

Theory into practice:

Applying academic research

MODERATOR

Dr. Michelle Cull

Associate Professor

Western Sydney University

PANELISTS

Suzanne Maloney

Associate Professor

University of Southern

Queensland

Professor Mark Brimble

Dean, Learning & Teaching

Griffith University

Amanda Craft

Associate Lecturer/
Academic Program Advisor

Western Sydney University

Dr. Kirsten MacDonald

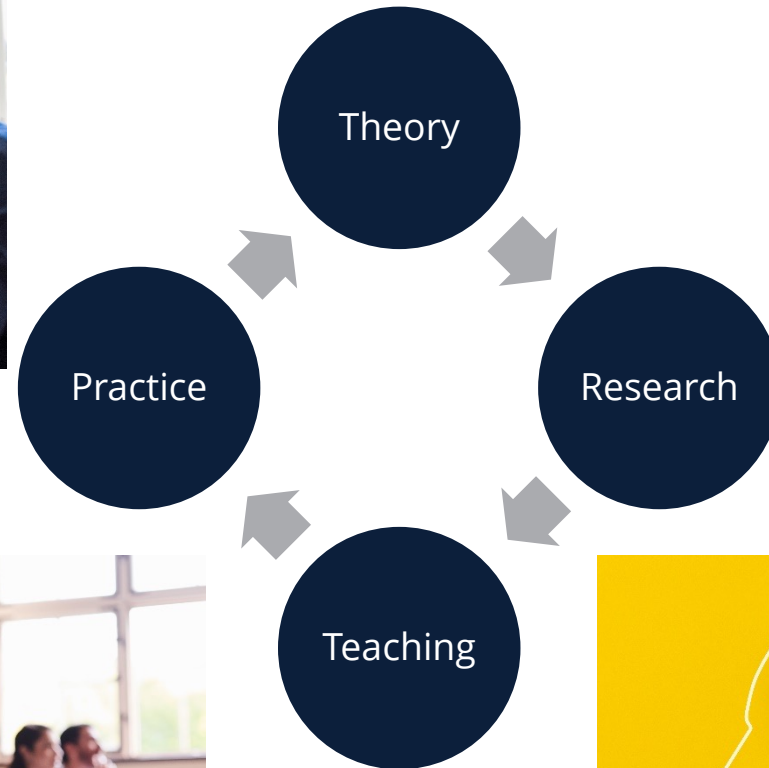
Program Director –
Commerce

Griffith University

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Theory into practice: Applying academic research



Today's session

- **Shark Tank Pitches** - You will hear from financial planning academics about their current research in financial advice and the practical application of this research.
- **Panel** – Explore ways that academics and practitioners can work together on research to enable financial planning to further develop as a profession.



Shark Tank Pitches:

Theory into practice

1.



Suzanne Maloney

Associate Professor

University of Southern Queensland

2.



Professor Mark Brimble

Dean, Learning & Teaching

Griffith University

3.



Amanda Craft

Associate Lecturer/
Academic Program Advisor

Western Sydney University

4.



Dr. Kirsten MacDonald

Program Director – Commerce

Griffith University



Use your App to vote for the best 'pitch'!

What research project do you believe would be the best investment?

Shark Tank Presentation 1

Retirement Transition:

The Good, the Bad and the Ugly



Associate Professor
Suzanne Maloney

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Retirement Transition: The Good, the Bad and the Ugly



- What we know  that macro level data tells us.
- What we don't know  but need to.



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<https://openverse.org/image/936c989b-6593-4458-ba62-2485355803d1?q=people>

This is where you come in.

*"The general always
bows to the specific."*

Johann Wolfgang von Goethe



Photo by Dennis Jarvis [CC BY-SA 2.0](https://www.flickr.com/photos/22490717@N02/32555847930)
<https://www.flickr.com/photos/22490717@N02/32555847930>

How do people transition to retirement?

- Retirement Transition

- Defined as the pathway from full involvement in the workforce to full retirement

- Method

- Qualitative analysis of 86 interviews with men and women over 50 years

- Theoretical Focus

- Behavioural Finance Theory (BFT) and Gendered Organisations Theory (GOT)

- Emerging Findings

- The Pressure of Past Patterns
- Current Caring Consolidates Disadvantage
- Meaningful Work Matters
- Flourishing



Shark Tank **Presentation 2**

You've got to know when to hold 'em:

insights into the investment switching
behaviour of superannuation fund
members



Professor Mark Brimble

Dean, Learning & Teaching, Griffith University

Authors: Mark Brimble, Kirsten MacDonald, Karen
Wildman, Ellana Loy, Thomas Hendry

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Common Mistakes Investors Make

Common Investor Mistakes

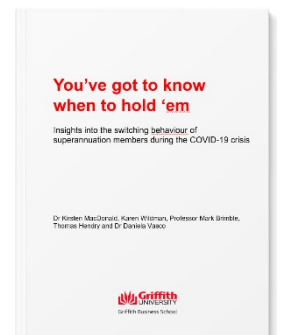
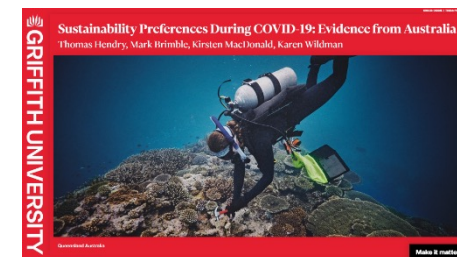
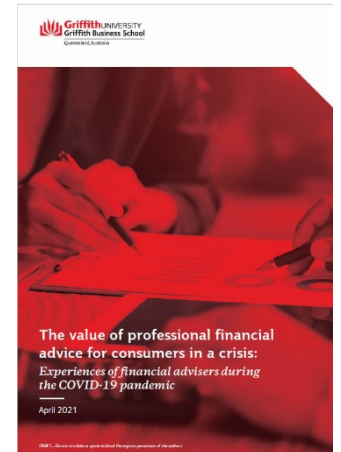
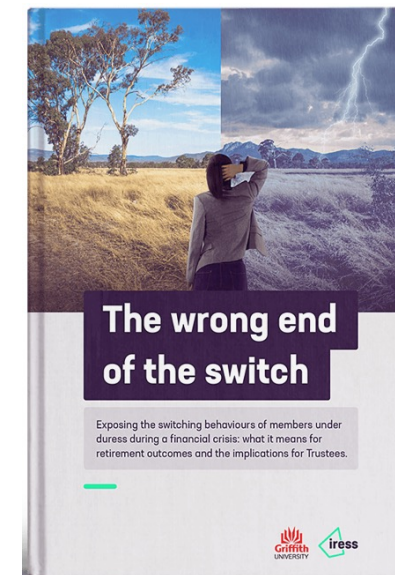
- Trying to time the market, chasing last years performers, listening to 'experts', behavioural biases (hindsight, confirmation, lose aversion), etc

Decision Making During a Crisis

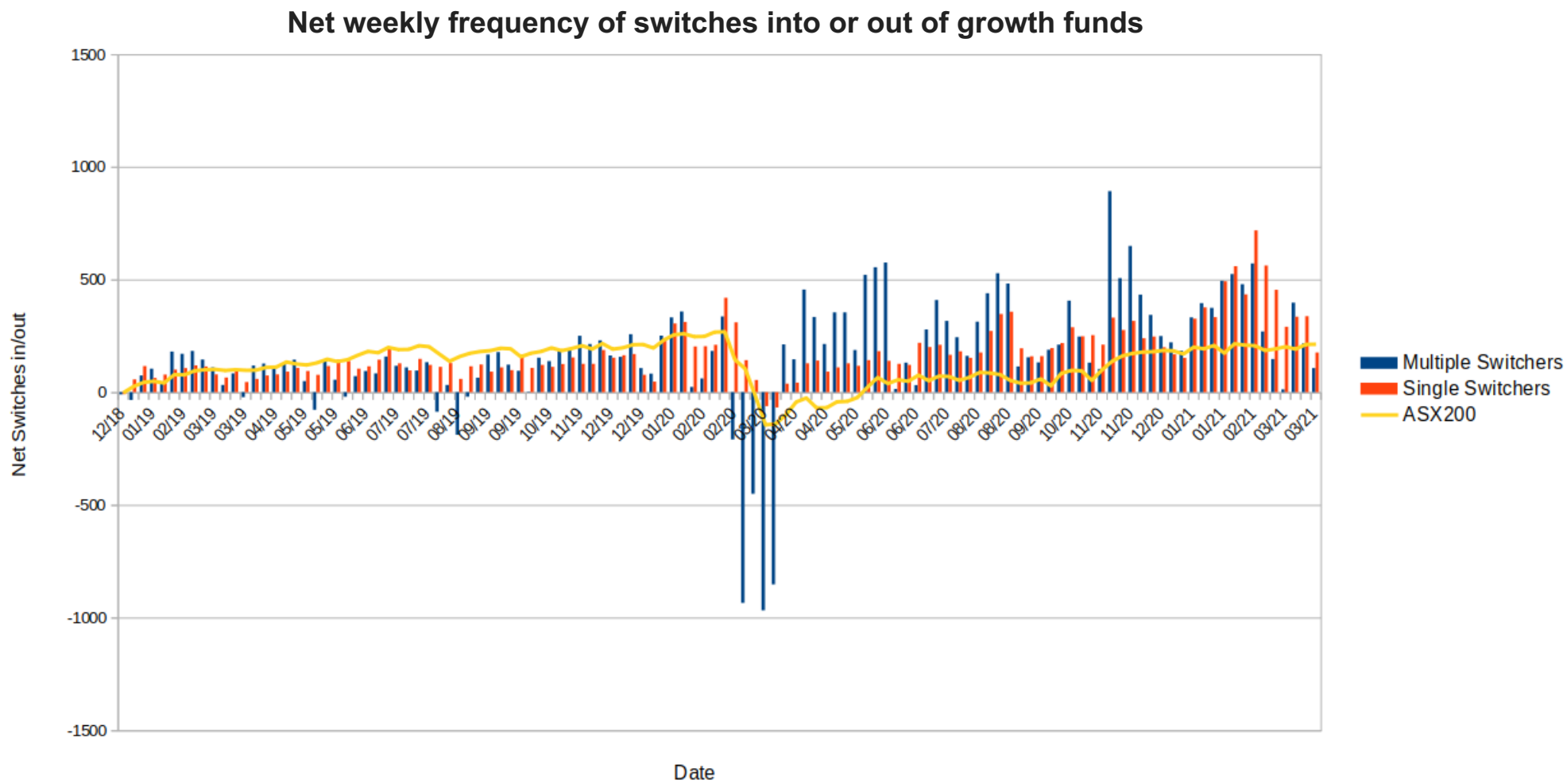
- Roberts (2005, p. 12) describes a crisis as occurring when "a person faces an obstacle to important life goals that generally seem insurmountable through use of customary habits and coping patterns"
- Crisis scenarios impact on decision making processes
- Advice in a crisis:
 - Change in adviser factors – up (acting in best interest), F2F advice model (down), professional demeanor (up), education and professional designations (down)
 - Change in client factors – trust (up), involvement (down), concern about financial situation (up), financial literacy (down), short term horizon (down)
 - Actions by advisers – providing piece of mind (strongest and higher), educating clients (up), client burden (down), creating savings habits (down)

Superannuation

- Total superannuation assets were \$3.5 trillion at the end of the March 2023 quarter
- Long term investment horizon
- Super choice – across and within funds
- Do these same crisis decision biases and mistakes impact on super?



Clearly, we haven't learnt the lessons of the GFC



Turns out, few know when to hold 'em

▪ Single Switchers:

- Single switch activity doubled and transaction values increased during crisis
- Of single switchers in March and April 2020, more than 70% were worse off

▪ Multi-switchers:

- A minority (34%) was responsible for 68% of the switches.
- 97% of members more likely to go backwards through switching. Odds of a switch gain are 63% lower for this group.
- 3% more likely than not to get it right (56% chance of a good outcome)

▪ ESG Switches:

- Performance similar, but however sharper flows declines are observed for the non-ESG funds (contrast with Dottling and Kim (2022) re mutual fund investors).
- Cumulative flows suggest that fund members already invested in ESG funds had a stronger tendency to remain in these funds during a market crash - suggesting a loyalty bias as has been observed among mutual fund investors (Bollen, 2007).
- Age (split), gender (F) and wealth (negative) effects

▪ Overall:

- Member switching, particularly during crisis periods, can led to significant member capital loss. Trustees need to carefully consider member support, advice and interventions - particularly during periods of volatility.

What's next?

Shark Tank Presentation 3

Does culture matter in Financial Planning?



Amanda Craft

Associate Lecturer/ Academic Program Advisor
Western Sydney University

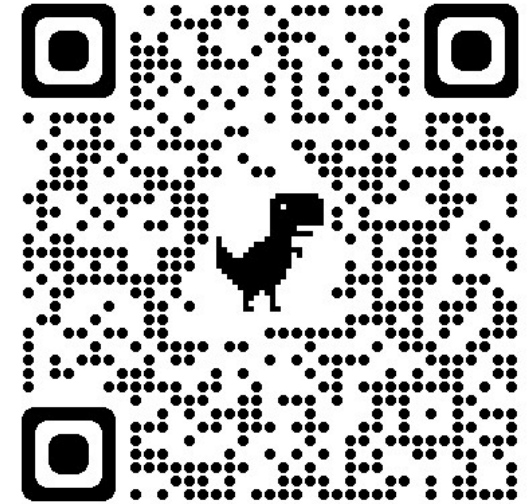
Authors: Amanda Craft, Mark Brimble, Michelle Cull,
Katherine Hunt, Kirsten MacDonald

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Does culture matter in Financial Planning?

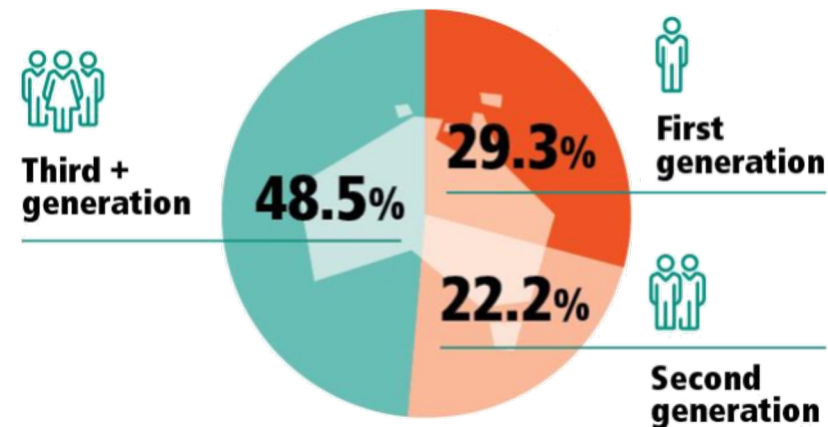
Amanda Craft BA(Hons) MIntBus MCom(Tax) DFP
Associate Lecturer & Academic Program Advisor (Accounting and Financial Planning)
@ Western Sydney University

Culture: the distinctive customs, values, beliefs, knowledge, art, and language of a society or a community. These values and concepts are passed on from generation to generation, and they are the basis for everyday behaviours and practices.
(*American Psychological Association, 2023*)



Current state of the profession:

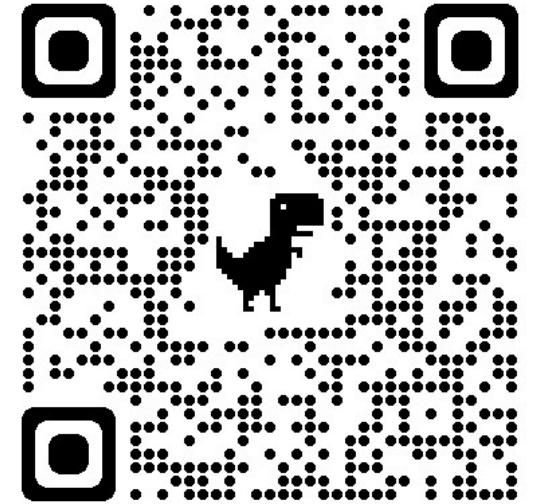
- 75% Male advisers (Financial Review, 2023)
- Mostly Anglo-Australian background (Hoyle 2016).
- Average age is 49 (Adviser Ratings, 2023)



Australia as a multicultural nation – 51.5% of Australians
First or Second generation (ABS, 2022)

Interviews with 21 Australian advisers

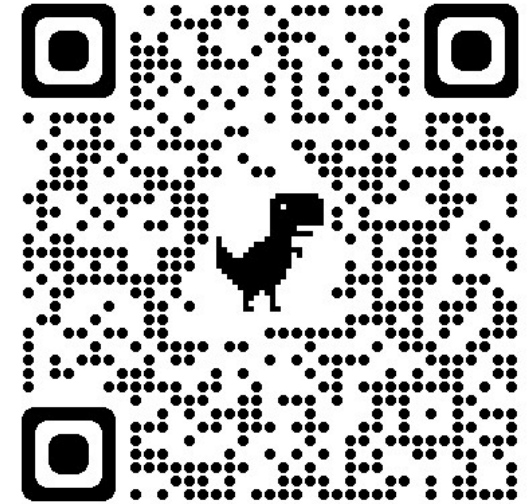
- Lack of awareness
- Lack of Adviser diversity
- Lack of client diversity
- Lack of competence
 - competence came from non-FA experiences
- The definition of 'culture' does it include - differences due to:
 - age, gender, religion, language and other meanings of culture (organisational, intergenerational)
- Concerns about racism or not being inclusive
- Consequences for advice:
 - Accessibility
 - Affordability
 - Appropriateness of advice



Cultural Intelligence (CQ)



- “an individual’s capability to function and manage effectively in culturally diverse settings” (Earley and Ang, 2003)
- Do Australian advisers have this skill?
- Is there interest in developing this skill?
- How could CQ add value to advisers?



Shark Tank Presentation 4

Empowering Australians through professional financial advice:

The value and impact of financial advice



Dr. Kirsten MacDonald

Program Director – Commerce
Griffith University

Authors: Kirsten MacDonald, Mark Brimble,
Ellana Loy, Karen Wildman

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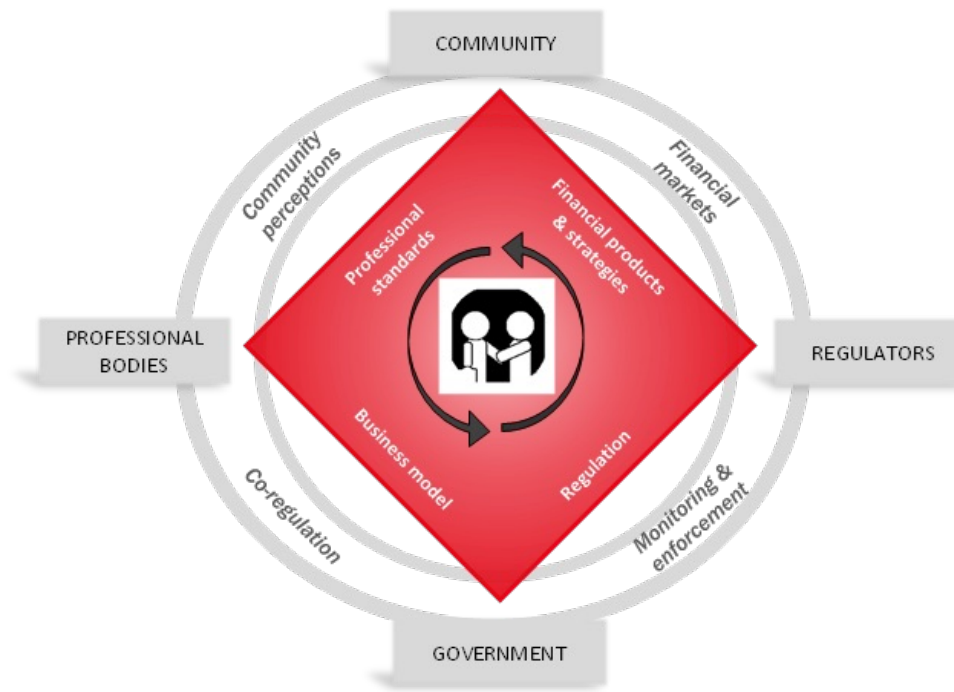
The value and impact of financial advice

■ Aim:

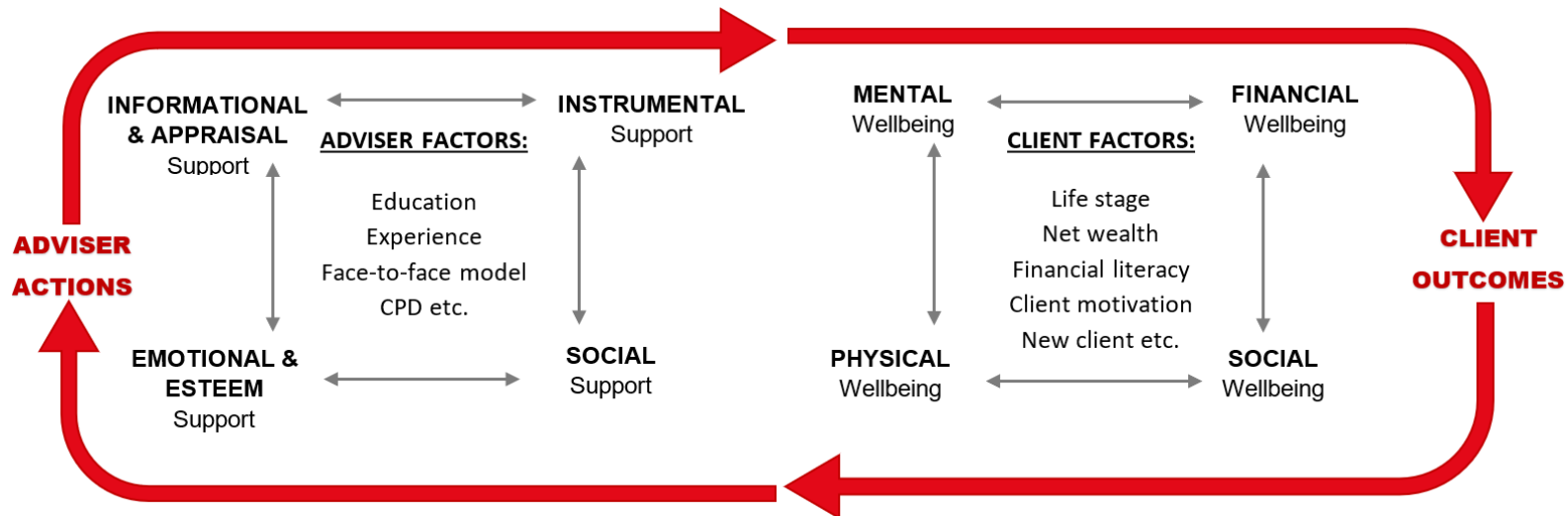
- To empirically investigate when, where and how value is provided to consumers through financial advice

■ Research questions:

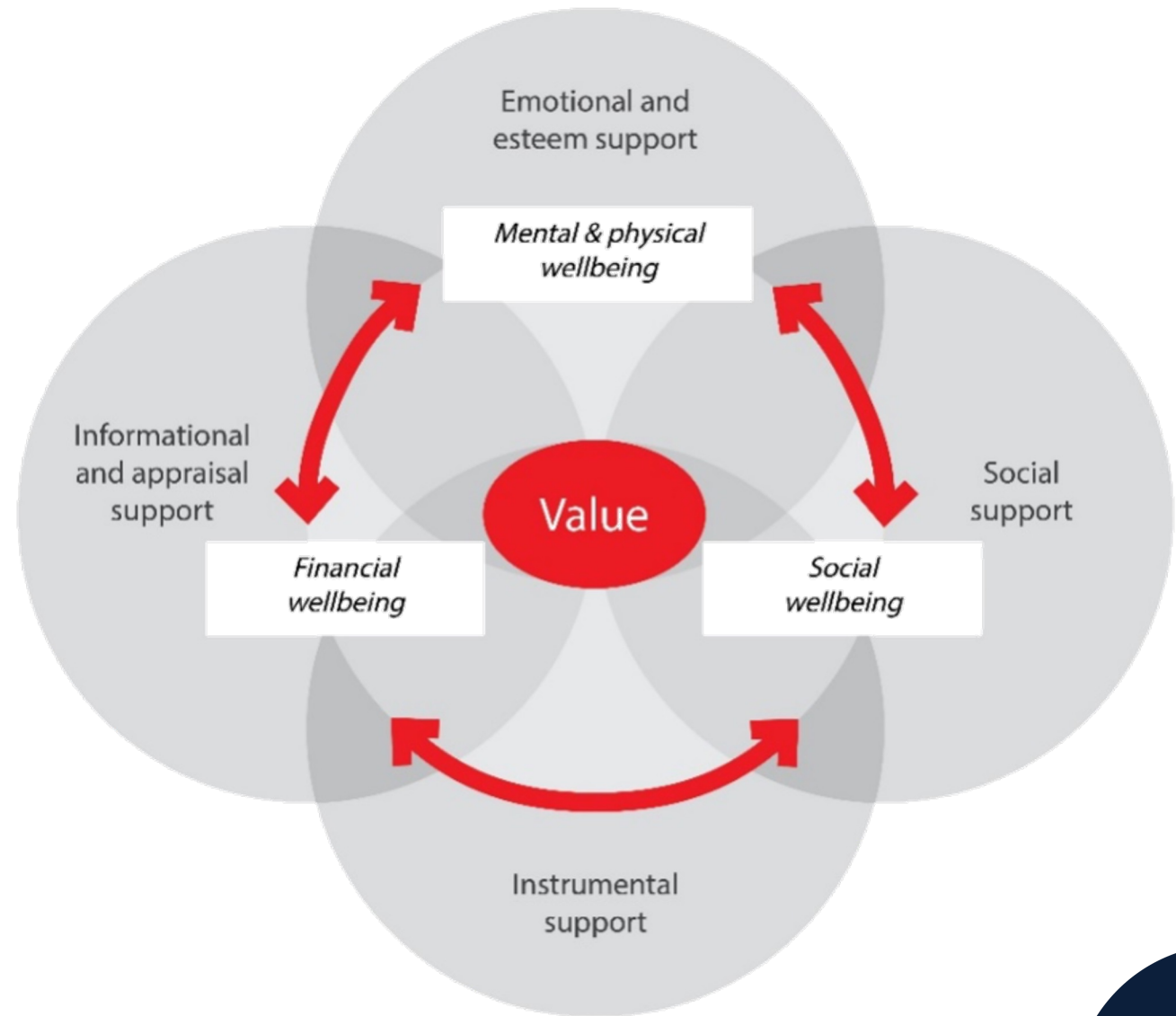
- What are the characteristics of the literature reporting on the value of personal professional financial advice to clients?
- How has value been operationalised in financial advice research (i.e., what is 'value')?
- Is value realised for clients (i.e., is the advice worth it)?
- What gaps exist in our understanding of the value of professional financial advice to clients?
- What is the nature of a crisis?
- What are the characteristics of those who seek advice in a crisis?
- What is the role of advice and financial advisers in a crisis?
- What is the value of financial advice and financial advisers for clients during a crisis?
- What recommendations can be made to guide and enhance future research on the value of financial advice (i.e., where do we go from here)?



Value can be viewed in terms of the **support** advisers provide and the **outcomes** clients achieve as a result



A more
holistic conceptualisation
of value is needed to guide
research and empower
professionalisation



Q&A

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Are you Ready to Poll?



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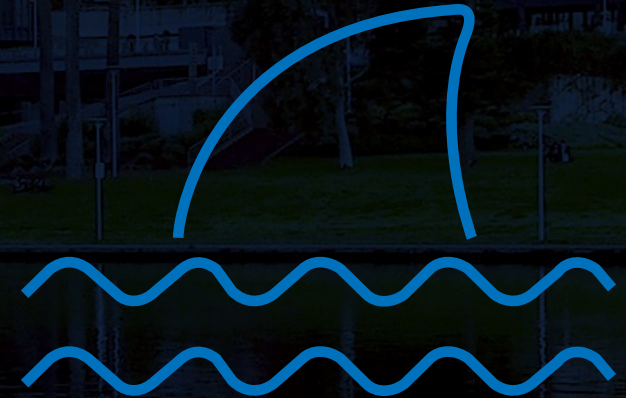
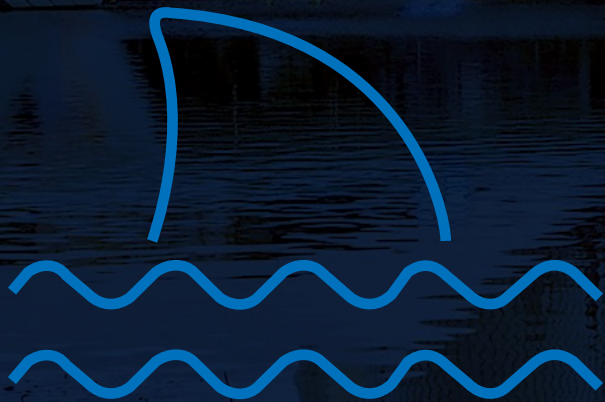
Dr. Kirsten MacDonald
Program Director – Commerce
Griffith University



**Get Your
Votes In
NOW!**

Who had the best
Shark Tank pitch/
which research
would you invest in?

Shark Tank And the winner is...



Panel Session

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**Rate this
session**

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Meet the speaker zone



Thank you for attending this session

More information:

Louise Trevaskis
Head of University and Student Programs

Email: louise.Trevaskis@faaa.au

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