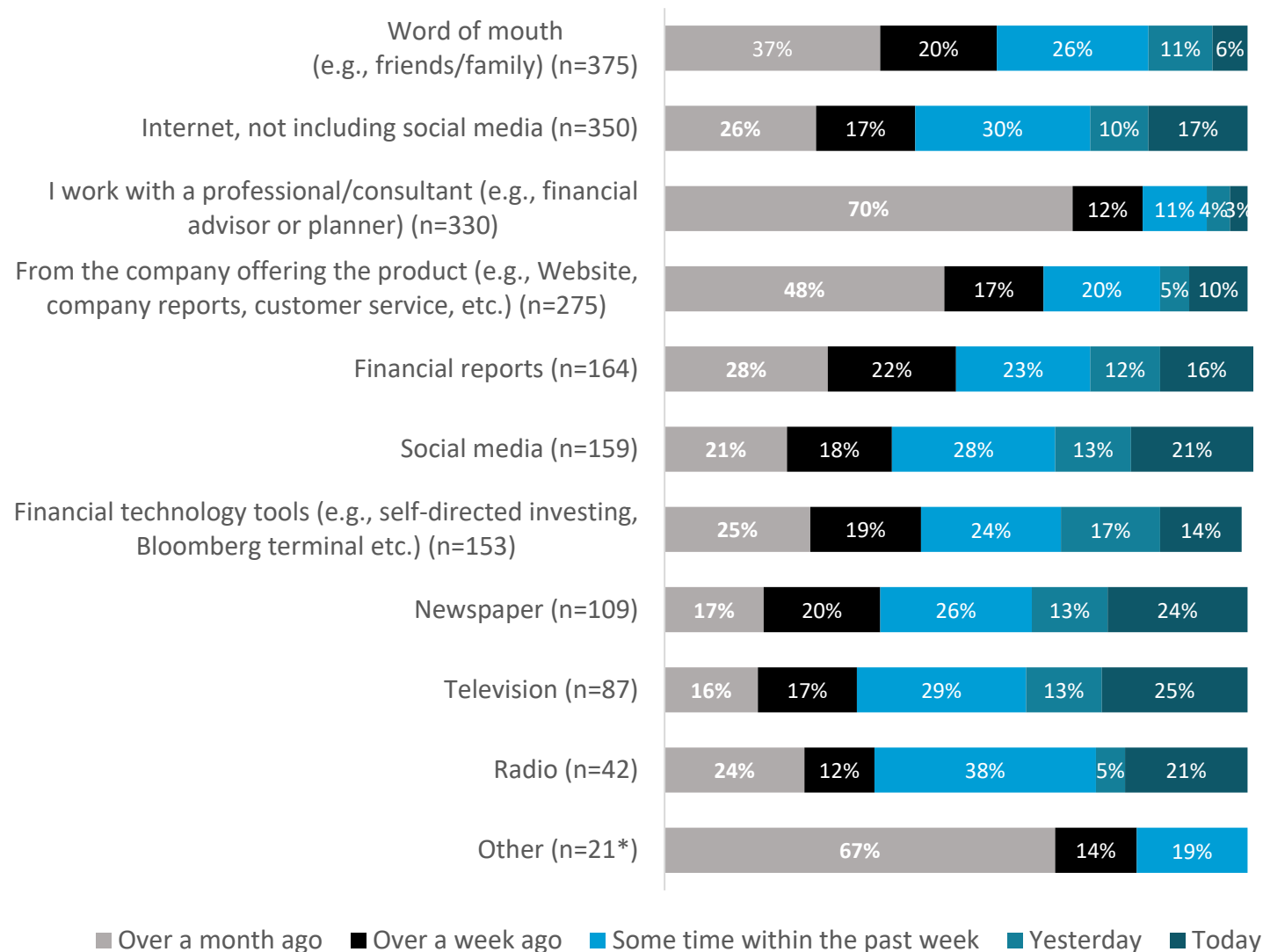
- Overall, about one in six (17%) do not get any financial advice. The following groups are significantly more likely to not get a financial advice:
  - Those who are slightly, moderately, and highly vulnerable (19%-24%), compared to those who are least vulnerable (11%).
  - Those with a household income below \$40k (25%-36%) compared to those with a household income above \$60k (3%-13%).
  - Those with a high school diploma or apprenticeship/trades certificate (20%-26%) compared to those with a bachelor's degree or higher (8%-13%).
  - Those who are unemployed, retired, or students (18%-35%) compared to those working full-time (11%).

F1a. Where do you go to get your financial advice, if at all? Please select all that apply.

Sample size: Total n=1007, Low/No Vulnerability n=368, Slight Vulnerability n=327, Moderate Vulnerability n=229, High Vulnerability n=83

Framework: Total sample

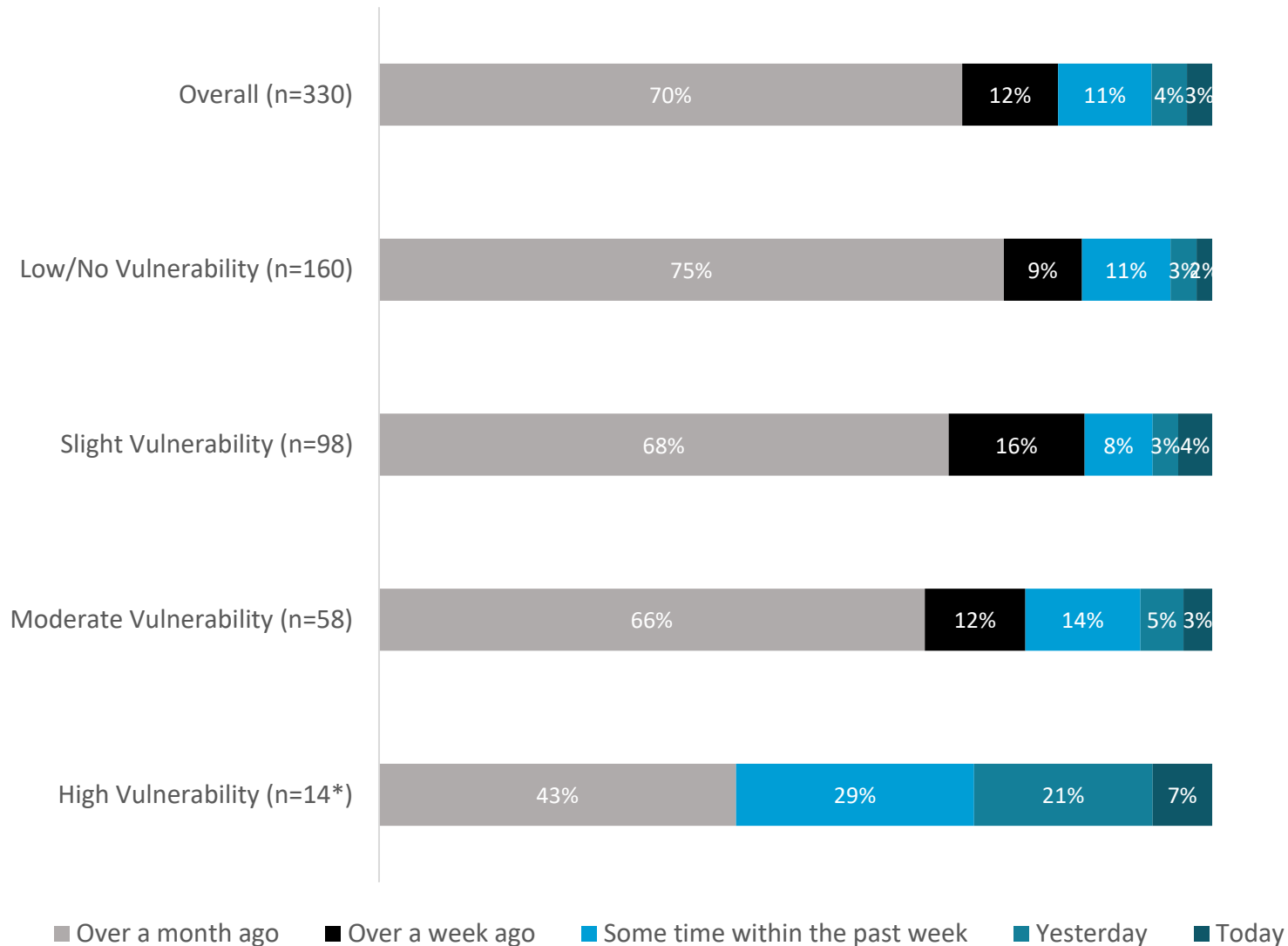
# Last Time Receiving Financial Advice From Source (Overall)



- Within the recent week (i.e., today, yesterday, or some time within the past week), three in five last received their financial advice from television (67%), radio (64%), newspaper (62%), and social media (62%).
- Two in five (43%) have last received their financial advice through word of mouth over the recent week.
  - Respondents who are not a visible minority (41%) are most likely to have received this type of advice over a month ago compared to visible minorities (30%).
- Half of the respondents (57%) have last received their financial advice through the internet over the recent week.
  - Men (36%) are more likely to have received their financial advice through the internet some time within the past week compared to women (25%).
- One in five (18%) have last received their financial advice through a professional/consultant within the recent week, while seven in ten (70%) received advice from this source over a month ago.

F1b. And when was the last time you received financial advice from each source?  
 Sample size: Shown in chart above  
 Framework: Total respondents who selected each source of financial advice, excluding "I don't get financial advice"  
 \*Small sample size; interpret with caution

# Last Time Receiving Financial Advice from a Professional/ Consultant



- Across all vulnerability segments, the majority of the respondents have last received financial advice from a professional or consultant over a month ago.
- Individuals who are the least vulnerable (16%) and slightly vulnerable (15%) have received advice from a professional or consultant over the recent week, mirroring the overall respondents who have received advice during the same time frame (17%).
- Those who are the least vulnerable (75%) are significantly more likely to have received advice from a professional over a month ago compared to those who are the most vulnerable (43%)\*.

\*Sample size n<30. Interpret with caution.

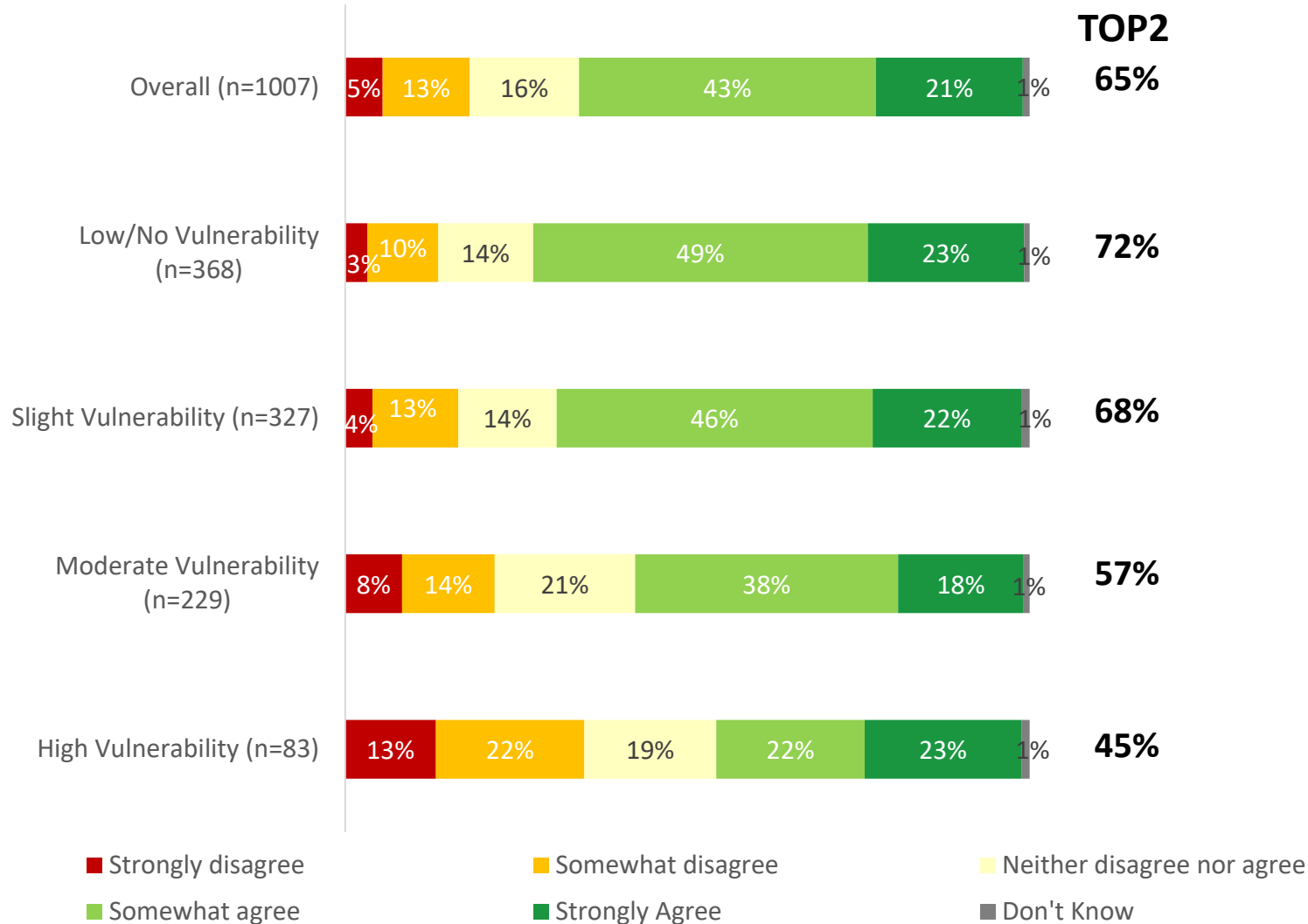
F1b. And when was the last time you received financial advice from each source?

Sample size: Shown in chart above

Framework: Total respondents who selected each source of financial advice, excluding "I don't get financial advice"

\*Small sample size; interpret with caution

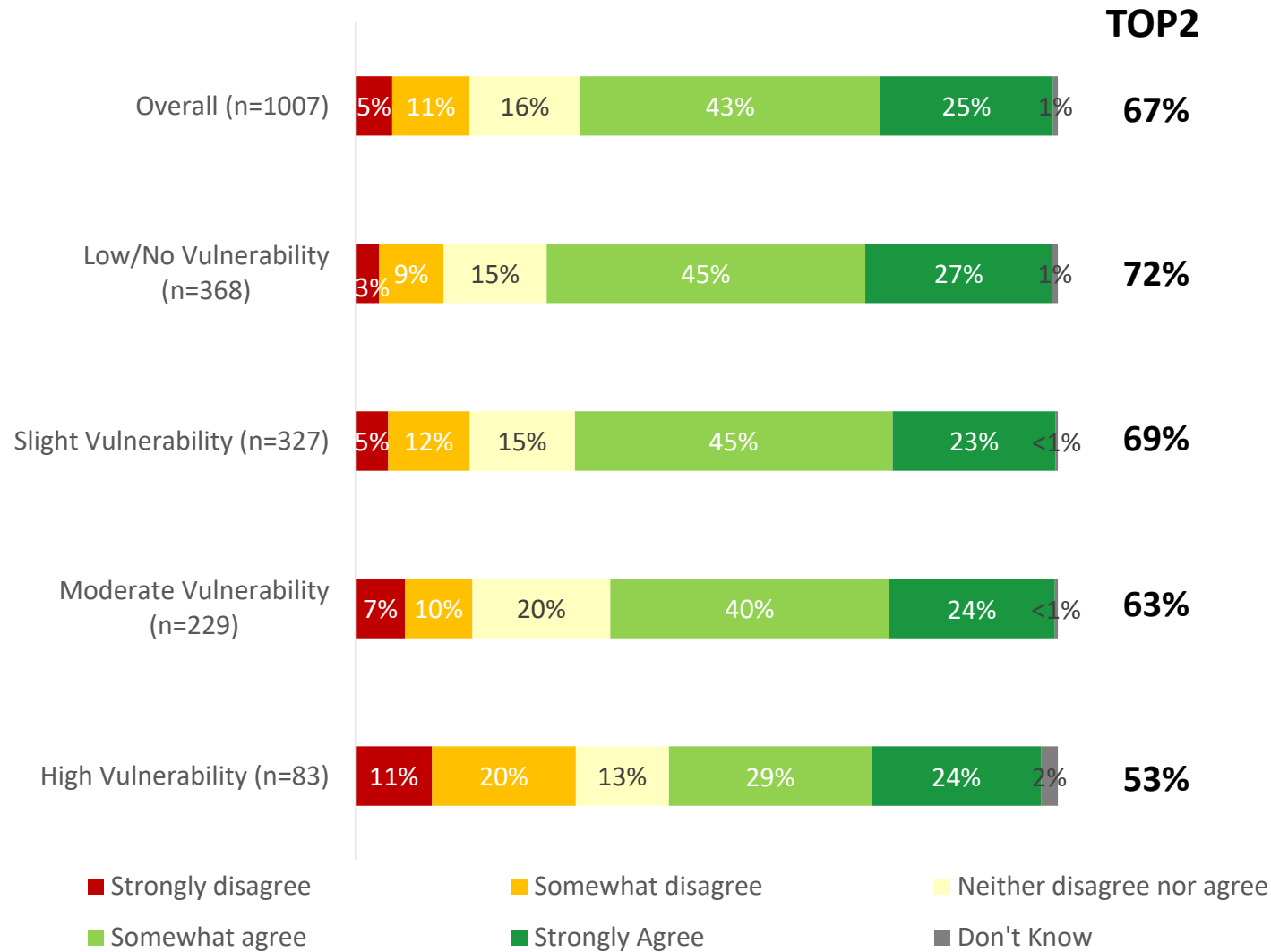
# Knowledge on Financial Decisions



- Overall, two in three (TOP2: 65%) agree that they have the knowledge to make their own financial decisions. The following groups are significantly more likely to agree :
  - Individuals who have low/no vulnerability (TOP2: 72%) compared to those who have high vulnerability (TOP2: 45%).
  - Those aged 65 to 74 (TOP2: 70%) compared to those aged 18 to 24 (TOP2: 58%).
  - Individuals employed full time (TOP2: 67%), self-employed (TOP2: 70%), and retired individuals (TOP2: 71%) compared to individuals employed part time (TOP2: 53%).
  - Those with household income of \$40,000 or more (TOP2: 64%-75%) compared to those with household income less than \$20,000 (TOP2: 48%)

F2a. How much do you agree or disagree with the following statements: I believe I have the knowledge to make my own financial decisions  
 Sample size: Shown in chart above  
 Framework: Total sample

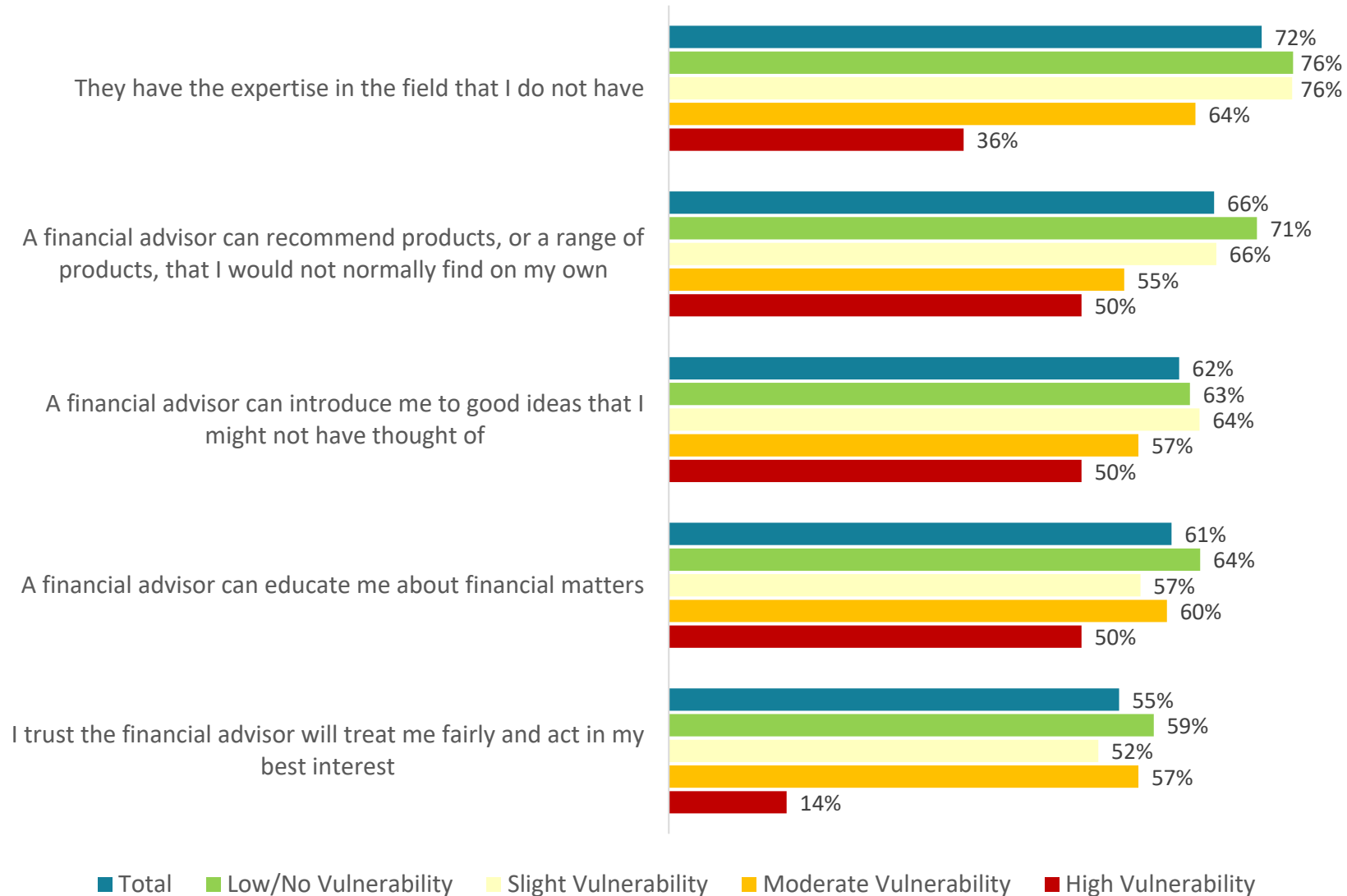
# Confidence on Financial Decisions



- Overall, three in five (TOP2: 67%) agree they are confident in making their own financial decisions. The following groups are significantly more likely to agree:
  - Individuals who have low/no vulnerability (TOP2: 72%) compared to those who have high vulnerability (TOP2: 53%).
  - Those aged 35 to 44, 45-54, 65-74, and 75+ years (TOP2: 70%, 71%, 71%, and 75% respectively) compared to those aged 18 to 24 years (TOP2: 58%).
  - Individuals with household income between \$80,000 and less than \$100,000 (TOP2: 74%) compared to those with household income less than \$20,000 (TOP2: 61%) and \$20,000 to less than \$40,000 (TOP2: 62%).

F2b. How much do you agree or disagree with the following statements: I am confident in my ability to make my own financial decisions  
 Sample size: Shown in chart above  
 Framework: Total sample.

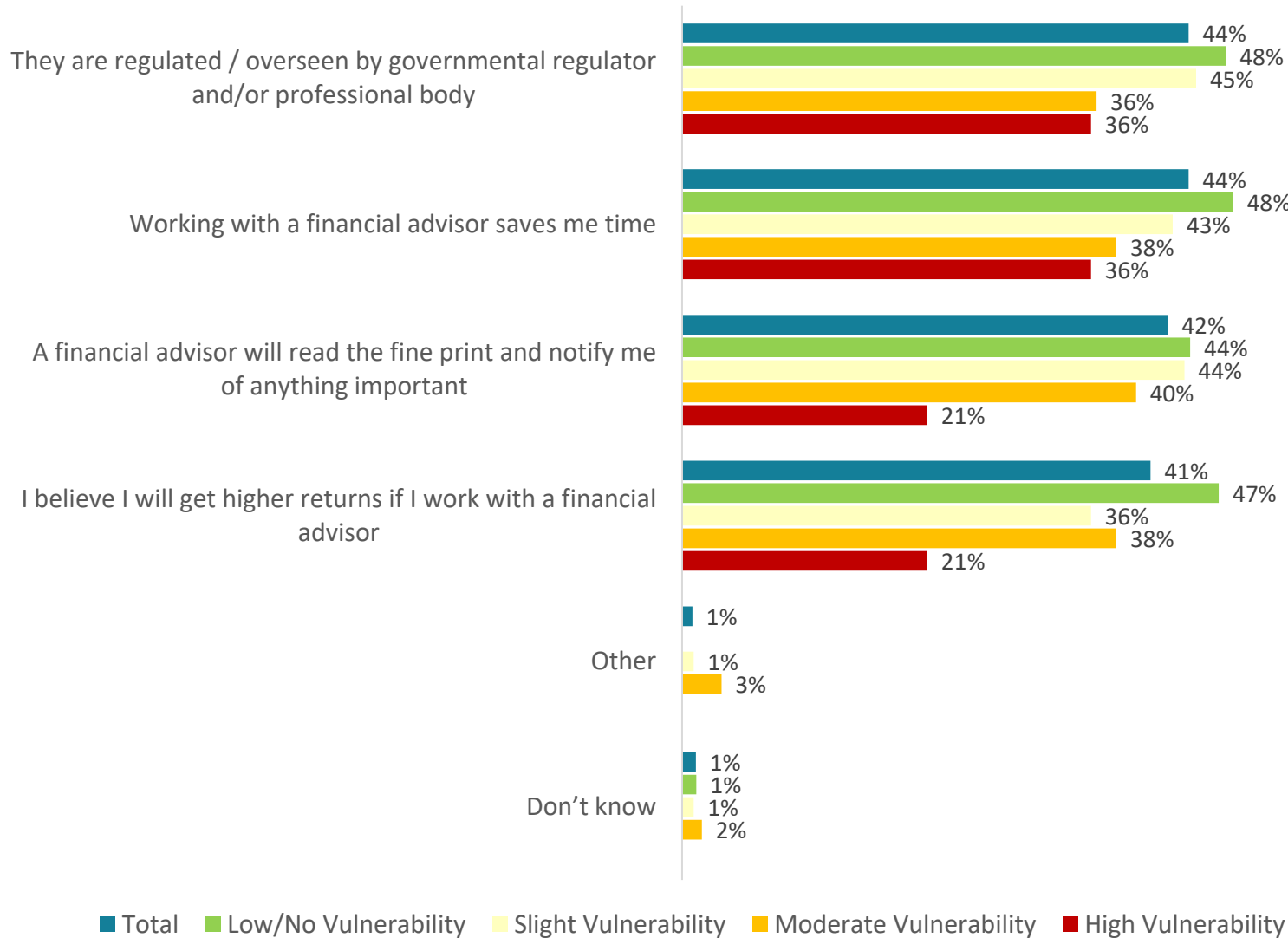
# Reasons for Working with a Financial Advisor



- Overall, about 7 in 10 people (72%) work with a financial advisor due to their expertise in the field. The following groups who are significantly more likely to work with an advisor for this reason:
  - People aged 55 to 64 years (80%) and aged 65 to 74 years (76%) compared to those aged 35 to 44 years (56%).
  - Retired individuals (81%) compared to those employed full-time (66%).
- People who are highly vulnerable work with financial advisors primarily because advisors recommend products that they couldn't find on their own, introduce them to good ideas, and educate them on financial matters (each at 50%).

F3. What are the reasons why you work with a financial advisor to get financial advice? Please select all that apply.  
 Sample size: Total n=330, Low/No Vulnerability n=160, Slight Vulnerability n=98, Moderate Vulnerability n=58, High Vulnerability n=14  
 Framework: Total respondents who worked with a professional/consultant (e.g., financial advisor or planner)

# Reasons for Working with a Financial Advisor (con't)

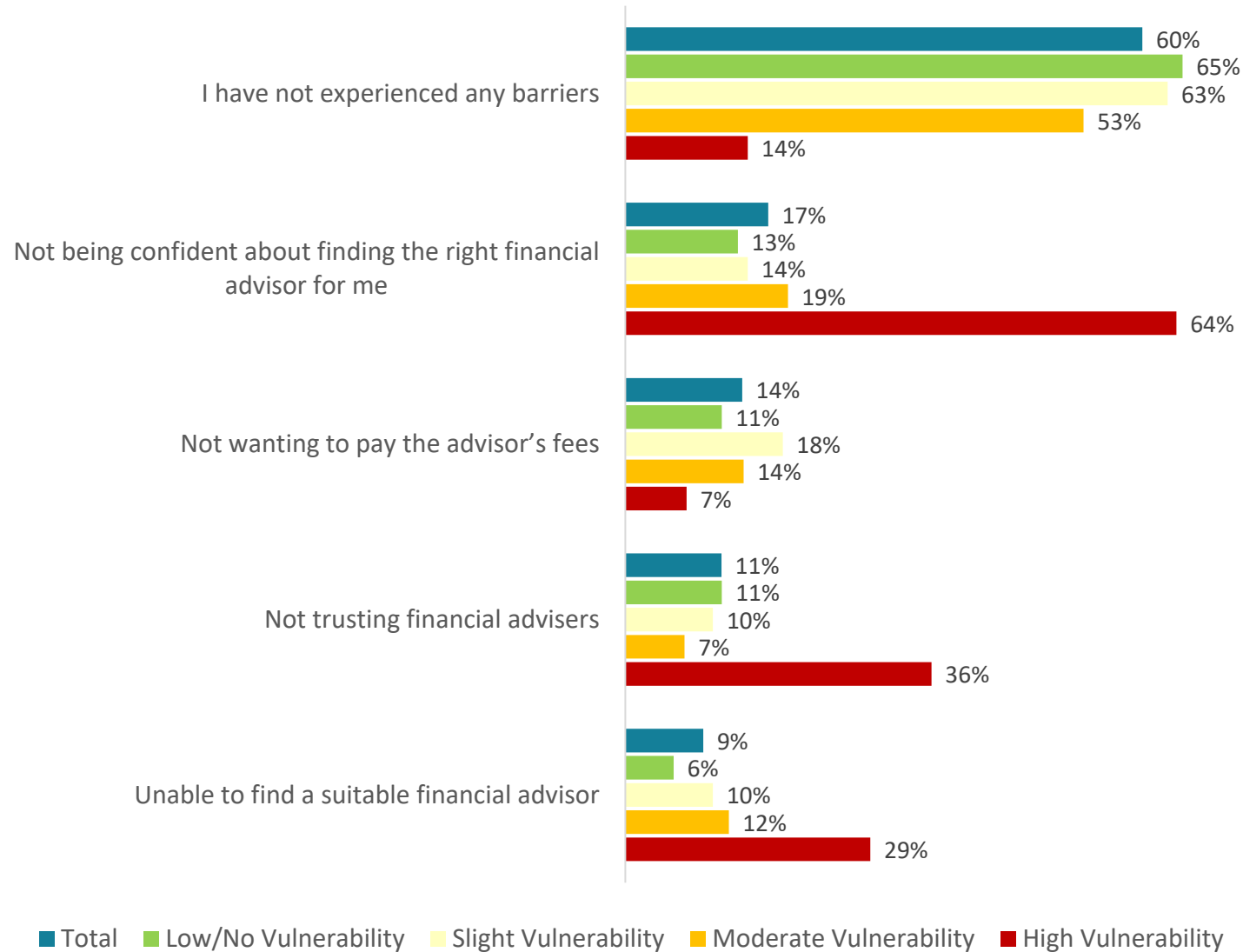


- Overall, believing they will get higher return is the least commonly mentioned reason why respondents work with a financial advisor (41%).
  - Respondents who are not a visible minority (44%) are more likely to work with a financial advisor because of the potential for higher returns compared to visible minorities (32%).

F3. What are the reasons why you work with a financial advisor to get financial advice? Please select all that apply.  
 Sample size: Total n=330 , Low/No Vulnerability n=160, Slight Vulnerability n=98, Moderate Vulnerability n=58, High Vulnerability n=14  
 Framework: Total respondents who worked with a professional/consultant (e.g., financial advisor or planner)



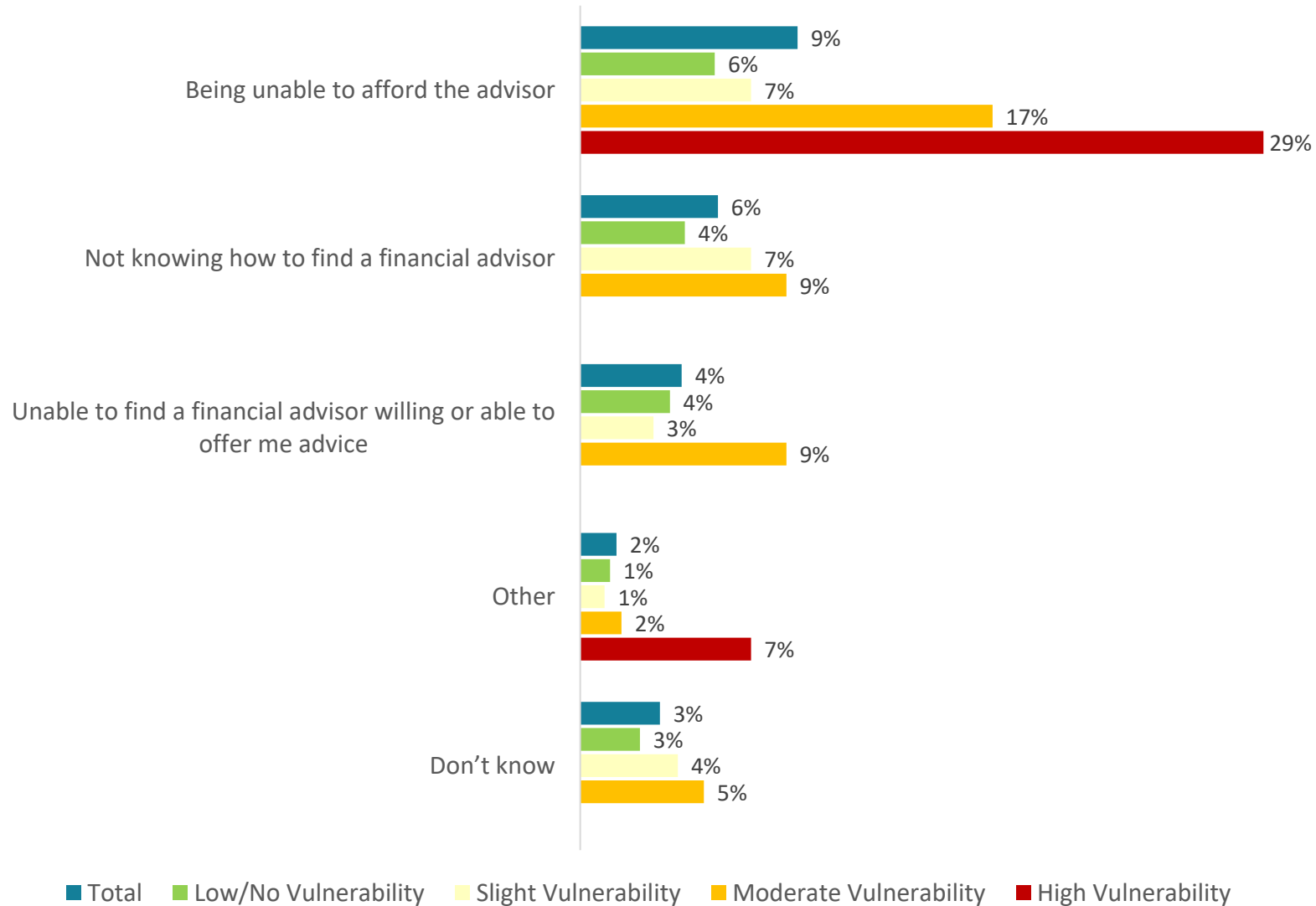
# Barriers to Getting Financial Advice



- Three in five people (60%) who are working with a professional/ consultant experienced no barriers. The following groups are significantly more likely to have experienced no barriers:
  - Those aged 45-74 (61%-77%) compared to those aged 25-34 (34%).
  - Respondents who are not a visible minority (65%) compared to visible minorities (51%).
  - Retired individuals (74%) compared to individuals employed full-time (47%).
- Among those who are experiencing barriers on getting financial advice from financial advisors, nearly one in five people (17%) are not confident about finding the right financial advisor for them. People who are highly vulnerable (64%) are found to be the least confident across all vulnerability groups.

F4a. Have you experienced any of the following barriers to getting financial advice from a financial advisor? Please select all that apply. Sample size: Total n=330 , Low/No Vulnerability n=160, Slight Vulnerability n=98, Moderate Vulnerability n=58, High Vulnerability n=14 Framework: Total respondents who worked with a professional/consultant (e.g., financial advisor or planner)

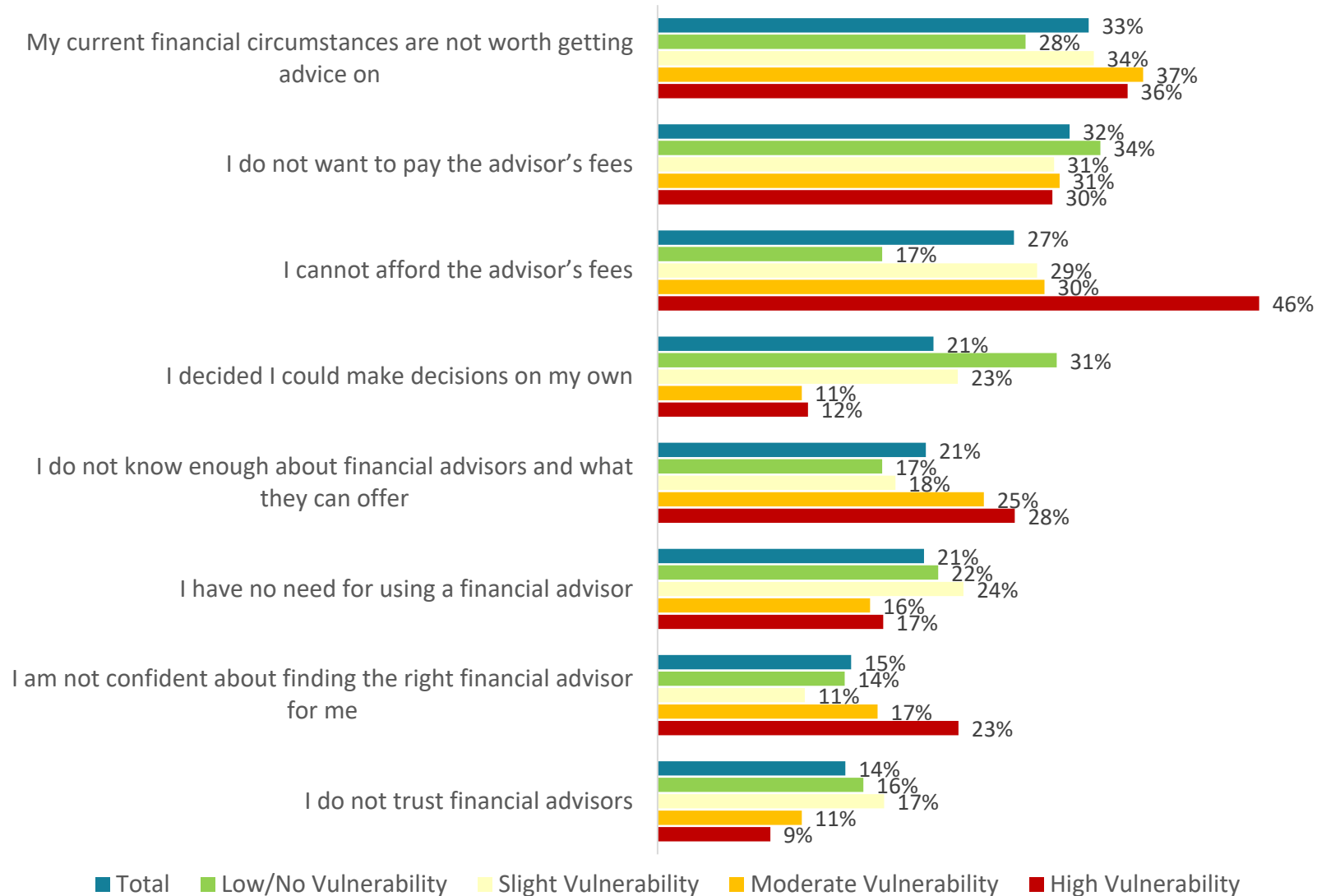
# Barriers to Getting Financial Advice (con't)



- People with high vulnerability (29%) are more likely to say they are unable to afford a financial advisor compared to the rest of the vulnerability groups.

F4a. Have you experienced any of the following barriers to getting financial advice from a financial advisor? Please select all that apply.  
 Sample size: Total n=330 , Low/No Vulnerability n=160, Slight Vulnerability n=98, Moderate Vulnerability n=58, High Vulnerability n=14  
 Framework: Total respondents who worked with a professional/consultant (e.g., financial advisor or planner)

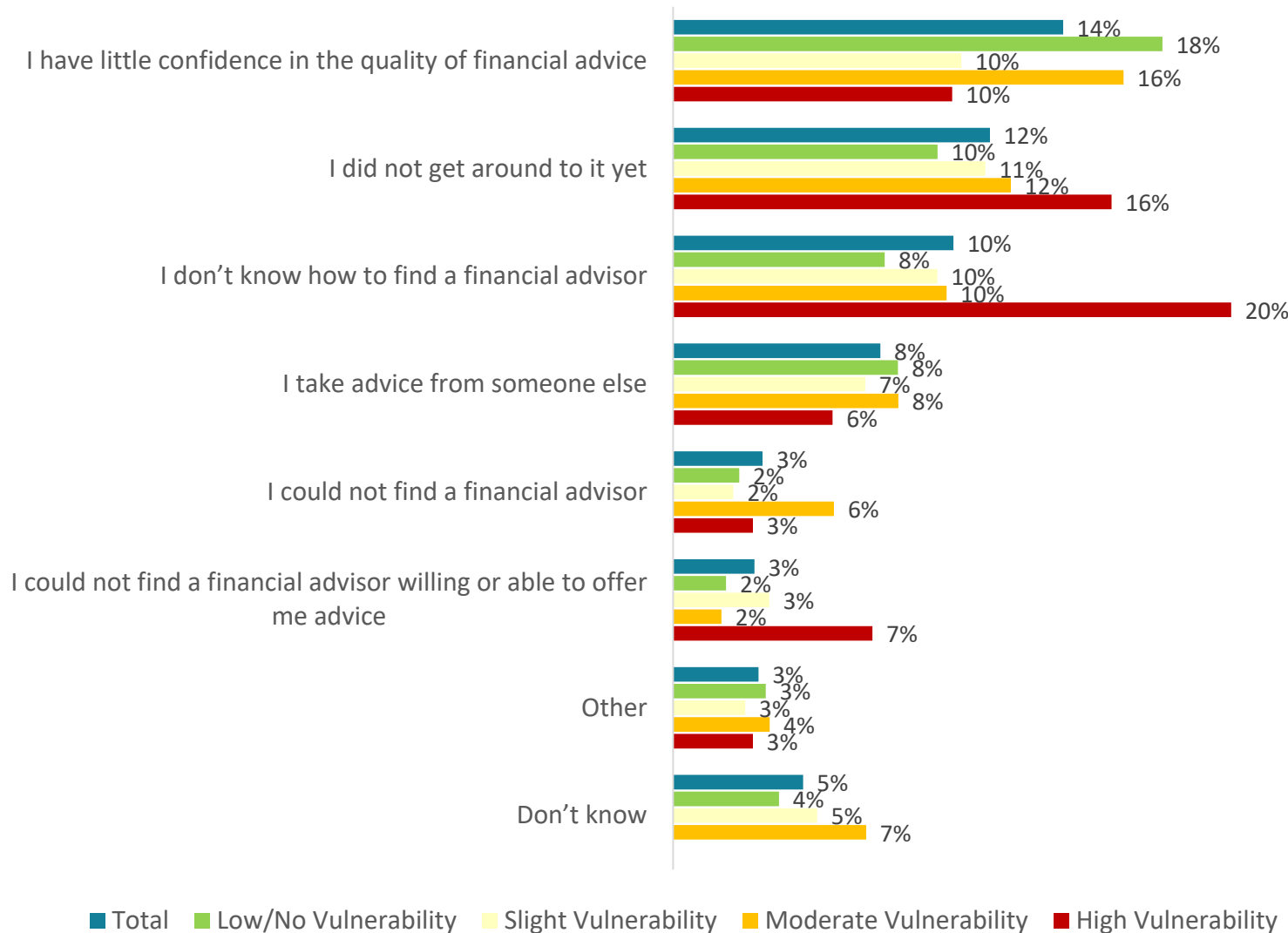
# Reasons for Not Getting Financial Advice



- A third of the respondents do not work with a professional/ consultant because their current financial circumstance are not worth getting advice on (33%). Those who are significantly more likely to not work with a professional/ consultant due to this reason are the following:
  - People aged 18-24 (37%), 55 to 64 (47%), and 65 to 74 (52%) compared to those aged 35 to 44 (30%).
  - Women (37%) compared to men (28%).
  - Retired individuals (48%) compared to those working full-time (27%).
  - Respondents who are not a visible minority (40%) compared to visible minorities (25%).
- A third do not work with a professional/ consultant because they do not want to pay the advisor's fees (32%).
- A quarter say it is because they cannot afford the advisor's fees (27%). Those who mentioned this reason are more likely to be:
  - Highly vulnerable (46%) compared to other vulnerability groups (17%-30%).
  - Women (32%) compared to men (22%).
  - Unemployed (36%) compared to retired (22%).
  - Those with household income less than \$60,000 (34%-40%) compared those with household income between \$80,000 and \$150,000 (16%).

F4b. What are the reasons why you do not get financial advice from a financial advisor? Please select all that apply  
 Sample size: Total n=677 , Low/No Vulnerability n=208, Slight Vulnerability n=229, Moderate Vulnerability n=171, High Vulnerability n=69  
 Framework: Total respondents who did not work with a professional/consultant (e.g., financial advisor or planner)

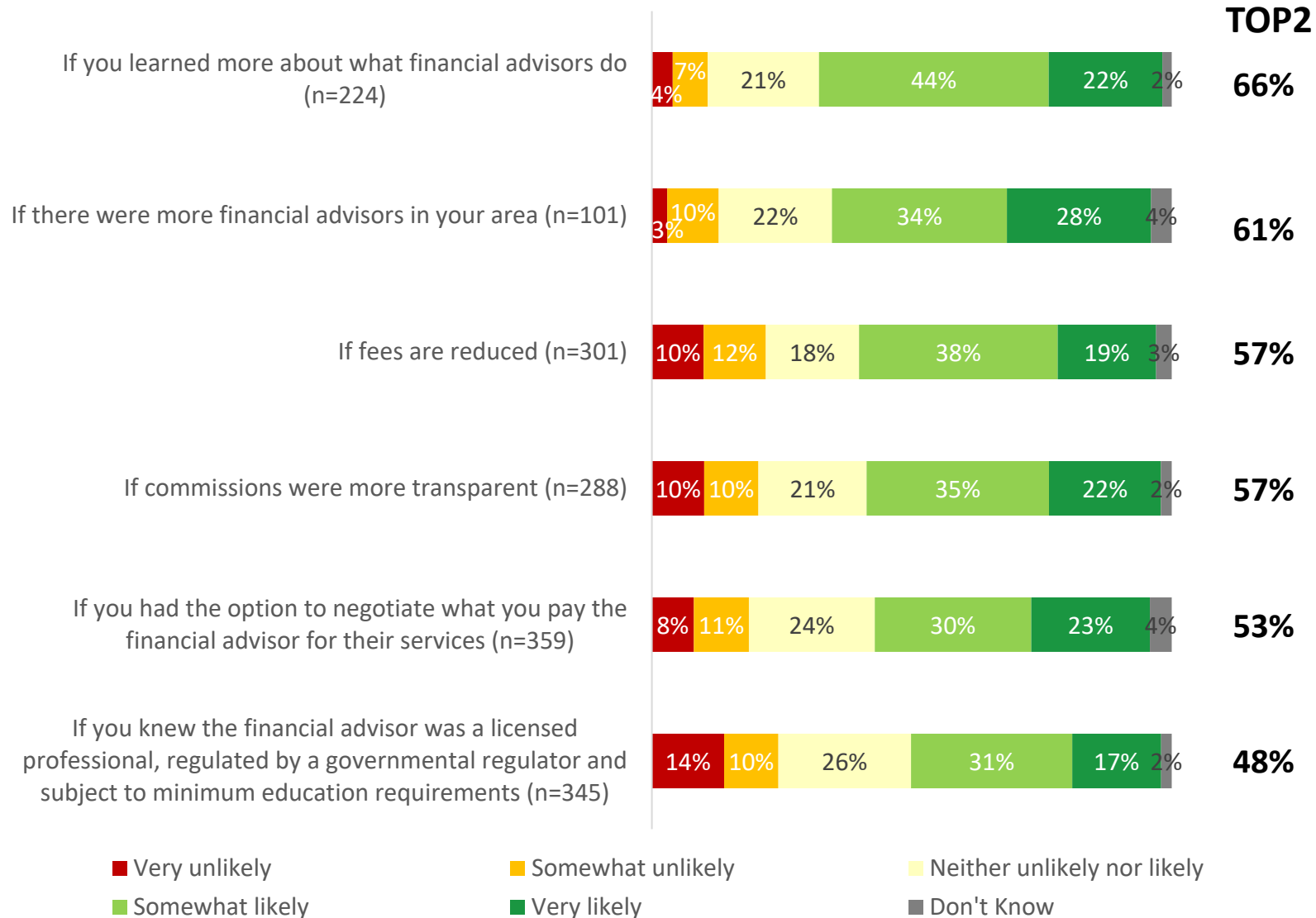
# Reasons for Not Getting Financial Advice (con't)



- The least commonly mentioned reason for why respondents do not get financial advice is that they could not find an advisor willing or able to offer them advice (3%).
- Highly vulnerable people (20%) are more likely to not get financial advice because they do not know how to find a financial advisor compared to those with the low/no and slight vulnerability (8% and 10% respectively).

F4b. What are the reasons why you do not get financial advice from a financial advisor? Please select all that apply  
 Sample size: Total n=677 , Low/No Vulnerability n=208, Slight Vulnerability n=229, Moderate Vulnerability n=171, High Vulnerability n=69  
 Framework: Total respondents who did not work with a professional/consultant (e.g., financial advisor or planner)

# Likelihood of Availing Financial Advisor Services (Overall)



- Two thirds (TOP2: 66%) say they are likely to use a financial advisor's services if they learned more about what financial advisors do.
  - People aged 25 to 34, 35 to 44, and 55 to 64 years (TOP2: 71%, 67%, and 70% respectively) are more likely to use the services if they learned more about what they do compared to people aged 65 to 74 years (TOP2: 36%).

F5. If the reasons why you do not use a financial advisor were addressed through the following, how likely would you be to use their services?  
 Sample size: Shown in chart above  
 Framework: Total respondents who did not work with a professional/consultant (e.g., financial advisor or planner) and provided a reason

# Likelihood of Availing Financial Advisor Services (Vulnerability Classification – TOP2)

TOP2%	Total	Low/No Vulnerability (A)	Slight Vulnerability (B)	Moderate Vulnerability (C)	High Vulnerability (D)
If you learned more about what financial advisors do	66%	71%	59%	68%	67%
If there were more financial advisors in your area	61%	50%	73%	55%	63%
If fees were reduced	57%	54%	53%	67%	56%
If commissions were more transparent	57%	57%	53%	63%	50%
If you had the option to negotiate what you pay the financial advisor for their services	53%	53%	53%	57%	44%
If you knew the financial advisor was a licensed professional, regulated by a government regulator and subject to minimum education requirements	48%	42%	49%	58% (A)	45%

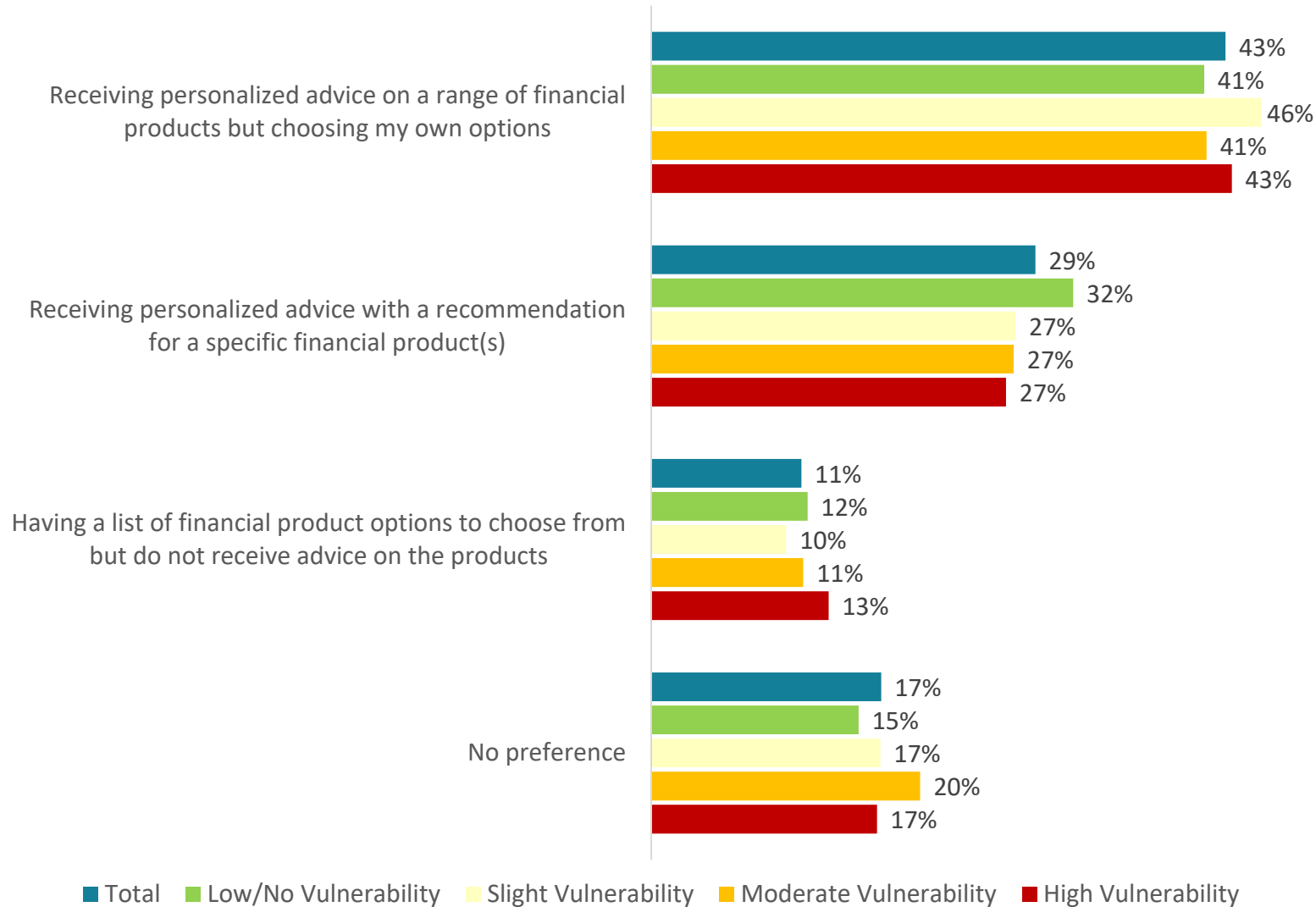
- Learning more about what financial advisors do is the top factor for individuals who are the least, moderately, and highly vulnerable (TOP2: 71%, 68%, and 67% respectively) to be likely to use financial advisor services.
- Individuals who are slightly vulnerable (TOP2: 73%) are most likely to use financial advisor services if there were more financial advisors present in the area.
- Moderately vulnerable individuals (TOP2: 58%) are more likely to consider a financial advisor if the advisor is a licensed professional compared to the least vulnerable individuals (TOP2: 42%).

F5. If the reasons why you do not use a financial advisor were addressed through the following, how likely would you be to use their services?

Sample size: Ranging from n=19 to n=123

Framework: Total respondents who did not work with a professional/consultant (e.g., financial advisor or planner) and provided a reason

# Preference on Receiving Options for Financial Products



- Overall, two in five people (43%) prefer receiving personalized advice on a range of financial products and allowing them to choose their options. This is also the most preferred across the vulnerability segments. Other groups who are significantly more likely to prefer this option are the following:
  - People aged 25 to 34, 35 to 44, and 45 to 54 (53%, 50% and 43% respectively) compared to people aged 65 to 74 years (30%).
  - People employed full time and part-time (48% and 56% respectively) compared to self-employed and retired individuals (35% and 34% respectively).
- People aged 18 to 24, 55 to 64, 65 to 74, and 75+ years (29%, 36%, 45%, and 35% respectively) are significantly more likely to prefer receiving personalized advice with a recommendation for a specific financial product(s) compared to people aged 35 to 44 years (18%).

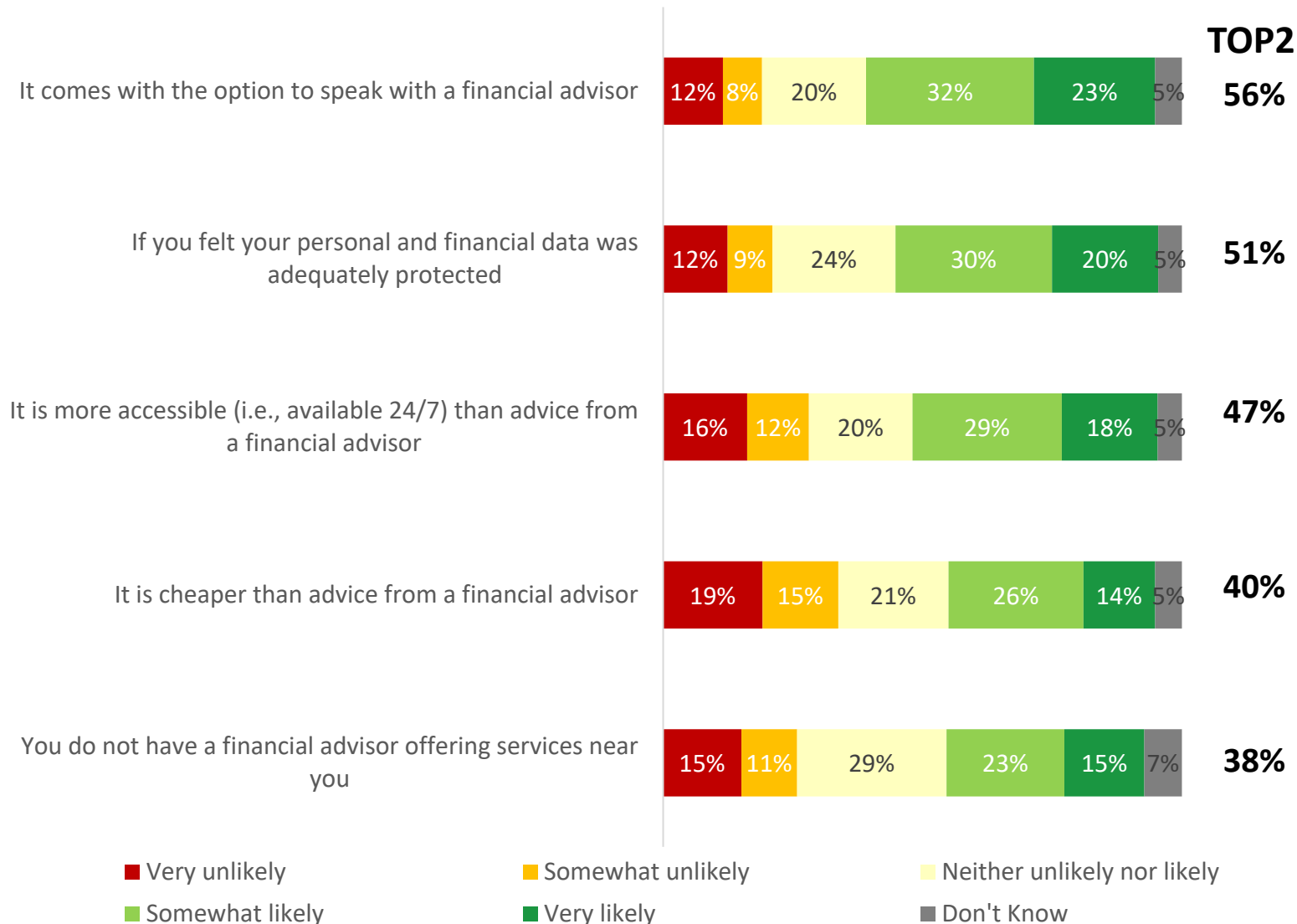
F6a. Which of the following would you prefer?

Sample size: Total n=1007 , Low/No Vulnerability n=368, Slight Vulnerability n=327, Moderate Vulnerability n=229, High Vulnerability n=83

Framework: Total sample



# Likelihood of Using Automated Online Financial Advice (Overall)



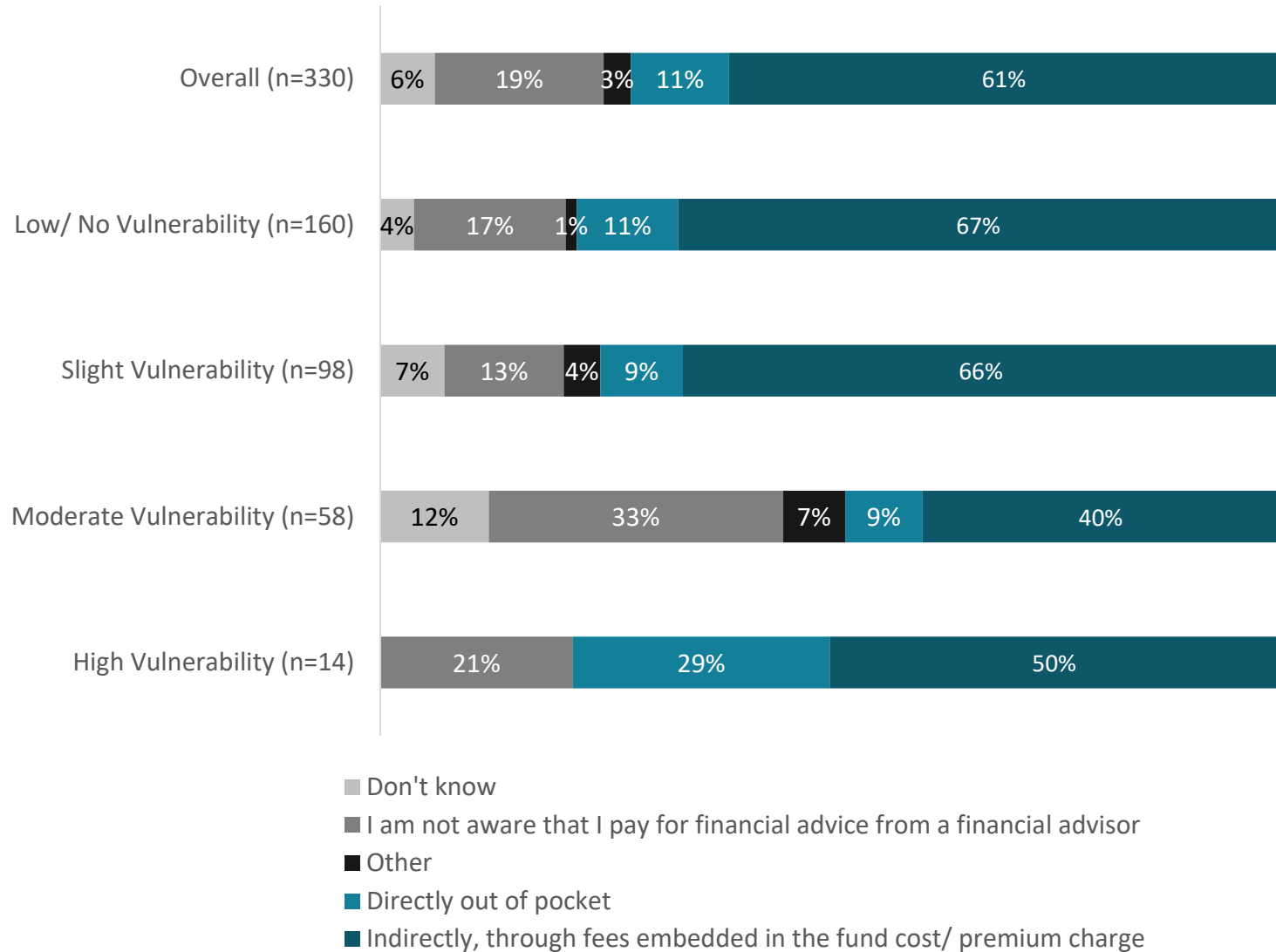
- A little over half (TOP2: 56%) are likely to use automated online financial advice if it comes with the option to speak with a financial advisor. However, less than half say they are likely to use online services if it was more accessible (TOP2: 47%), cheaper (TOP2: 40%), or if there's no financial advisor services near them (TOP2: 38%).
- People aged 18 to 24, 25 to 34, 35 to 44, 45 to 54, and 55 to 64 years are more likely to consider using an automated online financial advice than compared to those aged 65 to 74 and 75+ years based on the following features:
  - The option to speak with an advisor is available (TOP2: 64%, 65%, 64%, 61%, and 52%, versus TOP2: 33% and 29%)
  - Adequate protection of personal and financial data (TOP2: 59%, 61%, 58%, 51% and 46%, versus TOP2: 32% and 29%)
  - Greater accessibility than advice from financial advisor (TOP2: 58%, 59%, 60%, 53% and 40%, versus TOP2: 20% and 11%)
  - Lower fees than advice from financial advisor ((TOP2: 46%, 51%, 49%, 45%, and 36%, versus TOP2: 16% and 11%)
- Individuals employed full time and part time, self-employed individuals, and students (TOP2: 47%, 38%, 41% and 61%) are likely to consider an automated financial advice if there are no services offering financial advice within the area compared to retired individuals (TOP2: 24%).
- People who are confident using computers (50%) are more likely to use an automated online financial advice if it is more accessible than advice from a financial advisor compared to those who are not confident in using computers (34%).

# Likelihood of Using Automated Online Financial Advice (Vulnerability Classification – TOP2)

TOP2%	Total	Low/No Vulnerability (A)	Slight Vulnerability (B)	Moderate Vulnerability (C)	High Vulnerability (D)
It comes with the option to speak with a financial advisor	56%	49%	61% (A)	60% (A)	54%
If you felt your personal and financial data was adequately protected	51%	45%	54% (A)	52%	58% (A)
It is more accessible (i.e., available 24/7) than advice from a financial advisor	47%	39%	54% (A)	50% (A)	52%
It is cheaper than advice from a financial advisor	40%	33%	45% (A)	42% (A)	43%
You do not have a financial advisor offering services near you	38%	33%	38%	41% (A)	49% (A)

- Option to speak with a financial advisor is the top factor where respondents say they are likely to use an automated online financial advice across all vulnerability segments (TOP2: 49%, 61%, 60% and 54% for low/no, slight, moderate, and high vulnerability respectively).
- In general, those with low/no vulnerability are less likely say they will use an automated online financial advice.
- Highly vulnerable individuals are more likely to use an automated online financial advice compared to the least vulnerable individuals if their data was protected (TOP2: 58% vs. 45%) and if they lack financial advisor services in their area (TOP2: 49% VS. 33%).

# Current Payment Means Toward Financial Advisors



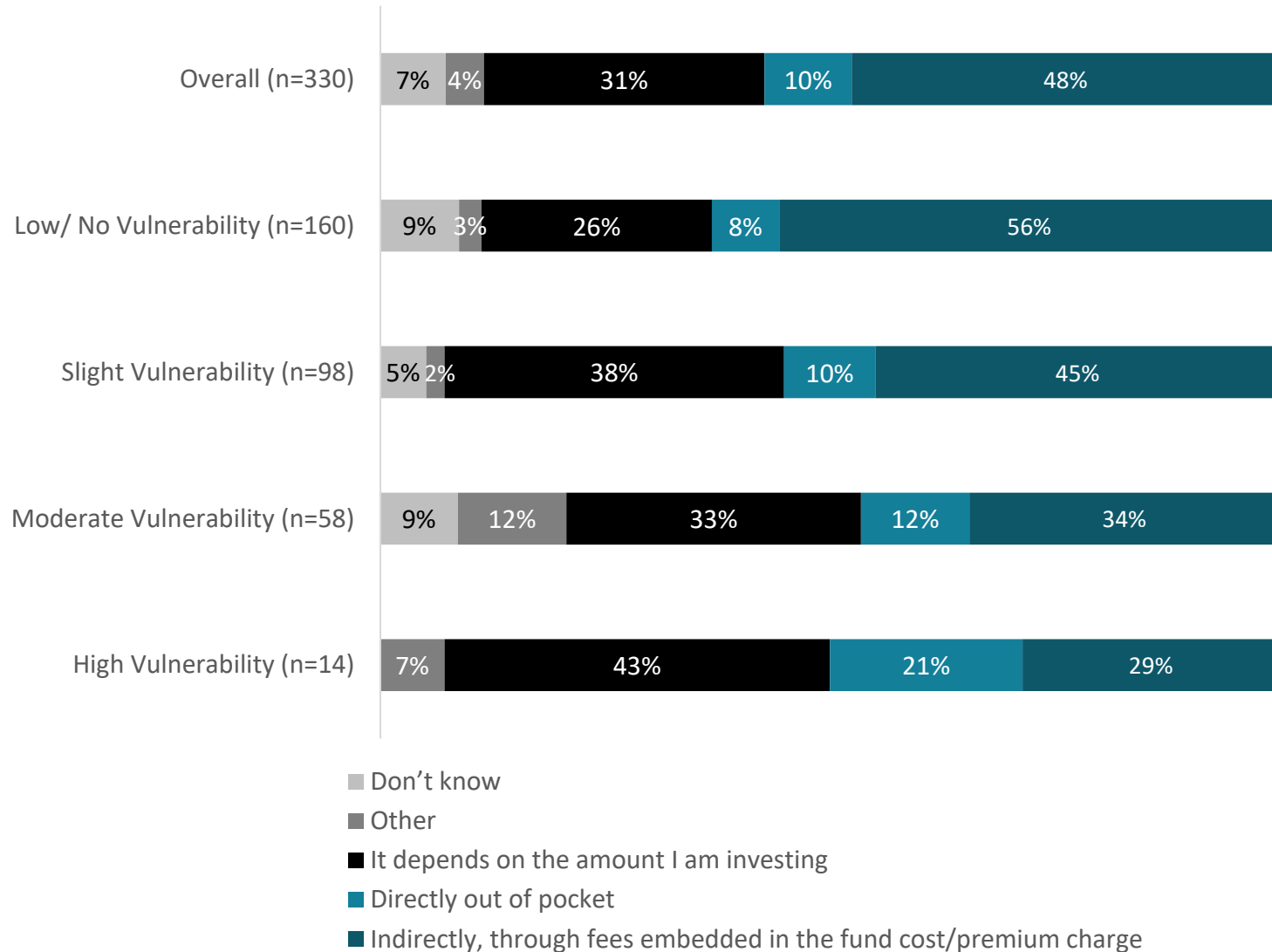
- Three in five people (61%) pay their financial advisors indirectly through fees embedded in the fund cost/ premium charge. The following groups are significantly more likely to make an indirect payment:
  - Those who have lower vulnerability (67% and 66% for low/no vulnerability and slight vulnerability respectively) compared to those who are moderately vulnerable (40%).
  - Respondents who are not a visible minority (66%) compared to visible minorities (47%).
- One in five (19%) are not aware that they pay for financial advice. Of this group, individuals who are moderately vulnerable (33%) tend to lack awareness more compared to those with the least and slight vulnerability (17% and 13% respectively).

F8a. Are you currently paying for your financial advice from a financial advisor directly or indirectly?

Sample size: Shown in chart above

Framework: Total respondents who work with a professional/consultant

# Preferred Payment Means Toward Financial Advisors



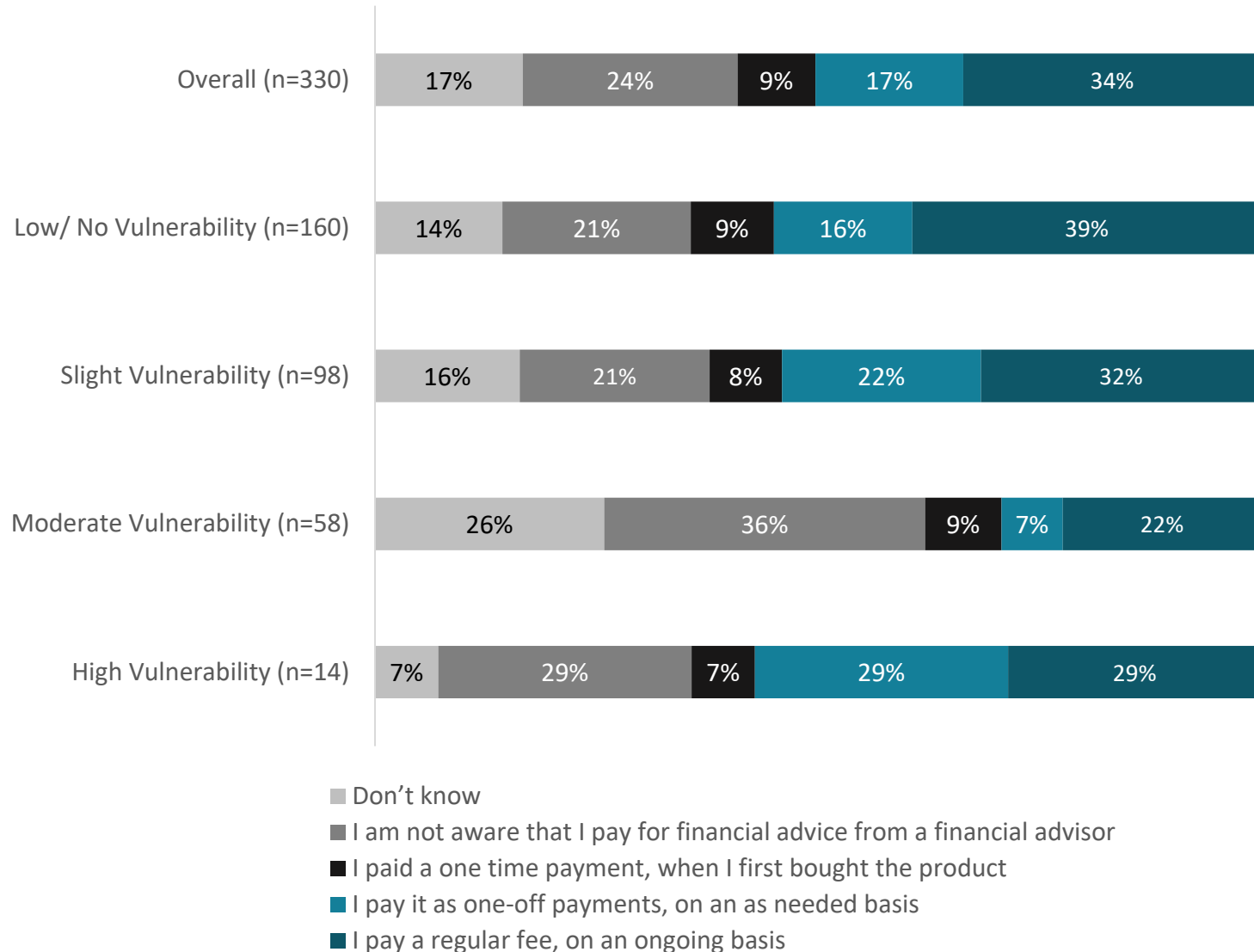
- Nearly half (48%) prefer to pay for financial advice indirectly through fees embedded in the fund cost/ premium charge. The following are significantly more likely to prefer this option:
  - Those who are the least vulnerable (56%) compared to those with moderate vulnerability (34%).
  - Those aged 45-74 (51%-61%) compared to those aged 35-44 (21%).
- The following groups are more likely to say it depends on the amount they are investing:
  - Those who are slightly vulnerable (38%) compared to those who have low/no vulnerability (26%).

F8b. And what is your preferred way to pay for financial advice from a financial advisor?

Sample size: Shown in chart above

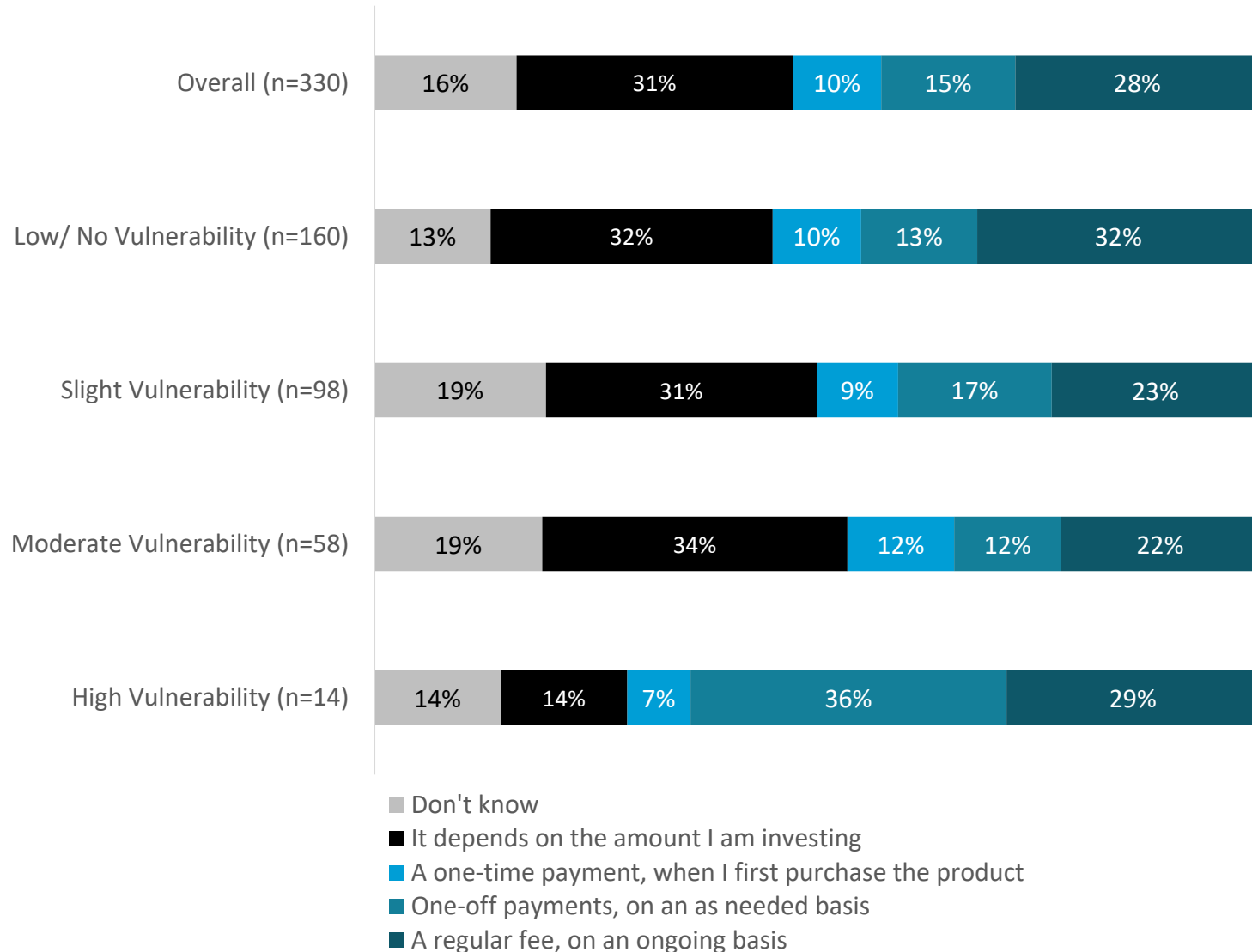
Framework: Total respondents who work with a professional/consultant

# Current Payment Schedule Toward Financial Advisors



- Overall, a third (34%) pay a regular fee on an ongoing basis. Those with low/no vulnerability (39%) are more likely to use this payment schedule compared to those with moderate vulnerability (22%).
- Nearly a quarter (24%) are not aware that they pay for financial advice. Those who are moderately vulnerable (36%) are more likely to say this compared to those with low/no vulnerability (21%).

# Preferred Payment Schedule Toward Financial Advisors



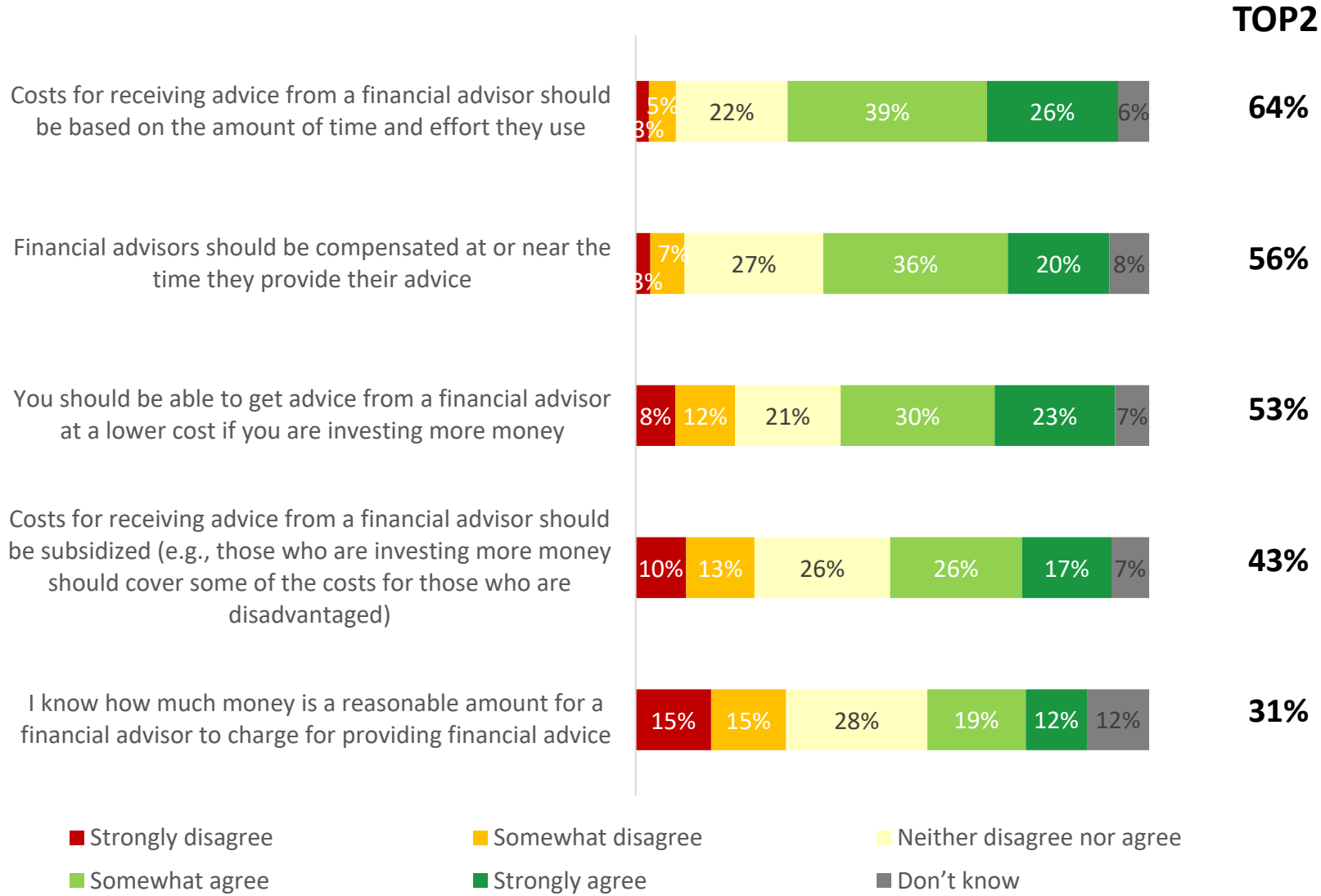
- The preferred way to pay for finance advice from a financial advisor for nearly a third (31%) of the respondents depends on the amount they are investing, particularly for people who are the least vulnerable (32%), slightly vulnerable (31%), and moderately vulnerable (34%).
- Only one in ten (10%) prefer a one-time payment upon first product purchase.

F9b. And what is your preferred way to pay for financial advice from a financial advisor?

Sample size: Shown in chart above

Framework: Total respondents who work with a professional/consultant

# Costs for Financial Advice (Overall)



**TOP2**

- Nearly two thirds (TOP2: 64%) agree that costs for financial advice should be based on the amount and effort used by financial advisors. The following groups are significantly more likely to agree with this:
  - People aged 45 to 54 years (TOP2: 71%) compared to those aged 18 to 24 years (TOP2: 58%).
  - People with household income of \$40,000 to less than \$60,000, \$80,000 to less than \$100,000, and above \$150,000 (TOP2: 71%, 70% and 73% respectively) compared to those with household income less than \$20,000 (TOP2: 54%).
- Visible minorities (TOP2: 60%) are more likely to agree on the following compared to respondents who are not a visible minority:
  - Pay a lower cost for financial advice when more money is invested (TOP2: 60%, versus TOP2: 50%).
  - Have costs of receiving financial advice subsidized (TOP2: 54%, versus 38%).
- Individuals who are working with financial advisors (TOP2: 61%) are more likely to agree that they should be able to get advice at a lower cost if they are investing more money compared to those who do not work with financial advisors (TOP2: 50%).

F10. How much do you agree or disagree with the following statements?  
 Sample size: n=1007  
 Framework: Total sample

# Costs for Financial Advice (Vulnerability Classification – TOP2)

TOP2%	Total	Low/No Vulnerability (A)	Slight Vulnerability (B)	Moderate Vulnerability (C)	High Vulnerability (D)
Costs for receiving advice from a financial advisor should be based on the amount of time and effort they use	64%	67%	65%	60%	60%
Financial advisors should be compensated at or near the time they provide their advice	56%	51%	59% (A)	56%	60%
You should be able to get advice from a financial advisor at a lower cost if you are investing more money	53%	60% (CD)	54% (C)	43%	48%
Costs for receiving advice from a financial advisor should be subsidized (e.g., those who are investing more money should cover some of the costs for those who are disadvantaged)	43%	39%	44%	41%	60% (ABC)
I know how much is a reasonable amount for a financial advisor to charge for providing financial advice.	31%	32%	29%	31%	36%

- Majority of the respondents across all vulnerability segments agree that costs on advisory services should be based on the amount of time and effort used by advisors (TOP2: 67%, 65%, 60% and 60% for low/no, slight, moderate, and high vulnerability respectively).
- Individuals with lower vulnerability scores (TOP2: 60% and 54% for low/no and slight vulnerability respectively) are more likely to agree that costs for advisor services should be lower if more money is being invested compared to moderately vulnerable individuals (TOP2: 43%).
- People who are highly vulnerable (TOP2: 60%) are more likely to agree that costs for financial advice should be subsidized compared to other vulnerability groups (TOP2: 39%, 44% and 41% for low/no, slight and moderate vulnerable individuals respectively).

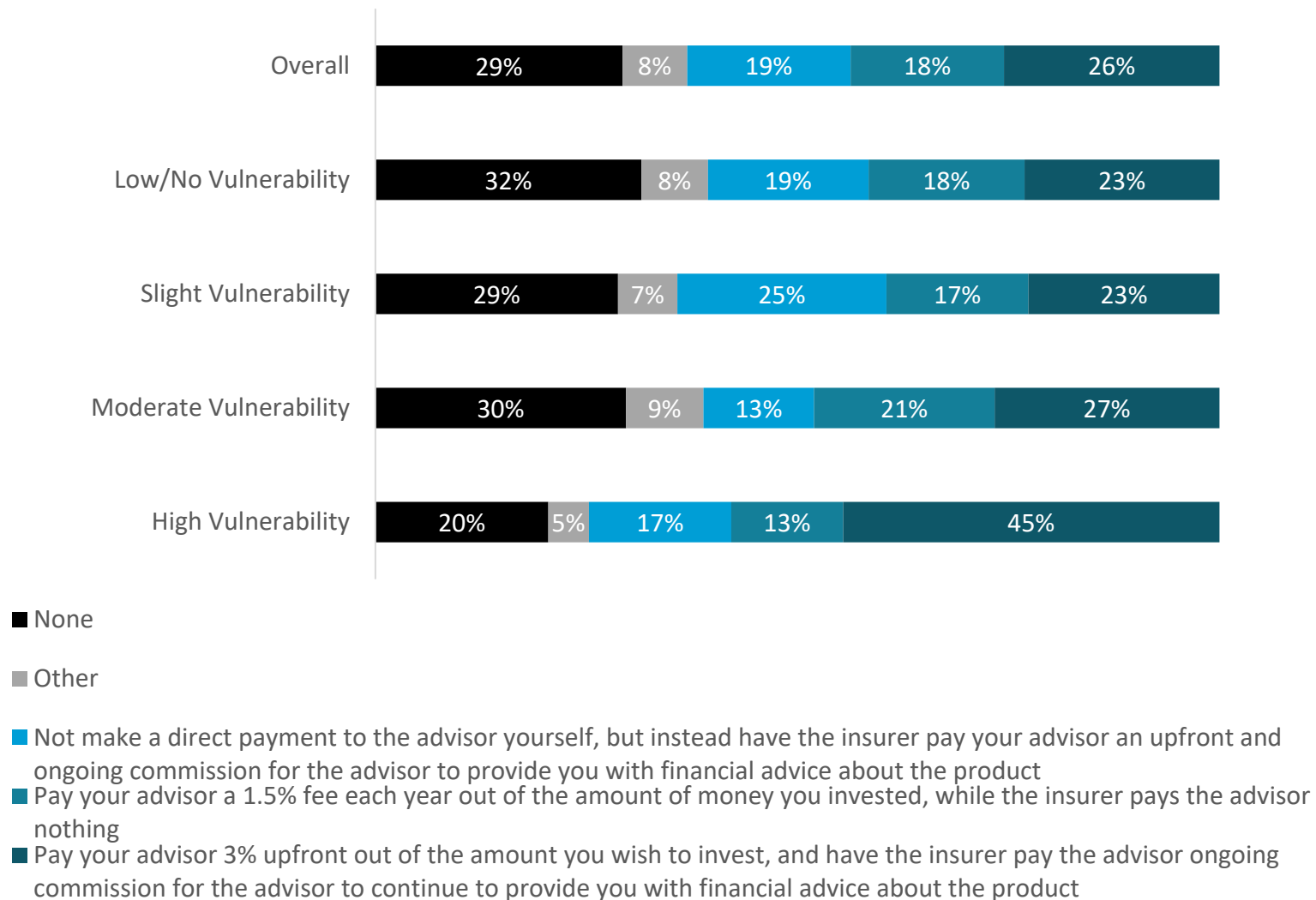
F10. How much do you agree or disagree with the following statements?

Sample size: Ranging from n=74 to n=350

Framework: Total sample



# Amount Willing to Pay Toward Financial Advisor for a \$10,000 Investment



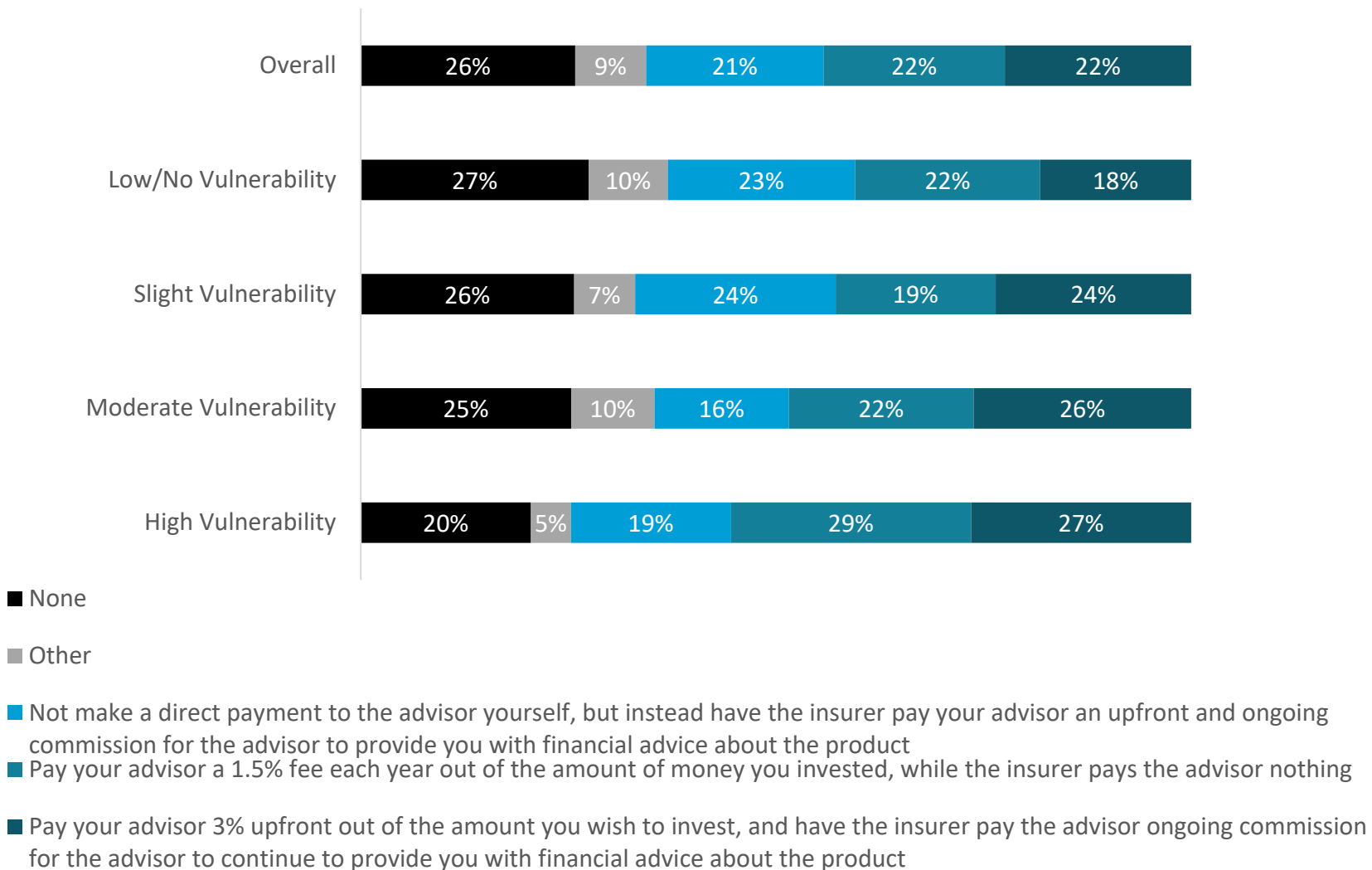
- Overall, nearly three in ten (29%) did not choose any of the payment scenarios provided to them if they had to invest \$10,000.
- Among those who did show a preference, a quarter (26%) of the overall respondents are willing to pay 3% of the amount upfront, and have the insurer pay for the advisor’s commissions for the continued advisory services. The following groups are more likely to choose this scenario:
  - Those with a high vulnerability (45%) compared to other vulnerability groups (23% to 27%).
  - Individuals who are employed, unemployed, and students (25%-37%) compared to retired individuals (15%).
- Groups who are more likely to have an insurer pay an advisor are as follows:
  - Visible minorities (23%) compared to respondents who are not a visible minority (17%).
  - Those employed full-time (21%) compared to those who are unemployed (13%).
  - Individuals who prefer paying an advisor indirectly through fees are significantly more likely to prefer the insurer pay an upfront and ongoing commission (31%) compared to those who prefer paying an advisor directly out of pocket (13%).

F11. If you had \$10,000 to invest in segregated funds (a product similar to mutual funds but with insurance guarantees), which of the following scenarios would you prefer?

Sample size: Total n=1007 , Low/No Vulnerability n=368, Slight Vulnerability n=327, Moderate Vulnerability n=229, High Vulnerability n=83

Framework: Total sample

# Amount Willing to Pay Toward Financial Advisor for a \$100,000 Investment



- Overall, a quarter (26%) did not choose any of the payment scenarios provided to them if they had to invest \$100,000.
- There is also a split among those who are willing to pay the advisor 3% of the amount upfront and have the commissions be paid by insurers for ongoing services (22%), those who will pay 1.5% fee each year while insurer pays nothing (22%), and indirect payment via the insurer (21%). The following groups are significantly more likely to make a 3% upfront payment:
  - Moderately vulnerable people (26%) compared to individuals with the least vulnerability (18%).
  - Individuals who say their preferred method of paying advisors depends on the amount they are investing (32%) compared to those who prefer to pay an advisor indirectly (17%).
- Slightly vulnerable individuals (24%) are more likely to prefer to have the insurer pay compared to those who are moderately vulnerable (16%).
- Individuals who prefer to pay their advisors indirectly through fees are significantly more likely to prefer the insurer pay an upfront and ongoing commission (38%) compared to those who prefer to pay their advisors directly (16%) and those who say it depends on the amount (22%).

F12. And if you had \$100,000 to invest in segregated funds (a product similar to mutual funds but with insurance guarantees), which of the following scenarios would you prefer?

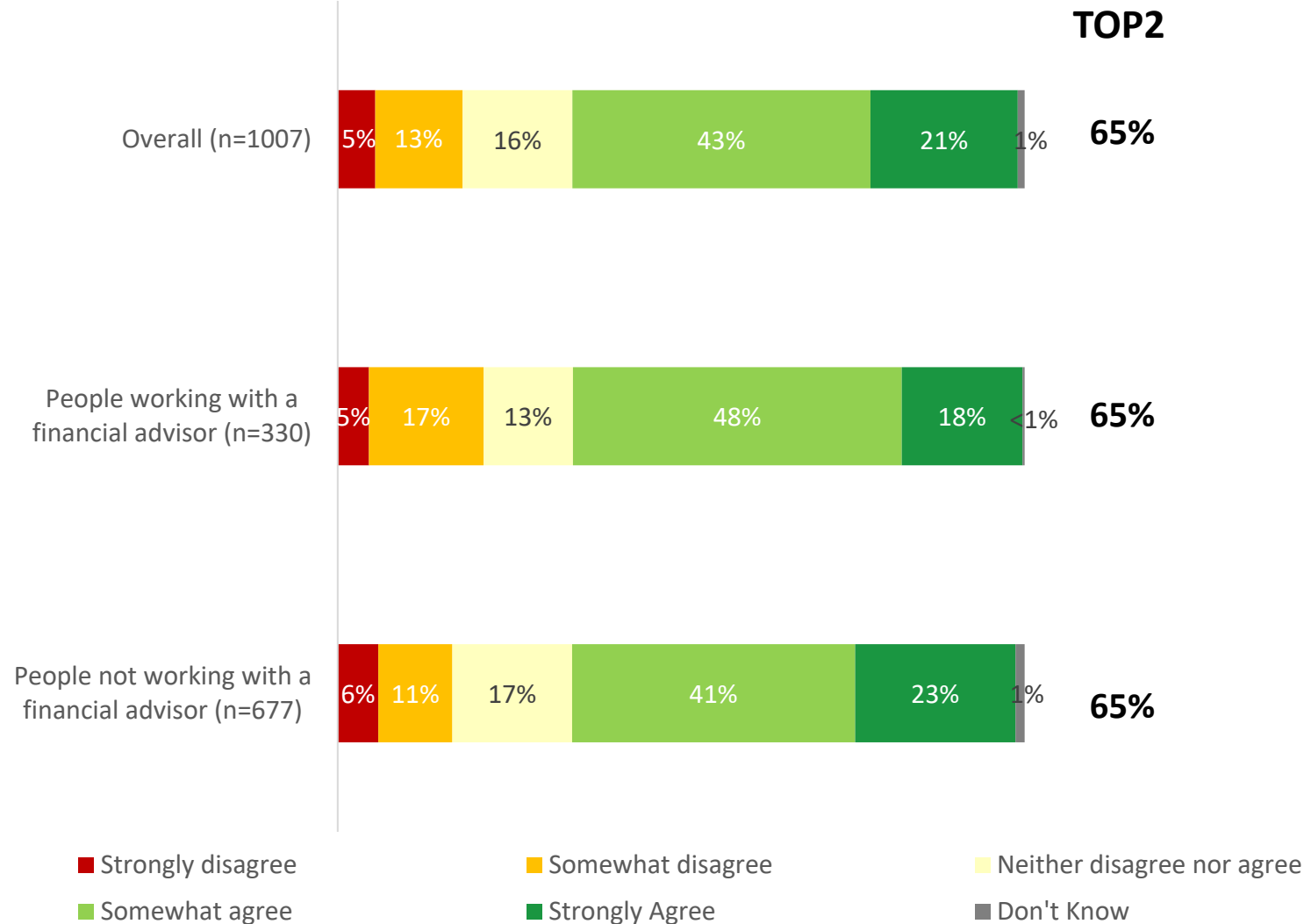
Sample size: Total n=1007 , Low/No Vulnerability n=368, Slight Vulnerability n=327, Moderate Vulnerability n=229, High Vulnerability n=83

Framework: Total sample

# DETAILED RESULTS BY WORKED/HAVE NOT WORKED WITH A FINANCIAL ADVISOR

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# Knowledge on Financial Decisions - Working with a Financial Advisor



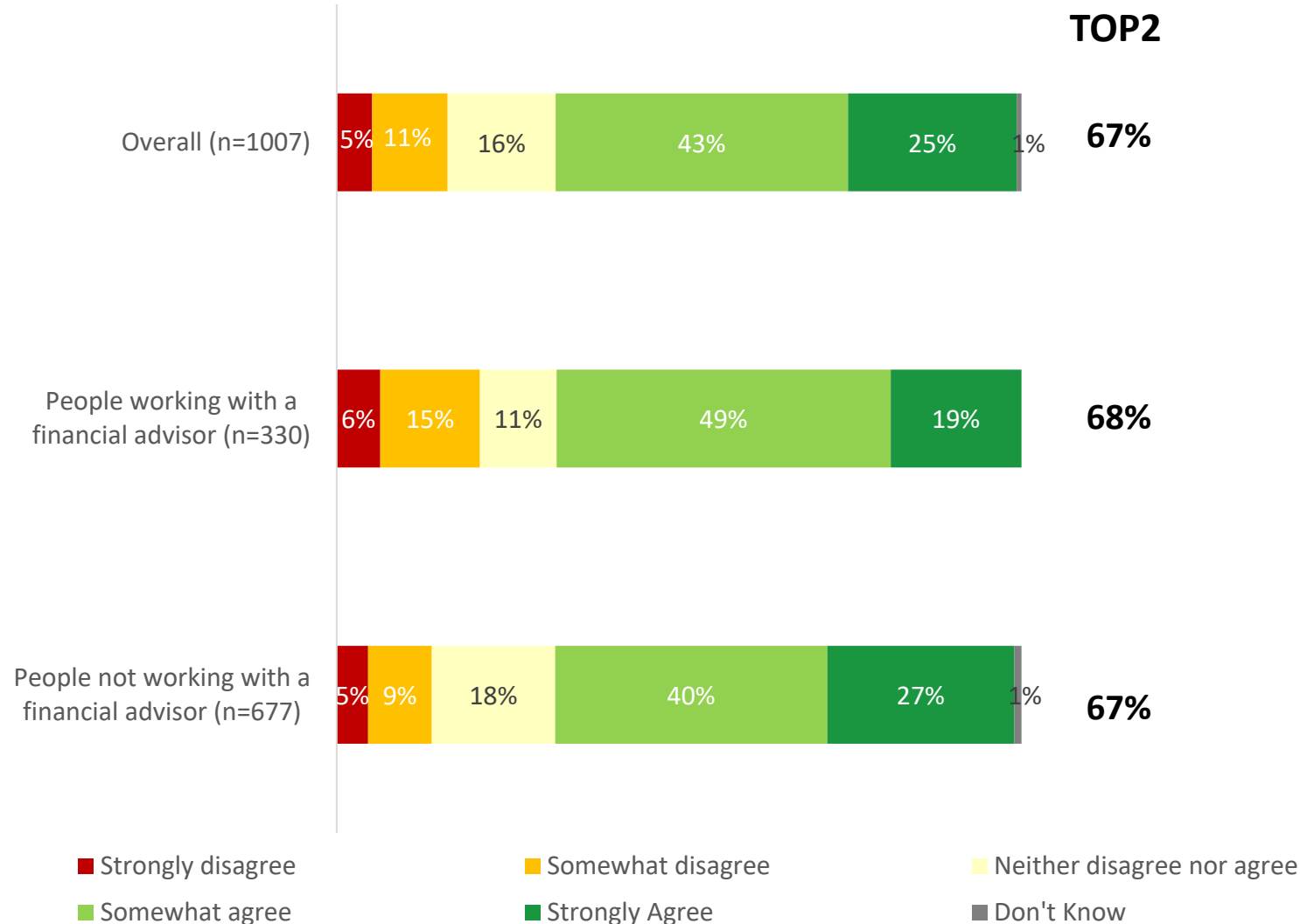
- About two in three (TOP2: 65%) of those who work with a financial advisor and those who do not work with a financial advisor believe that they have the knowledge to make their own financial decisions.
- Those working with a financial advisor are significantly more likely to somewhat disagree (17% vs. 11%) and somewhat agree (48% vs. 41%).
- Those who are not working with a financial advisor are significantly more likely to strongly agree (23%) compared to those working with an advisor (18%).

F2a. How much do you agree or disagree with the following statements: I believe I have the knowledge to make my own financial decisions

Sample size: Shown in chart above

Framework: Total sample

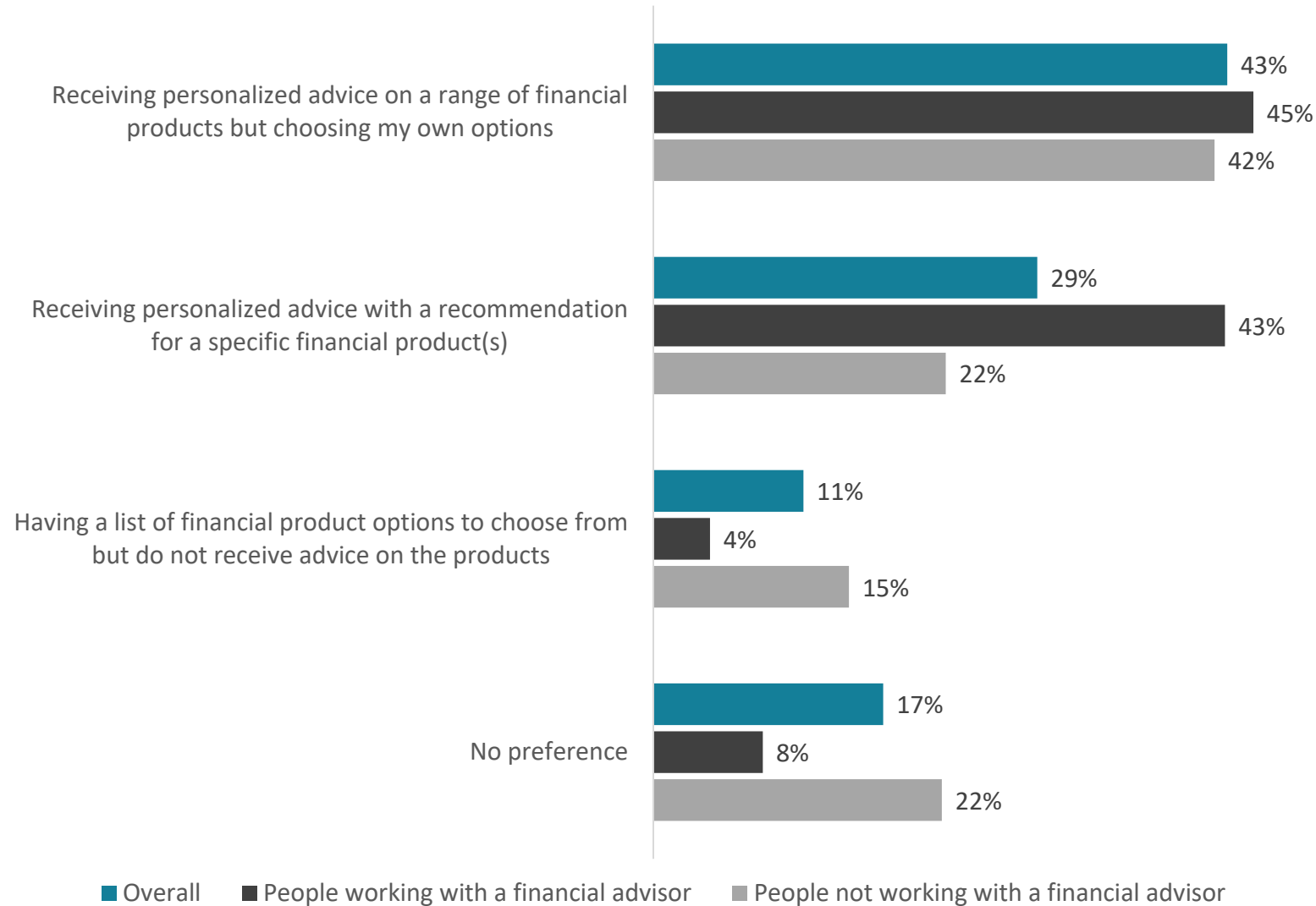
# Confidence on Financial Decisions - Working with a Financial Advisor



- About two in three (67%-68%) of those who work with a financial advisor and those who do not work with a financial advisor are confident that they are able to make their own financial decisions.
- Those who are working with a financial advisor are significantly more likely to disagree (BTM2: 21%) compared to those who are not working with a financial advisor (BTM2: 14%).

F2b. How much do you agree or disagree with the following statements: I am confident in my ability to make my own financial decisions  
 Sample size: Shown in chart above  
 Framework: Total sample.

# Preference on Receiving Options for Financial Products – Working with a Financial Advisor



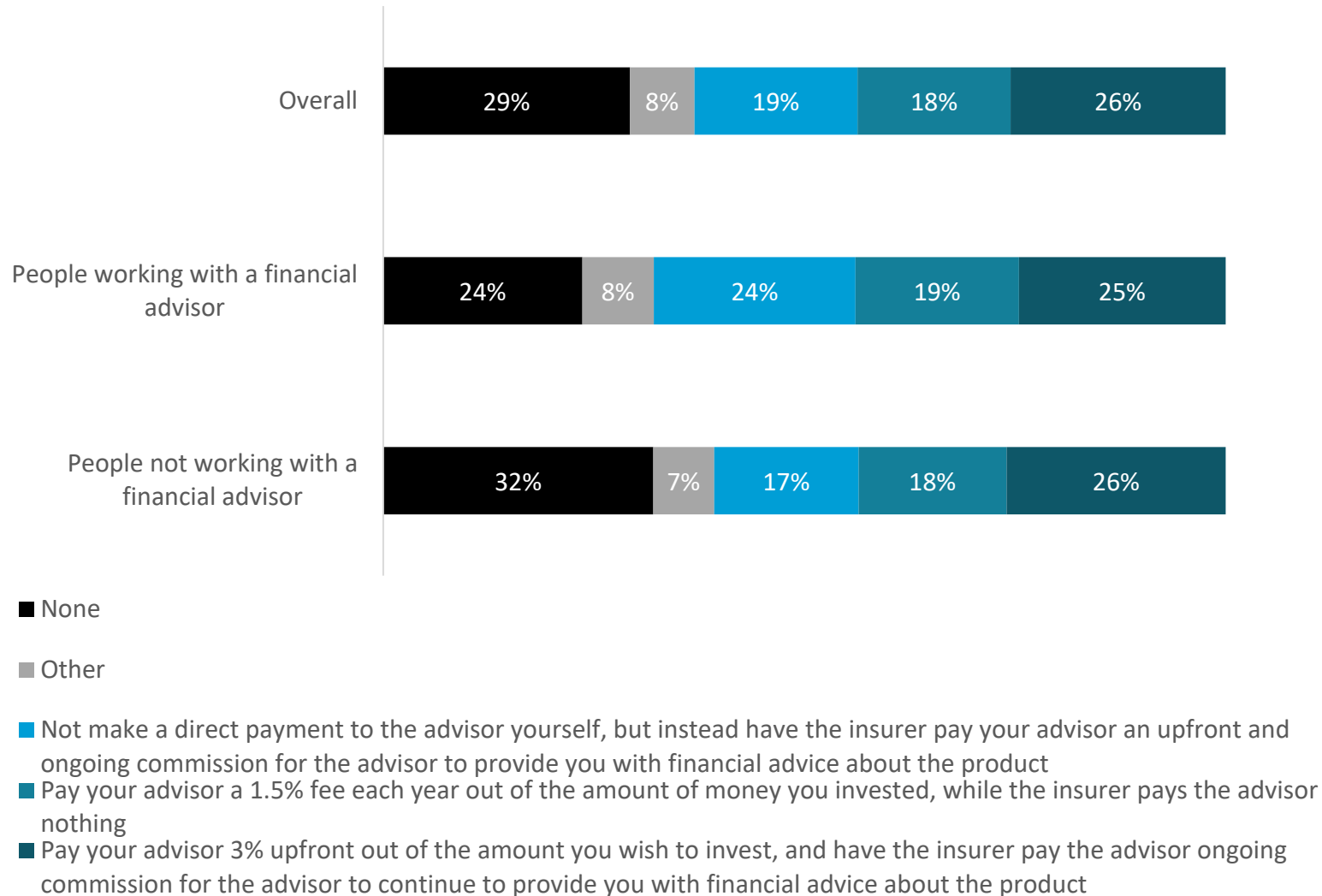
- A similar proportion of those who work with a financial advisor (45%) and those who do not (42%) prefer receiving advice on a range of financial products but choosing their own options.
- Those who are working with a financial advisor (43%) are significantly more likely to opt for receiving personalized advice with a specific product recommendation in comparison to those who are not working with an advisor (22%).
- Meanwhile, people who are not working with a financial advisor (15%) are significantly more likely to prefer having a list of financial product options without receiving any financial product advice compared to those who are working with an advisor (4%).
- They are also significantly more likely to not have any preference on receiving options (22%) compared to those working with an advisor (8%).

F6a. Which of the following would you prefer?

Sample size: Total n=1007 , People working with a financial advisor n=330, People not working with a financial advisor n=677

Framework: Total sample

# Amount Willing to Pay Toward Financial Advisor for a \$10,000 Investment – Working with a Financial Advisor



- Individuals who are working with a financial advisor (24%) are significantly more likely to make an indirect payment by having the insurer pay an upfront and ongoing commission to the advisor compared to those who are not working with an advisor (17%).
- A similar proportion of individuals who work with an advisor and those who do not work with an advisor prefer to pay their advisor a 1.5% fee out of the amount invested while the insurer pays nothing (19% vs. 18%).
- Preference towards paying the advisor 3% upfront out of the amount invested and insurer paying an ongoing commission is also similar among those who work with a financial advisor (25%) and those who do not (26%).

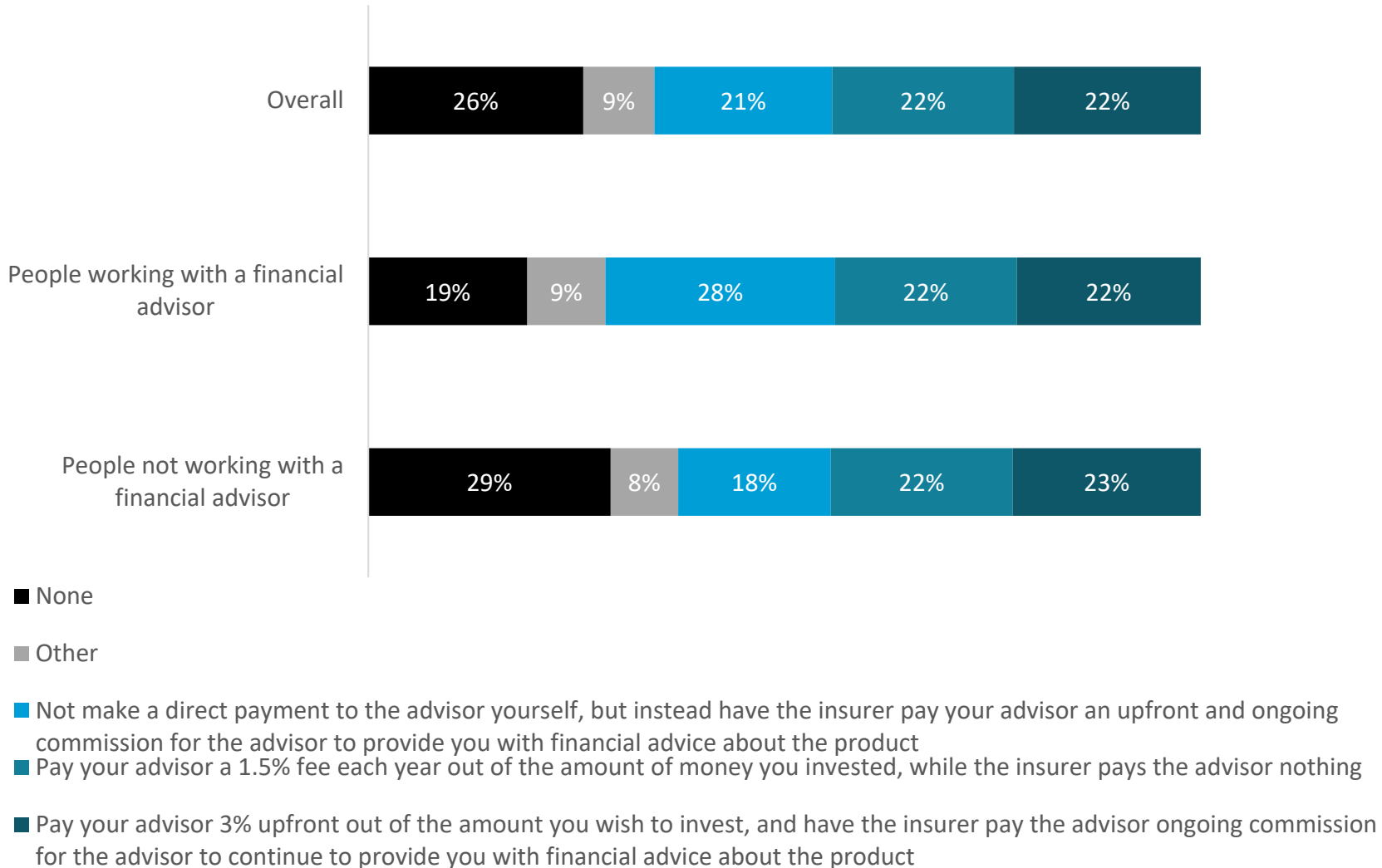
F11. If you had \$10,000 to invest in segregated funds (a product similar to mutual funds but with insurance guarantees), which of the following scenarios would you prefer?

Sample size: Total n=1007 , People working with a financial advisor n=330, People not working with a financial advisor n=677

Framework: Total sample



# Amount Willing to Pay Toward Financial Advisor for a \$100,000 Investment – Working with a Financial Advisor



- Individuals who are working with a financial advisor (28%) are significantly more likely to prefer making an indirect payment by having an insurer pay an upfront payment to the advisor compared to those who are not working with an advisor (18%).
- A similar proportion of those working with an advisor and not working with an advisor say they prefer paying the advisor 3% upfront and have the insurer pay the advisor ongoing commission (22% vs. 23%).
- There is also a similar proportion of those working and not working with an advisor who prefer to pay a 1.5% fee each year while the insurer pays nothing (22% vs. 22%).

F12. And if you had \$100,000 to invest in segregated funds (a product similar to mutual funds but with insurance guarantees), which of the following scenarios would you prefer?

Sample size: Total n=1007 , People working with a financial advisor n=330, People not working with a financial advisor n=677

Framework: Total sample

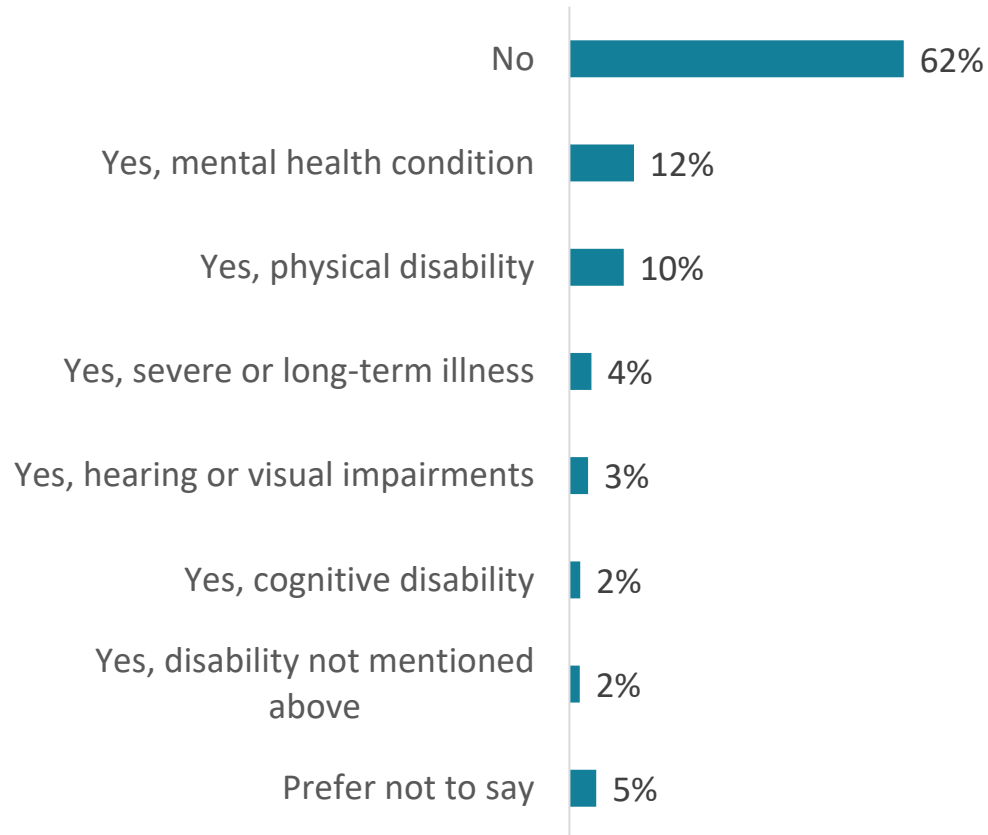


# VULNERABILITY

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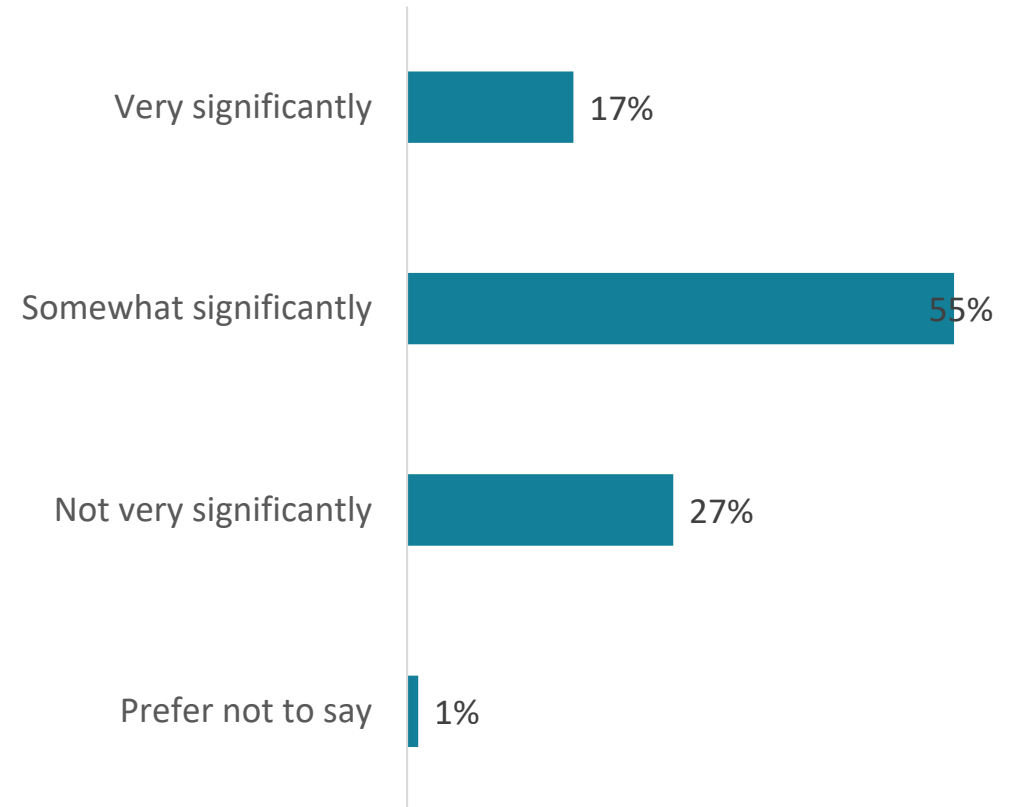
# Physical and Mental Health Conditions Affecting Day-to-Day Activities

## Existing Health Conditions



V1. Do you have any physical or mental health condition(s) or illness(es) that reduce your ability to carry out day-to-day activities? MULTI-SELECT  
Sample size: n=1007  
Framework: Total sample

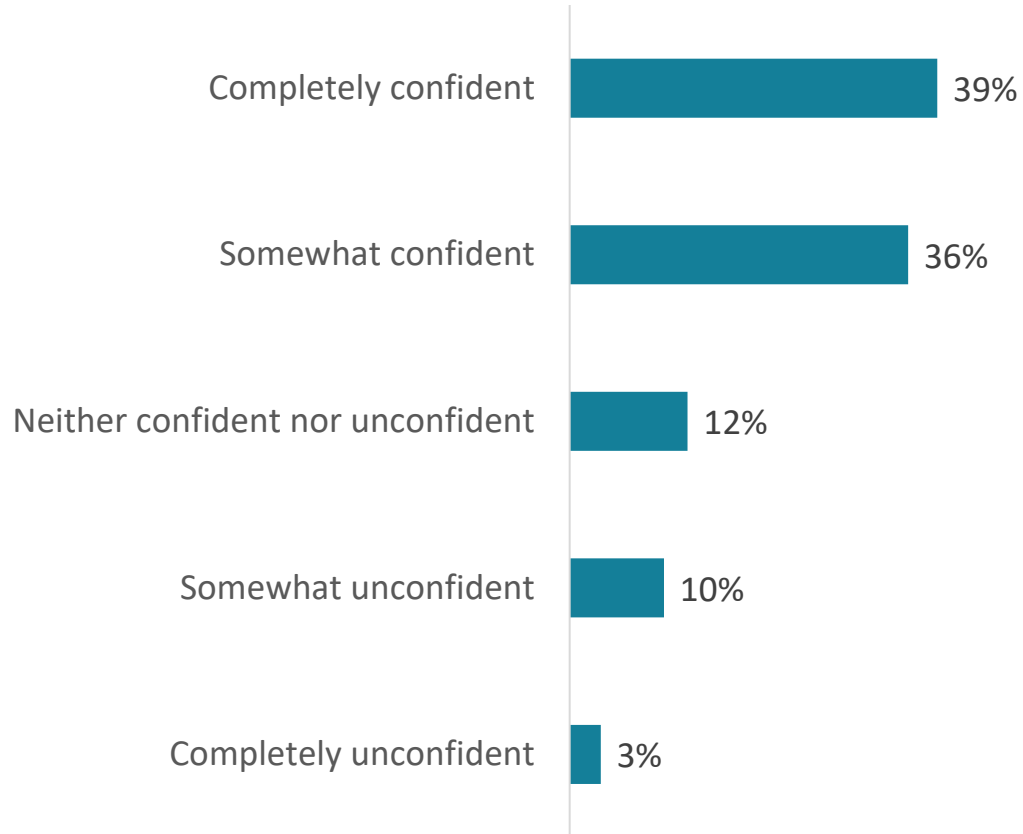
## Degree of Health Condition's Effect on Day-To-Day Activities



V2. And how significantly do these physical or mental health condition(s) or illness(es) reduce your ability to carry out day-to-day activities?  
Sample size: n=268  
Framework: Respondents who indicated any physical or mental health condition(s)

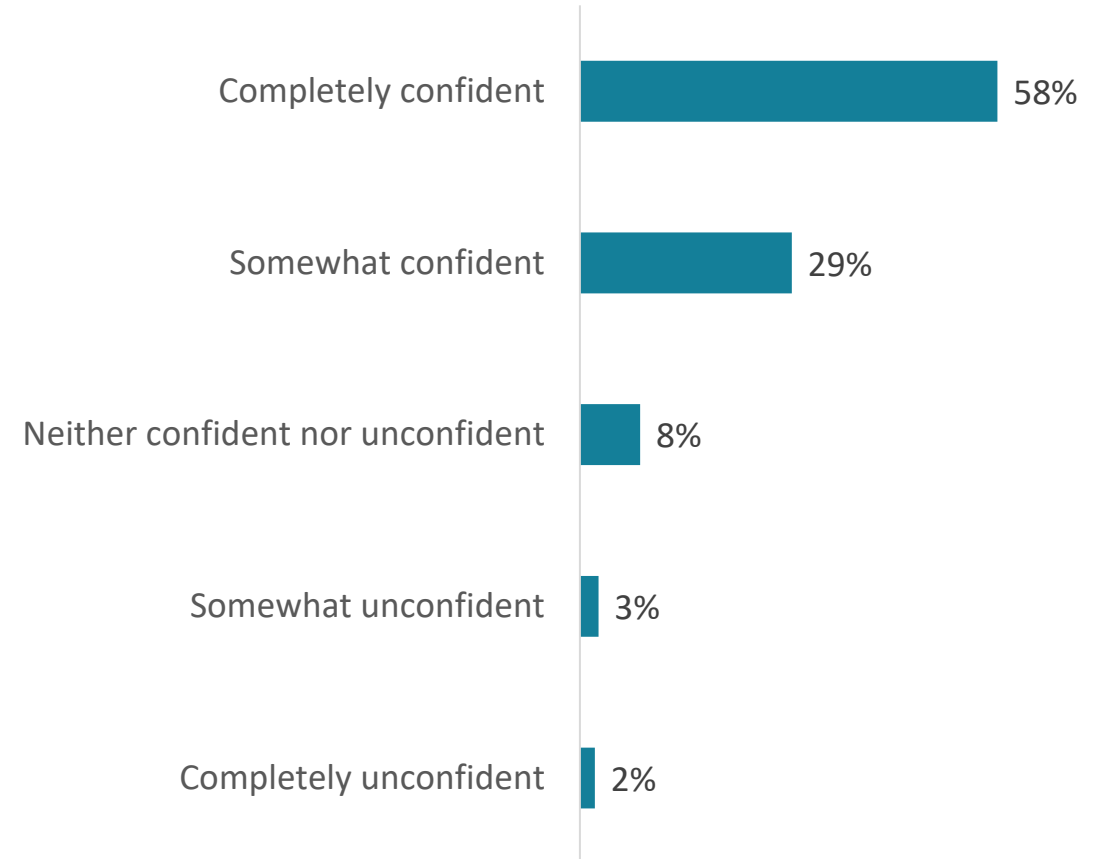
# Confidence on Working With Numbers, and Using Computers and Internet

Confidence on Working with Numbers (TOP2: 74%)



V3. How confident do you feel working with numbers when you need to in everyday life?  
Sample size: n=1007  
Framework: Total sample

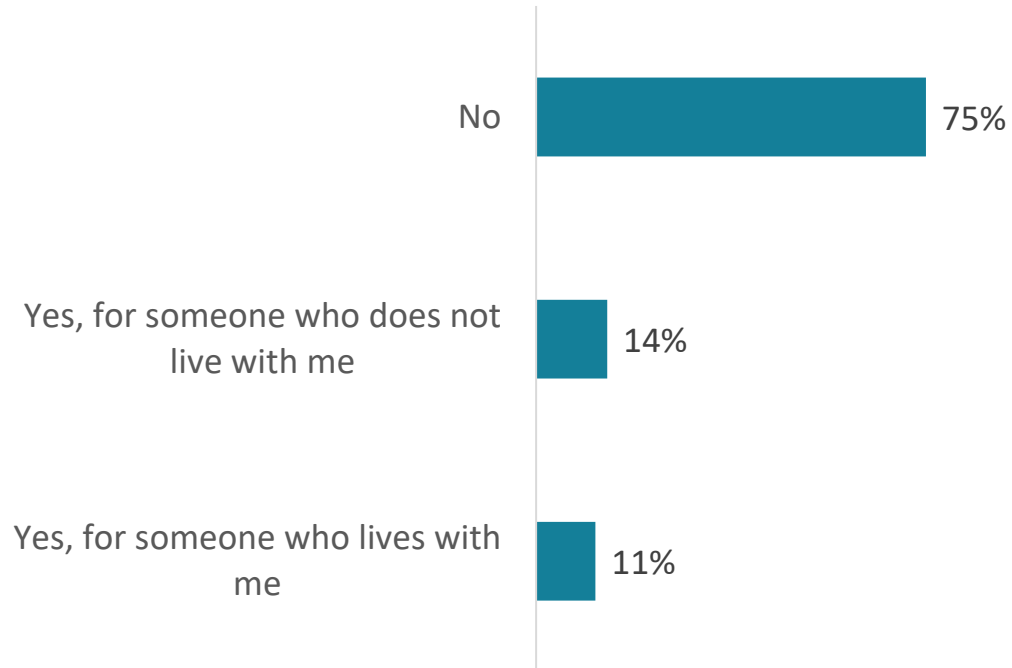
Confidence on Using Computers and Internet (TOP2: 87%)



V4. How confident are you with using computers and navigating the internet?  
Sample size: n=1007  
Framework: Total sample

# Support Toward Individuals With Health Conditions

## Non-Financial Support Toward Individuals with Health Conditions

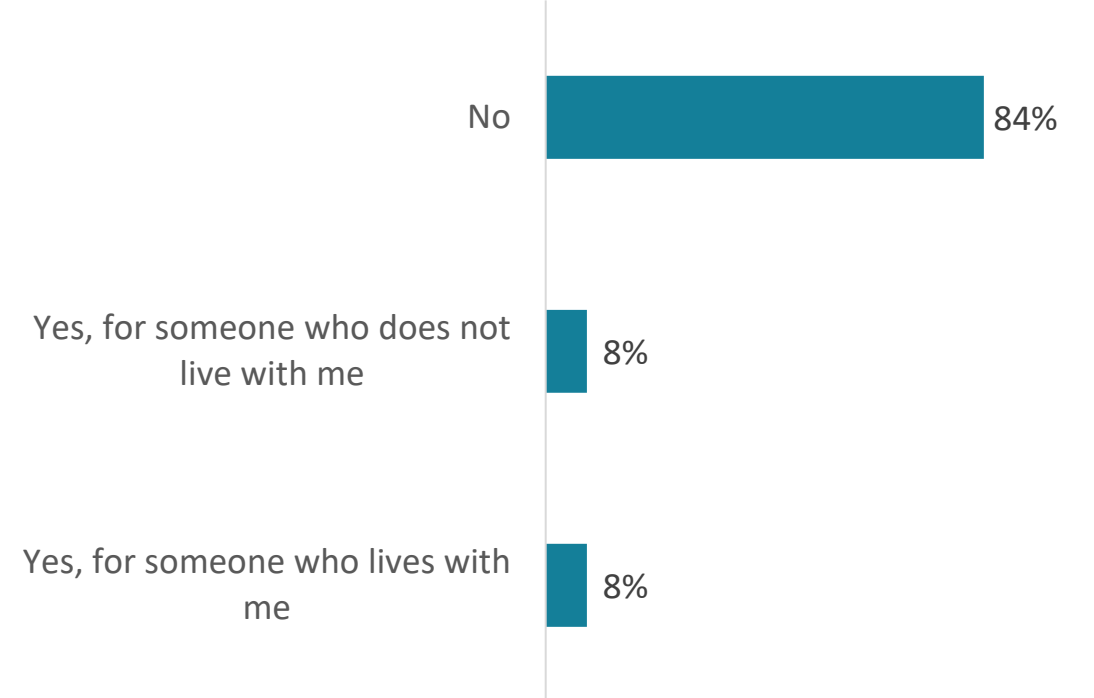


V5. At the moment, do you provide any help or support (excluding financial support) for anyone who has a long-term physical or mental health problem or disability or who has problems related to old age? Please select all that apply

Sample size: n=1007

Framework: Total sample

## Financial Support Toward Individuals with Health Conditions



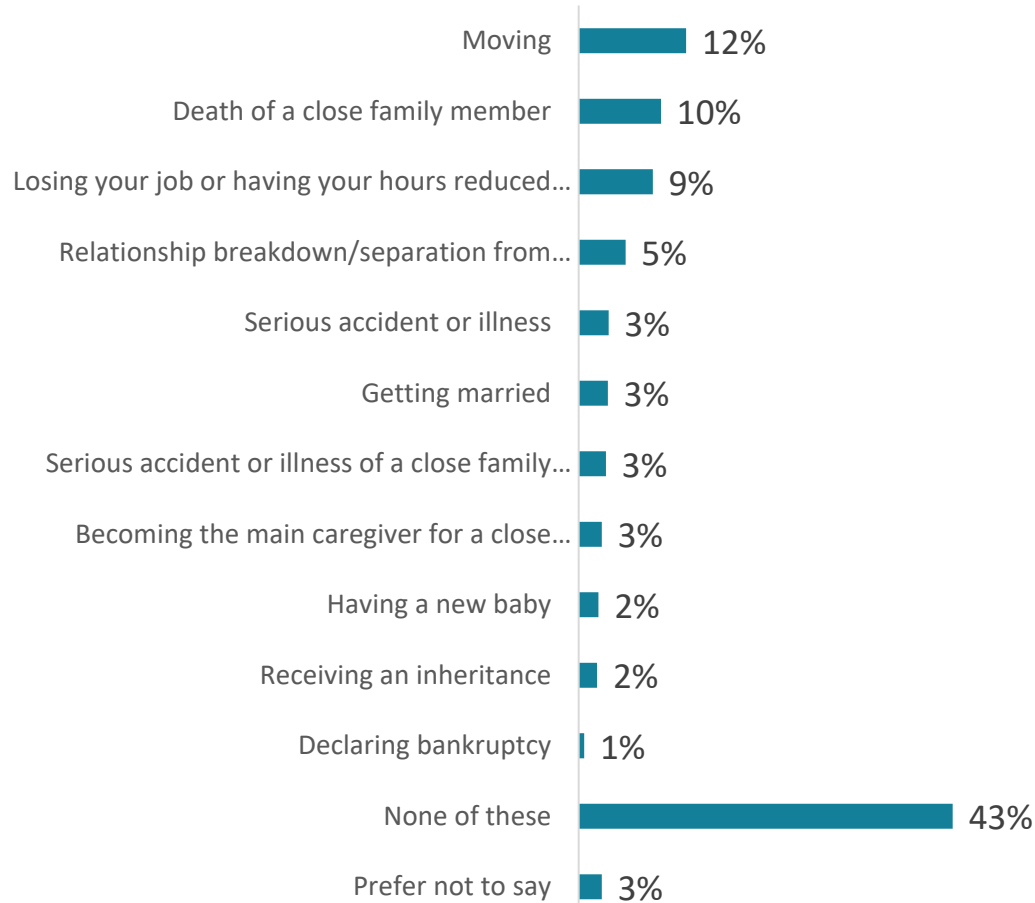
V6. At the moment, do you provide any financial support to anyone who has a long-term physical or mental health problem or disability or who has problems related to old age? Please select all that apply.

Sample size: n=1007

Framework: Total sample

# Major Events and Household Income Coverage

## Major Events in the Last 12 Months



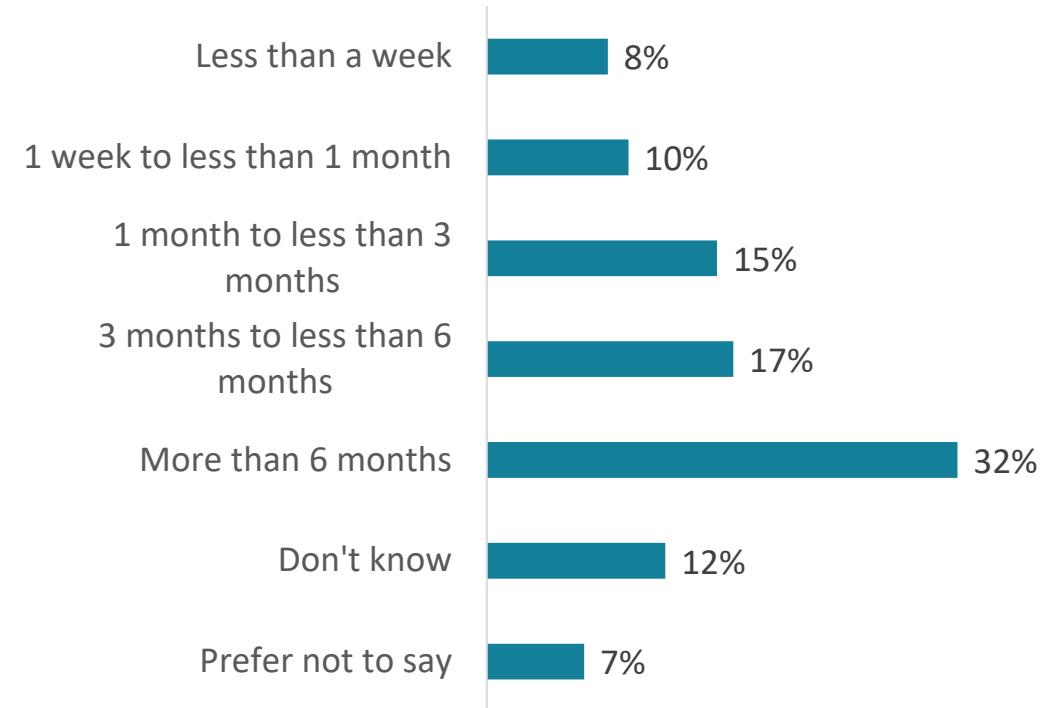
V7. Have you experienced any of the following major events in the last 12 months?

Please select all that apply.

Sample size: n=1007

Framework: Total sample

## Household Income Coverage in the Event Main Source of Income is Lost



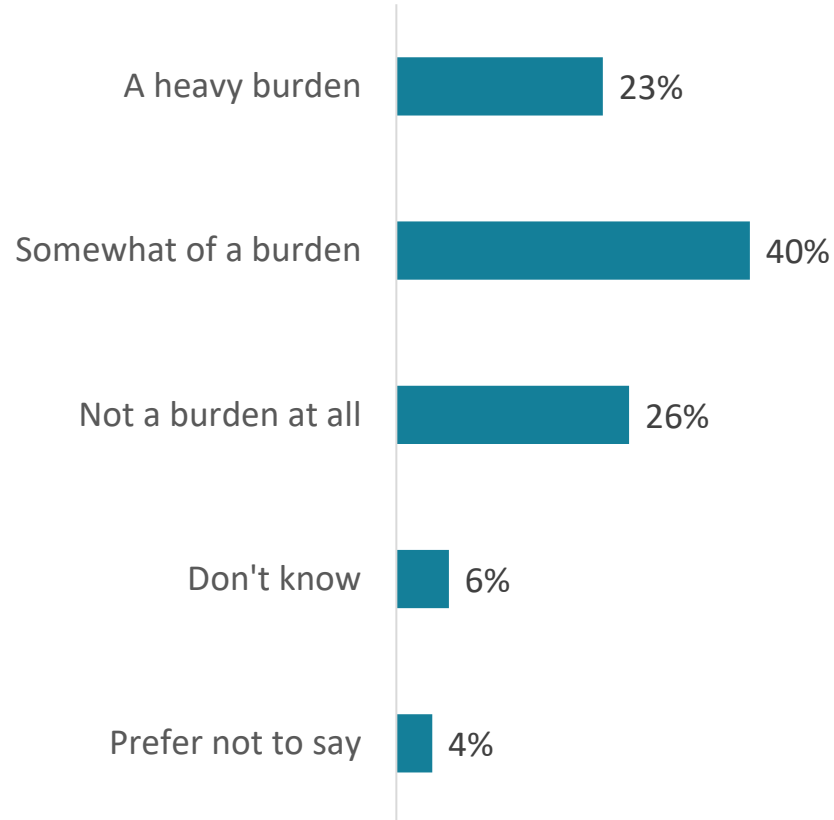
V8. If you lost your main source of household income, how long could your household continue to cover living expenses, without having to borrow any money or ask for help from friends or family?

Sample size: n=1007

Framework: Total sample

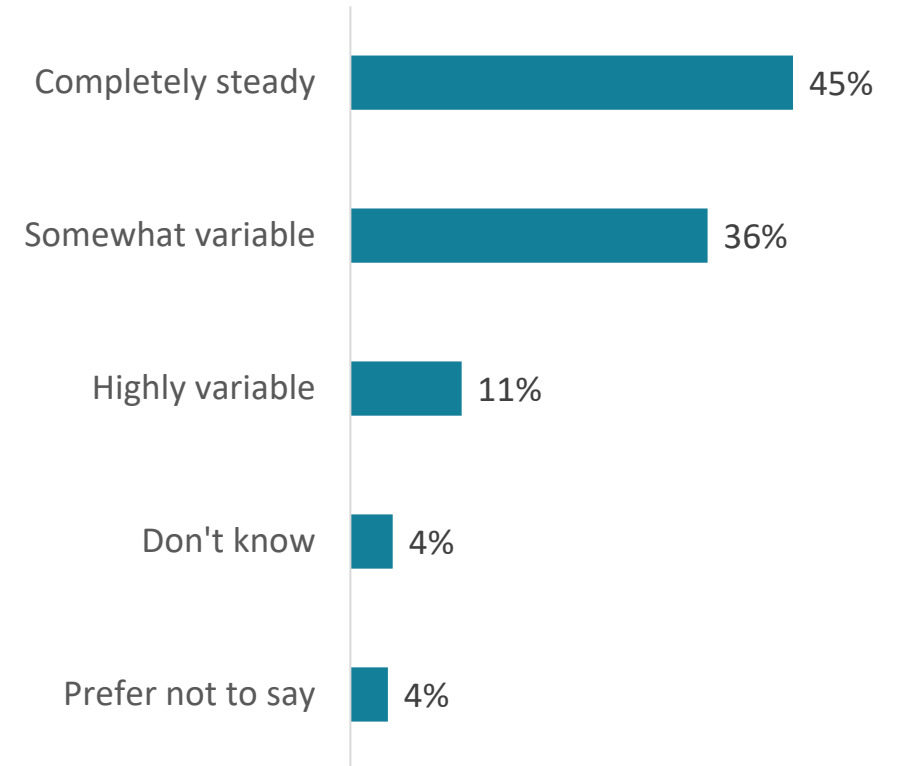
# Burden on Expenses, and Household Income Variability

## Burden Felt on Expenses



V9. To what extent do you feel that keeping up with your household bills and expenses is a burden?  
Sample size: n=1007  
Framework: Total sample

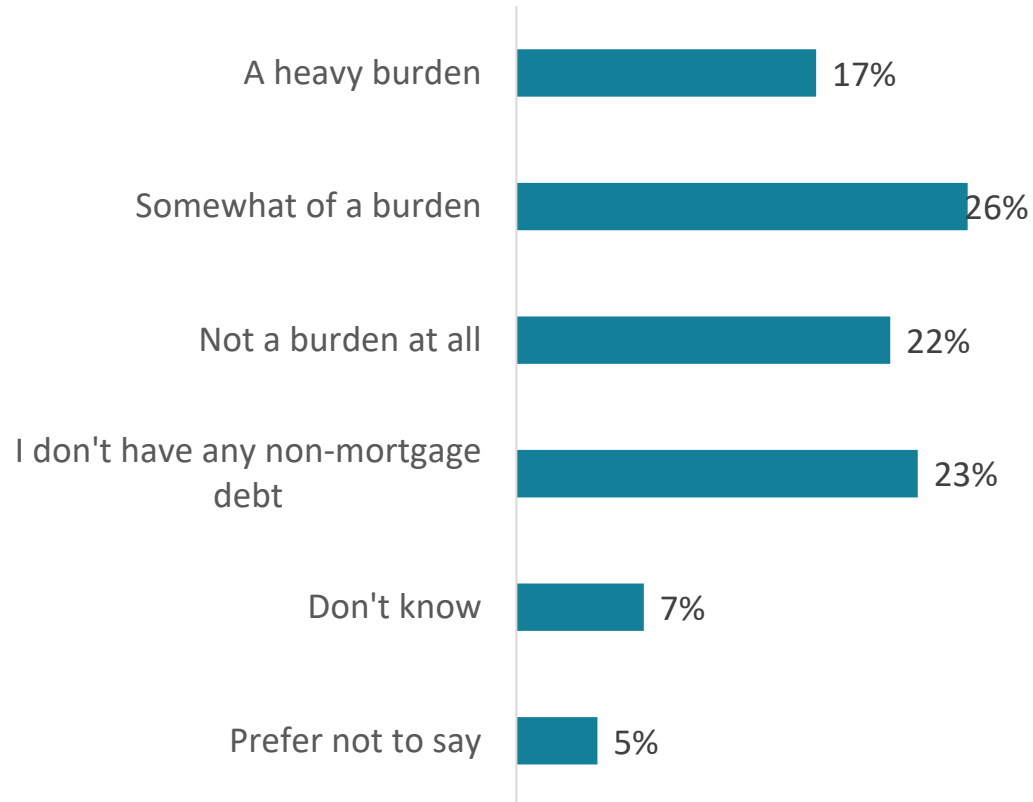
## Household Income Variability



V10. Would you consider your household's income to be steady (i.e., it stays the same) or variable (i.e., it goes up and down) from month to month?  
Sample size: n=1007  
Framework: Total sample

# Burden on Non-Mortgage Debt, and Knowledge About Personal Finances

## Burden Felt on Non-Mortgage Debt

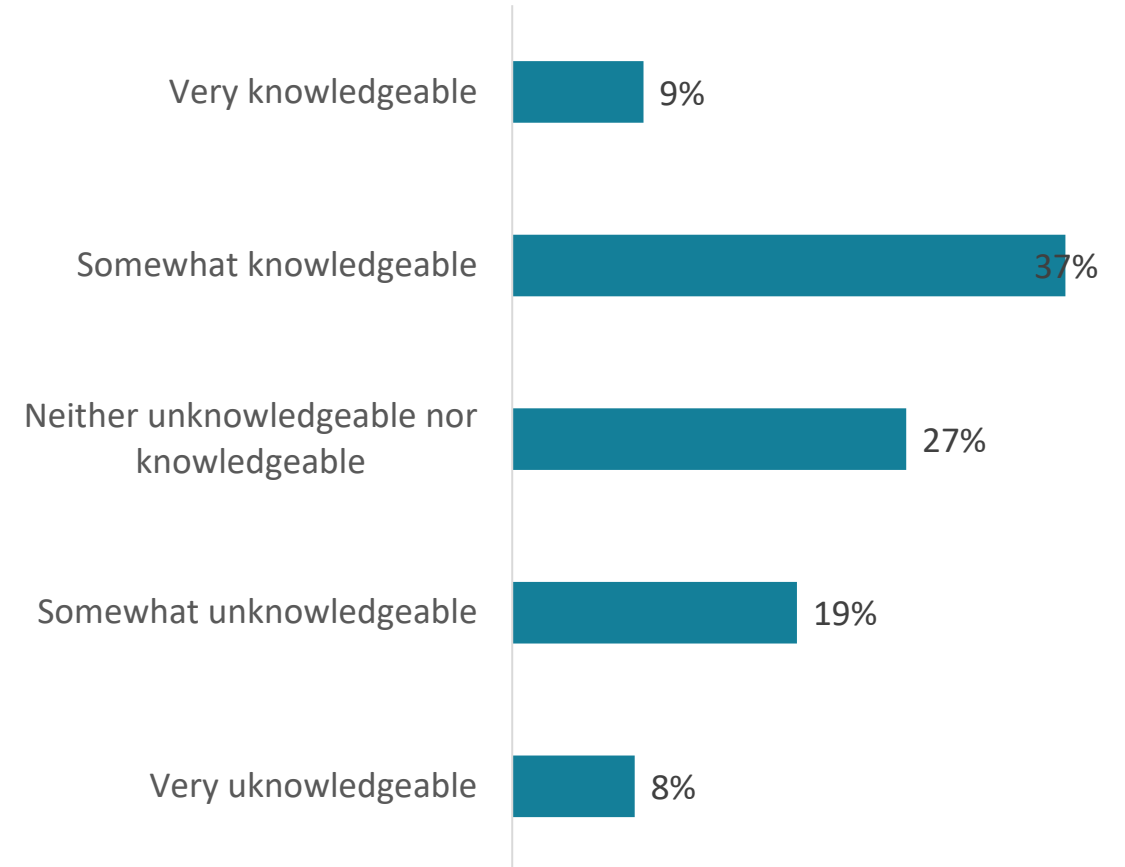


V11. To what extent do you feel that your non-mortgage debt is a burden?

Sample size: n=1007

Framework: Total sample

## Knowledge on Personal Finances (TOP2: 46%)



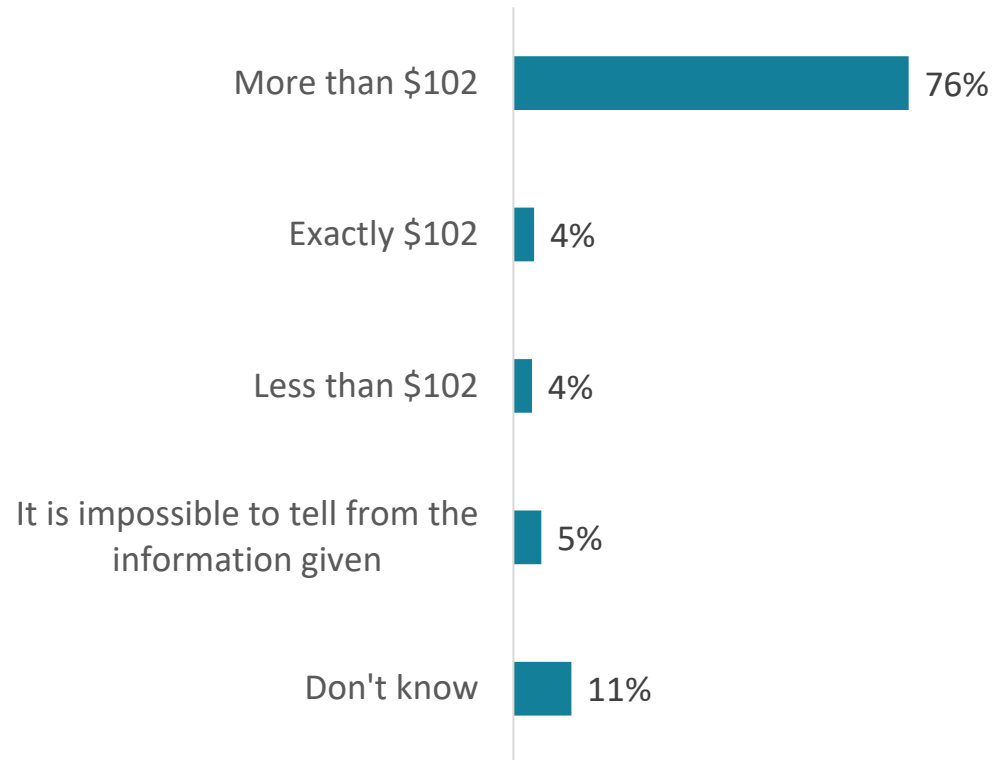
V12. In general, how knowledgeable do you think you are about finances (e.g., investments, tax planning, estate planning, insurance)?

Sample size: n=1007

Framework: Total sample

# Financial Knowledge

### Interest Earned from \$100 Savings

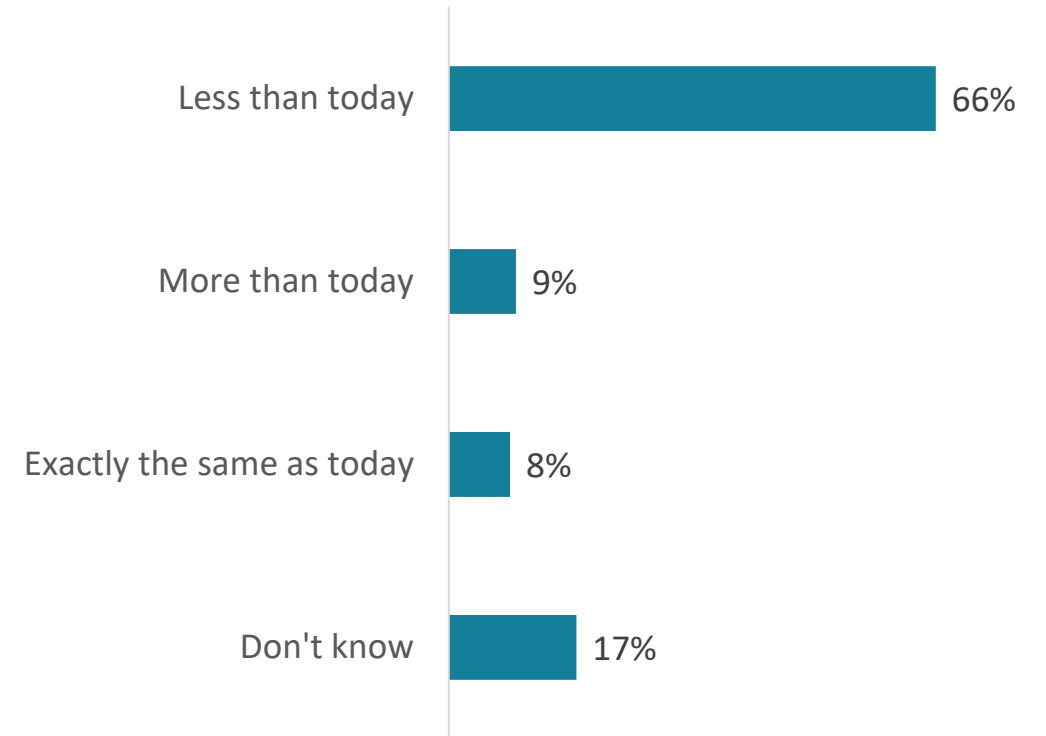


V13. Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow? Assume there are no service fees on the account.

Sample size: n=1007

Framework: Total sample

### Amount Equivalent with Interest and Inflation



V14. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After one year, with the money in this account, would you be able to buy...

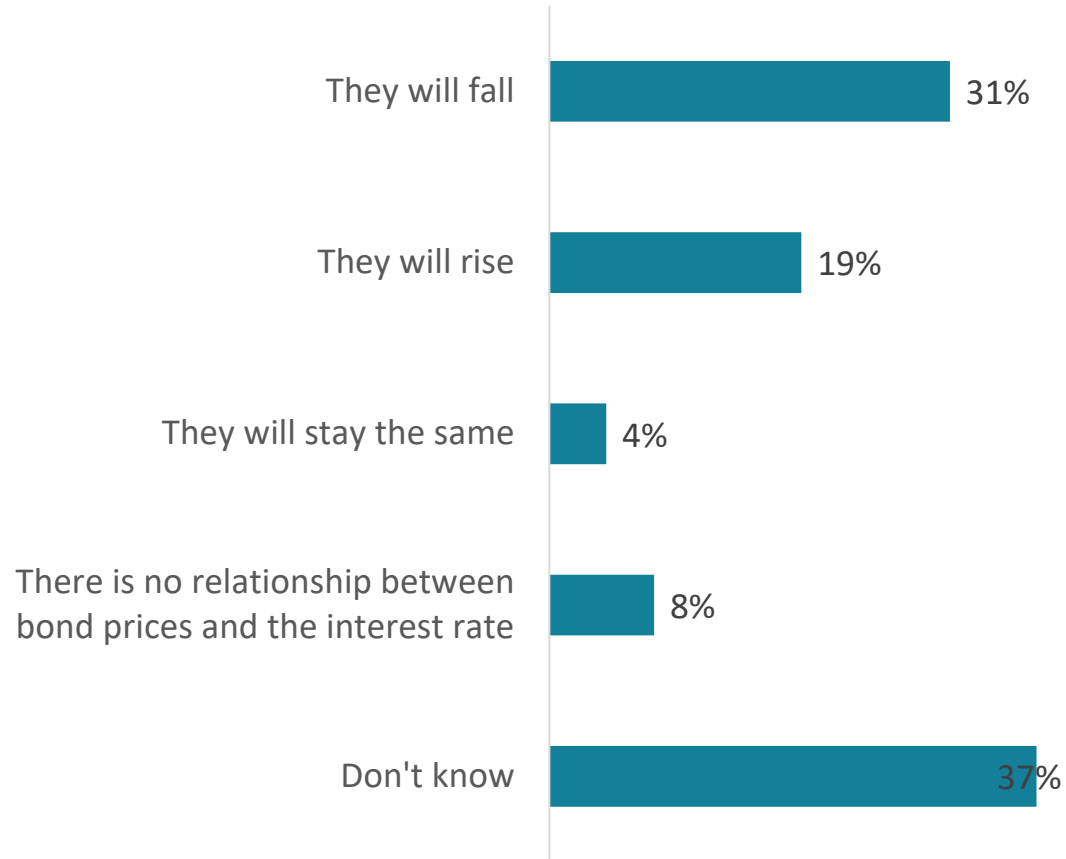
Sample size: n=1007

Framework: Total sample



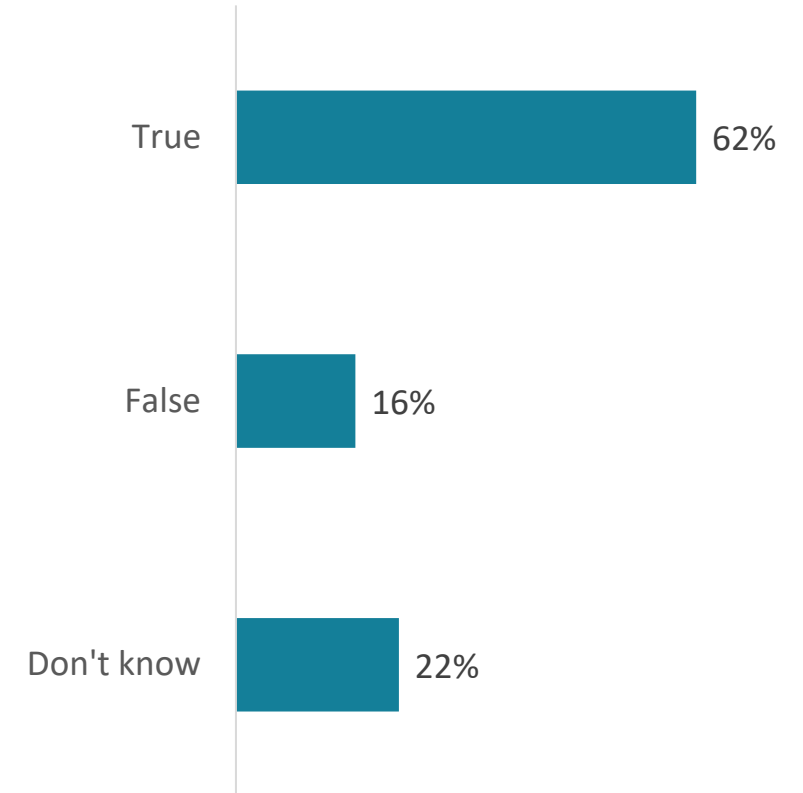
# Financial Knowledge (con't)

### Effect of Interest Rates on Bond Prices



V15. If interest rates rise, what will typically happen to bond prices? Sample size: n=1007  
Framework: Total sample

### Total Interest Paid on Mortgages

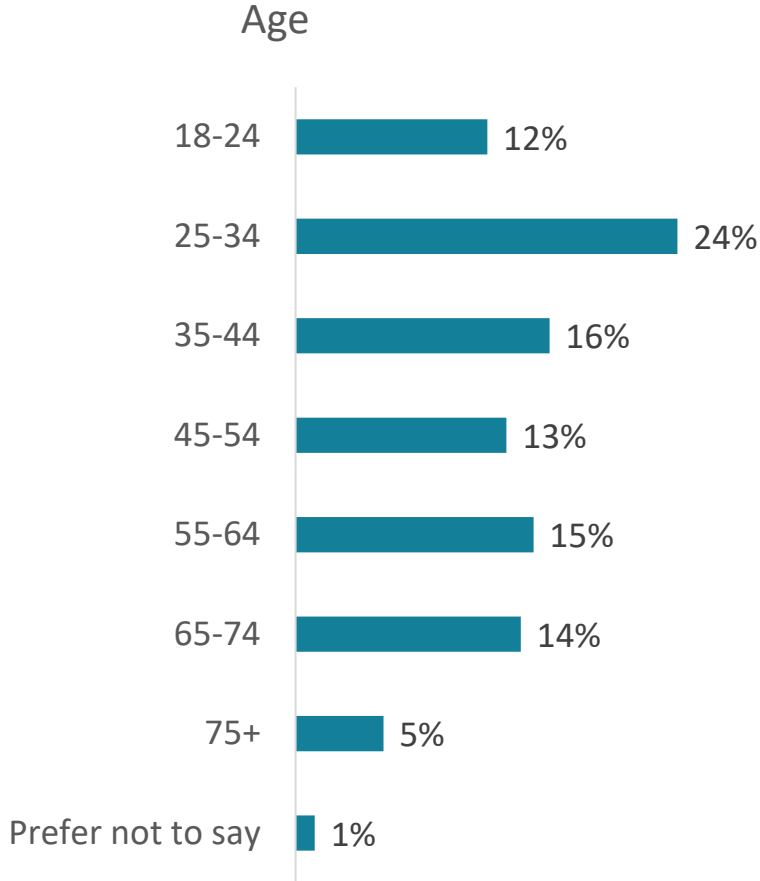


V16. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less. Sample size: n=1007  
Framework: Total sample

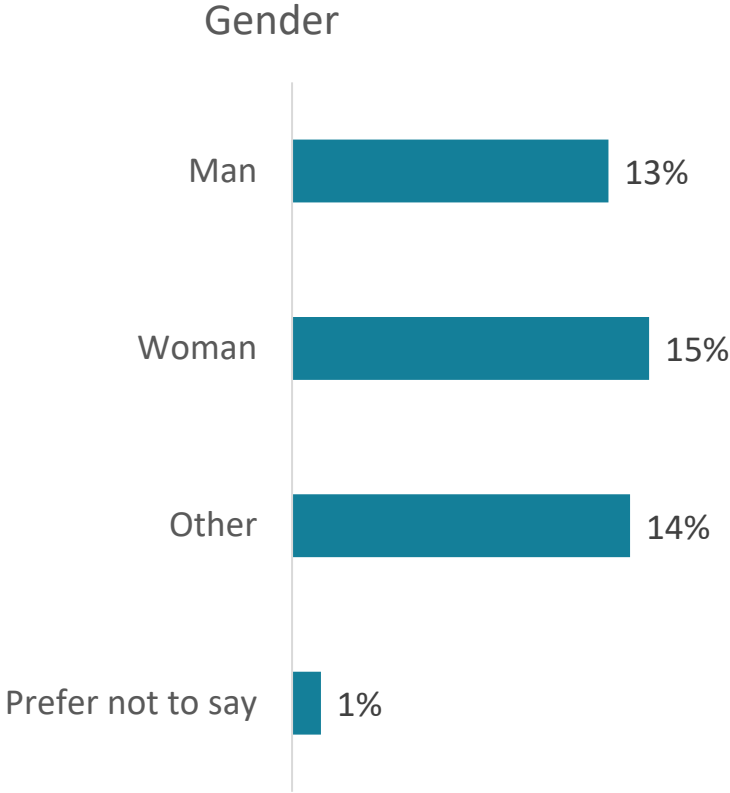
# DEMOGRAPHICS

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# Age & Gender



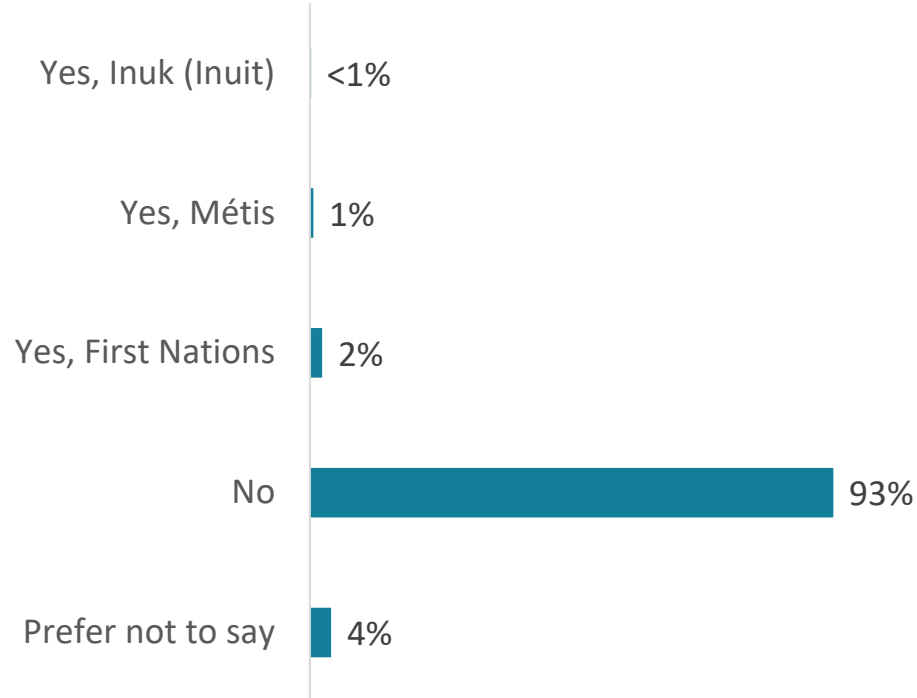
D1. How old are you?  
Sample size: n=1007  
Framework: Total sample



D2. How would you describe your gender?  
Sample size: n=1007  
Framework: Total sample

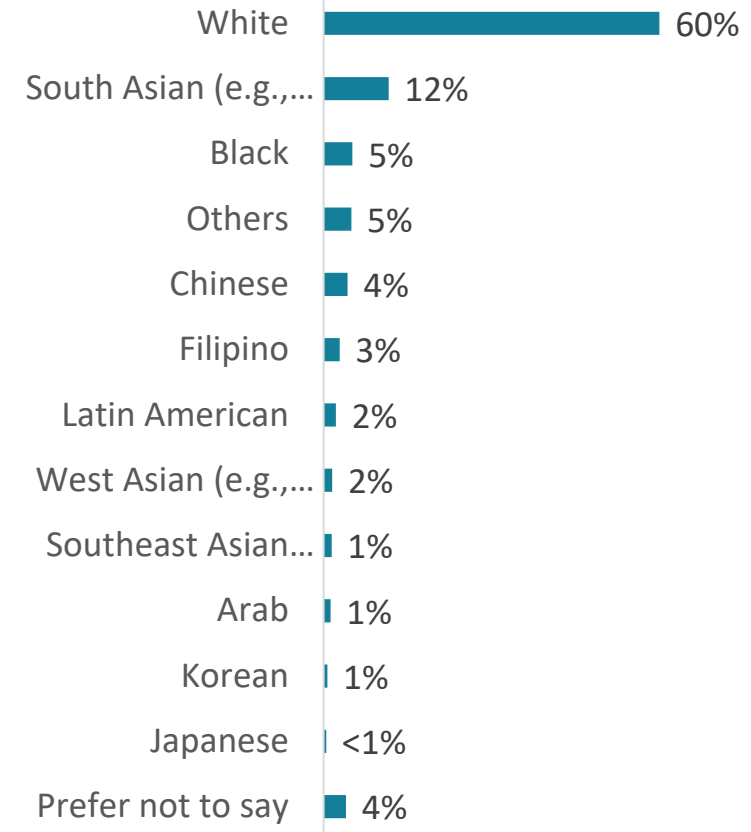
# Indigenous & Ethnic Background

### Indigenous Affiliation



D3. Do you identify as First Nations, Métis or Inuk (Inuit)?  
Sample size: n=1007  
Framework: Total sample

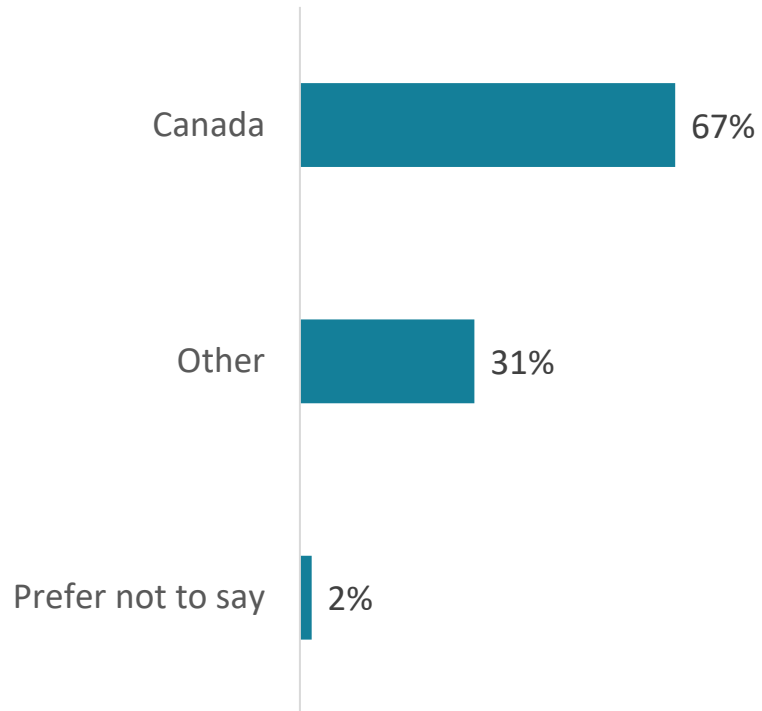
### Ethnic Background



D4. How would you describe your ethnic background? Please select all that apply.  
Sample size: n=1007  
Framework: Total sample

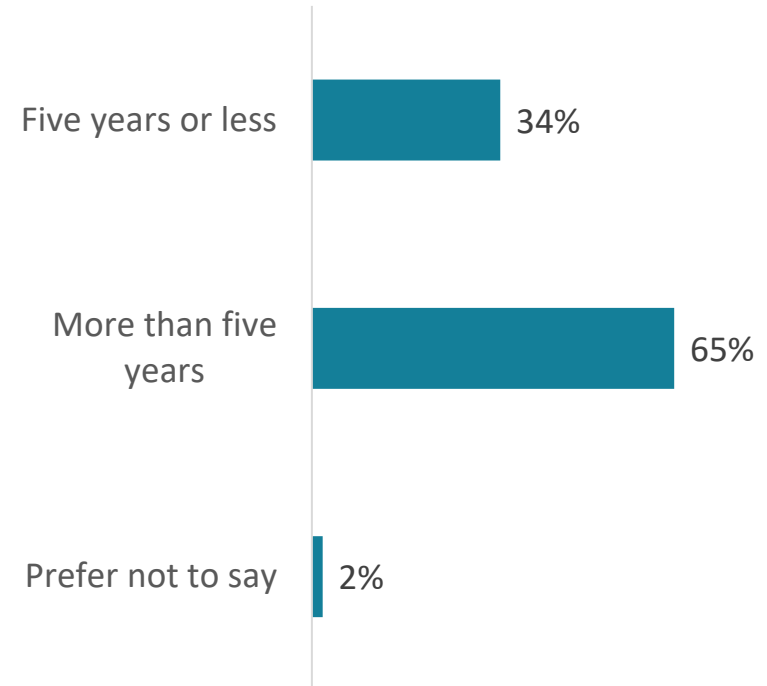
# Country of Origin & Canadian Residence

## Country of Origin



D5. In what country were you born?  
Sample size: n=1007  
Framework: Total sample

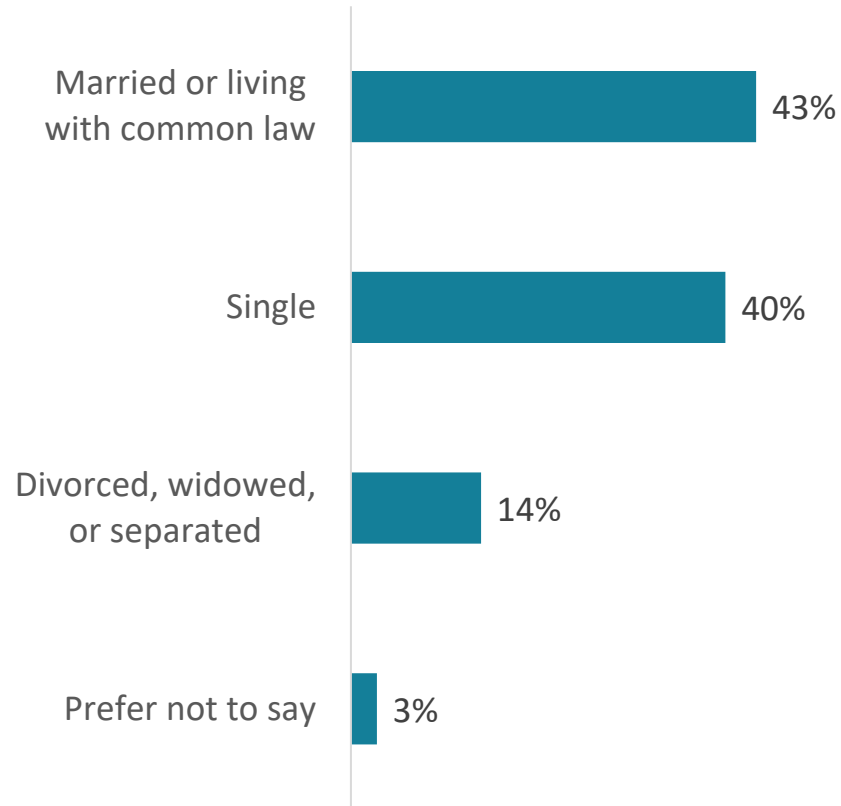
## Years of Residence in Canada



D6. How long have you been living in Canada?  
Sample size: n=313  
Framework: Respondents not born in Canada

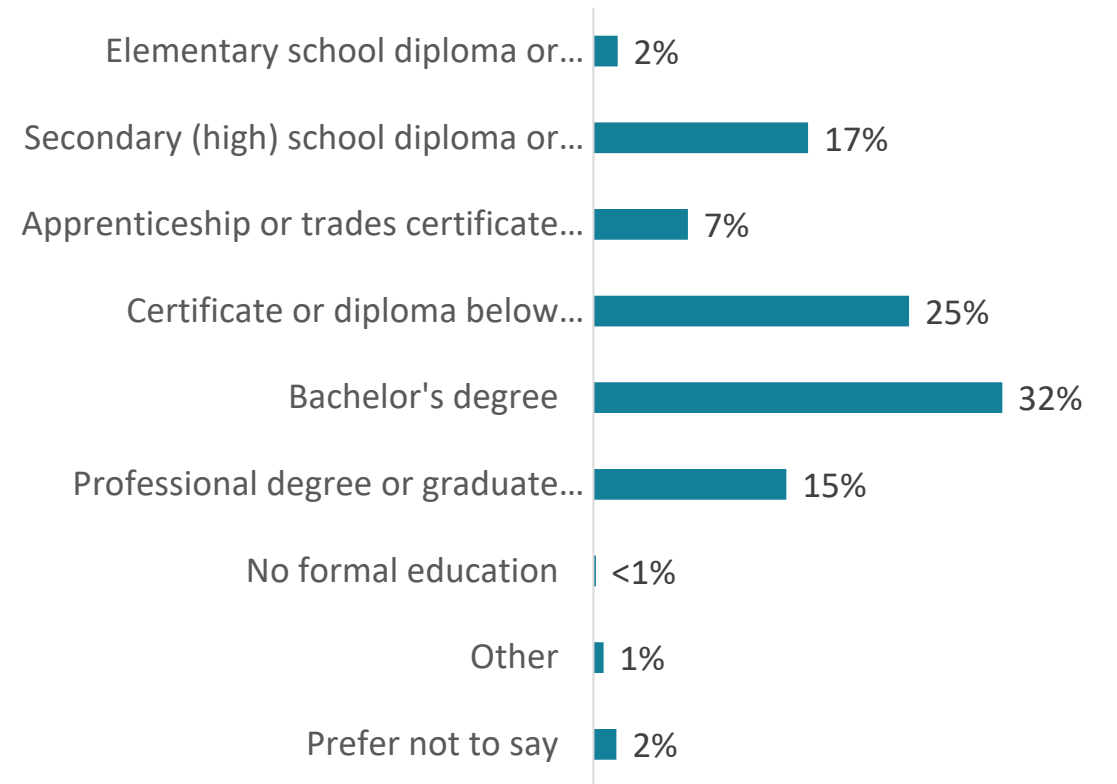
# Marital Status & Education

## Marital Status



D7. What is your current marital status?  
Sample size: n=1007  
Framework: Total sample

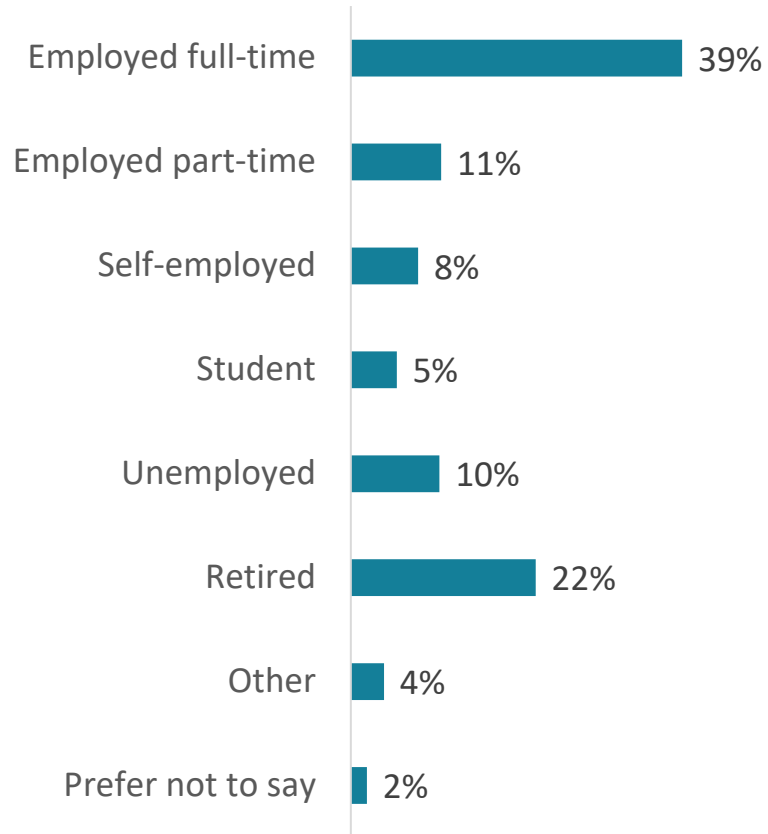
## Highest Educational Attainment



D8. What is the highest level of formal education that you have completed?  
Sample size: n=1007  
Framework: Total sample

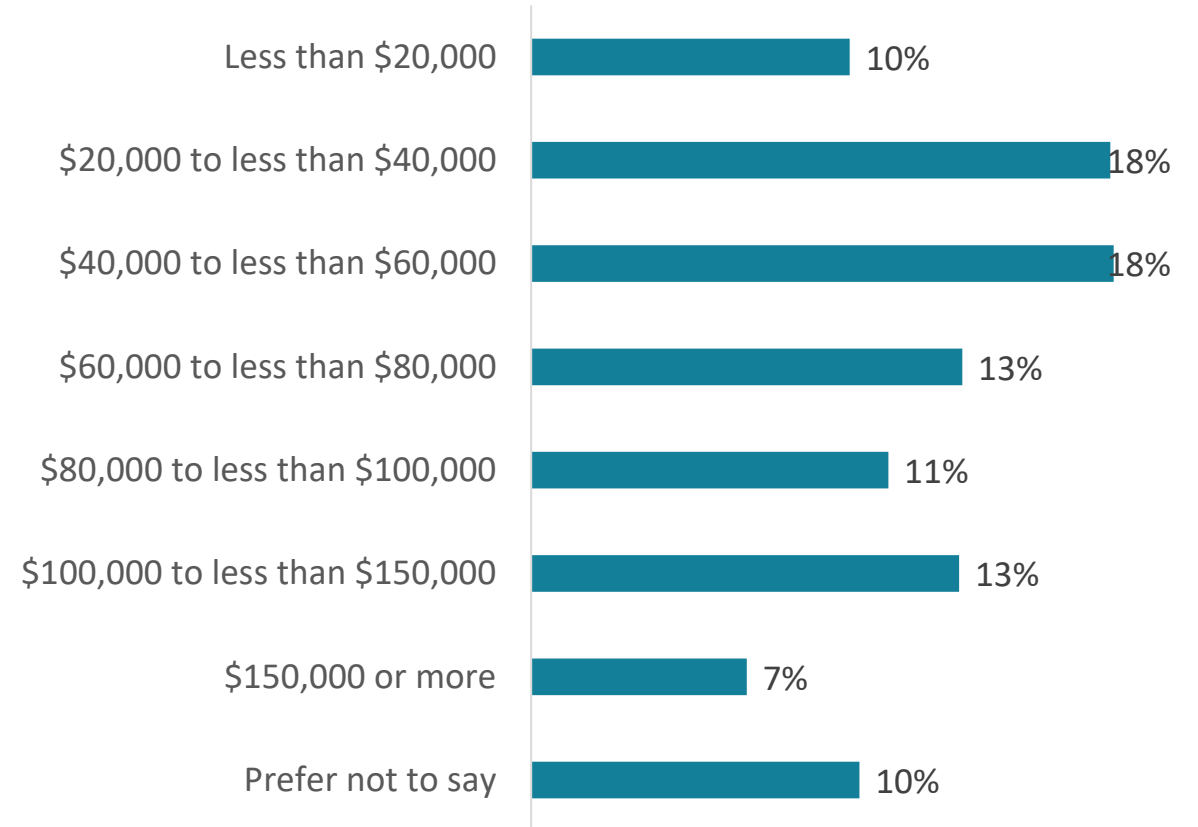
# Employment & Household Income Status

## Employment Status



D9. Which of the following best describes your current employment status?  
Sample size: n=1007  
Framework: Total sample

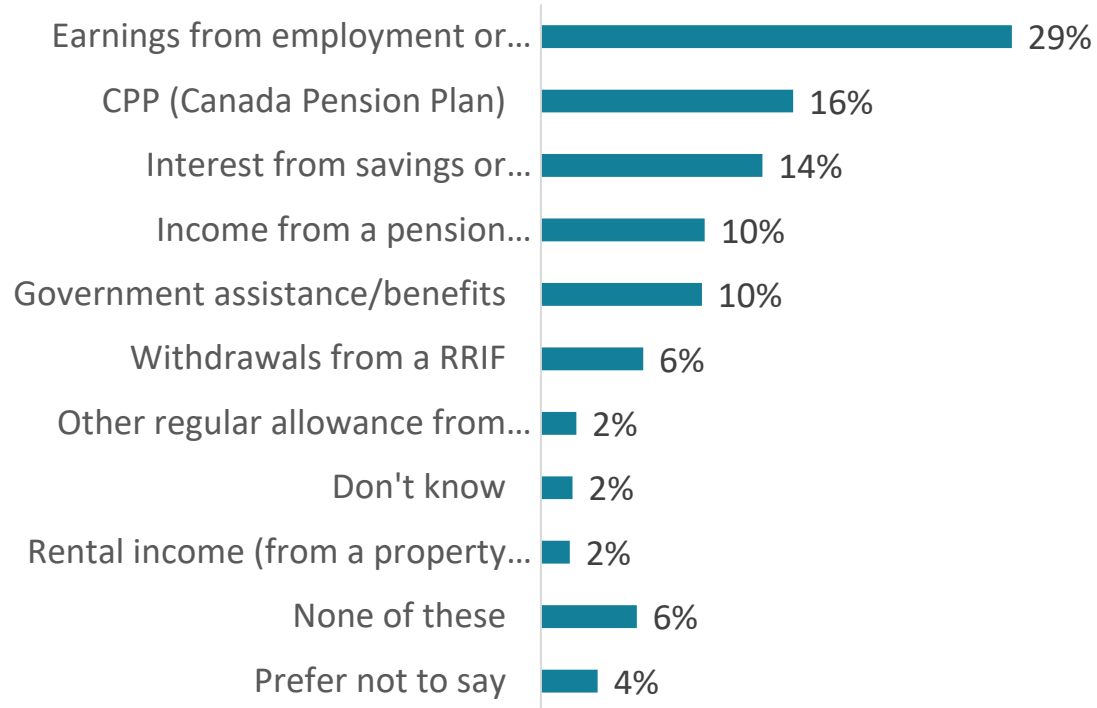
## Annual Household Income



D10. Which of the following categories best describes your household's annual income, before taxes?  
Sample size: n=1007  
Framework: Total sample

# Household Income Type & Perceived Credit Score

## Household Income Source

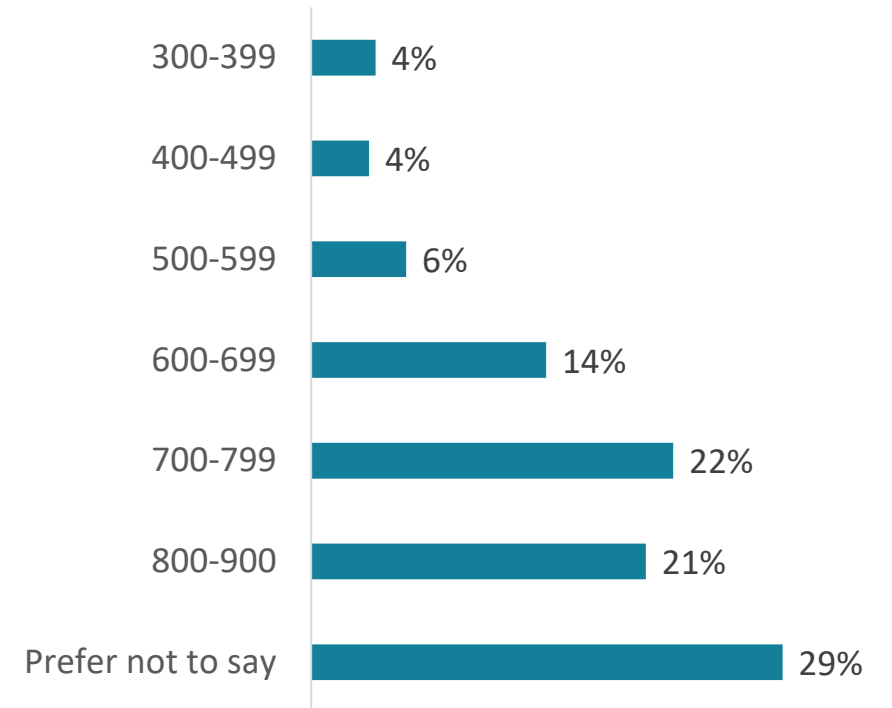


D11. Which of the following kinds of income do you (or any other adult in your household) receive? Please select all that apply.

Sample size: n=1007

Framework: Total sample

## Perceived Credit Score



D12. To the best of your knowledge, what is your credit score?

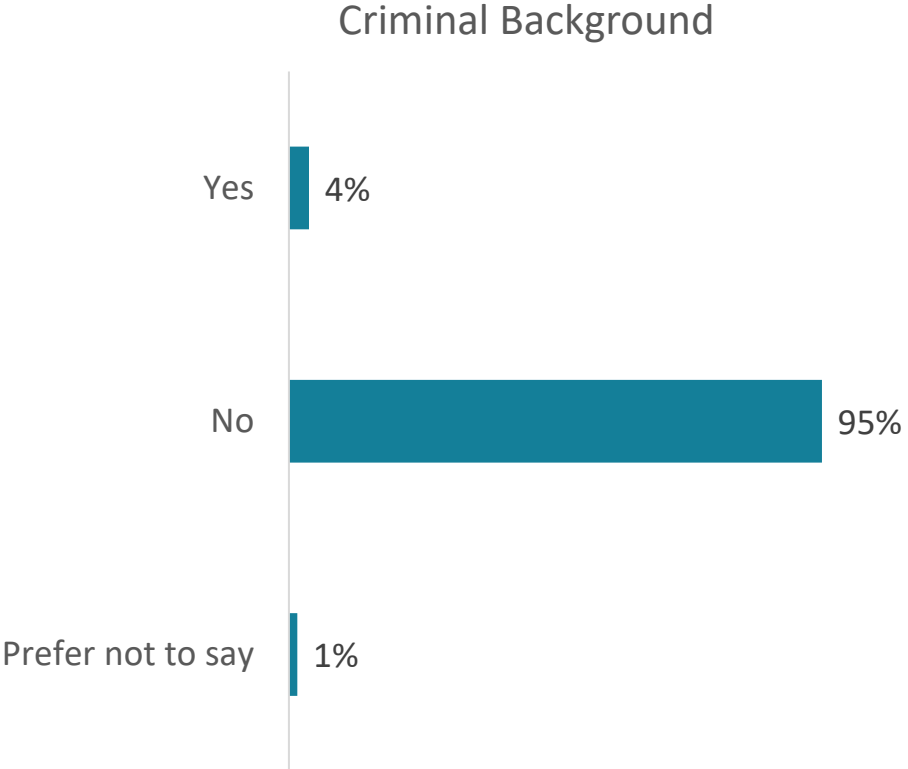
Sample size: n=1007

Framework: Total sample



# Criminal Background

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D13. Have you ever been convicted of a crime in Canada?  
Sample size: n=1007  
Framework: Total sample