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Developing & Maintaining Client Trust & Commitment in a Rapidly Changing Environment

Chapter 5: Communication Tasks



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Chapter 5: Communication Tasks

I. Introduction

In 2006, members of the Life Planning Consortium developed and conducted the *Survey of Specific Elements of Communication that Affect Trust and Commitment in the Financial Planning Process*. The primary goal of this survey was to identify and statistically validate specific communication topics, tasks, and skills that contribute to building client trust and commitment in the context of a professional financial planning relationship. In particular, this study explored elements of communication associated with a client-centered, “life planning” approach to service delivery. The researchers also examined the influence of selected communication variables on important indicators of successful client relationships, including retention, satisfaction, cooperation, openness to disclosing personal and financial information, and referrals.

The purpose of the current research project is to replicate the 2006 study while including additional variables that will provide insight into the development of successful client planner relationships in the context of 1) current demographic, economic, and equity issues; 2) the prevalence of financial anxiety; and 3) trends that demand virtual communication methods. A number of national and international economic events have occurred since the 2006 data collection (i.e., 2007 Housing Crisis, 2008 Great Recession, 2020 COVID-19 Pandemic, and Recession), which have severely challenged Americans’ sense of economic security and their trust in the financial markets. Replicating the 2006 study allowed the researchers to compare both planner and client perceptions of relationship quality and efficacy in light of 15 years of unprecedented challenges and tremendous economic uncertainty.

In this section, we present the context and conceptual framework used to explore the efficacy of certain communication tasks in developing client trust and commitment and promoting other important outcomes of successful planner/client relationships.

A. Communication in Action

The word “task” is defined as “a function to be performed, an objective.” Therefore, for the purposes of this study, we consider a “communication task” to be one that requires effective communication for the purpose of facilitating the financial planning process. In this context, we think of a communication task as “communication in action” and the place where the art and science of financial planning meet.

This perspective is especially helpful considering the complexity of our lives, wide-ranging sets of personal circumstances, and differing views and experiences related to cultural, societal, political, and environmental issues. The numbers part of financial planning is not nearly as complex as the individuals making the financial decisions. Tim Maurer, financial planner, educator, and author frequently reminds us that “personal finance is more personal than it is finance.”

This is not a clever tagline, but a statement of fact rooted in science. In psychology, yes, but also in biology. The proof is everywhere...

...One of the ways we can make financial decisions simple is to genuinely understand what motivates us. These motivations are too often separated from our financial planning even though they are the foundation.¹

The late Richard Wagner, JD, CFP® dedicated his life to defining the role of money in shaping and understanding the human experience. He was the recipient of the P. Kemp Fain, Jr., Award, the Financial Planning Association's highest honor, and author of *Financial Planning 3.0: Our Evolving Relationships with Money*. He believed, "At its base, money is merely an exchange medium; at its most complex, it is an ultimate existential challenge."

Let's face it. An individual's relationship with money is a lifelong dance, a dance taking each of us from the most macro of socio-political realities to those relationships of exceeding intimacy - those with our Selves, our spouses, and our families. Money challenges each of us on different levels from daily function to spiritual complexity.²

B. Know Thy Client

At its best, financial planning is a highly individualized process. Therefore, the primary goal for financial planners must be getting to know and understand each client. This is at the heart of fulfilling their fiduciary duty and ensuring that the financial recommendations they make will serve their clients' best interests.

This central role was once clearly defined in CFP® Practice Standard 200-1, which was not retained when the Practice Standards were revised in 2019. It specified that to define the client's personal and financial goals, needs, and priorities, the practitioner "must explore the client's values, attitudes, expectations and time horizons." The reason? "Personal values and attitudes shape the client's goals and objectives and the priority placed on them." In addition, the practitioner's role was defined as facilitating the goal-setting process "in order to clarify, with the client, goals, and objectives." Although no longer recognized as an official CFP® Practice Standard, few can argue that the communication tasks it describes should not remain the cornerstone for serving clients well.

C. Definition of Financial Planning

While aspirational language and guidelines were eliminated from the CFP® Practice Standards in the 2019 revisions, CFP Board did adopt a definition of financial planning that leans toward the more holistic perspective that is central to the life planning approach.

Financial Planning is a collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances³.

In addition, CFP Board included statements that help to explain the intent of the newly adopted definition and supports a client-centered, goals-based approach to designing financial planning engagements:

- *The goal of Financial Planning is to help maximize the Client's potential.*
- *The purpose of Financial Planning is to develop and meet goals.*
- *The goal is to obtain what the Client wants in life.*
- *The process requires integration of relevant elements of the Client's personal and/or financial circumstances.*
- *A financial planner examines a Client's circumstances and evaluates how one element of the Client's life may affect other elements.⁴*

II. Variables

This study includes three types of variables: independent, dependent, and mediator. In this phase of the study, the independent variables were two groups of communication tasks: 1) values and goal clarification and 2) qualitative data gathering. Two key dependent variables are client trust and commitment. Additional dependent variables were client retention, satisfaction, cooperation, openness to disclosing personal and financial information, and referrals. Mediator variables were not considered in the 2006 study. They were included in 2021 to evaluate the effects that virtual meeting navigation, client financial anxiety, and diversity, inclusion, and cultural awareness might have on the relationship between communication tasks and client trust and commitment, and other desirable outcomes.

A. Independent Variables

In this phase of the study, the independent variables consisted of two groups of communication tasks categorized as either 1) values and goal clarification or 2) qualitative data gathering.

Three statements assessed the values and goal clarification tasks:

1. **Planner helps client identify meaningful personal and financial goals and objectives*
2. **Planner uses a systematic process to help client clarify values and priorities*
3. *Planner must understand client's values and priorities in order to deliver effective financial advice*

**Included in 2006 study and replicated in 2021 study*

Four additional statements assessed the qualitative data gathering tasks:

1. **Planner makes effort to explore and learn about client's cultural values*
2. **Planner makes effort to explore and learn about client's personality type and traits*
3. **Planner makes effort to explore and learn about client's money attitudes and beliefs*
4. **Planner makes effort to explore and learn about client's family history and family values*

**Included in 2006 study and replicated in 2021 study*

B. Dependent Variables

As in the 2006 study, this study has two groups of dependent (outcome) variables that represent characteristics of successful planner/client relationships.

The first group of dependent variables relates to the critical outcomes of Client Trust and Commitment. Scales were used to measure each of these dependent variables:

1. *Client Trust Scale⁵
2. *Client Commitment Scale

**Included in 2006 study and replicated in 2021 study*

The second group of dependent variables featured seven “business case” variables which are also representative of successful planner/client relationships:

1. Client retention based on better communication
2. Client retention based on higher return
3. *Client satisfaction with planner/client relationship
4. *Client cooperation with financial planning recommendations
5. *Client openness in disclosing financial information
6. *Client openness in disclosing personal information
7. *Client referrals

**Included in 2006 study and replicated in 2021 study*

C. Mediator Variables

An addition to the 2021 study was the consideration of the potential effects of mediator variables. Mediator variables are also known as intervening variables because they can intervene in or influence the relationship between an independent and a dependent variable. Specifically,

*A **mediator variable** explains the how or why of an (observed) relationship between an independent variable and its dependent variable. In a **mediation model**, the independent variable cannot influence the dependent variable directly, and instead does so by means of a third variable, a “middle-man”.⁶*

Mediator variables are discussed in greater detail in Chapter 2. In this study, we considered three categories of mediator variables: virtual meeting navigation, client financial anxiety, and diversity, inclusion, and cultural awareness. One category included multiple measures. Thus the influence of eight specific Mediator variables was evaluated, considering perspectives of both planners and clients. Measures of the mediator variables are as follows:

1. Virtual Meeting Navigation (VM)

- a. Clients: “Level of confidence in navigating virtual meeting platforms”
- b. Planners: “Level of confidence in navigating virtual meeting platforms”

2. Client Financial Anxiety (FA)

- a. Clients: “Financial Anxiety Scale”
- b. Planners: “Percentage of clients who experience financial anxiety”

3. Diversity, Inclusion, and Cultural Awareness

Cultural Awareness (CA)

- a. Clients: “Planner recognizes limits that cultural differences can place on client relationships”
- b. Planners: “Planner recognizes limits that cultural differences can place on client “

Institutional Barriers (IB)

- a. Clients: “Planner is aware of institutional barriers that affect client”
- b. Planners: “Planner is aware of institutional barriers that affect client”

III. Analyses & Findings

Data analyses explored the effects of including specific subjects or themes embedded in financial planning engagements and evaluated the efficacy of this inclusion in promoting successful planner/client relationships. Univariate analysis indicated the frequency of client and planner responses. Bivariate analysis (Spearman Correlations) evaluated the direction and significance of the relationship between conversation topics, tasks, and skills and outcome variables of interest. A unique feature of the 2021 study is the use of trivariate analyses (using Structural Equation Modeling) to evaluate the effect of adding a third or mediating variable on the bivariate relationships.

This section presents the responses of both planners and clients regarding four *values and goal clarification* tasks and four *qualitative data gathering* tasks that are representative of best practices in planner/client communication. We also present the results of analyses that identify statistically significant variable relationships and compare the perspectives of financial planners with financial planning clients. Results of the 2021 study and 2006 study are compared, with comments provided on notable differences. In addition, the effects of adding a third mediating variable to the bivariate relationships are reported.

A. Values and Goal Clarification

In this section, the results of univariate, bivariate, and trivariate analyses are presented, which provide insight regarding the efficacy of communication tasks that address values and goal clarification.

1. Planners Help Clients Identify Meaningful Personal and Financial Goals and Objectives

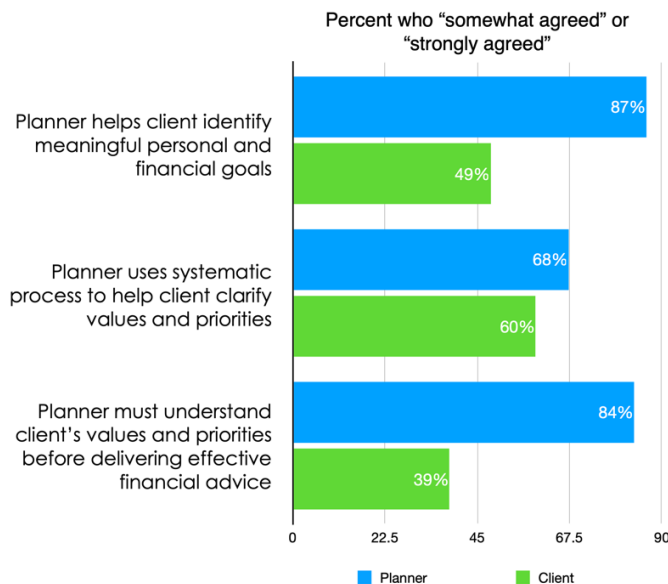
Opinions of Planners and Clients (univariate analyses)

Eighty percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement *I help my clients to identify meaningful personal and financial goals and objectives*. In contrast, only 49 percent of clients indicated that they “somewhat agreed” to “strongly agreed” with the matching statement in the client survey: *My financial adviser helps me to identify meaningful personal and financial goals and objectives* (see Figure 5-1).

Comparison to 2006 results: 59% of planners indicated agreement as compared to 74% of clients.

Figure 5-1: Communication Tasks

Planner conducts values clarification and goal setting processes



Significant Relationships with Client Trust and Commitment. (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspectives of both planners and clients, these findings indicate that a direct and positive relationship exists between

higher levels of *helping clients identify meaningful personal and financial goals and objectives* and higher levels of client trust and client commitment (see Table 5-1).

Comparison to 2006 results: both planner and client correlations were statistically significant for client trust and client commitment.

Table 5-1: Statistically Significant Relationships between Values and Goal Clarification and Client Trust and Commitment with Mediating Variable Interactions

| Communication Task | Planner helps clients identify meaningful personal and financial goals | | Planner uses a systematic process to help clients clarify values and priorities | | Planner must understand clients' values and priorities before delivering effective advice | |
|---|--|---|---|-------------------|---|-------------------|
| Outcome | Planner | Client | Planner | Client | Planner | Client |
| Trust Scale | $p < .0001$ | $p < .0001$ FA | $p < .0001$ FA | $p < .0001$ FA | $p < .0001$ VM | $p < .0001$ FA |
| Commitment Scale | $p < .0001$ | $p < .0001$ FA, IB | $p < .0001$ FA | $p < .0001$ FA | $p < .0001$ | $p < .0001$ FA |
| $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance at .05 level NS—Not significant at .05 level | | Mediating Variable Interactions: VM = Virtual Meeting Navigation FA = Client Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers | | | | |

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Statistically significant correlations were also found between client and planner responses regarding *helping clients identify meaningful personal and financial goals and objectives* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others (see Table 5-2).

Comparison to 2006 results: all planner and client correlations were statistically significant.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 5-1).

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *helping clients identify meaningful personal and financial goals and objectives* and both client trust and client commitment (see Table 5-1).

Institutional Barriers demonstrated a mediating effect on the relationship between *helping clients identify meaningful personal and financial goals and objectives* and client commitment (see Table 5-1).

No mediating effects were observed for Virtual Meeting Navigation or Cultural Awareness.

Table 5-2: Statistically Significant Relationships between Values and Goal Clarification and Important Outcomes of Planner/Client Relationships with Mediating Variable Interactions

| Communication Task | Planner helps clients identify meaningful personal and financial goals | | Planner uses a systematic process to help clients clarify values and priorities | | Planner must understand clients' values and priorities before delivering effective advice | |
|---|--|---|---|-----------------------|---|-----------------------|
| Outcome | Planner | Client | Planner | Client | Planner | Client |
| Retention - Communication | $p < .01$ | $p < .05$ FA | $p < .05$ | NS FA | $p < .0001$ | NS FA |
| Retention - Return | $p < .01$ | $p < .05$ FA | NS | NS FA | $p < .05$ | $p < .01$ FA |
| Satisfaction w/relationship | $p < .0001$ | $p < .0001$ VM, FA | $p < .05$ | $p < .0001$ VM, FA | $p < .0001$ | $p < .0001$ VM, FA |
| Cooperation w/recommendations | $p < .0001$ | $p < .0001$ | $p < .001$ FA | $p < .0001$ | $p < .001$ | $p < .0001$ |
| Referrals | $p < .0001$ | $p < .0001$ IB | NS | $p < .0001$ | $p < .0001$ | $p < .0001$ |
| Openness - Financial | $p < .0001$ | $p < .0001$ FA | $p < .001$ | $p < .0001$ FA | $p < .0001$ | $p < .0001$ VM, FA |
| Openness - Personal | $p < .0001$ | $p < .0001$ VM | $p < .0001$ | $p < .0001$ VM | $p < .0001$ | $p < .0001$ VM |
| *Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance at .05 level NS—Not significant at .05 level | | Mediating Variable Interactions: VM = Virtual Meeting Navigation FA = Client Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers | | | | |

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: No mediating effects were observed Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *helping clients identify meaningful personal and financial goals and objectives* and two of seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship and 2) openness to disclosing financial information (see Table 5-2).

Client Financial Anxiety demonstrated a mediating effect on relationships between *helping clients identify meaningful personal and financial goals and objectives* and four of seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, and 3) satisfaction with planner/client relationship, and 4) openness to disclosing financial information (see Table 5-2).

Institutional Barriers demonstrated a mediating effect on the relationship between *helping clients identify meaningful personal and financial goals and objectives* and one of seven

selected indicators of successful planner/client relationships: 1) recommending planner to others (see Table 5-2).

No mediating effects were observed for the variables that represented Cultural Awareness.

2. Planner uses a Systematic Process to Help Clients Clarify Values and Priorities

Opinions of Planners and Clients (univariate analyses)

Sixty-eight percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement *I use a systematic process (set of worksheets, series of questions, etc.) to help my clients clarify their values and priorities*. A similar percentage of clients (60 percent) indicated that they “somewhat agreed” to “strongly agreed” with the matching statement in the client survey (see Figure 5-1).

Comparison to 2006 results: 59% of planners indicated agreement as compared to 89% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, this finding indicates that a direct and positive relationship exists between higher levels of *using a systematic process to help clients clarify values and priorities* and higher levels of client trust and client commitment (see Table 5-1).

Comparison to 2006 results: all planner and client correlations were statistically significant.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner uses a systematic process to help client clarify values and priorities* and higher levels of five of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-2).

Comparison to 2006 results: all planner correlations were statistically significant.

Client Responses: Statistically significant correlations were found between *planner uses a systematic process to help client clarify values and priorities* and higher levels of five of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-2).

Comparison to 2006 results: all client correlations were statistically significant.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner uses a systematic process to help client clarify values and priorities* and both client trust and client commitment (see Table 5-1).

No mediating effects were observed for the variables for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner uses a systematic process to help client clarify values and priorities* and both client trust and client commitment (see Table 5-1).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner uses a systematic process to help client clarify values and priorities* and one of the seven selected indicators of successful planner/client relationships: 1) cooperation with financial planning recommendations (see Table 5-2).

No mediating effects were observed for the variables Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner uses a systematic process to help client clarify values and priorities* and two of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship and 2) openness to disclosing financial information (see Table 5-2).

Client Financial Anxiety demonstrated a mediating effect on relationships between this communication task *planner uses a systematic process to help client clarify values and priorities* and four of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, and 3) satisfaction with planner/client relationship, and 4) openness to disclosing financial information (see Table 5-2).

No mediating effects were observed for the variables that Cultural Awareness or Institutional Barriers.

3. Planner Must Understand Clients' Values and Priorities before Delivering Effective Advice

Opinions of Planners and Clients (univariate analyses)

Eighty-four percent of planners indicated that they “somewhat agreed” to “strongly agreed” with the statement *I must understand my clients' values and priorities before I can deliver effective financial advice*. Interestingly, a much lower percentage of clients (49 percent) indicated that they “somewhat agreed” to “strongly agreed” with the matching statement in the client survey (see Figure 5-1).

Comparison to 2006 results: N/A

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and positive relationship exists between higher levels of *planner must understand clients' values and priorities before delivering effective advice* and higher levels of client trust and client commitment (see Table 5-1).

Comparison to 2006 results: N/A

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner must understand clients' values and priorities before delivering effective advice* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) recommending planner to others, 6) openness in disclosing financial information, and 7) openness to sharing personal goals, needs, and priorities (see Table 5-2).

Comparison to 2006 results: N/A

Client Responses: Statistically significant correlations were found between *planner must understand clients' values and priorities before delivering effective advice* and higher levels of six of the seven selected indicators of successful planner/client relationships: 1) client retention based on return, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) recommending planner to others, 5) openness in disclosing financial information, and 6) openness to sharing personal goals, needs, and priorities (see Table 5-2).

Comparison to 2006 results: N/A

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner must understand clients' values and priorities before delivering effective advice* and three of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 3) openness to sharing personal information, and 3) openness to disclosing financial information (see Table 5-1).

Client Financial Anxiety demonstrated a mediating effect on relationships between *planner must understand clients' values and priorities before delivering effective advice* and four of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, and 4) openness to disclosing financial information (see Table 5-1).

No mediating effects were observed for Cultural Awareness or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers (see Table 5-2).

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships *planner must understand clients' values and priorities before delivering effective advice* and three of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) openness to disclosing financial information, and 3) openness to sharing personal information (see Table 5-2).

Client Financial Anxiety demonstrated a mediating effect on relationships between *planner must understand clients' values and priorities before delivering effective advice* and higher levels of four of the seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, and 4) openness to disclosing financial information (see Table 5-2).

No mediating effects were observed for Cultural Awareness or Institutional Barriers.

B. Qualitative Data Gathering

In this section, the results of univariate, bivariate, and trivariate analyses are presented, which provide insight regarding the efficacy of communication tasks focused on getting to know and understand financial planning clients.

1. Planner Makes Effort to Learn about Cultural Values

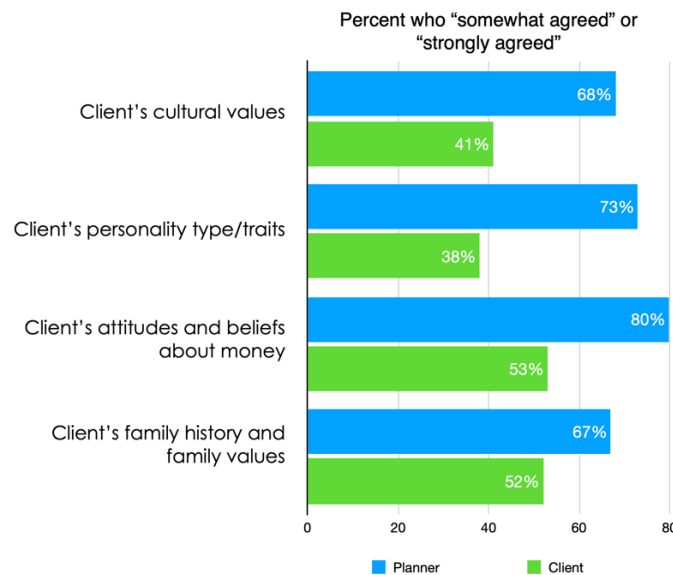
Opinions of Planners and Clients (univariate analyses)

Sixty-eight percent of financial planners reported that, when gathering client data, they *make every effort to learn about cultural values*. In contrast, 41% of client respondents reported that when gathering client data, their *planner makes an effort to learn about client's cultural values* (see Figure 5-2).

Comparison to 2006 results: 53% of planners indicated agreement as compared to 65% of clients.

Figure 5-2: Communication Tasks

When gathering client data, planner made an effort to learn about...



Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between *planner makes an effort to learn about client's cultural values* and higher levels of client trust and client commitment (see Table 5-3).

Comparison to 2006 results: no planner correlations were statistically significant; client correlation for trust was not statistically significant, but client correlation for commitment was statistically significant.

Table 5-3: Statistically Significant Relationships between Qualitative Data Gathering and Client Trust and Commitment with Mediating Variable Interactions

| Planner made effort to learn about | Cultural values | | Personality types/traits | | Attitudes and beliefs about money | | Family history and family values | |
|--|-----------------|-------------------|---|-------------------|-----------------------------------|-------------------|----------------------------------|-------------------|
| Outcome | Planner | Client | Planner | Client | Planner | Client | Planner | Client |
| Trust Scale | $p < .0001$ | $p < .0001$ VM | $p < .0001$ VM | $p < .0001$ FA | $p < .0001$ VM | $p < .0001$ FA | $p < .0001$ | $p < .0001$ VM |
| Commitment Scale | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ FA | $p < .0001$ VM | $p < .0001$ FA | $p < .0001$ | $p < .0001$ |
| *Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance a .05 level NS—Not significant at .05 level | | | Mediating Variable Interactions: FA = Client Financial Anxiety VM = Virtual Meeting Navigation CA = Cultural Awareness IB = Institutional Barriers | | | | | |

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found *planner makes an effort to learn about client's cultural values* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others. 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-4).

Comparison to 2006 results: no planner correlations were statistically significant.

Client Responses: Statistically significant correlations were found between *planner makes an effort to learn about client's cultural values* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others. 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-4).

*Comparison to 2006 results: three of six client correlations were statistically significant: 1) retention, 2) satisfaction with planner/client relationship, and 3) *openness to disclosing personal information.*

*2021 wording – “openness to sharing personal goals, needs, and priorities”

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation Client Financial Anxiety, Cultural Awareness, and Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's cultural values* and client trust (see Table 5-3).

No mediating effects were observed Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Table 5-4: Statistically Significant Relationships between Qualitative Data Gathering and Important Outcomes of Planner/Client Relationships with Mediating Variable Interactions

| Planner made effort to learn about | Cultural values | | Personality types/traits | | Attitudes and beliefs about money | | Family history and family values | |
|---|-------------------|-------------------|---|-----------------------|-----------------------------------|-----------------------|----------------------------------|-------------------|
| Outcome | Planner | Client | Planner | Client | Planner | Client | Planner | Client |
| Retention - Communication | NS | NS | NS | $p < .05$ FA | $p < .01$ | NS FA | NS | NS |
| Retention - Return | NS | NS | NS | $p < .01$ FA | $p < .05$ | $p < .01$ FA | NS | NS |
| Satisfaction w/relationship | $p < .001$ | $p < .0001$ VM | $p < .001$ VM | $p < .0001$ | $p < .0001$ VM | $p < .0001$ | $p < .01$ | $p < .0001$ VM |
| Cooperation w/recommendations | $p < .01$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .01$ | $p < .0001$ |
| Referrals | $p < .0001$ CA | $p < .0001$ | $p < .001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .001$ | $p < .0001$ VM |
| Openness - Financial | $p < .001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ VM, FA | $p < .0001$ | $p < .0001$ VM, FA | $p < .0001$ | $p < .0001$ |
| Openness - Personal | $p < .0001$ | $p < .0001$ VM | $p < .0001$ | $p < .0001$ FA | $p < .0001$ | $p < .0001$ FA | $p < .0001$ | $p < .0001$ VM |
| *Variable Correlations: $p < .0001$ —statistical significance at .0001 level $p < .001$ —statistical significance at .001 level $p < .01$ —statistical significance at .01 level $p < .05$ —statistical significance at .05 level NS—Not significant at .05 level | | | Mediating Variable Interactions: VM = Virtual Meeting Navigation FA = Client Financial Anxiety CA = Cultural Awareness IB = Institutional Barriers | | | | | |

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Cultural Awareness demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's cultural values* and one of the seven selected indicators of successful planner/client relationships: 1) recommending planner to others (see Table 5-4).

No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's cultural values* and two of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner client relationship and 2) openness to sharing personal goals, needs, and priorities (see Table 5-4).

No mediating effects were observed for Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

2. Planner Makes Effort to Learn about Personality Type/Traits

Opinions of Planners and Clients (univariate analyses)

Seventy-three percent of financial planners reported that when gathering client data, they make an effort to learn about their client's personality type/traits. In contrast, only 38% of client respondents reported that when gathering client data, their planner makes an effort to learn about their personality type/traits (see Figure 5-2).

Comparison to 2006 results: 89% of planners indicated agreement as compared to 91% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between *planner makes an effort to learn about client's personality type/traits* and higher levels of client trust and client commitment (see Table 5-3).

Comparison to 2006 results: no planner correlations were statistically significant; client correlations for both trust and commitment were statistically significant.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner makes an effort to learn about client's personality type/traits* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-4).

*Comparison to 2006 results: one of six planner correlations were statistically significant: 1) *openness to disclosing personal information.*

*2021 wording – “openness to sharing personal goals, needs, and priorities”

Client Responses: Statistically significant correlations were found between *planner makes an effort to learn about client's personality type/traits* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others (see Table 5-4).

*Comparison to 2006 results: five of six client correlations were statistically significant: 1) retention, 2) satisfaction with planner/client relationship, 3) cooperation with recommendations, 4) openness in disclosing personal information, and 5) *openness to disclosing personal information.*

*2021 wording – “openness to sharing personal goals, needs, and priorities”

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client’s personality type/traits* and client trust only (see Table 5-3).

No mediating effects were observed Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety demonstrated a mediating effect on relationships between *planner makes an effort to learn about client’s personality type/traits* and both client trust and client commitment (see Table 5-3).

No mediating effects were observed for Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client’s personality type/traits* and one of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship (see Table 5-4).

No mediating effects were observed for the variables that represented Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client’s personality type/traits* and one of the seven selected indicators of successful planner/client relationships: 1) openness in disclosing financial information (see Table 5-4).

Client Financial Anxiety demonstrated a mediating effect on relationships between *planner makes an effort to learn about client’s personality type/traits* and four of seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) openness in disclosing financial information, 4) openness to sharing personal goals, needs, and priorities.

No mediating effects were observed for the variables that represented Cultural Awareness or Institutional Barriers.

3. Planner Makes Effort to Learn about Money Attitudes/Beliefs

Opinions of Planners and Clients (univariate analyses)

Eighty percent of financial planners reported that when gathering client data, they make every effort to learn about their client's attitudes and beliefs about money. In contrast, 53% of client respondents reported that when gathering client data, their planner made an effort to learn about their attitudes and beliefs about money (see Figure 5-2).

Comparison to 2006 results: 96% of planners indicated agreement as compared to 97% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between *planner makes an effort to learn about client's attitudes and beliefs about money* and higher levels of client trust and client commitment (see Table 5-3).

Comparison to 2006 results: no planner correlations were statistically significant; no client correlations were statistically significant

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner makes an effort to learn about client's attitudes and beliefs about money* and higher levels of all seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) satisfaction with planner/client relationship, 4) cooperation with financial planning recommendations, 5) openness in disclosing financial information, 6) openness to sharing personal goals, needs, and priorities, and 7) recommending planner to others (see Table 5-4).

*Comparison to 2006 results: two of six planner correlations were statistically significant: 1) *openness to disclosing personal information and 2) recommending planner to others.*

* 2021 wording – “openness to sharing personal goals, needs, and priorities”

Client Responses: Statistically significant correlations were found between *planner makes an effort to learn about client's attitudes and beliefs about money* and higher levels of six of the seven selected indicators of successful planner/client relationships: 1) client retention based on return, 2) satisfaction with planner/client relationship, 3) cooperation with financial planning recommendations, 4) openness in disclosing financial information, 5) openness to sharing personal goals, needs, and priorities, and 6) recommending planner to others (see Table 5-4).

Comparison to 2006 results: no client correlations were statistically significant.

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: Virtual Meeting Navigation was the only variable that demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's attitudes and beliefs about money* and both client trust and client commitment (see Table 5-3).

No mediating effects were observed for Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Client Financial Anxiety was the only variable that demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's attitudes and beliefs about money* and both client trust and client commitment (see Table 5-3).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's attitudes and beliefs about money* and one of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship (see Table 5-4).

No mediating effects were observed for the variables that represented Virtual Meeting Navigation, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's personality type/traits* and one of the seven selected indicators of successful planner/client relationships: 1) openness in disclosing financial information (see Table 5-4).

Client Financial Anxiety demonstrated a mediating effect on relationships between *planner makes an effort to learn about client's attitudes and beliefs about money* and four of seven selected indicators of successful planner/client relationships: 1) client retention based on communication, 2) client retention based on return, 3) openness in disclosing financial information, 4) openness to sharing personal goals, needs, and priorities.

No mediating effects were observed for the variables that represented Cultural Awareness or Institutional Barriers.

4. Planner Makes Effort to Learn about Family History and Family Values

Opinions of Planners and Clients (univariate analyses)

Sixty-seven percent of financial planners reported that when gathering client data, they make an effort to learn about their client's family history and family values. Fewer clients (53%) reported that when gathering client data, their planner makes an effort to learn about their family history and family values (see Figure 5-2).

Comparison to 2006 results: 80% of planners indicated agreement as compared to 79% of clients.

Significant Relationships with Client Trust and Commitment (bivariate analyses)

Statistically significant correlations were found between planner and client responses and the scales that measured levels of client trust and client commitment. From the perspective of both planners and clients, the finding indicates that a direct and a positive relationship exists between higher levels *planner makes an effort to learn about their family history and family values* and higher levels of client trust and client commitment (see Table 5-3).

Comparison to 2006 results: no planner correlations were statistically significant; client correlations were statistically significant with both trust and commitment.

Significant Relationships with Other Important Outcomes (bivariate analyses)

Planner Responses: Statistically significant correlations were found between *planner makes an effort to learn about family history and family values* and higher levels of five of the seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-4).

*Comparison to 2006 results: two of six planner correlations were statistically significant: 1) *openness to disclosing personal information and 2) recommending planner to others.*

* 2021 wording – “openness to sharing personal goals, needs, and priorities”

Client Responses: Statistically significant correlations were found *planner makes an effort to learn about their family history and family values* and higher levels of five of the seven selected indicators of successful planner/client relationships 1) satisfaction with planner/client relationship, 2) cooperation with financial planning recommendations, 3) recommending planner to others, 4) openness in disclosing financial information, and 5) openness to sharing personal goals, needs, and priorities (see Table 5-4).

*Comparison to 2006 results: two of six planner correlations were statistically significant: 1) satisfaction with planner/client relationship and 2) *openness to disclosing personal information*

* 2021 wording – “openness to sharing personal goals, needs, and priorities”

Mediating Variable Interactions with Client Trust and Commitment (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 5-3).

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about their family history and family values* and both client trust and client commitment.

No mediating effects were observed for Client Financial Anxiety, Cultural Awareness, or Institutional Barriers (see Table 5-3).

Mediating Variable Interactions with Other Important Outcomes (trivariate analyses)

Planner Responses: No mediating effects were observed for Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, or Institutional Barriers.

Client Responses: Virtual Meeting Navigation demonstrated a mediating effect on relationships between *planner makes an effort to learn about their family history and family values* and three of seven selected indicators of successful planner/client relationships: 1) satisfaction with planner/client relationship, 2) recommending planner to others, and 3) openness to sharing personal goals, needs, and priorities (see Table 5-4).

IV. Summary of Results

In this phase of the research, we explored the effectiveness of selected quantitative and qualitative topics in promoting effective communication strategies and successful planner/client relationships. This section provides a summary of statistical analyses.

A. Communication Tasks: Values and Goal Clarification

Univariate Analyses

Figure 5-1 provides an overview of the values and goal clarification communication tasks examined in this phase of our research and displays a comparison between planner and client viewpoints. What is immediately apparent is the difference in opinions between planners and clients regarding two of the variables introduced in the survey: 1) *planner helps client identify meaningful personal and financial goals and objectives* and 2) *planner must understand client's values and priorities in order to deliver effective financial advice*. Planners rated themselves much higher for executing those two tasks consistently, a difference of 38 and 45 percentage points, respectively. The opinions of planners and clients were much more aligned regarding *planners use of a systematic process to help clients clarify values and priorities*: 68% and 60% agreement, respectively.

Two of the same values and goal clarification tasks were included in the 2006 survey. In both situations, planners rated themselves much lower in executing these tasks than did clients and rated themselves much lower in 2006 as compared to 2021 results.

- 1) *planner helps client identify meaningful personal and financial goals*
(2006: 59% of planners agreed vs 74% of clients; 2021: 87% of planners agreed vs 49% of clients)
- 2) *planner uses a systematic process to help client clarify values and priorities*
(2006: 59% of planners agreed vs 89% of clients; 2021: 68% of planners agreed vs 60% of clients)

Bivariate Analyses

Client Trust and Commitment. A review of Table 5-1 indicates that both planner and client responses regarding values and goal clarification tasks demonstrated highly significant correlations with both client trust and client commitment. In other words, communication tasks focused on 1) *helping clients identify meaningful personal and financial goals and objectives*, 2) *using a systematic process to help clients clarify values and priorities*, and 3) *understanding clients' values and priorities before delivering advice* are all highly influential in developing client trust and commitment. These results closely match what was observed in analyses of 2006 data and therefore indicate the persistence of these variable relationships over time.

Other Important Outcomes. In addition, a review of the high number of statistically significant relationships between selected values and goal clarification tasks and all seven indicators of successful planner/client relationships (see Table 5-2) verify that clients highly value planners who engage clients in qualitative discovery and goal setting processes. Interestingly, of the 42 variable relationships featured in Table 5-2, only five were not statistically significant. Of those five relationships, four involved one of these two outcome variables: retention–communication or retention–return.

Trivariate Analyses

A new feature included in the 2021 study was the examination of the mediation role of selected variables: Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers.

Client Trust and Commitment. In this phase of the analyses, we evaluate the influence of these mediators in the relationships between client trust and commitment and the completion of communication tasks designed to clarify client values and goals. A review of the 12 variable relationships displayed in Table 5-1, nine indicates the influence of one or more of the mediator variables, and seven of those interactions were demonstrated by Client Financial Anxiety.

Other Important Outcomes. In addition, a review of the 42 variable relationships displayed in Table 5-2 indicates that seventeen of the relationships between the outcome variables and completion of communication tasks designed to clarify client values and goals were influenced by one or more mediator variables. The most interactions were demonstrated by Client Financial Anxiety (13) and Virtual Meeting Navigation (7).

B. Communication Tasks: Qualitative Data Gathering

Univariate Analyses

Figure 5-2 provides an overview of the qualitative data gathering communication tasks examined in this phase of our research and displays a comparison between planner and client viewpoints. Once again, what is immediately apparent is the difference in opinions between planners and clients regarding qualitative data gathering practices: 1) *client's cultural values* 2) *client's personality types/traits*, 3) *client's attitudes and beliefs about money*, and 4) *client's family history and values*. Planners rated themselves much higher than clients did for conducting this type of discovery consistently, a difference that ranged from 15 to 35 percentage points.

All of the same values and goal clarification tasks were included in the 2006 survey; however, the results were very different. For three of the four areas of qualitative data gathering, 2006 percentages of agreement were much higher than in 2021 results, with differences between planner and client responses of just one or two percentage points. The one exception was the *cultural values* variable which indicated a more moderate level of agreement and a twelve-percentage point difference between planner and client responses:

When gathering client data, planner made an effort to learn about:

- 1) *Client's cultural values*
(2006: 53% of planners agreed vs. 65% of clients; 2021: 68% of planners agreed vs. 41% of clients)
- 2) *Client's personality type/traits*
(2006: 89% of planners agreed vs. 91% of clients; 2021: 73% of planners agreed vs. 38% of clients)
- 3) *Client's attitudes and beliefs about money*
(2006: 96% of planners agreed vs. 97% of clients; 2021: 80% of planners agreed vs. 53% of clients)
- 4) *Client's family history and family values*
(2006: 80% of planners agreed vs. 79% of clients; 2021: 67% of planners agreed vs. 52% of clients)

Bivariate Analyses

Client Trust and Commitment. A review of Table 5-3 indicates that both planner and client responses regarding qualitative data gathering practices demonstrated highly significant correlations with both client trust and client commitment. In other words, inquiry focused on clients' 1) cultural values, 2) personality type/traits, 3) attitudes and beliefs about money, and 4) family history and family values. These results are in sharp contrast to those observed in analyses of 2006 data, where none of the correlations with planner responses were statistically significant, but five of eight possible correlations with client responses were statistically significant:

Cultural values and 1) client trust

Personality types/traits and 1) client trust and 2) client commitment

Family history and family values and 1) client trust and 2) client commitment

Other Important Outcomes. In addition, a review of the statistically significant relationships between the same set of qualitative data gathering tasks and all seven indicators of successful planner/client relationships (see Table 5-4) verify that clients highly value planners who them in qualitative data gathering processes. However, a noteworthy exception is the relatively small number of statistically significant relationships between the qualitative data gathering variables and both retention variables: retention–communication and retention–return. Variables. Of the 56 variable relationships featured in Table 5-4, eleven were not statistically significant, and all involved either the retention–communication or retention–return outcome variables.

Trivariate Analyses

A new feature included in the 2021 study was the examination of the mediation role of selected variables: Virtual Meeting Navigation, Client Financial Anxiety, Cultural Awareness, and Institutional Barriers. In this phase of the analyses, we evaluate the influence of these mediators in the relationships between seven outcome variables and the completion of communication tasks designed to gather qualitative data.

Client Trust and Commitment. A review of the 16 variable relationships displayed in Table 5-3, nine indicate the influence of one or more mediator variables: five of those interactions were mediated by Virtual Meeting Navigation, and four interactions were mediated by Client Financial Anxiety.

Other Important Outcomes. Of the 56 variable relationships displayed in Table 5-4, 17 indicate the influence of one or more mediator variables. Nine mediator variable interactions were mediated by Virtual Meeting Navigation, and eight interactions were mediated by Client Financial Anxiety.

V. Conclusions & Recommendations

The word “task” is defined as “a function to be performed, an objective.” Therefore, for the purposes of this study, we consider a “communication task” to be one that requires effective communication to facilitate the financial planning process. In this context, we think of a communication task as “communication in action” and the place where the art and science of financial planning intersect.

The number of statistical analyses conducted and reports generated for this study were voluminous. However, in this section, we would like to offer a deeper exploration of the meaning and importance of two communication tasks: 1) getting to know and understand your clients and 2) nurturing your cultural awareness. We also make recommendations that will

prepare you to meet and exceed your clients' ever-changing needs and expectations—now and in the future.

Getting to Know and Understand Your Clients

In our work with financial planners and financial planning students, we frequently point out that a successful practice is built on getting to know and understand their clients. We also emphasize that this objective can only be met through exploring each client's unique frame of reference. This is so important because each person's "frames" will shape their personal version of "reality."

There are many other terms for this concept, such as perspective, world view, and mode of operation. However, the one we like best is "maps" as defined in *Communication with Clients: A Guide for Financial Professionals*:

*As people grow and develop, they store their life experiences and their reactions to those experiences. A person's experiences are gradually woven into a personal representation of the world...Each person's package of life experiences is analogous to a fine tapestry...In this book we will refer to these finely woven personal representations as maps.*⁷

Charles J. Pulvino, James L Lee, and Cynthia Forman

The authors also explain that maps are built over time through an accumulation of life experiences. They also emphasize that maps have a powerful influence on an individual's financial life.

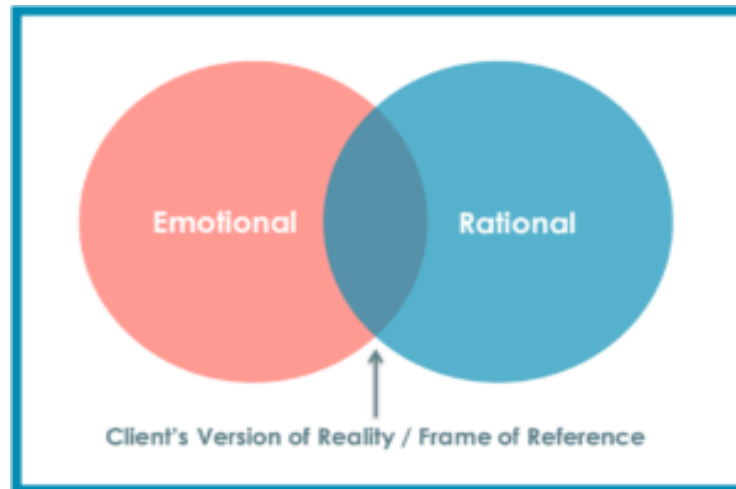
Clients' maps affect how they make decisions; how they use money; how willing or capable they are to take risks, and how they view their personal, business, and financial goals. By understanding clients' maps, you have a better basis for communicating with them.

In addition, we believe that the key to unlocking each client's frame of reference is by employing "empathic listening." The late Stephen Covey called this the most important communication skill and devoted a whole chapter in *The Seven Habits of Highly Effective People* to explain this practice's nuances and benefits. In a nutshell, he exhorts us to "seek first to understand, and then to be understood."⁸

However, Covey also warns that we can't develop empathy by learning and applying communication techniques alone—the most important ingredient is **intention**:

In empathic listening, you listen with your ears, but also, and more importantly, listen with your eyes and with your heart. You listen for feeling, for meaning. You listen for behavior. You use your right brain as well as your left. You sense, you intuit, you feel. ... You're listening to understand.

One of the most challenging tasks for a financial planner is designing an effective discovery process that truly engages their clients' hearts and minds while also providing valuable insights about each person's frame of reference. We believe the place to start is by recognizing that each client operates with two minds: the **rational mind** and the **emotional mind**. These two minds do not work independently but continually interact, influencing what the individual thinks, feels, and believes.



This interplay is shown in the diagram by the area in the middle where the two circles overlap—this represents each client's **version of reality** or **frame of reference**. We consider this intersection as the “sweet spot” for getting to know and understand your clients. Each person's version of reality is unique and highly influential in forming perceptions, evaluating choices, and making decisions. Therefore, as a trusted financial professional, it should be your goal to get in touch with each client's version of reality as quickly and as efficiently as possible.

Why is this so important? Frames most often operate in what the scientists call the “**cognitive unconscious**,” or more commonly known as **blind spots**. Therefore, helping your clients to “see” their frames will be the first step in helping them to make positive change. In the context of a financial planning relationship, the goal is to help your clients be more intentional about making financial decisions that align with their values and support their life goals.

Keep in mind that this new awareness seldom requires therapy in the traditional sense but rather occurs when facilitating a process that poses effective questions and fosters thoughtful reflection. We believe this is the true meaning of “discovery.” It will lead to positive and proactive client conversations and successful long-term client relationships.

Nurturing Your Cultural Awareness

As previously noted in Chapter 1, the rise in population diversity increases the importance of recognizing the many ways culture can influence perspectives, values, and goals in life. The ability to be aware of and respect cultural differences and to adapt professional service to be congruent with a client's culture is becoming recognized as important professional competency within service-focused professions that interact with a diverse clientele ⁹. In financial planning

practice, this rise in population diversity calls for noting ways in which one's own culture may differ from that of clients, avoiding assumptions about client beliefs and values, and actively seeking to understand a client's values, needs, and goals within the context of the client's culture.¹⁰ In other words, developing cultural awareness.

In 2006 and again in 2021, we included four statements in the planner and client surveys that were intended to measure the degree of effort made to increase understanding of the client's culture in the context of a professional financial planning relationship:

1. Planner makes effort to explore and learn about client's cultural values
2. Planner makes effort to explore and learn about client's personality type and traits
3. Planner makes effort to explore and learn about client's money attitudes and beliefs
4. Planner makes effort to explore and learn about client's family history and family values

Interestingly, a review of 2006 variable correlations revealed far fewer statistically significant relationships as compared to 2021 results. To provide a small snapshot of these comparisons, see Table 5-5 that shows only five statistically significant relationships based on 2006 data analyses. In addition, all five of the significant relationships were related to client responses.

Table 5-5: Statistically Significant Relationships between Qualitative Data Gathering and Client Trust and Commitment – A Comparison of 2006 and 2021 Results

| Planner made effort to learn about... | Cultural values | | Personality types/traits | | Attitudes and beliefs about money | | Family history and family values | |
|---------------------------------------|-----------------|-------------|--------------------------|-------------|-----------------------------------|-------------|----------------------------------|-------------|
| | 2006 Planner | 2006 Client | 2006 Planner | 2006 Client | 2006 Planner | 2006 Client | 2006Planner | 2006 Client |
| Trust Scale | NS | NS | NS | $p < .01$ | NS | NS | NS | $p < .05$ |
| Commitment Scale | NS | $p < .001$ | NS | $p < .001$ | NS | NS | NS | $p < .05$ |
| 2021 Outcomes | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client |
| | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client | 2021 Planner | 2021 Client |
| Trust Scale | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ |
| Commitment Scale | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ | $p < .0001$ |

***Variable Correlations:**

$p < .0001$ —statistical significance at .0001 level; $p < .001$ —statistical significance at .001 level $p < .01$ — statistical significance at .01 level; $p < .05$ — statistical significance a .05 level; NS—Not significant at .05 level

*In statistics, a result is called statistically significant if it is unlikely to have occurred by chance. Therefore, the p values ($p < .0001$, $p < .001$, $p < .01$, and $p < .05$) are probabilities and refer to levels of significance. These mean that the chances of obtaining the measured associations due to sampling error are less than 1 in 1000, 1 in 100, and 5 in 100 respectively.

In contrast, all 16 variable relationships proved to be statistically significant in the 2021 study and equally distributed between planner and client responses. These results demonstrate a dramatic change in perspective—for planners and clients alike—in the value and need for financial planners who appreciate and understand cultural awareness.

In light of the increasing importance of cultural awareness, your investment in knowledge and training in this area will realize both personal and professional benefits. According to the National Center for Cultural Competence at Georgetown University, cultural awareness includes:

- Having a firm grasp of what culture is and what it is not
- Having insight into intracultural variation
- Understanding how people acquire their cultures and culture's important role in personal identities, life ways, and mental and physical health of individuals and communities
- Being conscious of one's own culturally shaped values, beliefs, perceptions, and biases
- Observing one's reactions to people whose cultures differ from one's own and reflecting upon these responses
- Seeking and participating in meaningful interactions with people of differing cultural backgrounds¹¹

¹ Maurer, Tim. 2016. *Simple Money: A No-Nonsense Guide to Personal Finance*. Grand Rapids, MI: Baker Books.

² Wagner, Richard B. 2016. *Financial Planning 3.0: Evolving Our Relationships with Money*. United States: Outskirts Press.

³ CFP Board. 2020, January 20. Financial Planning and Application of the Practice Standards for the Financial Planning Process. Accessed October 18, 2021, <https://www.cfp.net/ethics/compliance-resources/2020/01/financial-planning-and-application-of-the-practice-standards-for-the-financial-planning-process>.

⁴ CFP Board. 2020, January 20.

⁵ Archuleta, Kristy L., Anita Dale, and Scott M. Spann. 2013. "College Students and Financial Distress: Exploring Debt, Financial Satisfaction, and Financial Anxiety." *Journal of Financial Counseling and Planning* 24(2): 50-62.

⁶ Stephanie Glen. n.d. "Mediator Variable / Mediating Variable: Simple Definition" From StatisticsHowTo.com: Elementary Statistics for the rest of us! Accessed October 18, 2021, <https://www.statisticshowto.com/mediator-variable/>.

⁷ Pulvino, Charles J., James L. Lee, and Carol A. Pulvino. 2002. *Financial Counseling: A Strategic Approach*, 2nd Edition. Madison, WI: Instructional Enterprises.

⁸ Covey, Stephen R. 1990. *The Seven Habits of Highly Successful People*. New York: Free Press.

⁹ Wilson, Scott. 2021. "Understanding Cultural Competency." HumanServicesEdu.org, Accessed October 18, 2021, <https://www.humanservicesedu.org/cultural-competency/>

¹⁰ Purnell, Larry. (2005). The Purnell Model of Cultural Competence. *Journal of Multicultural Nursing and Health* 11(2):7-14.

¹¹ Georgetown University. n.d. "Cultural Awareness." Accessed October 18, 2021, <https://nccc.georgetown.edu/curricula/awareness/index.html>