



BROKERS
IRELAND

The Value of Advice

The path to a more financially secure future

February 2016



In association with

Standard Life

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Introduction from Brokers Ireland

Brokers Ireland welcomes this research on the value of professional financial advice. The results clearly show that such advice benefits consumers in terms of better financial protection, higher savings and investments, better pension provision and higher financial confidence. These findings are broadly similar to other studies on the value of advice in the UK, Australia and Canada.

For consumers, this puts a tangible benefit on the reason for consulting a Financial Broker who can help you articulate your financial goals, formulate a strategy to achieve these, shop around for the best provider and product, set up appropriate plans and review these as your life circumstances change.

For Financial Brokers, this study is a clear illustration of the benefits of your services which you can use with new and existing clients.

These results are consistent with the last study carried out by Standard Life on this area in 2013.

Brokers Ireland is delighted to work with Standard Life in Ireland to highlight the real value the work of Financial Brokers brings to their clients' finances.



Ciaran Phelan
Chief Executive Officer, IBA



Diarmuid Kelly
Chief Executive Officer, PIBA

Brokers Ireland is joint venture between the two main broker bodies in Ireland – the Professional Insurance Brokers Association (PIBA) and the Irish Brokers Association. Together they represent approximately 1300 broker firms and about 90% of all full time intermediaries in Ireland.

A word from **Standard Life**

Peace of mind: The difference between taking advice and not taking advice.

Decisions about our financial future are among the most important we'll ever make.

Our society is moving more to a situation where individuals need to take increased personal responsibility for their longer term financial wellbeing, as employers and the State transfer this responsibility. When we add the fact that we are living longer, the need to make adequate provision becomes so much more important.

At Standard Life, we believe that professional independent financial advisers are best positioned to support clients with this growing responsibility. Many of us are time poor and often don't have the depth of understanding required to support the decision making that will help us achieve longer term financial security. This support and advice becomes critical at certain times when requirements can become very complex.

Independent financial advice goes well beyond products and where and how to invest. A financial adviser will help clients make well-informed choices for building wealth and protecting their future. A financial adviser works closely with clients, building a deep understanding of their personal circumstances, goals and aspirations and helping plot a way through the risks and opportunities that lie ahead.

The success of good advice ensures clients can enjoy today - confident that they have a plan for their future that will support evolving needs.

This research is confirmation of our deeply held beliefs, that clients are better off when they get professional advice.



Nigel Dunne
Chief Executive Officer, Standard Life Ireland





Summary findings

Managing your finances is complicated and getting independent professional financial advice has never been more important. Advice from a professional can provide reassurance about your financial situation and show the real value of advice.

Value means different things to different people. In the context of your finances it can be the return on your investment, it can mean future security, peace of mind, protection, it can mean achieving your goals or simply avoiding mistakes and availing of the opportunities in front of you.

The results of our survey are clear.

Those who have used a Financial Broker:

-  have nearly 3 times the savings and investments than those who don't
-  are more than twice as likely to have a pension
-  are more financially protected as a result of holding more financial products
-  feel more financially confident and also feel more confident about their financial future

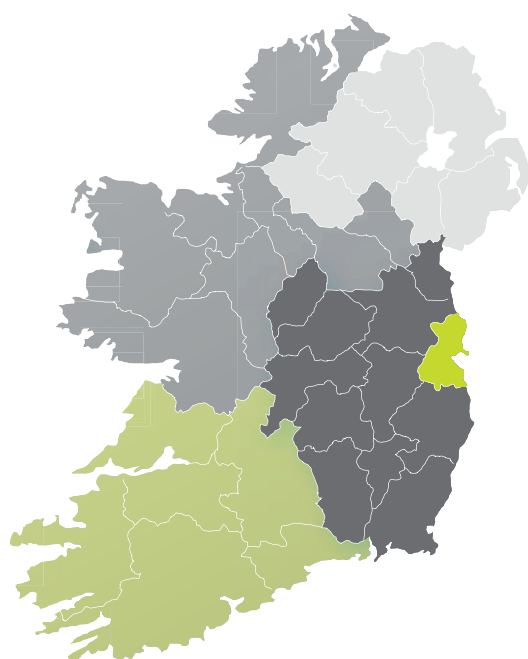
The survey shows how much better off those who get advice are than those that don't. Getting practical support from a Financial Broker can make a real difference to your financial wellbeing and can result in better outcomes for you overall.

Who seeks professional financial advice?

Almost half of Irish adults (45%) have used a Financial Broker to help with their financial needs, with 24% consulting their Financial Broker about once a year.

Slightly more men (49%) than women (42%) have used a Financial Broker.

Regionally there are no significant differences with between 43% and 47% of adults in each province having used a Financial Broker in the past.



45% of the population have used a Financial Broker

Dublin	45%
Leinster	43%
Connaught / Ulster	47%
Munster	47%

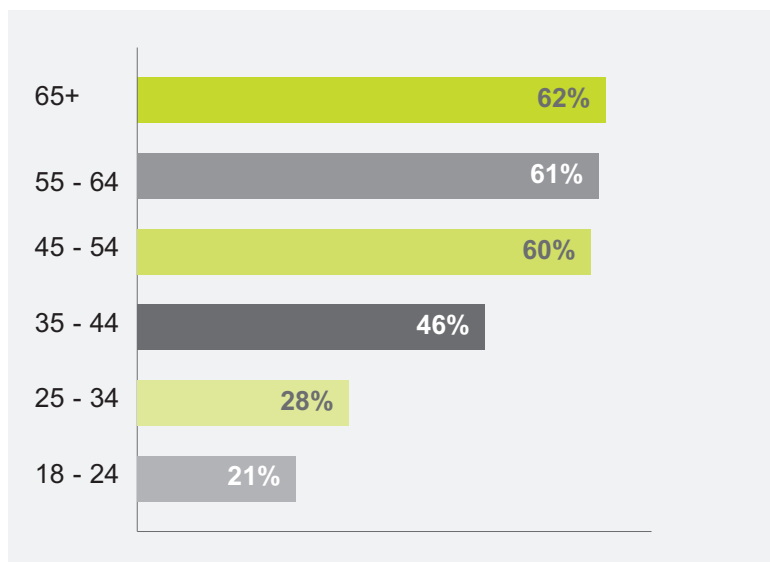
Age profile

As we get older we tend to seek out advice as our financial needs become more complex, our financial commitments become more demanding and time becomes increasingly scarce.

Retired adults (61%) are most likely to have consulted a Financial Broker compared with 43% of those people who have yet to retire.

Employed people (52%) are more likely to use a Financial Broker especially those with an income over €30,000 (60%).

Age profile of customers who have used a Financial Broker



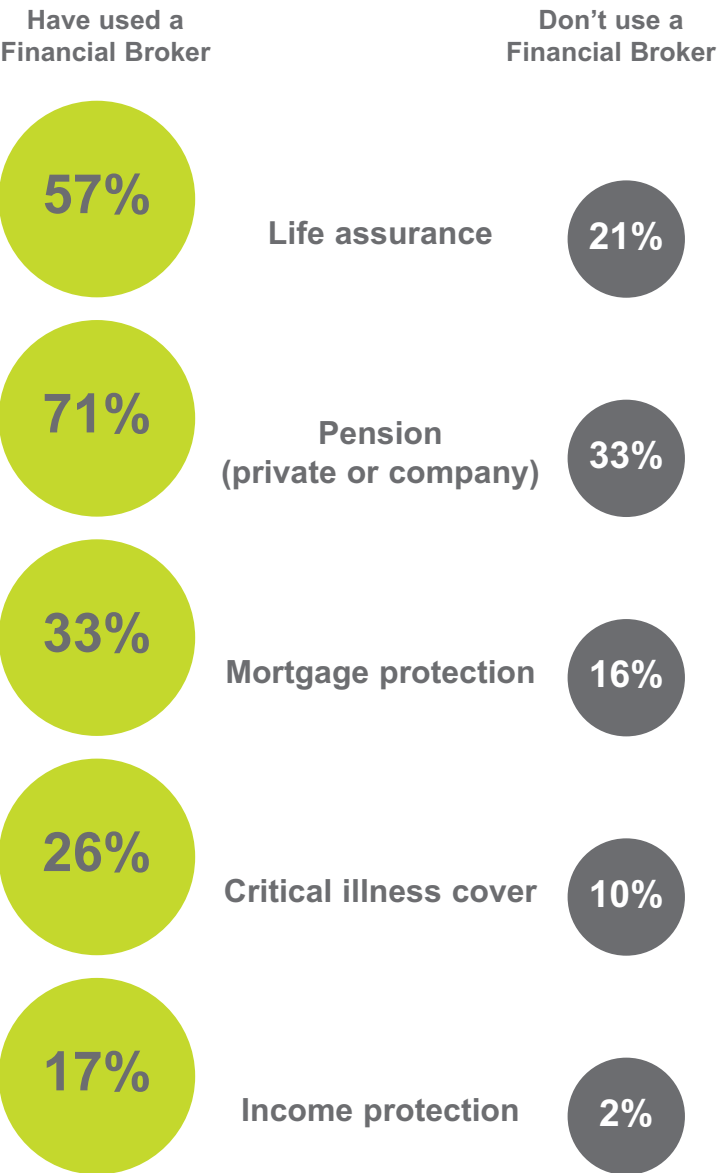
The value of advice

There is a clear difference in the number and value of products held by advised adults. These adults are also more financially confident. This supports the fact that independent professional financial advice is an important means of increasing the financial knowledge and wellbeing among adults.

The survey shows those who receive advice are more likely to have a pension (71% compared to 33%) and the gap is also evident for other products with advised group more than twice as likely to have life assurance (57% compared with 21%).

This clearly highlights that the advised group is better protected and provided for, having sought advice on products that meet their needs and financial circumstances.

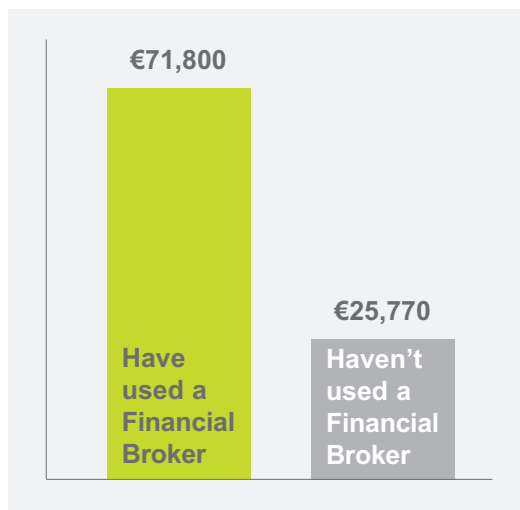
Do you own any of the following?



More valuable savings and investments

The effect of advice on personal wealth is considerable

Those who seek advice generally set more aside than those who don't. Those people who've consulted a Financial Broker have significantly more in savings and investments with an average of €71,800 compared with €25,770.



People who haven't used a Financial Broker are more likely to have nothing in savings and investments (27%) compared to those who have used a Financial Broker (7%).

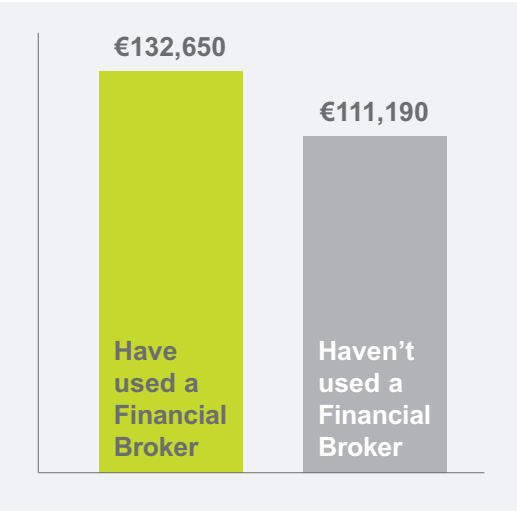
In general those people who have used a Financial Broker are more positive about investing than those that haven't.

More valuable pensions

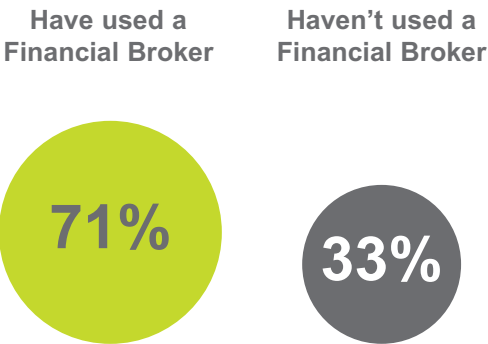
Retirement planning becomes a top priority as we get older with people wanting to know how to invest their money to build a fund for their retirement. The survey shows that half of all Irish adults have a pension.

However those that have used a Financial Broker are more than twice (71%) as likely to have a pension compared to people that have not used a Financial Broker (33%). Those people are also likely to have more in their pension pot with the average being €132,650 compared with €111,190 for those who don't consult an adviser.

More valuable pensions



More pension ownership



More knowledgeable

Those that have consulted a Financial Broker (44%) are much more likely to think that pensions are tax efficient compared with those who haven't used a Financial Broker (29%). In addition those that haven't used a Financial Broker are more likely to say that they don't know if pensions are tax efficient (53%) compared to those who have used a Financial Broker (38%).

Nearly 3 in 10 people (29%) who've used a Financial Broker have used Additional Voluntary Contributions (AVCs) or pension top ups compared to just 1 in 10 for those who haven't used a Financial Broker.

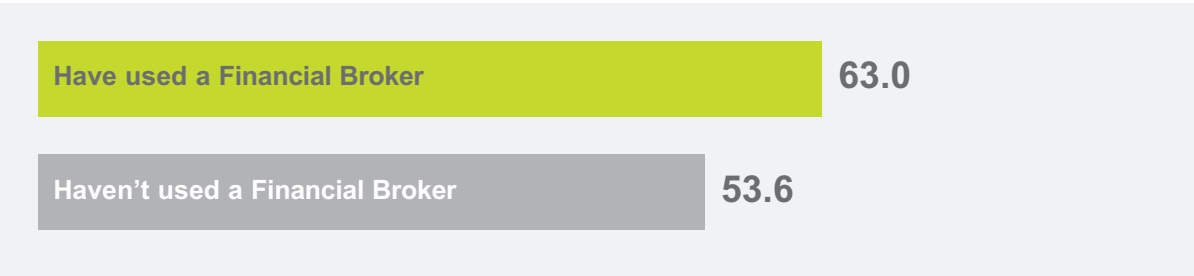
No regrets

People that don't have a Financial Broker are over twice as likely to regret not preparing more for retirement (39%) compared with those that have used a Financial Broker (18%).

More financially confident

Using the Standard Life Financial Confidence Index*, those that have used a Financial Broker scored a higher rating of 63.0 out of 100 compared to 53.6 for those who haven't. This group are more aware of their personal financial situation and are better informed on the product choices available to them. Having received independent professional financial advice, they no doubt feel their finances are in better shape.

How financially secure* do you feel?



People who use a Financial Broker feel that a secure and reputable provider they can trust with their money (42%) is the most important thing when choosing a savings or investment product. Those who haven't used a Financial Broker feel that a good return of their money (37%) is the most important thing.





Those that haven't used a Financial Broker are also more likely to think that costs (11%) are the most important factor when choosing a savings or investment product (compared with 2% of advised people). 25% of advised people are also likely to think that a wide choice of investments are very important.

* The Standard Life Financial Confidence Index is a measure of how financially secure people feel on a scale of 1–10. The results are averaged and then converted to show a total score on a percentile basis.

Conclusion

Getting financial advice means success, as people balance the day-to-day priorities with their long-term goals. Working with a Financial Broker ensures a personalised and holistic approach to a client's finances.

It means that clients are:

-  better protected
-  have more valuable savings and investments
-  have more valuable pensions
-  are more financially confident.

The value of receiving financial advice is clear. With more money invested and greater financial security people feel more in control and therefore have greater confidence in their finances both now and in the long term.

References

This survey was conducted by iReach Insights and was completed by 1007 adults aged 18+ across the Republic of Ireland. The report was commissioned jointly by Brokers Ireland and Standard Life.

About Brokers Ireland

Brokers Ireland is joint venture between the two main broker bodies in Ireland – the Professional Insurance Brokers Association (PIBA) and the Irish Brokers Association (IBA). Together they represent approximately 1300 broker firms and about 90% of all full time intermediaries in Ireland.

For more information, please visit

www.iba.ie

www.piba.ie

About Standard Life

Standard Life is a leading long-term savings and investments company. Headquartered in Edinburgh and operating internationally, they've been in Ireland since 1834 and have been helping generations of Irish customers plan for their future.

Standard Life employs around 6,500 people internationally and has around 1.2 million individual shareholders across over 50 countries. Managing their customers' savings is at the core of their business and they're responsible for the administration of £302 billion in assets.

All figures as at 30 September 2015.

www.standardlife.ie



