

Tuesday, 17 July 2018

Nearly two million Australians use a financial planner or adviser – worth \$703b

New research from Roy Morgan shows that as of May 2018, 1.96 million Australians 14+ (9.7%) have used a financial planner/adviser to purchase superannuation or managed funds. This group of almost 2 million Australians accounts for \$703b in total wealth management products (of over 27% of the wealth management market) and have an average value of nearly \$360k. This a key segment that requires increased attention and detailed analysis from the major market participants, particularly at a time when there is a lot of talk about them leaving the industry or merging.

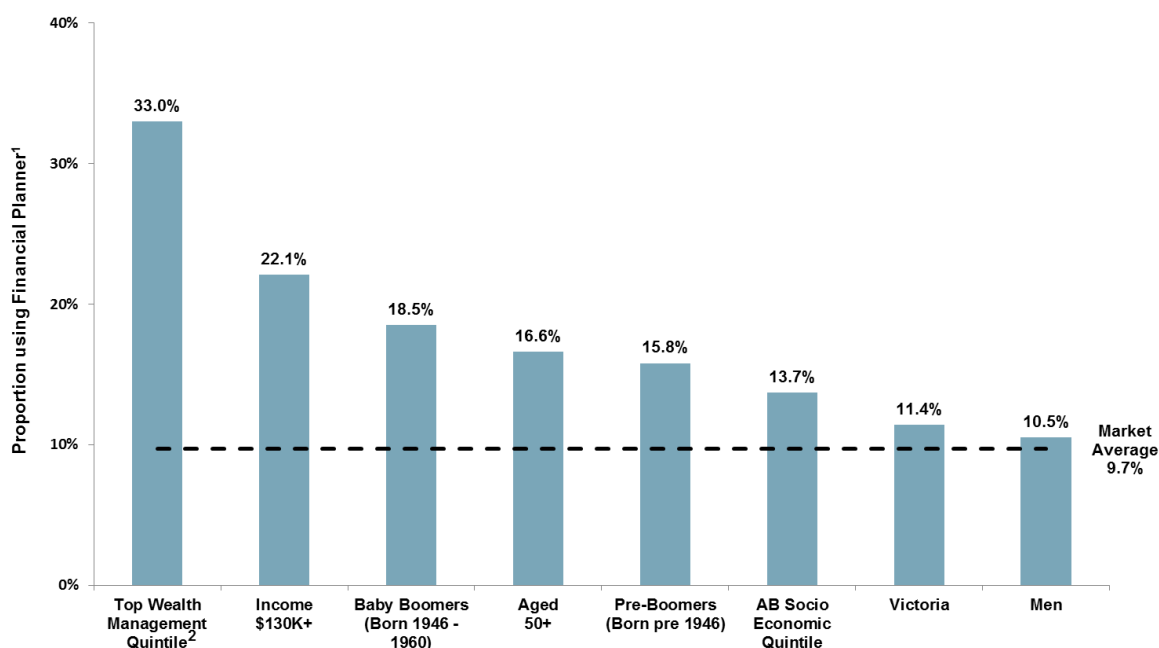
These are the latest results from Roy Morgan's '[Profile of Users of Financial Planners Report](#)' which is based on in-depth interviews conducted face-to-face with over 50,000 Australians per annum in their own homes, including over 5,000 who have used a financial planner/adviser to purchase superannuation or managed funds.

High value customers biggest users of planners/advisers

One third (33.0%) of wealth management customers who are in the top 20% of the market by value (top quintile) have used a financial planner or adviser, well above the 9.7% for the total population. Although the top quintile by definition accounts for only 20% of wealth management customers, they are responsible for nearly two thirds (63.9%) of the total market value of superannuation and managed funds. This is a key market segment that requires further in-depth analysis, which the Roy Morgan deep data is in the unique position of being able to provide.

The other groups that have above average use of financial planners/advisors include those with incomes of \$130k or more (22.1%), Baby Boomers (18.5%), those aged 50 and over (16.6%), Pre-Boomers (15.8%) and the AB Socio Economic Quintile (13.7%).

Key above average users of Financial Planners¹/Advisers



Source: Roy Morgan Single Source (Australia), 12 months ended May 2018, n=50,046

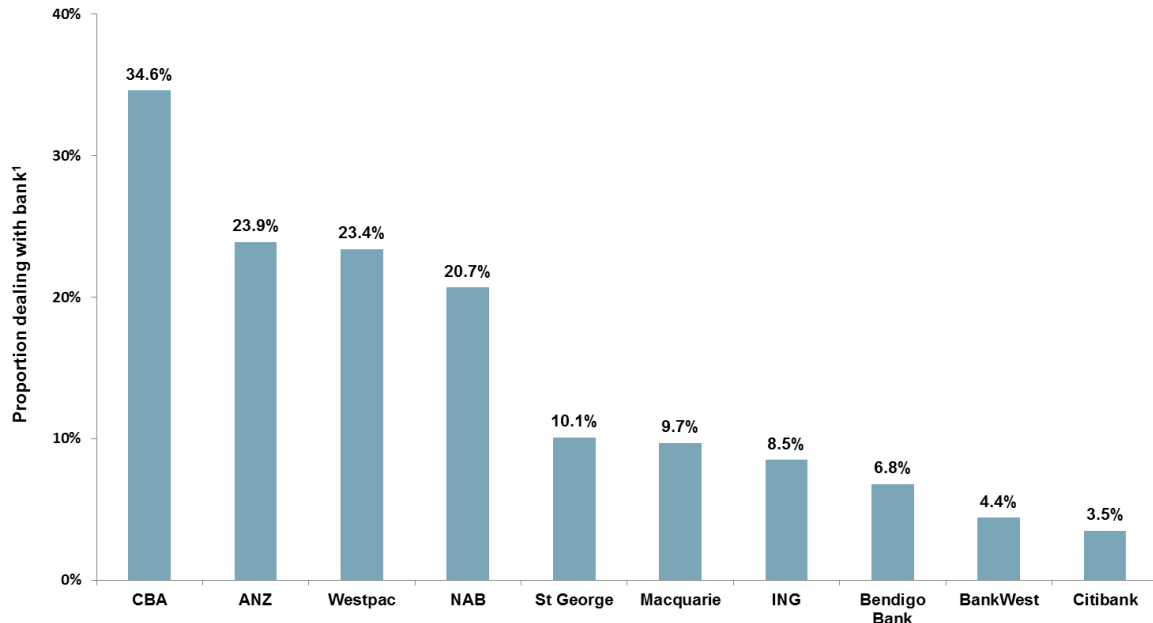
Base: Australians 14+. 1. Used a Financial Planner or Adviser to purchase superannuation or managed fund. 2. Top 20% based on value of wealth management products (superannuation and managed funds).

FOR IMMEDIATE RELEASE

CBA leads in bank used by planner/adviser clients

The CBA is the bank dealt with by over a third (34.6%) of financial planner/adviser users, well ahead of the ANZ (23.9%), Westpac (23.4%) and NAB (20.7%). These banks are not necessarily used for advice but are where they are customers, giving them at least the potential to build on an existing relationship.

Banks dealt with by users of Financial Planners¹/Advisers (Top 10 banks)



Source: Roy Morgan Single Source (Australia), 12 months ended May 2018, n=50,046

Base: Australians 14+ who have purchased superannuation or managed fund from a Financial Planner, n = 5,451. 1. Bank dealt with may not be source of adviser/planner

The banks outside of the big four that have a high proportion of users of planners/advisers as customers include St George (10.1%), Macquarie (9.7%), ING (8.5%) and Bendigo Bank (6.8%).

Norman Morris, Industry Communications Director, Roy Morgan says:

“With a great deal of activity in the financial planning market involving the major players to either exit or merge, it is important to focus on the high value customers at this time due to the very large skew to the top quintile. In other words there is obviously a valuable opportunity to understand this segment that controls nearly two thirds of the wealth management market value and also likely to have considerable other banking and financial needs outside of wealth management.”

“The large banks are also those that are used by clients of planners and advisers and as such, if banks exit the planning market there is the potential to weaken the banking relationship with their customers. Any weakening of existing planning or banking relationships would leave the way clear for new entrants such as Fintechs to enter the market.”

“The data used here is only a small part of what Roy Morgan has been collecting and analysing for many years on a wide range of areas relating to users of [financial planners and advisers](#). As a result, we have a unique database that enables an in-depth understanding of this important market in this time of major change. To understand more about the financial planning market and its relationship with traditional areas of banking, ask Roy Morgan.”

To learn more about Roy Morgan’s financial planner/adviser data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2