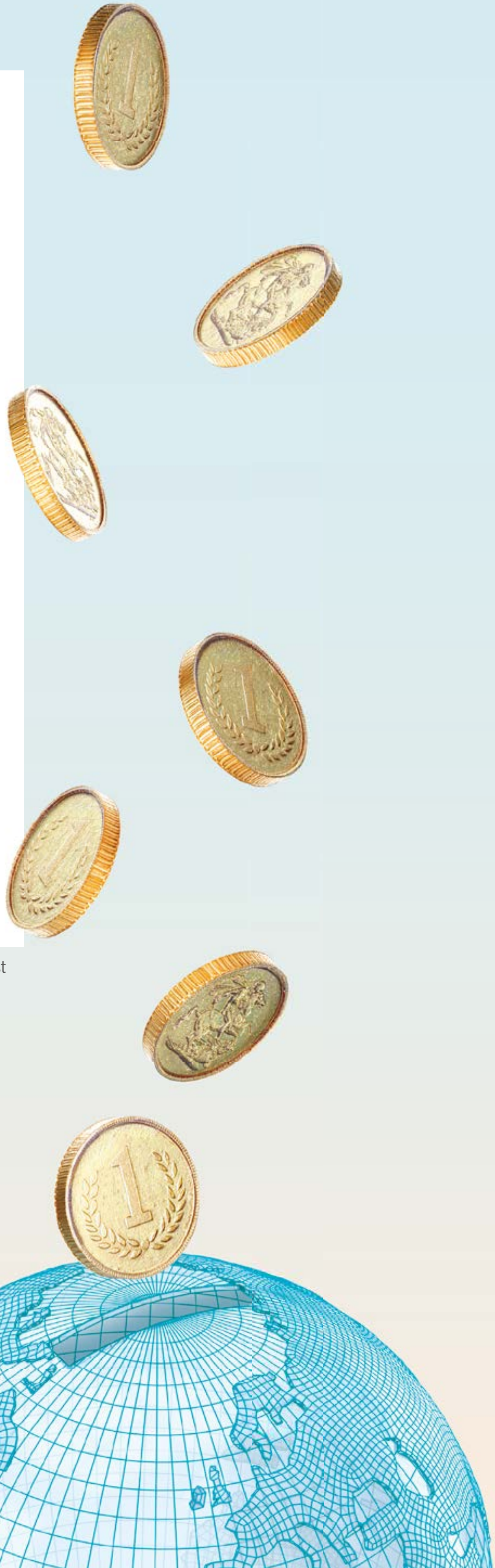
MAY 2020 VOLUME 32 | ISSUE 04

MONEY & LIFE

The magazine for FINANCIAL PLANNING PROFESSIONALS



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Courage under change

GEORGIE SAVAGE AND THE REWARDS OF A CAREER CHANGE

TRANSFER OF WEALTH

GENERATIONAL WEALTH TRANSFER

CLIENT ENGAGEMENT

CLIENT CONVERSATIONS ACROSS GENERATIONS

FUTURE OF ADVICE

CAREER SATISFACTION FOR YOUNG PLANNERS

FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

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MAY 2020

FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA

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moneyandlife.com.au **fpa.com.au**

Level 4, 75 Castlereagh St, Sydney NSW 2000
T *02 9220 4500* | **F** *02 9220 4580* | **E** *fpa@fpa.com.au*

PUBLISHER
Zeina Khodr
M *+61 414 375 371*
E *zeina@ paperandspark.com.au*

EDITORIAL TEAM
Jayson Forrest, Miriam DeLacy, Janine Mace, Mark Story
E *editor@paperandspark.com.au*

ADVERTISING
Suma Wiggins
M *+61 404 118 729*
E *suma@paperandspark.com.au*

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UNCERTAIN TIMES CALL FOR CERTAIN ADVICE

The COVID-19 crisis has seen many Australians find themselves in a financial situation they have never experienced before. People are hungry for professional financial advice.

The critical role of a financial planner has intensified. Recent CoreData research highlights a large majority of Australians are more concerned about the financial impacts of COVID-19 than they are about its impacts on their health.

As a result, most FPA members are flat out handling an increase in client queries and adjusting their business to run remotely.

During these unprecedented times, FPA members are a calm, guiding hand to help so many navigate their financial circumstances.

ADVICE RELIEF MEASURES

We welcomed the temporary relief measures announced by the ASIC last month to assist financial planners and clients during the COVID-19 pandemic.

These measures are helping to improve timely, affordable advice on early access to superannuation for Australians. Specifically, no SOA requirement for advice on early access to super, and for all time critical advice, an extension from five to 30 days for giving a SOA.

The FPA strongly advocated for this reduction in regulatory burden on behalf of our members, as well as working cooperatively with four other associations as part of the Regulatory Burden Taskforce. These are only a start and the FPA continues to advocate on other measures to support you during these times.

ADVERTISING CAMPAIGN IS LIVE

Funded by the marketing levy that CFP® professionals contribute to annually, the FPA is currently running digital advertising to ensure Australians know they can turn to CFP professionals for financial advice, particularly during a time of crisis.

The ads feature short messages reactive to news breaking around COVID-19, to help Australians looking for financial stability in uncertain times.

The ads encourage Australians to 'Ask a CFP professional' and directs them to FPA's Match My Planner.

LOOKING TO THE FUTURE

While we adjust to the new normal, we are creating a new vision for our profession over the next five years. With your member input, we have mapped out the conversations, advocacy and initiatives needed for the continuing evolution of financial planning.

I look forward to sharing the policy vision and strategic priorities that together we will focus on to ensure a better financial future for Australians. These will be discussed at the FPA Together livestream events this month. Please register at fpa.com.au/together

Keep safe and stay well.

| *DANTE DE GORI CFP®*
CHIEF EXECUTIVE OFFICER

FOLLOW DANTE ON TWITTER @DDEGORI10

HEALTHIER, LONGER, BETTER LIVES

aia.com.au

KEEPING THE 2020 CFP® CONSUMER CAMPAIGN ON TARGET

In our last issue we shared an update on the new approach the FPA is taking to our annual CFP® consumer marketing campaign. As well as working with a panel of eight CFP® members to develop campaign concepts and review outputs from our agency partners, we have involved the whole CFP® community by putting concepts to a vote to come up with our core campaign message.

Having a more robust, consultative process has been even more important in light of the COVID-19 pandemic and its impacts on our profession, clients and our entire society. Any communication and advertising on behalf of the FPA and our members must be sensitive and relevant to what people are experiencing. People are also having to process vast amounts of information on a daily basis to keep on top of the latest economic and public health impacts and Government responses to these.

So while the key concept for the campaign remains the same, the following theme was also presented to our agency partner, Ikon Communications, to help them develop creative ideas to address the most pressing financial concerns of our audience and highlight the critical role CFP® professionals are playing in this time of financial crisis.

Planning and responding in uncertain times: during times of national and global hardship, people are often forced to re-evaluate and reassess their situation, especially their financial one. Our campaign will highlight the importance of talking to a CFP® professional for advice.

EXAMPLE MESSAGES FOR THE NEW CFP® CONSUMER CAMPAIGN INCLUDE:

- **If I access $10K from my super, how will it affect my retirement? Ask a CFP® professional**
- **How long will my money last? Ask a CFP® professional**
- **Where is it safe to invest right now? Ask a CFP® professional**
- **How will my retirement be affected by COVID-19? Ask a CFP® professional**
- **Can I afford to go part-time? Ask a CFP® professional**

The campaign runs from April until June 2020

FPA board member Delma Newton CFP® is also one of the eight panel members who have been working to ensure the campaign is relevant to the needs of the CFP® community and the current COVID-19 situation as it unfolds.

"At a time when many Australians will be feeling more confused and anxious than ever about their financial future, the panel wanted the campaign execution to convey a very clear message that there is trust in financial planners and what a financial planner can do for you," says Delma "Ikon came back with four creative approaches based on the original concept and theme. There were two really strong ideas so we asked them to work on a hybrid of these."

'Ask a CFP® professional' is the repeated message of the new advertising campaign. each time preceded by a question that is likely to be on the minds of Australian's right now. "It's a very timely message as there is so much uncertainty out there for so many people." says Delma. "It also gives us the ability to be agile with the campaign as the situation changes and new questions arise. As the campaign will be running over several months, this is absolutely key to making sure the message is still strong enough to reach people in spite of the information overload they're experiencing."

With people spending so much time at home due to social distancing restrictions, the campaign will not be rolled out across transport and shopping hubs as it has been in recent years. All distribution will be via digital channels and radio advertising with a call to action for consumers to visit a campaign webpage for more information and to connect with a CFP® professional via Match My Planner.

The FPA congratulates the following members who have been admitted as

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

NSW

Khalil Daher CFP®
StatePlus

Nicolas Saravanja CFP®
StatePlus

Kaden Emery CFP®
StatePlus

SA

James Bolingbroke CFP®
Merlea Investments

PROFESSIONAL YEAR SUPPORT FOR PRACTICES AND LICENSEES

The Professional Year component of the new FASEA education requirements is essential for giving graduates the practical support they need to translate technical knowledge into delivery of quality, compliant financial advice. To support financial planning businesses in taking their role as mentors and training providers to a new level, the FPA have created the new Professional Year tool to simply and streamline this new process.

The Professional Year has introduced a new layer of complexity for practices and licensees taking on provisional planners. To ensure new recruits have met all requirements and are ready to begin their career as fully qualified planners, senior planners and practice managers are now tasked with creating and delivering comprehensive training plans.

At a time when the whole profession is challenged by growing compliance responsibilities, the time and commitment it takes to manage the Professional Year is a big ask. It can also require senior planners to place a greater focus on their capabilities as coach and mentor for less experienced colleagues.

So far no commercial solutions have been brought to market to support licensees with this new responsibility. To fill the gap, the FPA is launching a workflow tool for creating and tracking a training plan for Professional Year candidates. The platform offers licensee, supervisor, and candidate views of each step on the Professional Year pathway including the the FASEA exam, structured and unstructured training elements, and the resolution of ethical dilemmas. A completion certificate is created automatically when a supervisor confirms all stages are complete for each quarter.

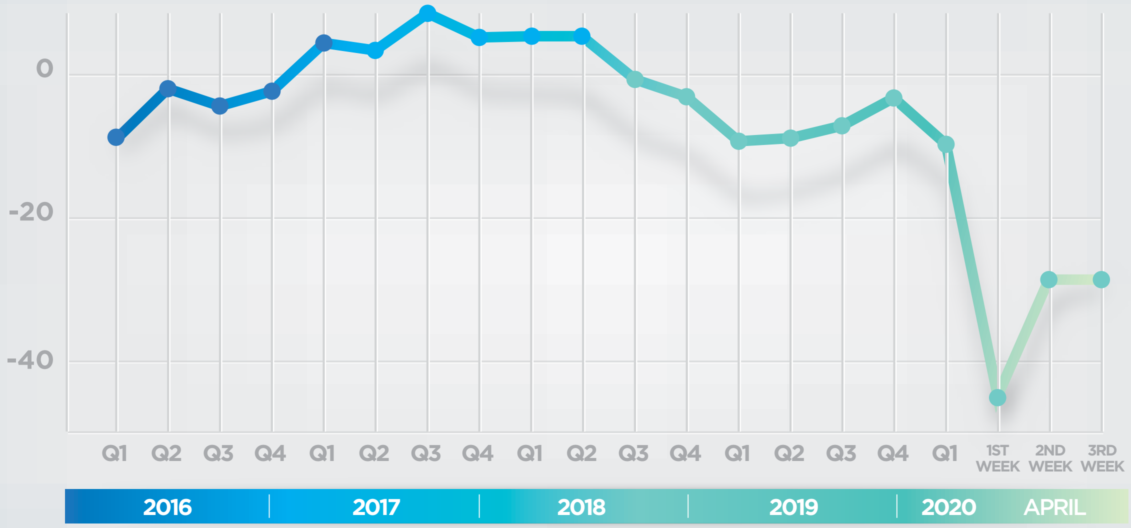
Professional Year tool users – both supervisors and provisional planners – will also have access to a range of resources to support the mentoring and coaching aspect of this learning experience. We've partnered with training provider Wilson Learning to bring you these resources.

The Professional Year tool is currently available in trial mode for partner and practice members, provided all participants are FPA members. Feedback from this first release will help us refine the tool for potential release to the wider financial planning community.

To find out more about the Professional Year tool and get involved in the pilot phase, contact our FPA Education Team at education@fpa.com.au.

COVID-19: IMPACT ON INVESTOR SENTIMENT

While 2019 was a time for investors to be feeling cautious due to periods of market turbulence, the COVID-19 pandemic has seen confidence plummet to a new low. According to the CoreData COVID-19 Investor Sentiment Tracker, the first week in April 2020 saw investor sentiment reach -45, only 5 points off a maximum of -50.



The score ranges from strongly pessimistic (-50) to strongly optimistic (+50) with 0 being a neautral reading

SOURCE: *The CoreData COVID-19 Pulse Check Dashboard (link https://www.coredata.com.au/covid-19-pulse-check#dashboard*


australianethical investment
Invest in stocks that thrive in the new economy.
Divest from gambling, tobacco & fossil fuel companies.
COMBINING ETHICS AND ACTIVE MANAGEMENT
Access our award-winning Australian Equities expertise through an ethical SMA strategy.
australianethical.com.au/sma
FINANCIAL STANDARD
WINNER
AUSTRALIAN EQUITIES
High Performance
2020
INVESTMENT LEADERSHIP AWARDS
FINANCIAL STANDARD
WINNER
ESG
Australian Equities
2020
INVESTMENT LEADERSHIP AWARDS

STAY CONNECTED AT FPA TOGETHER

The FPA has responded to these challenging and unprecedented times by postponing this year's FPA National Roadshow and the 2020 FPA Professionals Congress, which was scheduled for Adelaide in November.

With Government restrictions in place during the current COVID-19 pandemic, the FPA made the difficult decision to postpone these national events for the calendar year and is currently working on new dates for 2021. In addition, the Careers in Financial Planning event series, as well as Chapter events, are also on hold.

However, the FPA recognises the importance of members to stay connected with the wider FPA community during these uncertain and isolating times. To assist practitioners stay connected, it has launched a new online initiative - FPA Together.

Schedule to launch on 1 May, FPA Together is a series of free interactive online events, where members can hear about the latest developments impacting the profession, your career, your business and clients.

Topics will include:

- How FPA members are responding and adapting to the health and financial crisis emerging from COVID-19;
- Resources and relief available to FPA members;
- The latest information on policy and regulatory developments;
- Launch of the new FPA five-year strategic and policy plans for members; and
- Live Q&A.

Nine events will run during May and early June, in addition to special webinars for FPA Professional Practices and FPA Professional Partners. See box below.

FPA Together, with its virtual live event series, will complement the FPA's online discussion forum for members - FPA Community.

FPA Together will be hosted on the learning portal, FPA My CPD - available through FPA Learn at learn.fpa.com.au

For more information, visit FPA My CPD.

EXCLUSIVE FPA WEBINAR:

A Conversation with Senator the Hon Jane Hume

Thursday 7 May 2020 | 12pm - 1pm AEST

The Assistant Minister for Superannuation, Financial Services and Financial Technology will join FPA members at this special webinar to discuss current issues in financial planning, including the impact of COVID-19, the Government's response to the Financial Services Royal Commission, and the future of the financial planning profession. Open to FPA members only, this webinar is free. Register online via FPA My CPD.

FPA TOGETHER EVENT SERIES FOR MAY

ONLINE EVENT DATE	FOR FPA MEMBERS IN:	START TIME
1 May	Regional Vic and Tas	12:00pm
8 May	WA	12:00pm
12 May	FPA Professional Partners	10:30am
13 May	FPA Professional Practices	1:00pm
15 May	Regional QLD	12:00pm
18 May	Brisbane	12:00pm
11 May	Melbourne	12:00pm
19 May	SA and NT	12:00pm
21 May	Regional NSW and ACT	12:00pm
22 May	Sydney	12:00pm
5 Jun	Second event for Sydney & Melbourne	12:00pm

YOU SAY/ THEY SAY

How does the new generation think about financial planning? We asked both financial planners and younger consumers what they think. The good news? Both feel the other has a lot to offer.

YOU SAY

For financial planners, providing advice to the new generation requires the ability to understand the different challenges and opportunities they are facing compared to previous generations.

How are the life goals of your next generation of clients different to their parents?

“Their biggest challenge is affordability and job scarcity and being able to earn enough money to support their lifestyle. They are more concerned about climate change and housing affordability and paying off their HECS.”

“Our experience has been that children of existing clients have different priorities due to the fact that their parents are financially secure. For example, when their parents would have prioritised repaying the mortgage, building superannuation, buying investment properties, etc, their children are now in the fortunate position that they do not have to prioritise making money/increasing their net wealth. Instead, they have the luxury to be able to prioritise their children’s (the grandchildren’s) education or better work/life balance by only working four days per week rather than five (or six or seven that their parents had to work!)”

“The main difference is the timeframe. I find that next generation are focused on short term goals, while their parents have longer term focus.”

What sort of benefits do you think financial advice can bring young people?

“
1. Increase their financial literacy awareness and about cashflow and budgeting.
2. Understand how investment works.
3. Mentoring them that they can achieve their financial goals by planning and putting steps in place.”

“Financial advice helps young people to know what they need to do to meet their retirement goals, and their goals between now and then, by explaining how much they need to put away each year, and where those funds should be held based on the goal. If they know that, then they know how much is spare, and that they have the luxury to spend on the other things.”

“For instance, if they know that directing $200 per week to super, $200 per week to a higher interest savings account and $200 per week into an investment bond will secure their retirement, pay for the holiday they want next year, and fund their children’s secondary school education in 10 years, they’re in the strong position of knowing that everything else they earn can be used as they see fit. Or that they could potentially reduce hours to spend more time with the family and still achieve their goals.”

COVID-19 is having a big impact on every aspect of our lives. How do you see this playing out for advice given to younger Australians?

“Advisers can assist by stopping younger Australians from making unwise decisions. For example, explaining to young people that withdrawing $10,000 from superannuation tax-free could potentially cost them ~$450,000 in less super monies when they go to retire. (Based on returns of 10% pa for 40 years.)”

“There are two trains of thought on this one. The next generation could see this as a perfect buying opportunity and consider starting an overall wealth strategy whilst investments markets are under pressure or in decline - the other option is that young Australians may put their head in the sand and think things are just too difficult.”

What are the other key issues that impact advice given to younger people, i.e. property, careers, climate change?

“Cashflow has to be the absolute key issues for all Australians, not just young people.”

“Biggest issue is affordability of advice. For us to do a thorough job cost is $3k+ and that’s too much for young people.”

“The critical issue is how to best save for their first home and how much funds, if any, should be directed to

investing for retirement when they have not yet purchased a home. Similarly, when a younger person has worked hard to purchase their home, the conversations are around how spare cash flow (if any!!) should be used when considering the combating needs of building for retirement, having a savings buffer, saving for future costs (education), and planning for future changes in income (reducing to one income for a period of time). The conversation also extends to the need for insurance, where best to pay for those insurances, the sums insured, waiting period, benefit period and definitions that are appropriate and trying to convince them as young, healthy, people that insurance is needed."

THEY SAY

The next generation say they are facing different financial pressures than the generations before them, and they want different things out of life. They also want the advice to make that financially happen.

How are the financial challenges that younger people face different than previous generations?

" We expect to live more lavish lifestyles. Everyone around us is travelling, seeking experiences and broadcasting this on social media. The 'fear of missing out' (FOMO) justifies so much short-term and spontaneous expenditure."

" There is so much more to buy and it can be done with a click of a finger 24/7 and you can pay later. With so much access and promotion of products online it is so tempting to make purchases that aren't necessary."

Will homes be something that young people can afford? Why is there so much access to credit?

" It's almost impossible to buy a decent first home. University fees are very high and credit is too easy. Our desires exceed the supply."

What do younger generations have to gain from financial advice?

" Everything! Accountability to a professional who can help guide them, financial education and empowerment to make financial decisions, and professional advice to put them on track towards their goals and stop them from making big financial mistakes."

" It means the future's in their hands not the governments."

" Long term perspective. Smart tips."

What do you think younger Australians are most concerned about when it comes to their finances?

" How to manage their finances as best as possible, investing, buying property. It's common for younger people to not know what they really want, and there's pressure for them to do life "textbook perfect". For example, they may be concerned they're 30 and don't own property as they feel like they "should" whereas that may not actually be a goal of theirs."

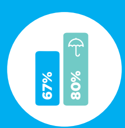
" Housing affordability, investing their funds ethically, making the right investment decisions with their limited funds."

" To be honest I really don't think that younger Australians think this way or plan ahead. They seem to be very much here and now in their thinking."

Savvier than given credit for

Much is said about the younger generation and their attitudes towards money, and right now how they think and feel about money is being tested more than ever before.

However according to a report by Alpha Beta, commissioned by AfterPay last year, younger generations are more financially savvy than they are often portrayed.



80 per cent of millennials have a budget, compared to 67 per cent of older generations

They are 37 per cent less likely to own a credit card

75 per cent shop around and check product reviews and prices carefully before purchasing

A BRIGHT FUTURE FOR FINANCIAL PLANNING

An optimistic view of prospects for the profession as seen through the eyes of 2019 FPA University Student of the Year finalist Porsha Papas, Associate Adviser at Morgans Financial in Port Macquarie, NSW.

> *"The ability to cooperate with, and learn from, others who have a completely different culture to you is such a vital skill."*
>
> | PORSHA PAPAS

As a recent finalist in the 2019 FPA University Student of the Year Award, Porsha is an up-and-coming financial planning professional who has consistently shown a commitment to excellence during her five years in the industry. She has been an FPA Mid North Coast Chapter Committee Member since 2018 and was selected as a sponsored student to attend FPA Congress in 2017 and 2018. She is currently completing her final year of a Bachelor of Commerce majoring in Financial Planning.

What motivated you to choose a career in financial planning?

I started working in the industry as an administration assistant in a regional boutique financial planning office when I returned from living in Italy. Until then I had no idea what financial planning was and this is where my passion for the profession began.

I worked closely with a CERTIFIED FINANCIAL PLANNER PROFESSIONAL who was also a Chair of the FPA and heavily involved in the industry. She has been an incredible mentor and I enjoyed what I was learning and being exposed to everyday. So much so, that I decided after just one year that I wanted to pursue a career as a financial planner.

A career in financial planning, for me, combines my love of finance, strategies and intricate knowledge, with helping and communicating with people. The conversation a planner has with their client involves coaching, support and assurance and working together to achieve their lifestyle goals and objectives via strategic advice and an ongoing relationship. This is exactly what I want to do and I couldn't be more excited to be evolved and become a fully qualified financial planner in my current role as Associate Adviser at Morgans Financial Port Macquarie.

What were the greatest challenges and opportunities on your journey to becoming a planner?

Completing two of my university Finance units abroad in Europe and India. Each unit would normally take 12 weeks but they were condensed to 2 weeks each. It was incredible to fast track my studies and learn from multiple industry professionals in their home countries. The coursework itself was intense as the unit is so condensed, but the experience these units has brought me is invaluable. The ability to cooperate with, and learn from others who have a completely different culture to you is such a vital skill, especially in the financial planning industry.

Balancing study and work is challenging, but motivating. A huge number of planners are having this experience due to the new FASEA education requirements. Having done this for four years online I've come to learn that maintaining your current lifestyle, work and social life is a whole new ballgame. I studied in the evenings after a day at the office, as lectures are recorded by my University. Routine, discipline and motivation are key. A good support network and passion for what you are learning with the ability to see an outcome from your hard work is extremely helpful in staying on track.

What were the best sources of support for you along the way?

Finding another student and planner in a similar situation to talk to is so important. I was really fortunate to have connected with a student who was completing the same major very early on in my academic career. It is an amazing support to have a likeminded person in similar circumstances to work with and discuss the course requirements.

From a career point of view, I would suggest that young planners who have their degree should seek support from a mentor and experienced planner who you really look up to and see as a role model. You can both work together to grow, offering each other guidance.

What advice would you give to your younger self on overcoming challenges and making the most of opportunities?

Meet as many planners as you can, ask them questions, hear their journeys, discuss their styles of planning, their preferred areas of specialty and why they got into the industry. Getting yourself out there is the best way to make the most of opportunities, as this in turn is the way opportunities present themselves to you. Make yourself known.

As for any challenges you encounter, just talk through them with someone you trust. You are not alone and don't have to take everything on yourself. There is an incredible support network, and everyone wants to see young planners succeed and will be more than happy to provide guidance, advice and help. All you have to do is have the confidence to ask.

Why is now an interesting time to be entering the profession?

Financial planning is a profession that can genuinely make a difference to someone's life. With the need for reliable, ethical financial advice now greater than ever, many young people – especially women – are choosing to build careers around a profession that helps others make informed and rewarding financial life decisions.

The profession is also becoming more recognised with higher standards and qualifications. There are many opportunities for career growth for young planners due to the education changes and professional status transition that have occurred. During this transition period it is valuable for young planners to obtain mentorship and learn from experienced planners.

DELIVERING MORE TO FPA MEMBERS

A timely reminder of the benefits of FPA membership that could help you successfully navigate the most challenging economic environment ever.

By continuing to listen to the needs of members, the FPA has progressively rolled out tools, resources and services designed to enhance financial planning businesses, and improve overall client engagement. With the COVID-19 crisis heralding the most challenging economic environment ever, there have never been more reasons to make the most of your FPA membership.

Given that COVID-19 has added to the many complexities confronting financial planners, 2020 presents an opportunity to re-engage with the ever expanding array of FPA services and resources.

We fully understand that helping clients through these troubled times means you're likely to be busier than ever. However, don't forget to draw on our services for support and learning, at a time when they're likely to be needed most.

SERVICES RATED MOST HIGHLY

While the FPA provides an extensive range of resources, the category valued most highly by members, according to 2019 research, is Advocacy/Government and Regulator relations (33.1 per cent). Last year alone, our members had direct input on 48 FPA submissions to government and we took part in over 250 government and stakeholder meetings. We have a permanent member of staff based in Canberra overseeing our government relations to ensure we are part of all the important conversations taking place around financial planning in order to represent member views.

Other key areas valued most highly by members include CPD webinars (30 per cent) and Policy guidance/ tools (29.9 per cent).

PEER SUPPORT

Given the challenges associated with the COVID-19 crisis, it's an important time for financial planners to support one another. Our new FPA Community site is an online forum for members to connect, collaborate and communicate in a trusted setting. As many financial planners are facing new questions and concerns from clients and grappling with the challenges and opportunities of supporting clients remotely, reaching out to peers can be a positive step towards making changes and coming up with new solutions.

FPA Community is also the new destination for FPA members to provide their input and feedback on policy issues affecting our profession to contribute to FPA's advocacy and government relations.

In response to increased pressure associated with navigating the challenges of COVID-19 for clients, we have added new resources to our FPA Wellbeing service. There are fact sheets available on understanding health anxiety, managing teams working remotely, preventing fatigue, and building resilience.

NEW MEMBER SERVICES

In response to the call by members for greater support with practice management, and the rapidly changing landscape for advice, we will continue to explore new opportunities going forward. We have already made significant updates to member services in 2020.

These include a new digital tool that lets FPA Professional Practice and Partner members, manage individuals completing their Professional Year, create structured work and learning plans. As well as recording and signing-off on completed activities, this digital tool also produces quarterly completion certificates.

Also new in 2020 is the integration of CFP® certification with the Master of Financial Planning offered by Deakin University. By helping students complete their CFP® certification units as they study towards their Masters, this new study option delivers significant time and cost savings for financial planners looking to achieve their FASEA approved qualification and their CFP® designation.

Other milestone services launched in 2019 include Match My Planner, which lets consumers search and interact with CFP professionals before committing to an initial meeting. This year FPA has received a 20 per cent increase in volume to Match My Planner and the Find a Planner directory, with a spike in Australians looking to connect with a financial planner for advice during times of crisis. Then there's the new FPA member digital badge, which can be included on your website to showcase your FPA membership to clients.

Last year we introduced FPA My CPD, a new platform to give FPA members power over their CPD requirements. It allows you to plan, access and track your CPD – all from the convenience of your desk. Right now, you can find more than 300 hours of FPA accredited CPD from over 100 suppliers – including 120 free hours of CPD from webinars, courses, articles and quizzes.

MAKE THE MOST OF YOUR MEMBER SERVICES

ADVOCACY

A new secure online forum, FPA Community means there's no shortage of opportunities for members to have their say on the latest policy and advocacy issues. During 2018/19, the FPA took part in over 250 government and stakeholder relations meetings and sought input from members to make 48 submissions to government.

PRACTICE MANAGEMENT

To help members reduce operational costs, manage change and maximise efficiency, the FPA offers insights into fintech solutions and ideas to modernise a client SOA.

To help members understand and act on their obligations, members also receive updates and guides on legislative changes and policy issues.

CONSUMER OUTREACH

Numerous initiatives to help consumers better engage with planners include, Match My Planner (see above), year-round advertising, Financial Planning Week, our annual national consumer awareness campaign, and Money & Life, an online destination dedicated to helping Australians improve their financial wellbeing, where you can access free consumer content for your own marketing activities.

EDUCATION

As well as the CFP® Certification Program, the FPA enables you to achieve your CPD on FPA My CPD and the FPA Return to Learn hub makes it easier for members to complete FASEA requirements and get prepped for the Financial Adviser exam.

COMMUNITY OUTREACH

Opportunities to give back to the community include the FPA/ Cancer Council Pro Bono Service and Financial Planning Bushfire Pro Bono Program, and supporting at-risk young Australians through Future2.

SUPPORT SERVICES

FPA tools support practice management, business efficiencies, plus change management, while the FPA Wellbeing service helps support members with their own health and wellbeing.

We've got your back

To survive the COVID-19 crisis in the best shape possible, we invite you to get to know the range of support tools and services the FPA makes available to members.

Whether you're looking to keep up with the latest news and policy announcements, manage your overall wellbeing or look for the right education options, the FPA has you covered. We're committed to providing members with the necessary resources to foster business growth within a complex, fast-changing regulatory and economic environment.

> *"Having the ability to provide clients with reassurance and clarity surrounding their financial future through education is a big reason behind my career change."*
>
> | GEORGIE SAVAGE

COURAGE IN THE FACE OF CHANGE

As a promising financial planner with Shadforth Financial Group, Georgie Savage knows the profession is not for the faint-hearted. She talks to Miriam DeLacy about the trials, opportunities and rewards of her new career. path.

A head for figures and a sense of adventure have both served Georgie Savage well in earning recognition in the financial planning world. After several years working as an accountant, she quickly realised her chosen career wasn't going to fulfil her goal of making a difference in people's lives.

"Ten years ago, I never would have thought I would end up working within the financial advice industry," says Georgie. "I originally chose to go down an accounting career pathway, but after spending seven years working in that field, I felt like it didn't provide me with the ability to fully assist clients to help them achieve financial freedom."

"With accounting you are really looking at past events, and yes you can implement strategies to assist clients for the next year or so, but I didn't feel that I was making a significant difference to their lives, which I am passionate about doing."

A NEW KIND OF ADVENTURE

Following a career break which saw her take the opportunity to travel and explore the wider world, Georgie came to the realisation that a move into financial planning would give her that chance to play a central role in building a better future for clients. "During a period of extensive travel, I had the chance to reflect on what was missing from my accounting career," she says. "After consideration, I decided that a move into financial advice would give me the best chance to help people and make long-term improvements to their lives."

"I have seen firsthand the devastating impact ill-informed financial decisions can have on people's lives," she adds.

"I feel very strongly about helping my clients to ensure that this does not happen to them. Having the ability to provide clients with reassurance and clarity surrounding their financial future through education is a big reason behind my career change. I have a passion for helping people to become informed and have a clear vision and understanding of their financial future."

> *"With the education requirements lifting our status within the community as a profession, younger advisers will have the opportunity to be a part of a more professional, accountable and valued industry."*
>
> | GEORGIE SAVAGE

With an undergraduate degree in Business and Commerce from the University of Tasmania already under her belt, Georgie completed her Graduate Diploma in Financial Planning, Finance in 2018. She was quickly snapped up by the Shadforth Financial Group practice, joining their Launceston office where her experience has been one of dedicated mentorship and support for putting her knowledge into practice.

"I'm fortunate to be able to work for a company that has a strong team, mentoring culture and a desire to see all team members succeed. Shadforth is full of many experienced financial advisers who have given their time to help build my skills and support my professional development. I have attended numerous client meetings with senior advisers, helping me not only with technical skills, but also softer skills such as effective communication. One lesson this has taught me is that we are not judged by what we say, but by the questions we ask."

ENGAGING WITH THE PLANNER COMMUNITY

Georgie's willingness to question and eagerness to learn from her peers hasn't gone unnoticed. In 2019 she was invited to join the FPA Emerging Professionals Network, an opportunity that has strengthened her belief in the potential of the profession to improve the lives of even more Australians.

"Last year I was fortunate enough to join FPAs Emerging Professional Network after being chosen as the Tasmanian representative," says Georgie. "Having the opportunity to come together with like-minded individuals, to discuss strategies to enhance the appeal of the financial planning profession to the next wave of students and planners has been an amazing experience. Being a part of a driven and passionate group of people that will become the future of

the planning industry, has been a very positive experience."

READY TO EMBRACE CHANGE

Georgie's positive attitude towards change gives her strong sense of optimism when it comes to where the financial planning profession is heading. Not only does she see change as expected and necessary, she also believes the ability to navigate change is central to the role financial planners play in guiding clients through times of stress and uncertainty.

"Having the capability and willingness to not only accept and adapt to change, but to also embrace it, are key character traits required to be successful in this profession," says Georgie.

"The longer I have been in the industry, the more I come to understand that change is a constant in the finance world, and this is not just regarding technological innovation."

"Investment markets move constantly, legislation is evolving, as are the rules and regulations governing advice. This will continue to be the case. I may be at the end of my required studies but that's not to say additional changes and study requirements won't come into effect later down the track."

WHAT THE FUTURE HOLDS

As a newly qualified financial planner, Georgie has already overcome the challenge many financial planners still face in complying with the new education standards. From her perspective as a relative newcomer, she sees engagement with unadvised Australians as the most important challenge in front of her and her peers. "For me, the biggest challenge for the financial advice profession is to get the message out to the wider community about our profession and the value and benefits of good quality advice," she says.

> *"For me, the biggest challenge for the financial advice profession is to get the message out to the wider community about our industry and the value and benefits of good quality advice."*
>
> | *GEORGIE SAVAGE*

However, she also feels that much of the work to restore the reputation of the financial planning profession is already well in hand. "As a whole, I believe the industry should come out of the Hayne Royal Commission shakeup stronger, more compliant and more trusted," she said. "With the education requirements lifting our status within the community as a profession, younger financial planners will have the opportunity to be a part of a more professional, accountable and valued industry."

In addition to new standards of education, Georgie points to digital enhancements as another game changer for financial advice. By embracing the opportunity to rethink their approach on the basis of what technology is now making possible, financial planners can make important progress in delivering advice in a more engaging way.

"Technology is now playing a more important role more than ever with clients becoming more 'tech savvy' and wanting information at their fingertips," says Georgie. "Embracing technology is key to providing our clients with the best advice in an efficient way. I feel very fortunate to be part of a company that is investing in the newest and best technologies to assist me to become the best adviser that I can be, and so I can remain in the industry for a long time."

JOINING FORCES

The many changes underway in the profession itself, as well as the widespread economic impact of the COVID-19 pandemic, are bound to present younger financial planners like Georgie with both challenges and opportunities. "Whilst the next wave of advisers may be viewed as lacking in experience, they are technically strong – as through their recently completed education and training," says Georgie. "But one of the strengths of being a younger adviser is that you can offer longevity to the client relationship. The ability to stay in a client's life for 10, 15, 20 years is a strength that younger advisers can offer."

However, Georgie is quick to point out that embracing the future shouldn't mean disregarding valuable lessons from successful financial planning strategies used in the past. "I have seen the impact on the baby boomer generation and the struggles they have had to work through," says Georgie. "Understanding their financial journey and applying these learnings to the next generation and beyond is valuable."

This is one of several reasons why she sees the greatest potential for positive outcomes for clients when advice can draw on the experience and insights of financial planners in the early and later stages of their career. "A company like Shadforth is great as it offers a good mix of both newer advisers and those that have been in the industry for many years," she says. "Having a team approach to advice, where the client has access to both junior and senior advisers is a huge strength of our firm."

ENDURING REWARDS

Ultimately, what drives Georgie to keep striving to deliver better advice goes beyond technology, or even team work. It's the satisfaction of making a genuine difference in people's lives that drew her to financial planning and continues to keep her motivated to learn, improve and progress in her career.

"Having the ability to provide financial education and awareness to clients is hugely rewarding," she says. "I remember one of my first client meetings where I got to experience the real value we add to people's lives. Through a cash flow modelling session, I was visually able to provide the clients (a couple) confirmation that they were in a financial position to retire – bringing them instant relief and comfort."

"I derive a great deal of satisfaction from helping clients to navigate often complex and confusing financial matters. Building rapport with clients over time, and becoming a trusted confidant, is just one of the many positive by-products of working in this profession."

> *"Having the capability and willingness to not only accept and adapt to change, but to also embrace it, are key character traits required to be successful in this profession."*
>
> | GEORGIE SAVAGE

GENERATIONAL CHANGE

The next generation of planners are seeking workplace flexibility, mentoring, purpose and fulfilment in what they are doing. Jayson Forrest talks to three young CFP® professionals about how they view the future of advice.

EMILY LANCIANA

CFP®

AGE: 28
POSITION:
FINANCIAL PLANNER
PRACTICE:
APT WEALTH PARTNERS
YEARS AS A FINANCIAL PLANNER: SEVEN

Like so many uni students, **Emily Lanciana CFP®** was at a loss when she completed her Bachelor of Commerce degree. What to do now? It was a chance meeting with a careers coach and a couple of brainstorming sessions later, that sent Emily on the path of financial planning, and she still says it was one of the best decisions she ever made.

"We figured out all of the things I'm good at and particularly passionate about, which all pointed towards financial planning," Emily says. "So, I went back to uni and did an additional year where I majored in financial planning.

"I've always been motivated to help people. It's very rewarding to see clients achieve their goals and share their journey with them. It's the perfect career."

At the age of 28, Emily represents the new breed of planners coming through the profession – tertiary educated, mentored and highly motivated. She views all the changes with higher education requirements and professional standards as being "positive" for the profession, by making planners more accountable with the best interest duty.

POSITIVE OUTLOOK

As a young professional working at Apt Wealth Partners, Emily has a very positive outlook on the future of advice. She sees planners moving away from just numbers and investments, to take on a more behavioural finance aspect with their clients.

At Apt Wealth Partners, Emily predominantly works with Millennial clients, where she heads up a lower cost offering for this generation. The offering covers super, insurance and loans, but at a reduced scale. She sees her role with clients as that of a CFO, where she provides clients with the pros and cons of all of the options available, and then assist them in making the right decisions.

And as a Millennial, Emily is no stranger to technology and is buoyed by the opportunities technology has for the profession. She believes the evolution of social media is encouraging more planners and advice businesses to market their services and expertise.

"There is a saturation of online content, so we need to be more proactive in marketing ourselves as advice specialists," she says. "We need to embrace technology and be adaptive to change."

REWARDING CAREER

Close to Emily's heart is 'pro bono', and it's something that Apt Wealth Partners takes seriously. The business participates in the Cancer Council Pro Bono program and it has signed up to provide pro bono for the Bushfire Recovery program.

"I love doing pro bono," says Emily. "I do a lot of work with the Cancer Council Pro Bono program. It's the most rewarding work that I've ever done. It's a wonderful way of giving back and helping clients."

As a young professional, Emily has workplace flexibility at the top of her list and expects that from a career in financial planning. Thankfully, it's something Apt Wealth Partners supports as a business.

"I work for a firm that is innovative, so when it comes to pro bono, technology adoption and workplace flexibility, we have it," she says. "Job fulfilment, technology and workplace flexibility are all key areas that Millennials are looking for with an employer. These are all areas that businesses need to address, if they're going to be successful in attracting the next generation of planners."

SIMON HEPSON
CFP®

AGE: 30
POSITION: FINANCIAL PLANNER
PRACTICE: TUPICOFFS
YEARS AS A FINANCIAL PLANNER: EIGHT

Simon Hepson CFP® admits that "numbers, rules and regulations" were something that always made sense to him. So, it didn't take him long to realise that a career in financial planning was the perfect fit for the Queenslander.

It's hard for the 30-year-old practitioner at Brisbane-based Tupicoffs to conceal his pride at being an independent financial planner, and his excitement about the future ahead for financial planning.

"It's great seeing the young generation of planners come through the ranks, gaining their qualifications and experience. They will become tomorrow's business leaders, who will shape the industry in the future," he says.

While Simon concedes the industry is currently transitioning through a tough time, with new education requirements and higher professional standards impacting many planners, he remains optimistic about the future of advice because, as he says, "at the end of the day, it will still be about people and client relationships".

"Technology will improve the way we work and allow different ways of delivering our services. This includes greater workplace flexibility and even the hours we work. Technology will enable planners to spend more time focusing on the more subtle needs of their clients, like ensuring they really understand their wider objectives and motivations."

Another opportunity Simon sees on the horizon is the industry finally becoming a fully fledged and recognised profession.

"Personally, I don't think we can call our industry a profession just yet," he says. "Only when we collectively build our reputation based on education, ethics and trust, can we emerge as a profession. But it's heartening to see this change starting now."

CHALLENGE AND PURPOSE

Forget work bonuses or a pay rise, what Simon wants most from a career in financial planning is to be challenged.

"I want daily challenges that enable me to work out how best to help people. It means that I'm keeping sharp, engaged and interested in what I'm doing, and that's what younger planners want. They want purpose in what they're doing.

"I don't want to have multiple careers. I want to stay in financial planning for the long-term. So, it's important to have variety in what I'm doing. As a financial planner, my ultimate reward is seeing my clients succeed over the years. Seeing the strategies I put down on paper actually implemented and then improving the lives of my clients is incredibly amazing. It's absolute gold!"

As the challenge ramps up for businesses to replace planners who are either retiring or exiting the industry, Simon believes the key to attracting and retaining the young generation of planners is to provide them with mentoring and to be open to workplace flexibility.

"Being mentored and working one-on-one with an experienced planner, like Neil Kendall CFP®, has helped me enormously with my career," says Simon. "I'm still being mentored and use this opportunity to not only learn and improve as a professional, but to bounce around ideas.

"And young planners are very interested in flexibility around work arrangements, particularly in fitting work around family and life outside of the office. Each person will be different but ome common themes I've seen are: working remotely one day a week, or working longer hours for three or four days a week."

But in most cases, Simon believes we just have to help ourselves. That means continuing to improve education standards, which ultimately raises the quality of advice provided to clients.

"That will help the industry in the long run, especially with attracting and retaining younger planners. They want to work in a profession with high professional and education standards."

DON'T FORGET YOUR WELLBEING

Importantly, Simon adds that during these unprecedented times weathering the COVID-19 pandemic, it's particularly important that all planners look after their health and emotional wellbeing. He says this is especially so for younger practitioners, who have never experienced conditions like these before.

"With increasing unemployment, social distancing and self-isolation, and erratic financial markets, it's a very stressful time for practitioners, their clients and their families. We need to be there to support each other through these difficult times," he says. "And the best way to do that is by looking after your mental health."

> *"I want daily challenges that enable me to work out how best to help people. It means that I'm keeping sharp, engaged and interested in what I'm doing, and that's what younger planners want. They want purpose in what they're doing."*
>
> | SIMON HEPSON CFP®

JESSIE HINDS

CFP®

AGE: 30

POSITION: STRATEGY ADVISER

PRACTICE: ELSTON

YEARS AS A FINANCIAL PLANNER: EIGHT

> "*The best way the profession can assist these younger practitioners is helping to put an 'old head on young shoulders', which can be done though mentoring and promoting talent, irrespective of age or gender.*"
>
> | JESSIE HINDS CFP®

There's not much that dampens the spirit of **Jessie Hinds' CFP®**. Although, like the rest of the nation, she might be in self-isolation waiting out the COVID-19 coronavirus, she remains excited about the future of advice.

"With all the changes that have recently occurred in financial planning, like new education and higher professional standards, I think the industry is at a real turning point and is heading in the right direction to be recognised as a true profession," she says.

Jessie, who is a strategy adviser at Elston, believes people suffer considerable stress and anxiety when it comes to managing their money. But having a trusted relationship with a planner helps to control that stress.

"My hope is that all these recent changes to our profession, including higher professional standards and education, will help more consumers feel at ease with making that first contact with a planner," she says. "Because we know that those consumers who do come and see us, quickly recognise the value of good financial advice."

A BRAVE NEW WORLD

The 30-year-old professional is very upbeat about the future of advice, believing that planners are in the "perfect position" to move from the old world of "selling investment returns", to the new world of service-based, holistic planning.

"I believe planners will increasingly operate as a client's CFO, where they will educate clients about what can be achieved over the long-term," Jessie says.

"As part of that CFO role, I think we will see more planners acting collaboratively with other aligned professionals, like lawyers and accountants, to help with specialised areas that we don't have the necessary skillset for. And by doing so, deliver a more co-ordinated outcome for clients."

Not surprisingly, this Millennial also views technology as a definite opportunity for the profession. However, while technology is enabling consumers to take greater control of their finances, Jessie concedes it's also creating unnecessary 'noise' for consumers to navigate through.

"With technology comes increased availability of information, which can distract clients from their long-term plans. Often clients let their emotions take over their rational decision-making. So, more than ever, the relationship between planners and their clients is so important to help clients dial down the 'noise' and help them sail through the uncertainties."

MAKING A DIFFERENCE

With eight years under her belt as a planner, Jessie says it's not hard getting out of bed each morning when you know you are making a difference in the lives of your clients.

"Whatever you do, it has to have meaning," says Jessie. "At the end of the day, our profession revolves around helping clients. So, when my career is said and done, I want to look back and know that I have made a genuine difference by helping people to live better lives."

However, although Jessie views herself as being firmly embedded as a planner, she does believe more can be done to help newer planners entering the profession, and that's mentoring.

Jessie is incredibly grateful for the mentoring she has received since starting in the profession 10 years ago. And while there has been a substantial increase in young planners entering the profession in recent years, she believes practical mentoring for this new generation of planners will be hugely beneficial for their professional development.

"I think young people need to recognise that there is a broad skillset required to be a modern planner, and that skillset demands a lot more than just technical excellence.

"The best way the profession can assist these younger practitioners is helping to put an 'old head on young shoulders', which can be done though mentoring and promoting talent, irrespective of age or gender."

GENERATIONAL WEALTH

The cultural stigma surrounding money means family conversations about the transfer of wealth from one generation to another is uncommon. But this need not be the case. Four CFP® practitioners explain their approach to client generational wealth transfer. Jayson Forrest reports.

Australia's super system is the envy of the world, with $3 trillion being held for the purpose of retirement. And although that figure has taken a battering in recent months due to the COVID-19 pandemic, the Government remains confident that Australia's retirement system could reach $9 trillion in assets by 2040.

By anyone's account, it's a staggering figure, with research from Griffith University estimating that over the next 20 years, Australians aged over 60 will transfer an estimated $3.5 trillion in wealth.

This intergenerational wealth transfer represents a significant economic event for Australia, and an opportunity for planners to engage more closely with their clients in respect to inheritances and wealth legacies.

However, while most clients recognise the importance of generational wealth transfer in the financial planning process, few are truly prepared for it, as they deal with other concerns, like daily living needs or focusing on investment strategies or portfolio returns.

"Unfortunately, the cultural taboo surrounding wealth means that family conversations about inheritance and financial legacy are a rare occurrence," says BDO Australia wealth adviser, Natasha Johnson CFP®.

Natasha points to a study conducted over 20 years by The Williams Group, which found that 70 per cent of families failed to successfully transfer their assets from one generation to the next.

"The top reasons being: lack of family communication, beneficiaries being inadequately prepared to manage the inherited wealth, and the absence of a planned purpose for the family's wealth. However, the common factor highlighted in almost all of the successful wealth transfers was communication."

It's a view supported by Melbourne-based Flinders Wealth director, Michael Abrahamsson CFP®, who adds that with Baby Boomers holding the bulk of wealth in Australia, the transition of wealth to the younger generations is going to be substantial.

Charles Badenach CFP® – Principal and Private Client Adviser at Main Street Financial Solutions – agrees. He adds that the topic of intergenerational wealth transfer is regularly discussed with clients, particularly at the annual client review meeting.

> "Given the unique dynamics in families, there is not a one-size-fits-all approach, which makes having a well-integrated plan vital to ensuring a successful transfer of wealth between generations."
>
> | NATASHA JOHNSON CFP®

"At that meeting, we would usually send the client out an agenda which lists the key topics for discussion and in that, we would usually include – testamentary trusts, powers of attorney, enduring guardianship, family trusts and gifting, as key areas requiring discussion," he says. "From these meetings, a number of action items would arise and we would ordinarily work through those over the medium-term with our clients."

A LOT TO WORRY ABOUT

Michael admits that raising the topic of generational wealth transfer with clients is one thing, but in order to fully engage them in the process, planners first need to understand their clients' concerns and worries, and help them deal with these.

"Clients want to avoid family disputes. Some assets may be more valuable to one beneficiary over the other. So, they want to ensure that the right assets go to the right beneficiary, with the right tax outcomes," Michael says.

He concedes that when there are large sums of money involved, he often sees disputes within the family arise. However, these disputes can decrease substantially when generational wealth transfer is planned well and openly communicated to the beneficiaries.

At Flinders Wealth, Michael is seeing an increase in clients using 'equalisation clauses' as part of the estate planning process. These clauses allow clients to ensure that assets their children receive from outside the estate, for example, from super or a family trust, are accounted for when determining what their 'equal share' of the client's estate is.

"Some clients help their children out by purchasing a property for them, but when this only occurs for one child and not the other, clients are putting in place an 'equalisation clause' to say that although the client has helped one child out with a property, the other child is not going to miss out in the estate," Michael says.

"That equalisation clause removes huge amounts of tension in the estate planning process with children, and clients feel a lot more in control when it is documented."

It's a view supported by Francois Petitto CFP® – a senior financial adviser at Perpetual Trustee.

FIVE TIPS FOR WEALTH TRANSFER

1 BE PROACTIVE

Don't be afraid to have the hard conversations. Talk about intergenerational wealth transfer with your clients and their beneficiaries. This includes thoroughly explaining the process to them and making sure you have documents in place concerning the transfer of wealth.

2 GENERATIONAL TRANSPARENCY

Encourage open and honest communication between the generations. Money is a topic that families tend to avoid talking about, so engage with your clients and their children about wealth. Be open and honest with the next generation on what you are doing with your clients, but only with the client's consent, of course.

3 CLIENT COACHING

It's important to coach your clients not just about the importance of enjoying their wealth, but also about thinking how they intend to pass on their wealth to the next generation and how they want to do this.

4 ENGAGE THE NEXT GENERATION

Engage with the next generation in the financial planning process as early as possible. This generation shouldn't be reliant on an inheritance, so it's important they prepare for the future by putting in place their own financial plan.

5 WORK WITH SPECIALISTS

Engage other professionals in the process of wealth transfer. This includes working with estate planning specialists and lawyers who can assist you in streamlining your client's wealth transfer.

"Protecting wealth, and particularly inherited wealth, is key for my clients. They are acutely aware of protecting what they have inherited, so they can build that wealth and pass it on to the next generation. To achieve this, my clients want to ensure that the next generation is engaged at a reasonably early stage and fully understand the custodial relationship that sits behind this family wealth," Francois says.

"This is especially so for my older clients. They may be the second generation who have received the wealth, and are very particular about making sure the next generation fully understands the custodial relationship of inheriting wealth and using that wealth wisely."

For Charles, what keeps his clients awake at night is the fear of matrimonial breakdown amongst their children and the fear that a portion of the family asset base will be transferred to a divorced son or daughter-in-law.

"With a relationship breakdown rate of around 50 per cent, these concerns are well founded. As a consequence, protecting client assets and attempting to create a 'blood line will' are regular conversations I have in client meetings," he says.

Francois agrees: "In this day and age, having mixed families through second or more marriages adds greater complexity when it comes to moving the wealth to the next generation. Making sure the wealth goes to the right beneficiaries, and is not diluted through a messy divorce, is a constant worry for my clients."

A WELL-INTEGRATED PLAN

According to Natasha, many clients do not know how the transfer of wealth to their beneficiaries will impact their financial position over the long-term, so she says it's not surprising that planning how and when their wealth is transferred is often put on the back-burner.

"Compared to previous generations, Baby Boomers can expect an increased life expectancy, given the rapid advances in the health care industry. Therefore, it is important to consider the likely age of the beneficiaries when they receive their inheritance. For many, receiving financial assistance in their 40s or 50s is much more powerful than receiving funds in their 60s or 70s when they are likely to have already accumulated an amount of wealth and retired from work," Natasha says.

"Having a plan on how and when your client's assets are transferred and discussing the plan with the beneficiaries will ensure that all parties involved understand the intentions and the process. Given the unique dynamics in families, there is not a one-size-fits-all approach, which makes having a well-integrated plan vital to ensuring a successful transfer of wealth between generations."

Successfully sustaining wealth requires a combination of realistic strategies and in-depth conversations between generations about priorities for spending, saving and giving. And while it also may require changes to a family's lifestyle, by working with heirs to determine and agree on family goals, it will help a planner to define and establish a process for meeting those goals.

The key to this, says Michael, is correctly structuring the client conversation about wealth transfer and ensuring an estate plan is implemented to avoid family disputes.

"When it's well planned, a client can save themselves large amounts of tax and structure the assets in a way that is going to deliver the best outcome for your client's beneficiaries, whether that's children or grandchildren."

Michael manages the intergenerational wealth transfer process by ensuring that wills, powers of attorney, testamentary trusts, as well as reversionary and death nominations are in place around super.

"Many people who have superannuation pension accounts don't have a reversionary nomination on their account. Yet, that is one of the most effective estate planning tools for superannuation pensions. Reversionary nominations remove a lot of unnecessary pain and administration for the client on the death of a spouse. It's an effective tool for clients, as they manage the death of a loved one.

"In the transfer of family wealth, it's absolutely essential that your client has a co-ordinated estate plan. And for structures like family trusts and company trusts, you need to ensure you have a documented succession plan, in order to avoid disputes."

For Francois, effectively managing generational wealth transfer hinges on establishing a good working relationship with the client. Only then, can you help them understand the importance of involving the next generation in client meetings.

"This is the best way of getting the next generation to understand my role and the services I provide to their parents. That's the first step.

Natasha Johnson
CFP®

Charles Badenach
CFP®

Michael Abrahamsson
CFP®

Francois Petitto
CFP®

"The second step is to try and convert these children to clients, mutually exclusive of the potential wealth they may inherit. By seeing them separately, I'm able to educate them about the importance of financial planning and the financial planning process. However, this second step is not something that happens overnight, and often takes a few years. So, you need to be prepared for the time this takes," says Francois.

When developing plans and strategies for clients, Charles also points to the importance of working with aligned professionals, like estate planning specialists, lawyers and accountants, to ensure a client's estate plan, with respect to generational wealth transfer, is properly in place.

"At Main Street, we work closely with associated professionals. We have what we call the 'triangle of trust' - the accountant, the planner and the lawyer. By working with other trusted professionals, it means we get the best result for the client, and generally receive quality referrals from our trusted partners."

EARLY CLIENT ENGAGEMENT

All four CFP® professionals agree that early client engagement with intergenerational wealth transfer, along with their beneficiaries, is the key to ensuring a smooth transfer of family wealth.

However, whether Michael actively engages with the children of his clients, depends on his clients. He says those clients who want an effective transfer of wealth, typically bring their children into Flinders Wealth as part of the overall financial planning process.

"In such circumstances, we're there to assist and co-ordinate our clients' requests. We ensure requests are documented, and that the kids fully understand what the wealth transfer process is.

"And if there are going to be specific assets going to specific children, I encourage clients to organise and sign a statutory declaration and attaching that to the will. When something is written in a client's own words, it's particularly powerful. This carries a lot more weight with the children. When it's clearly documented, wealth is transferred to the beneficiaries in a more orderly way."

While Michael does have success in retaining some of his clients' children as ongoing and future clients, he concedes that most of the time, the beneficiaries use their inheritance to pay off large mortgages, rather than or wealth creation strategies. However, the business has more success in converting the beneficiaries of testamentary trusts into clients.

"We don't capture all of our clients' children, and we don't expect to," Michael says. "But for those who want to invest their money long-term, having seen the benefits of financial advice that we provided to their parents, they become our most loyal clients.

"The one thing we see from beneficiaries is that the legacy they have been given by their parents, is honoured and treated with respect. So, they are very comfortable seeking financial advice and paying for it. The beneficiaries we deal with see this inherited wealth as multi-generational. They're thinking beyond themselves, even though they might be in their 40s or 50s. They're thinking about passing on this family legacy to their own children and grandchildren."

For Francois, engaging with clients and their family in the process of intergenerational wealth transfer starts with initially involving the family in his client's meeting. Once this happens, he says it's easier to make this a regular occurrence, where his clients and their children meet together as a family.

> *"At Main Street, we work closely with associated professionals. We have what we call the 'triangle of trust' - the accountant, the planner and the lawyer. By working with other trusted professionals, it means we get the best result for the client."*
>
> | CHARLES BADENACH CFP®

"The relationship changes and it's as if I go from being my clients' adviser to becoming the family's adviser. By involving the next generation like this, there is less secrecy and greater transparency between each generation," Francois says.

"From a planning perspective, by involving the generations, it becomes an easy process dealing with clients and their family. They see the value in the advice process and the importance of preserving inherited family wealth."

It's an approach Charles also uses within his business.

"If our clients feel comfortable bringing their children along to meetings, we encourage them to do so, and where appropriate and with the client's consent, they are included in part or with all of our communications with the client."

ENGAGING WITH CLIENTS ACROSS THE GENERATIONS

Can you build a better business on insights from different generations? Miriam DeLacy talks to Corey Wastle CFP® and Tracey Sofra CFP® about delivering quality advice to a diverse client base, and the strategies and services they've developed to meet their needs.

> *"Older clients have generally been happy to take my expertise and advice at face value... Young clients have a greater tendency to challenge me."*
>
> | TRACEY SOFRA CFP®

In recent years there has been an explosion of research, analysis and commentary on how each generation is different from the next. Whether it's career and relationships, or shopping and entertainment, you don't have to look far to find a report or editorial on how a new generation are thinking and behaving in contrast to their parents and grandparents.

In the financial planning profession, the need to act on these perceived differences is an equally hot topic. Not only is this essential to the ongoing viability of financial planning as wealth is transferred from parents to children, it's also an opportunity to deliver the benefits of financial advice to a generation that may be facing a level of economic disadvantage we haven't seen for decades.

Even before the COVID-19 pandemic, concerns about the financial struggles of young people in Australia were coming to the fore. In their 2019 report Generation gap: ensuring a fair go for younger Australians, the Grattan Institute suggested young Australians are in danger of being the first generation in memory to have lower living standards than their parents' generation.

MONEY ATTITUDES

With financial pressure on every generation expected to rise as the global economic impact of the COVID-19 crisis hits in the months and years to come, engaging more Australians with advice that can secure their future is more important than ever. So what can financial planning professionals do to tailor their advice strategies and services to the priorities and preferences of clients in different age groups? Understanding their different attitudes towards money can be a good starting point.

For a financial planner running a relatively small business, Tracey Sofra CFP®, has a wide range of clients, demographically-speaking. "Many of my clients at SofCorp Wealth are in that 60+ age bracket, with their retirement years already well underway," says Tracey. "Some have been with me for as long as 28 years. Others are in their 20s, including children of older clients I remember from when they were in kindergarten.

"One of them is running his own coffee shop now and seeking advice for his business as well as his personal finances. It's amazing to see how far they've already come and take my own pride in their achievements. So much so that I almost feel like their grandmother," she adds.

Engaging with clients from each generation has shown Tracey some fundamental differences in their outlook and expectations about money. "For my older clients it's all about working hard and being frugal," she says. "Their generation went through hard times in their years growing up after the Second World War. What they heard from their parents was 'put your money away and secure your future.' So their goals in the lead up to retirement were very much about paying their mortgage and setting their kids up for a secure future.

"Younger clients want to protect something different. In the last 10 years

alone I've seen a marked shift in interest towards ethical investments among this age group. I think their social conscience comes, in part, from living among such abundance. They have the privilege to be more curious and discerning about what they're investing in because they're used to having the means and the opportunity to spend around the clock. So their expectations for building wealth go beyond options that bring future security for themselves. They want that, but they also look for a more secure future for the environment and society."

Tracey's observations are backed up by worldwide research conducted by U.S. funds manager Legg Mason. According to their Global Investment Survey 2018 of more than 16,000 investors, 66 per cent of millennials choose funds according to ESG considerations compared with 32 per cent of baby boomers.

Tracey has found these different expectations demand different ways of building trust with younger clients. "Older clients have generally been happy to take my expertise and advice at face value," she says. "They don't question much of what I recommend. Their kids, on the other hand, are more informed. Before they make an appointment, you can be sure they've stalked you online.

"Young clients also have a greater tendency to challenge me," she adds. "Personally I find that very encouraging because it shows they want to be empowered and take charge of things."

ADVICE NEEDS

Corey Wastle CFP®, founder of Verse Wealth, has experienced less of a marked difference in attitudes and expectation across his diverse client base. "In my view, you can overestimate the impact of the generation gap on what clients look for from financial advice," he says. "No matter what age they are or where they are on life's journey, they want an engaging and relevant advice experience and they want things to be easy."

However, Corey agrees with Tracey that younger clients are generally looking for a more collaborative, empowering experience with financial advice. "One distinct variance I have seen is how much younger clients want access to more information and place a higher value on education during the advice process," he says. "They want the tools and knowledge to do more for themselves."

Not only has this shaped new ways of engaging with clients for Corey and the Verve Wealth team, it also translates to broad changes in the life cycle for clients from different generations. "Younger clients have that drive to take control off the back of our advice," says Corey. "They also have some very clear goals they want to achieve such as buying a home, or getting spending under control or selling a business. We've seen that they generally need a relatively short engagement with financial planning, often dipping in and out of their relationship with us over an extended period.

"Older clients are usually more focused on their remaining working life and the retirement years that come after," Corey adds. "They're looking for a more sustained engagement that can establish the best outcomes for their long-term security. That will often break down into goals like reducing their working hours and putting more money into paying off their mortgage and into super. Plus, the time that remains for them to build wealth is shorter. The stakes are higher so they look to us for greater guidance on their financial planning journey."

SERVICES AND STRATEGIES

To address these different preferences across their client base, Verse Wealth offer a project service as well as the more traditional 'journey' service. "The project offering is just what it sounds like," says Corey. "It's for clients who come to us looking to achieve a very specific outcome. This type of engagement will typically last for 90-100 days and there is a one-off fee for the service. Almost all the clients who take this up are under 35 years old.

"We introduced this after realising our retention for younger clients was fairly low," he adds. "They make a lot of progress in a short time. Once they feel like they've taken the big, important steps in getting their finances organised for a particular goal, they're quite happy to go it alone once they're well on their way to what they want to achieve."

The journey service, in comparison, is more holistic, taking a broader look at each client's values, challenges and goals. "The journey service kicks off with a one-hour 'My Best Life' session. This is where we define values, goals

"Younger people generally have fewer assets and take more coaching to start with. But as they develop more discipline and positive money behaviours over time, their need for coaching diminishes."

| COREY WASTLE CFP®

and challenges, and forms the basis for our initial strategy and advice. Then we continue to meet with them every 90 days through the year to check in on progress and discuss any concerns. That first session is one we run with them annually to reset or refresh the strategy and our advice."

Corey finds the majority of clients in their 40s, 50s and beyond will naturally have a preference for the journey service. But whether a client is taking up the project or journey service, Corey places high importance on working with them on their cash flow management . He firmly believes that all clients need to get their cash flow on a firm footing, regardless of their age and income. "Cash flow management is the foundation of everyone's financial life or strategy," says Corey. "Whether you're 25, 45 or 65 you need consistent and predictable cash flow to make your whole financial strategy flow."

Coaching in cash flow management is one of the three financial advice fundamentals Corey seeks to deliver to all clients. "Every client needs a strategy based on their values, goals and challenges plus a combination of coaching and asset management," he says. "The balance of these two elements can certainly change as a client ages and moves through the life stages. Younger people generally have fewer assets and take more coaching to start with. But as they develop more discipline and positive money behaviours over time, their need for coaching diminishes and their wealth grows. Then it's asset management that becomes a bigger part of the mix."

TECHNOLOGY FOR ALL

Corey has long relied on many different forms of technology to support his client relationships. He's found that each client will readily engage with technology, regardless of age, providing you make the right choices in your solutions. "All clients want things to be simple and easy which is why everyone can benefit from your use of technology to engage them in the advice process," says Corey. "Simplicity is empowering and complexity is disempowering. So we've always been pretty obsessive about using tools that deliver a simple user experience. We use online bookings, video meetings via Zoom and video messaging with Loom, and all these tools are about making communication easier and simpler for our clients."

Tracey is also an enthusiastic adopter of technology as a means to engage with existing clients and build her profile. "I've been using Zoom meetings for a while to look after my clients across Australia," she says. "I work with a husband and wife living and working in different locations and it couldn't be easier with the access we now have to video meetings."

Weekly appearances on Facebook Live are something else Tracey has introduced to stay in front of clients during the COVID-19 crisis. While this is a fairly recent addition to Tracey's online presence, she is very active and successful in using all social media channels for outreach to new clients.

"I acquired a new client from Phoenix Arizona through Facebook last year," she says. "She runs an online business teaching photography and reached out to me on Messenger. When she said where she was from I thought it was a hoax. But then she actually called me up and now I'm working with her and her girlfriend who lives in Washington DC."

While Tracey has generally found younger clients are the ones eager to work with their planner at a distance, the COVID-19 pandemic is making tools like Zoom essential for clients of all ages. Corey has had the same experience: "The proportion using Zoom meetings had been around 80 per cent for younger clients and 60 per cent for older clients," he says. "Now its 100 per cent for everybody because that's our new way of life."

A UNIVERSAL NEED FOR QUALITY ADVICE

Taking a segmented approach, according to each client's age, can be helpful in designing services and strategies that will best meet their needs. But, ultimately, financial advice should seek to deliver the high-quality, consistent experience all clients are looking for.

"We have a strong financial planning framework and methodology that we apply in the service of all our clients," says Corey. "Each of them want and deserve value, knowledge, regular contact and expert support for their financial goals. And that's what we're always committed to delivering.

"Clients want a planner who is truly on their side and here to serve them," says Tracey. "Establishing a relationship with every client takes a level of trust and respect that you must earn. Being a respectful person and listening to what clients need is fundamental to delivering the best outcome for every client, no matter what is going on in their life."

GENERATIONS
HOW ARE THEY DIFFERENT?

Differences between the generations extend to almost every part of life, including money. However, recent data from the Financial Planning Association of Australia shows that our goals and dreams are often quite similar.

TOP 5 SHORT-TERM GOALS

	Generation Y	*Generation X*	*Baby Boomers*
1	Save money 53%	Save money 52%	Save money 53%
2	Pay off my debt 32%	Pay off my debt 37%	Book a holiday 39%
3	Book a holiday 31%	Book a holiday 36%	Pay off my debt 36%
4	Buy a new car 30%	Buy a new car 26%	Buy a new car 23%
5	Buy a house 21%	Buy a house 16%	Buy new furniture for my home 13%

TOP 5 FINANCIAL DREAMS

	Generation Y	*Generation X*	*Baby Boomers*
1	Buy my first home 37%	Set myself up financially for retirement 37%	Set myself up financially for retirement 54%
2	Set myself up financially for retirement 29%	Become financially independent 27%	Become financially independent 30%
3	Travel overseas 21%	Retire early 23%	Retire early 20%
4	Buy my first investment property 20%	Buy my first home/Buy my first investment property 19%	Travel overseas 19%
5	Become financially independent 18%	Travel overseas 19%	Buy new furniture for my home 13%

SOURCE: *McCrindle & the Financial Planning Association of Australia (2016). Dare to dream: Research into Australia's financial hopes and fears.*

HOW TO GET MILLENNIALS ON BOARD WITH INSURANCE

Millennial clients are generally underinsured when it comes to life protection, but for financial planners who are prepared to understand their needs, they represent a valuable potential customer group. Janine Mace reports.

Dubbed the smashed avocado generation, millennials are often painted as spendthrifts frittering away money rather than working to build a nest egg or buy life insurance.

But millennials are definitely a client group worth engaging, as they represent a rising majority in Australia's economy, responsible for 44 per cent of the workforce and 31 per cent of the total spending.

Millennials will soon replace baby boomers as insurance's biggest potential customer base. So how can financial planners bring insurance into the conversation and help younger clients understand its importance and value?

LOW ON THE PRIORITY LIST

Despite their growing financial clout, research by global reinsurance firm Gen Re shows millennials are in no rush to buy life cover. This reluctance is often due to an emphasis on the here-and-now of work and leisure, pushing insurance a long way down their list of priorities.

The traditional life stages that acted as nudges for past generations to buy life insurance also resonate less with millennials. The Gen Re survey found the key reason millennials were not buying life insurance was they thought they did not need it (25 per cent), followed by having no dependants (23 per cent) and no mortgage (13 per cent).

"Older clients have had lots of life experiences and have seen the impact on family and friends of various life events, so they are a lot more invested in the idea of insurance," explains Peter Campbell CFP®, Perth-based senior financial planner with Merideon Wealth Strategies.

The problem isn't that younger clients are disinterested in insurance, but more that it's something that have not really considered. "Insurance is not front of mind as they have generally not been introduced to it outside what is offered in their super fund," he says.

With the main triggers for millennials to seek financial advice being debt reduction or investment strategies, there is usually little initial interest in insurance, but this can be changed fairly easily, Campbell suggests.

A GENERATION UNDER FINANCIAL PRESSURE

To understand why millennials have not embraced life insurance, it's important to see the world from their perspective.

Despite their profligate stereotype, most millennials are fairly prudent when it comes to money management. But they do manage their money differently to their parents.

A recent survey by the Afterpay Touch Group found millennials are saving more than their parents and are 30 per cent more likely to save regularly. They are also careful money managers, with more than 80 per cent of millennials having a budget, compared to two-thirds of older generations.

This financial prudence tallies with Campbell's experience. "I find the average millennial is living within, or just over, their means before they seek financial advice."

With millennials facing greater financial pressures than their parents, a reluctance to commit to costly insurance contracts is understandable.

It's a view Adele Martin CFP®, founder of Firefly Wealth and The Savings Squad, is familiar with. "Often younger clients see value in insurance, but worry how they would afford it. They are often trying to save for a house, have a mortgage, or start a family, and may not have a lot of cash to throw around," she says.

This is coupled with a belief they have plenty of time.

"Most millennials think they can just get insurance later. I explain to them that often their health – or that of their immediate family – can impact their ability to obtain cover," Martin notes.

GETTING MILLENNIALS TO ENGAGE

Despite millennials' initial reluctance to purchase life cover, they are not completely against insurance. The Gen Re study found although only 16 per cent of millennials had purchased life insurance, they held other types. Travel insurance was the most common (58 per cent), followed by home contents (54 per cent) and private medical insurance (37 per cent).

"Getting millennial clients engaged with insurance is not so hard if you educate them about the value of protecting their current financial situation," Campbell notes.

"I say to them, 'If you lost your income tomorrow, what would you do?', or 'What would your spouse do to feed

your kids if they are not in a position to earn a similar level of income to you?' That makes it an immediate concern for the client and easier to see the value of insurance protection."

For Martin, it's about creating a relatable mental picture. "I use the analogy 'If you had a machine in your garage and it spat out money, would you want to have that machine insured? Everyone says yes. I then say that's what you are, a machine that makes money and that's why we want to have you insured."

USING EMOTION AND EMPATHY

Helping younger clients understand what could happen is vital.

"Millennials say it won't happen to me, but I use my younger age and say I have seen people with heart conditions etcetera at a very young age," Campbell explains.

Tapping into emotion is an important strategy. "I show them statistics and the chances of it occurring," Martin says.

"It's even better when you personalise it. For example, using their name and date of birth to show them their likelihood of claiming on death, TPD and income protection insurance before age 65."

Once the client is engaged with the idea of insurance, she addresses the cost issue. "As a planner it's my job to help show them they can afford it. So I look at how they might be able to fund some of it from superannuation and the pros and cons of this," she says.

TIPS FOR GETTING MILLENNIAL ENGAGEMENT WITH INSURANCE

- Educate clients on what insurance cover provides and how it can help achieve their goals.
- Ask questions about how the client would deal with losing their income.
- Create mental images to make concerns real, such as how their spouse would cope financially.
- Improve efficiency by sending educational and information prior to the insurance meeting.
- Provide a step-by-step explanation of underwriting and emphasise on going communication through to acceptance.
- Use standardised recommendations to start the conversation and reduce 'choice overload'.
- Ensure clients understand exactly what their policy covers.

> *If you are serious about engaging millennials you need to consider taking on a younger planner, as this provides an instant connection. You don't have the natural age barrier to overcome."*
>
> | PETER CAMPBELL CFP®

"If they are paying for it personally, I take the time to understand their budget and whether they can afford it."

MAKING INSURANCE SIMPLE

Millennials look for help in navigating the purchase process. The complex route to taking out a policy is unappealing for a group more familiar with frictionless electronic shopping.

A recent survey by IBM iX found millennials are interested in life insurance, but cite confusion around policy specifics as a significant barrier to purchase. Hurdles such as paperwork and doctor's appointments were a deterrent for 23 per cent, while another 28 per cent said they could not find the time involved.

To overcome this, planners need to clearly explain the insurance process, Martin says. "They need to keep the client updated weekly about where their plan or insurance is up to. Communication is key."

Establishing a standardised strategy also helps.

"I also think it's good to have a company policy for insurance. For example, 'We recommend income protection in your own name because of X and we like to have a level premium for trauma because of Y'," she notes.

"I find this a great starting point for the discussion and helps clients feel less overwhelmed with the choices."

Campbell emphasises to millennials that his job is to set them up for the long term. "I say, 'We are not trying to jinx you by saying you could get sick or die. We want to help you by buying insurance for 30 years from now."

ADDITIONAL VALUE

Another useful tool when working with millennials can be insurer based wellness programs.

The AIA Vitality program, for example, helps drive engagement by providing millennials with additional value from their cover. Participants receive points for efforts to improve their health, such as completing online health assessments, tracking their nutrition, or counting daily steps.

These points build their AIA Vitality status and provide access to rewards such as discounted insurance premiums and gym memberships, as well as cashback on shopping, entertainment and travel.

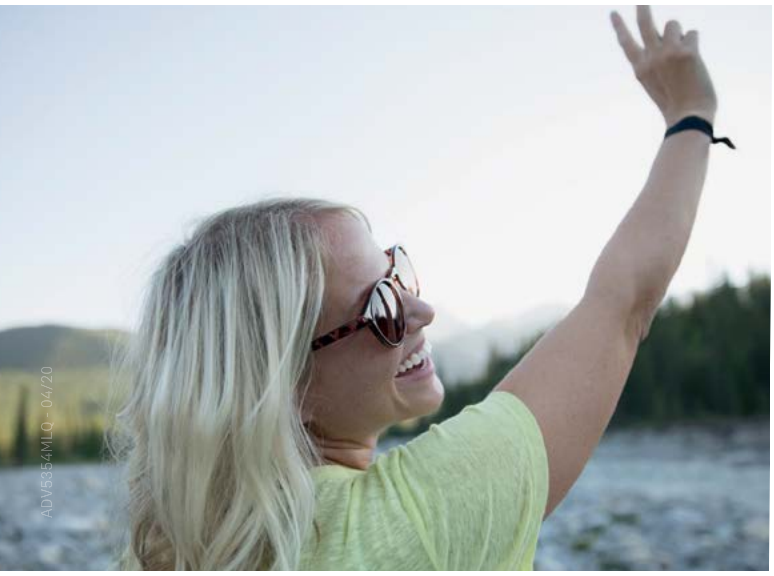
From the planner perspective, offering access to programs like AIA Vitality can demonstrate to younger clients that you care about their wellbeing and helps you position your advice as proactive and client-focused.

"AIA Vitality is a useful tool – especially for clients who are healthy and interested in their health. They get rewarded for what they are already doing, so it works well with this group," Campbell says.

"They also see it as a way to keep themselves accountable for their health goals and they can regularly check how their health is going. It provides them with greater peace of mind about their health."

As with any product, the AIA Vitality program needs to be right for each client's situation.

"It's a good program, but it's not for everyone. If they are incredibly busy it can be a detractor, as some clients don't want more pressure in their lives," explains Campbell.



To succeed, these programs need ongoing practice involvement.

“If you use an AIA Vitality-type program, you need to have a strong process in the business to do it well, as there are membership fees attached and people need to maintain their points to get the discounts,” Campbell notes.

“The practice needs to have a process to send communications at least annually to check the client has done what is necessary. An automated reminder is easy to implement and will be seen as a value add communication from the practice.”

By sending regular communications about insurance, planners can reinforce to their millennial clients that insurance protection is a key part of their financial plan. It also helps to emphasise the value and peace of mind well structured insurance cover can provide.

i. *Appetite for Life Insurance – A survey of UK millennials, Risk Insights, 2015*

ii. *How Millennials Manage Money: Facts on the spending habits of young Australians, Afterpay Touch Group, 2019*

iii. *IBM Industries, March 2020, https://www.ibm.com/blogs/industries/millennial-life-insurance-ibm-ix-survey/*

WHAT DO MILLENNIALS THINK ABOUT INSURANCE?

- **50%** wish their spouse/partner had more coverage
- **27%** say they need more life insurance than they have
- **73%** say it’s too expensive
- **80%** overestimate its cost
- **42%** say they wouldn’t qualify
- **50%** say no one has approached them about buying it
- **52%** don’t like to think about death

WHAT WOULD HELP MILLENNIALS GET COVERAGE?

- **58%** say they haven’t got around to it
- **8 in 10** want something that’s easy to understand
- **7 in 10** want to talk to someone about their life insurance needs
- **7 in 10** see life insurance with simplified underwriting (no medical testing) as appealing

SOURCE: *2017 Insurance Barometer Study, Life Happens and LIMRA*

> *“I like sending education videos and emails to clients before the meeting. This helps to reduce the time the insurance meeting can take and ensures information consistency.”*
>
> | ADELE MARTIN CFP®

THE GREAT OUTDOORS

Human Nature Adventure Therapy is bridging the gap in mental health services for young people by getting them out of clinical environments and back into natural bush settings.

Shane Hayes CFP® first came across Andy Hamilton (Director and Program Manager) and Deb Samuels (Community Engagement Manager) from Human Nature Adventure Therapy through a professional business contact.

Shane, from Family Aged Care Advocates, met both individuals in their Mullumbimby office in the Northern Rivers region of NSW to discover more about what Human Nature Adventure Therapy does in the community and its work with at risk youth. He quickly learnt that at the heart of Human Nature Adventure Therapy is its work in helping young people overcome mental health and behavioural issues.

"There's a massive gap in effective mental health supports for at risk young people. One-in-four are living with serious mental health issues, and many aren't receiving the help they need," says Deb Samuels.

"Frequently, the young people who most need support are unable to access, afford or benefit from mainstream counselling. Although a young person is identified early on as being at risk, there are few opportunities between the 'soft option' of counselling, and the 'hard approaches' of institutionalised care.

"At Human Nature Adventure Therapy, we seek to get mental health interventions out of clinical settings and into nature. We exist to bridge the gap in mental health services for young people who are most in need of support, because we believe all young people deserve to be supported to thrive in the face of adversity."

Human Nature's mission is empowering young people to navigate life's challenges, transforming trauma and disadvantage into healing and growth. Its programs address a considerable gap in mental health interventions for at risk and disadvantaged young people in the community. Over the past decade, Human Nature's Recre8 program has provided unique and impactful professional therapeutic mentoring for more than 200 young people in the Northern Rivers region to work through challenges, heal underlying issues, and transform the lives of young Australians.

> *"There's a massive gap in effective mental health supports for at risk young people. One-in-four are living with serious mental health issues, and many aren't receiving the help they need."*
>
> | DEB SAMUELS

Being an active supporter and ambassador of the Future2 Foundation, Shane actively seeks out not-for-profit organisations involved in "giving our youth a helping hand up" to inform them about the Future2 Make the Difference! Grants program.

Shane was moved by his meeting with Andy and Deb, and encouraged them to submit a Future2 grant application.

"I was very interested in the work they were doing with 'highly' at risk people in the region. These are youth who see very little future for themselves. However, by undertaking programs, like Recre8, it's been a lifesaver for many of them," Shane says.

BACK TO NATURE

Human Nature Adventure Therapy was successful with its Future2 application, receiving a $10,000 grant for its Recre8 Adventure Therapy program.

Recre8 aims to identify at risk symptoms and assist participants to make meaningful changes with their lives. It is an early intervention program designed for at risk young people by using bush adventure therapy and expeditions in nature.

"Our Recre8 program provides an intensive, tailored adventure therapy program for young people aged between 14 and 19 years old, with over 200 hours of specialist counselling and support over a three month period. About 40 young people benefit each year from the Recre8 program. The program has been designed to build mental, emotional and social wellbeing, alongside physical wellbeing and their relationship with nature, family and community," Deb says.

The highlight of each Recre8 program is a 10-day wilderness expedition, where groups of 10-12 young Australians immerse themselves in nature and are supported by a team of psychologists and therapeutic mentors, who work through past trauma and current challenges with the program's participants.

"Our young people continually tell us that the program is 'life changing' and they return to their community with renewed focus and drive to stay on a positive pathway," Deb says.

> "The Recre8 program provides mental health interventions in a nature setting, rather than a clinical setting, and I love that."
>
> | SHANE HAYES CFP®

Human Nature Adventure Therapy is transforming trauma and disadvantage into healing and growth.

FOR THOSE IN NEED

With one-in-four young people facing serious mental health issues, and one-in-five having contemplated suicide, the goal of Human Nature is to fundamentally change the way mental health interventions reach struggling young people.

"Emotional, geographical and financial challenges put young people living in regional communities at risk. Untreated, many will disengage from family, community, education and employment," Deb says.

Working closely with the community, Human Nature identifies young people who would benefit from the program.

"The young people we seek out for our Recre8 program are the ones who seem destined for disaster," says Deb. "They are young people who are 'going off the rails' and are on a potentially catastrophic path.

"The Future2 grant will help us provide essential therapeutic support for some of those young Australians who are in desperate need of it, offering them the chance they need to get their lives back on track."

Shane agrees: "The Recre8 program provides mental health interventions in a nature setting, rather than a clinical setting, and I love that. The Future2 grant will help Human Nature Adventure Therapy empower more young people to navigate life's challenges, by transforming trauma and disadvantage into healing and growth."

POSITIVE PATHWAY

To date, the results of the Recre8 program have been impressive, with participants, their families, and the broader community reaffirming that the program is life changing, providing young people with a renewed focus and drive to stay on a positive pathway.

Both Andy and Deb say they are fortunate to have connected with Shane, who also shares their deep commitment to the Northern Rivers community, and for introducing them to the work of the Future2 Foundation.

future2
the Foundation of the Australian Financial Planning Association

Shane Hayes CFP® (right) presenting the Future2 grant cheque.

GRANT RECIPIENT: HUMAN NATURE ADVENTURE THERAPY

GRANT AMOUNT: $10,000

ENDORSED BY: SHANE HAYES CFP®

FPA CHAPTER: FAR NORTH COAST NSW

CPD MONTHLY

Each month, Money & Life publishes two CPD Monthly articles. The following are overviews of this month's two CPD accredited articles. To read the full versions of each article, and to receive your CPD hours, click on the Learn tab at moneyandlife.com.au/professionals

ARTICLE 1

STUART SHEARY CFP®
IOOF TechConnect

RAISING THE RETIREMENT AGE: NEW OPPORTUNITIES AND PITFALLS

Recognising the financial cost of people living longer in retirement, the Government has implemented policy changes to encourage people to delay retirement. These include the gradual increase in the preservation age from age 55 to 60, the recent increase in Age Pension age from 65 to 67, and linking the age at which someone can receive tax concessions on their genuine redundancy to the Age Pension age.

The Government has also proposed increasing the age at which people can make a voluntary contribution to super without satisfying the 'work test', which would create greater consistency and cohesion around eligibility ages and rules.

And while it is important to remember that the removal of the work test for individuals below age 67 is still just a Budget proposal and may not proceed, it adds an element of uncertainty when advising affected clients.

WHAT YOU WILL LEARN

- Increase in preservation and Age Pension age
- Redundancy
- Extending the work test age
- Three year bring-forward rule

This article is worth **0.5 CPD HOURS**

ASIC knowledge area **SUPERANNUATION**

FASEA CPD areas **TECHNICAL COMPETENCE**

ARTICLE 2

MONICA RULE
Monicarule: Your Self Managed Super Expert

UNDERSTANDING DOWNSIZER CONTRIBUTIONS

The 'downsizer contribution' is a relatively new type of contribution that can be made into superannuation funds.

The downsizer contribution allows individuals, who may be prevented from making superannuation contributions due to their age, work status, contributions caps or their total superannuation balance, the ability to make superannuation contributions using some of the proceeds from the sale of their home. The measure allows individuals aged 65 or over to sell their home that they have owned for at least 10 years and make a contribution into their superannuation fund of up to $300,000 from the proceeds.

However, there are strict rules around downsizer contributions. This article explores the conditions that must be satisfied in order for an individual to be eligible to make a downsizer contribution.

WHAT YOU WILL LEARN

- Age eligibility
- Home ownership criteria
- Multiple downsizer contributions
- Age Pension eligibility

This article is worth **0.5 CPD HOURS**

ASIC knowledge area **SUPERANNUATION**

FASEA CPD areas **TECHNICAL COMPETENCE**

To read these articles in full and answer the questions for CPD hours, go to the Learn tab at moneyandlife.com.au/professionals

FPA CHAPTER DIRECTORY

NSW

SYDNEY
Jade Khao CFP®
Chairperson
T: 0488 889 138
E: Jade.tan@anz.com
MID NORTH COAST
Lucas Garside AFP®
Chairperson
T: (02) 6584 5655
E: lgarside@berryfs.com.au
NEWCASTLE
Mark Alexander CFP®
Chairperson
T: (02) 4923 4000
E: mark.a@crosbiewealth.com.au
NEW ENGLAND
David Newberry AFP®
Chairperson
T: (02) 6766 9373
E: david@newberry.com.au
RIVERINA
Graham Cotter CFP®
Chairperson
T: 0408 011 322
E: graham.cotter@stateplus.com.au
WESTERN DIVISION
Peter Roan CFP®
Chairperson
T: (02) 6361 8100
E: peter@roanfinancial.com
WOLLONGONG
Mark Lockhart AFP®
Chairperson
T: (02) 4244 0624
E: mark@jamfinancial.com.au

ACT

Andrew Saikal-Skea AFP®
Chairperson
T: (02) 6219 7255
E: andrew.saikal-skea@
stateplus.com.au

VICTORIA

MELBOURNE
Julian Place CFP®
Chairperson
T: 0418 111 224
E: julian_place@amp.com.au
ALBURY WODONGA
Wayne Barber CFP®
Chairperson
T: (02) 6024 1244
E: wayne@mws.net.au

BALLARAT
Paul Bilson CFP®
Chairperson
T: (03) 5332 3344
E: paul@wnfp.com.au
BENDIGO
Gary Jones AFP®
Chairperson
T: (03) 5441 8043
E: garyjones@
platinumwealthbendigo.com.au
GEELONG
Lesley Duncan CFP®
Chairperson
T: (03) 5225 5900
E: lesley@planwellgroup.com.au
GIPPSLAND
Rodney Lavin CFP®
Chairperson
T: (03) 5176 0618
E: rodneylavin@bigpond.com
GOULBURN VALLEY
John Foster CFP®
Chairperson
T: (03) 5821 4711
E: john.foster@bridges.com.au

SOUTH EAST MELBOURNE
Scott Brouwer CFP®
Chairperson
T: 0447 538 216
E: scottb@prosperum.com.au
SUNRAYSIA
Stephen Wait CFP®
Chairperson
T: (03) 5022 8118
E: stephenwait@
thefarmprotectors.com.au

QUEENSLAND

BRISBANE
Duncan Forbes CFP®
Chairperson
T: (07) 3031 1610
E: duncan.forbes@sfg.com.au
CAIRNS
Lyle Filer AFP®
T: 0425 337 256
E: lyle@lighthousepartners.com.au
FAR NORTH COAST NSW
Shane Hayes CFP®
Chairperson
T: 0411 264 002
E: shane@
agedcarearchitects.com.au
GOLD COAST
Kearsten James CFP®
Chairperson
T: (07) 5531 6295
E: kearsten@cwealth.com.au
MACKAY
Brendan Hughes AFP®
Chairperson
T: 0439 781 190
E: brendan@efsmackay.com.au
SUNSHINE COAST
Natalie Martin-Booker CFP®
Chairperson
T: (07) 5413 9264
E: natalie@wealthmed.com.au
TOOWOOMBA/DARLING DOWNS
Naomi Alletson AFP®
Chairperson
T: (07) 4638 5011
E: nalletson@achieveitfp.com.au
TOWNSVILLE
Gavin Runde CFP®
Chairperson
T: (07) 4760 5900
E: gavin.runde@careygroup.com.au
WIDE BAY
Louise Jealous-Bennett AFP®
Chairperson
T: (07) 4153 5212
E: louise@c2g.com.au

SOUTH AUSTRALIA

Andrew Harris CFP®
Chairperson
T: (08) 8373 1711
E: andrew.harris@
minerdsbell.com.au

NORTHERN TERRITORY

Susie Erratt CFP®
Chairperson
T: 0411 331 870
E: admin@advfps.com.au

WESTERN AUSTRALIA

Fran Hughes CFP®
Chairperson
T: 0418 713 582
E: fran@intuitivemoney.com.au

TASMANIA

Todd Kennedy CFP®
Chairperson
T: 0407 101 231
E: todd.kennedy@tptwealth.com.au

MEMBER SERVICES

1300 337 301
Phone: 02 9220 4500
Email: fpa@fpa.com.au
fpa.com.au

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CHAIR - Marisa Broome CFP®
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