



**FP Canada**<sup>®</sup>  
*Advancing Professional  
Financial Planning*

# GENERATION NEXT

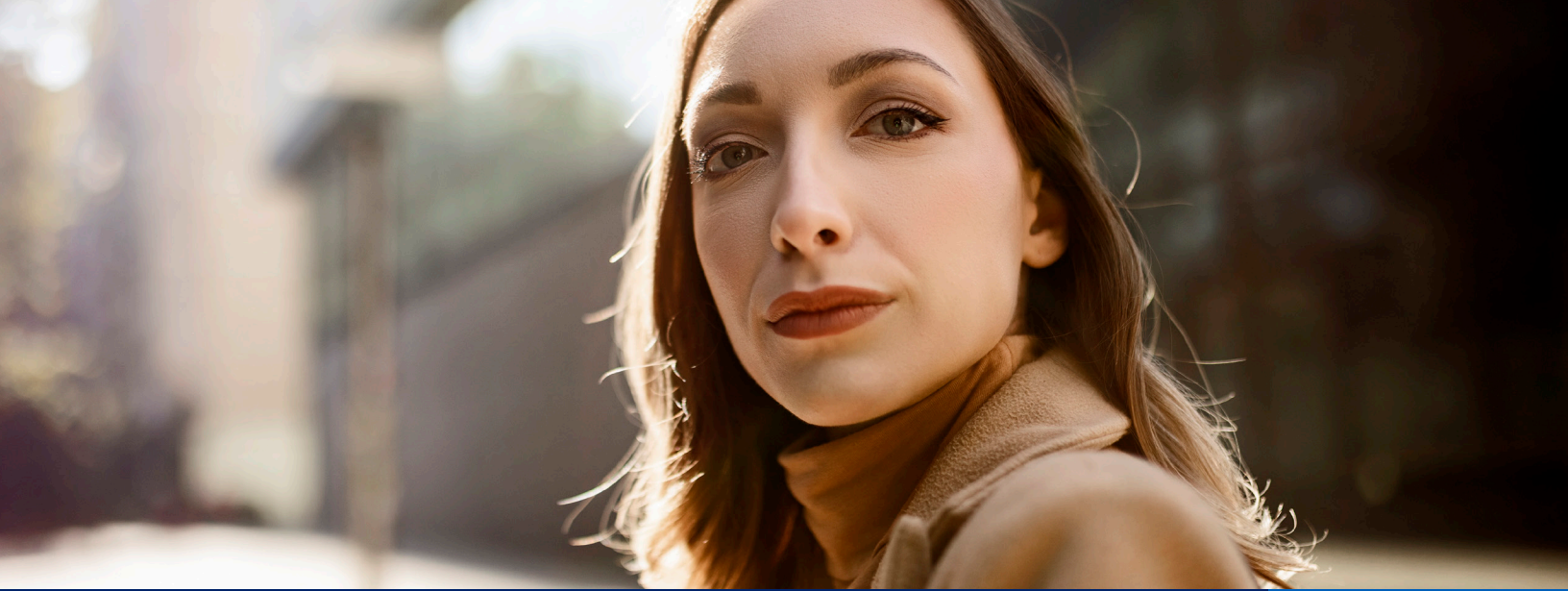
**FP Canada™ Insights  
into the Future of the  
Financial Planning Profession**

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Between 2021 and 2023, FP Canada conducted extensive research among Canadian financial planning professionals and advisors, their employers and the public. Numerous wealth management and financial planning studies by world-class contributors were also reviewed to add context. **Generation Next**, from FP Canada, provides insights into the future of the financial planning profession as perspective for an informed career and services dialogue.

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# Summary

There is no doubt that we are entering a new era of professional financial planning. For those interested in the career path and the future of the profession, there is even an urgency that comes with it. Change is happening on every side of the topic now.

The profession itself is aging - over half of active professional planners are nearing retirement age. Who will take on their portfolios and their relationships? Who will manage the great wealth transfer? Who will find new ways to monetize advice even as digital disruption challenges relationships and the acquisition of new clients?

At the same time, a new generation of wealth-building consumers is looking for their own professionals and holistic advisory experiences that are more in tune with their values - this, as they also inherit their parents' wealth and make their own choices.

From the education and learning perspectives, we must get high-quality, well-trained professional financial planners into position sooner, without sacrificing depth and skills development. We must update learning paths and support career development; that includes protecting and promoting professional certification so that employers and the public alike understand and value what matters most.

As a national, not-for-profit, education, certification and professional oversight organization working in the public interest, FP Canada's role is clear: Understand market and financial services sector requirements of the profession; focus on developing and delivering the education that will result in Canada's next generation of professional planners and; proactively help the profession prepare and get ahead of demand and change.

FP Canada's **Generation Next** is our review of what demand and change could look like.

# FP Canada. Who better?

AS A NOT FOR PROFIT, FP CANADA WORKS IN THE PUBLIC INTEREST TO ADVANCE PROFESSIONAL FINANCIAL PLANNING. WE BELIEVE THE MORE ACCESS MORE CANADIANS HAVE TO FINANCIAL PLANNING, THE GREATER OUR NATIONAL WELL-BEING. CERTIFICATION STANDARDS AND EDUCATION THAT MEETS THOSE HIGH STANDARDS ARE FP CANADA'S CALLING CARDS. AND WE DON'T STOP THERE.

GIVING MORE CANADIANS MORE ACCESS TO PROFESSIONAL FINANCIAL PLANNING MEANS UPDATING CERTIFICATIONS IN A MANNER THAT WILL ATTRACT A NEW, MORE DIVERSE GENERATION OF PLANNERS.

WE REIMAGINED QUALIFIED ASSOCIATE FINANCIAL PLANNER™ CERTIFICATION AND ENHANCED RELATIONSHIP TRAINING TO ACHIEVE THAT GOAL.

ENSURING MORE PROFESSIONAL PLANNERS THAT MEET THE HIGHEST STANDARDS ARE MARKET-READY SOONER MEANS RETHINKING AND ADDING VALUE TO EDUCATION PATHS. ACCELERATING CAREER DEVELOPMENT DEMANDS WE MAKE THE PROCESS OF EDUCATION EASIER TO FOLLOW AND UNDERSTAND.

WE LAUNCHED END-TO-END EDUCATION THROUGH THE FP CANADA INSTITUTE™ TO ACHIEVE THAT GOAL. ALL COURSES REQUIRED FOR QAFF® CERTIFICATION AND, IN ADDITION, CERTIFIED FINANCIAL PLANNER® CERTIFICATION ARE NOW AVAILABLE THROUGH THE INSTITUTE.

WE SEE THE FUTURE OF PROFESSIONAL FINANCIAL PLANNING THROUGH THE LENS OF A NOT-FOR-PROFIT EDUCATION AND OVERSIGHT ORGANIZATION. WE SEE OUR INDUSTRY FROM THE INSIDE. AND FROM WHAT WE SEE, ITEMIZED IN THE FOLLOWING PAGES, THERE IS WORK TO DO AND WE'RE ON THE RIGHT PATH.



# Lens on the Future

There are four core factors that could shape the future for professional financial planners according to third-party research and FP Canada's own proprietary industry research.



**1**

Monetizing Advice



**2**

The Great Wealth  
Transfer



**3**

Building Client  
Trust



**4**

Growing the Right  
Capacity

## 1. Monetizing Advice

According to Accenture's *The New State of Advice* study, clients are open to paying for advice (89%) and, even more clear, they are interested in the concept (98%). What they would be willing to pay and for what services is a subject of debate inside most financial services and wealth management firms. But there is no doubt that selling advice is where the industry is going.

**“Increasingly, firms make less money selling financial products. Tomorrow we will be making our money selling advice.”**

Source: Innovative Research, 2022

FP Canada conducted licensed advisor focus groups in 2023 and we found clear support for the sentiment that selling advice will replace at least in part, selling products. Factors shaping this trend include the automation of investment product recommendations that drive sales and downward pressure on investment-related income generation.

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#### WHAT CLIENTS WILL WANT:

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**53%**

would entrust more assets to an advisor if the advisor offered greater and more diversified products.

**34%**

would increase their investments if they received a hyper-personalized\* experience.

**32%**

would like better product recommendations.

**30%**

would like always-on and hybrid interactions.

(Source: Accenture)

\*According to a McKinsey report, hyper-personalized is defined as “like Netflix”.

**“An important aspect of the relationship is a highly customized financial plan. This approach reduces client attrition and movement. It anchors the relationship. And that is why the industry is moving that way.”**

(Source: Innovative Research, 2022)

In the move toward holistic wealth coaching, advisors will have to address consumer perceptions that they are portfolio managers only (Source: Accenture 2021). The same study reports that consumers are seeking holistic financial planning - especially new and younger clients. They are looking for an advice offering that addresses their complete well-being.

Where will that come from? Wealth management firms and financial services organizations that empower their professionals to deliver a client experience that resonates with these younger wealth builders (Source: Capgemini 2022).

There is no time to lose in creating that experience either. Wealth and relationships are on the move and that will only accelerate.

## 2. The Great Wealth Transfer

There are two well-documented truths that inform the impact of the great wealth transfer. One: It will happen. "The opportunity and the challenge created by the Great Wealth Transfer is imminent regardless of which forecast you believe." (Source: Capgemini). And two: The inheritors may not be sticking with Mom's and Dad's advisors. "Eighty percent of millennials will seek a new financial advisor after inheriting their parent's wealth." (Source: Capgemini).

**"62% of Wealth Managers say they cannot confidently understand and cater to millennials."**

(Source: Capgemini)

So billions if not trillions of dollars in assets are on the move, and the people who are on the getting side of the inheritance may not be fully embraced by over half of existing wealth managers. In addition, a large population of millennials who will not inherit are still building wealth and small businesses at a faster clip than Generation X did at the same age (Source: Statistics Canada).

Capacity is needed. The solution is obvious: Recruit and train a new generation of financial planners who are more aligned with the generations they serve.

According to the same Capgemini research, wealth firms and departments can deliver experiences that resonate with millennials and Gen Zs who grew up with highly personalized, seamless big tech experiences. "The client experience is the new battle ground. Are your people capable of thriving under that scenario?"

### 3. Building Client Trust

According to an Accenture study, almost half the client base feels quality and contextual personalization is missing from the current advisory equation. Equally worrying, this new generation of wealth builders has more choice than any generation prior and most of that new choice falls under categories like DIY, self-managed or non-traditional financial services offerings (retailers, giant tech companies, etc.).

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#### THE TRUST FACTOR

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Younger clients are much more likely to trust algorithm-generated instant advice than that generated by a human advisor.

**97%**

Gen Z

**79%**

Millennials

**38%**

Boomers

There are many trust factors impacting this outcome. Younger clients are unsure of the profession and how to engage it. They are unsure of value for fees and there are culture / gender challenges as well. Professional financial planners may not 'look like' the clients they are trying to attract (source: Accenture).

Before turning up noses at these younger groups though, consider: They are building successful small businesses, they are building net worth faster than the generation before them; they include the next generation of high net worth clients; they will inherit the wealth of your current clients and; client relationships that start young grow strong and are more loyal.

Equally interesting, while 17% of clients in the Accenture survey prefer a digital-only experience, 83% leaned more to some variation of a blended digital/human experience. The door is open for those who choose to walk the talk.



## 4. Growing the Right Capacity

Clarifying education streams and post-certification income streams will help the industry attract 'human capacity'. Getting talent to market sooner will help too.

But at the rate of retirement among professional financial planners, coupled with the advance of automated and DIY solutions, and the basic lack of diversity in the industry, more needs to be done.

It is important to note too that wealth management organizations and firms must also keep up with technology (the blend of tech and touch that younger consumers want). According to WealthManagement.com, that's happening in only the rarest of cases. Like medicine, it's hard to attract and retain young professionals when you can't offer them the right tools.

According to the same source (WealthManagement.com) recruitment strategies must also change - or in many cases, be put in place. That means defining the attributes of ideal candidates, updating recruitment strategies, defining career and compensation plans, training commitments and development, and the all-important succession planning.

Very simply, capacity will come from a new generation of professional financial planners. Professionals who reflect Canada's population make-up: younger, as many females as males, culturally diverse, and raised in a digital world. Positioning to be an employer of choice starts now.

**“Wealth managers must rapidly launch recruiting and upskilling programs, and create a talent pool that is geared toward the future.”**

(Source: McKinsey - On the Cusp of Change.)

## Conclusion

There are many factors that will shape the profession's capacity to embrace, welcome and generate revenue from change in the consumer market place.

Right now, most senior financial planners (CERTIFIED FINANCIAL PLANNER® professionals for example) are focused on high net worth clients and their existing long term relationships. Investment advisors surveyed by FP Canada uniformly reported that they serve clients who are primarily over age 60.

New blood is needed. Monetizing a new era of financial planning where advice is what clients buy, aligning with a new generation of clients, building trust and creating professional capacity - those four core factors will shape the industry going forward.

**“Providing holistic advice is uniquely aligned with client needs because it is built upon personal context. That's what a new generation wants.”**

(Source: Accenture)



# Professionals & Perspectives

Through 2021, 2022 and into 2023, FP Canada engaged professional financial planners and advisors alike in research to determine where the profession was headed and what was needed to succeed.

**“With more than 50% of advisors in Canada over the age of 55, there will be a flood of retirements. Senior advisors are concerned that there won't be enough properly educated people to manage all the large books of business that will be transitioned.”**

Christine Van Cauwenberghe, CFP  
IG Wealth, Head of Financial Planning

The profession, regardless of the level, is in transition. A new generation of clients are coming soon. A new generation of professionals will need to be in place to attract and retain them.

So where do things stand today? According to Innovative Research surveys in 2022, 90% of MFDA advisors are already being asked for financial planning. Younger clients are coming to them for holistic advice. But according to one advisor interviewed, “we also need people to know that picking investments is not a financial plan.”

MFDA and IIROC advisors report that “clients are better off when they receive holistic advice (83% and 88% respectively, according to Innovative Research survey). High majority percentages of both groups are already offering insurance and risk management advice, tax planning and financial management on top of the investment advice they are licensed to deliver. According to those interviewed: “That proves there is unmet demand for financial planning.”

**“It’s about looking at things in terms of holistic financial advice because professional financial planners need to add value to stand out from DIY investing.”**

(Source: Innovative Research)

According to professionals surveyed, a lot of Canada is underserved. “We provide financial peace of mind and everyone needs that. Looking forward there is an urgent need for a better way to help mass investors navigate short and medium term decisions. They need financial plans that are focused on the full household balance sheet and a more holistic measure of financial wellness. It’s not just about the investment portfolio.” (Source: Innovative Research)

In the next ten years, the majority of those surveyed believe advisors will gradually shed their roles as investment advisors and become more like integrated life/wealth coaches: Individuals or teams who advise clients on investments, banking, healthcare, protection, taxes, estates, and financial wellness needs more broadly.

While getting there will be a challenge, the future is relatively clear. The question now becomes how do prospective professionals get the education, skills, and relationship ethics support they need to meet growing demand quickly?





# Purposeful Education & Certification

Financial services and professional financial planning education in Canada comes from a broad range of sources: for-profit, post-secondary partnerships and not-for-profit. Professional financial planning itself has evolved over the years, most notably in 1995 with the development and administration of standards for Certified Financial Planner certification. Improvements in the professionalization of financial planning have continued through the 2000s.

There is no doubt all providers and partners share the same goals and many of the same beliefs. But the outcomes as evidenced by advisors and planners interviewed by Innovative Research indicate change is necessary.

**“Going from place to place to get the courses I need and the education I want to serve my clients has become a job in and of itself. Who has the time?”**

(Source: Innovative Research, MFDA Advisor interview)

The other side of the choices coin is value according to research participants: “Any time you can get value for the time you put in learning is good. It’s the extra knowledge - I don’t see how that wouldn’t benefit us in all aspects, on the client side and for the advisors putting in the work.” (Source: Innovative Research)

The plethora of choices available and the time it takes to complete certification seem to be the major sticking points. This doesn't dampen the appetite for education however. "We always study, even though we're certified," said one planner in the Innovative Research study. "There are always new products and new information. The more knowledge we have, the more experience we have, the more we can do for our clients."

IIROC advisors included in the interviews commented that improving their skill set through education and certification results in *deeper client relationships, new leads and lower attrition*.

Professionals now practicing in the market reflect on another key education factor: Soft skills education. According to one recent graduate: "All financial planners will benefit from education that includes soft skills, human relationships and engagement with clients. The right soft skills education looks at the broader picture and then hones in on implementation plans that are specific to client needs and to the client themselves."

"Relationships separate clients from customers," according to another certified professional in the Innovative Research. "A relationship with a client means having a holistic approach to their planning. Without it, we're a lot more vulnerable because the relationship isn't one at all."

**"I want to do more than push financial products. That's why I got into more advanced financial planning."**

(Source: Innovative Research, CERTIFIED FINANCIAL PLANNER® professional interview participant)

## Conclusion

As noted earlier in the report, wealth firms and departments should be recruiting and upskilling talent to meet the challenges of a new era in financial planning and wealth management. Education that is purposeful and proven is part of the equation.

Adding and focusing on soft skills development is also an upgrade for the entire profession going forward. Relationship skills are what build trust - relationship skills are a competitive advantage.

"Never stop learning," one CERTIFIED FINANCIAL PLANNER® professional told researchers. "School is never out for the pro. When I came into this business, someone said to me put your head down, for five years, don't look up and keep running. Take all the education you can get."

A fitting conclusion except for one important point: Time is of the essence. Accelerating careers by accelerating learning and creating certification bridges that align with career plans and client needs are both critical to what we refer to as purposeful education and certification.

# Recap:

THE FINANCIAL PLANNING PROFESSION IS ON THE BRINK OF A NEW ERA NOW. NEW HYBRID SERVICE MODELS, A NEW GENERATION OF WEALTH BUILDERS, EMPOWERED WEALTH MANAGEMENT EMPLOYEES, EXPERIENCES THAT GROW TRUST AND PROCESSES THAT GENERATE NEW REVENUE STREAMS AS REVENUE FROM OLDER MODELS CONTINUES TO SHRINK. NEW BLOOD IN THE PROFESSION IS NEEDED TO ADDRESS A FLOOD OF LOOMING RETIREMENTS NOT TO MENTION THE CAPACITY TO SERVE AND RETAIN A COMPLETELY NEW DEMOGRAPHIC: GENDER, CULTURE, ORIGINS, AGE. THERE'S NO DOUBTING THE VALUE OF EDUCATION AND CERTIFICATION, BUT THE CLOCK IS RUNNING AND NEW CONTENDERS FOR CLIENT ASSETS AND ATTENTION CONTINUE TO EMERGE.

SO WHAT IS THE ROLE OF FP CANADA AS A NOT-FOR-PROFIT EDUCATION, CERTIFICATION AND PROFESSIONAL OVERSIGHT ORGANIZATION?

OBVIOUSLY, IT IS IN THE PUBLIC INTEREST TO HELP THE PROFESSION STAY AHEAD OF CHANGING DEMAND: TO ADDRESS CERTIFICATION GAPS SO THERE IS MORE CAPACITY TO SERVE EMERGING CANADIAN WEALTH BUILDERS, AND TO HELP INDUSTRY PARTNERS ATTRACT NEW AND BETTER CANDIDATES TO THE PROFESSION.

FP CANADA'S ROLE IS TO HELP ITS PARTNERS BY LISTENING AND DELIVERING.





# FP Canada Answers

As the financial services / wealth management industry explores new experiences and new ways to create value and trust, FP Canada is answering the call with three new, specific and practical changes. We consulted industry partners, we've listened and the organization is demonstrating its commitment to advancing the industry and the profession.

## End-to-End Education from the Source.

The FP Canada Institute now offers the end-to-end education required for QUALIFIED ASSOCIATE FINANCIAL PLANNER® certification and CERTIFIED FINANCIAL PLANNER® certification. High quality, high value knowledge, skills and ethics education from a single source; developed by professional planners for planners.

“I don't need to go from place to place looking for courses anymore.

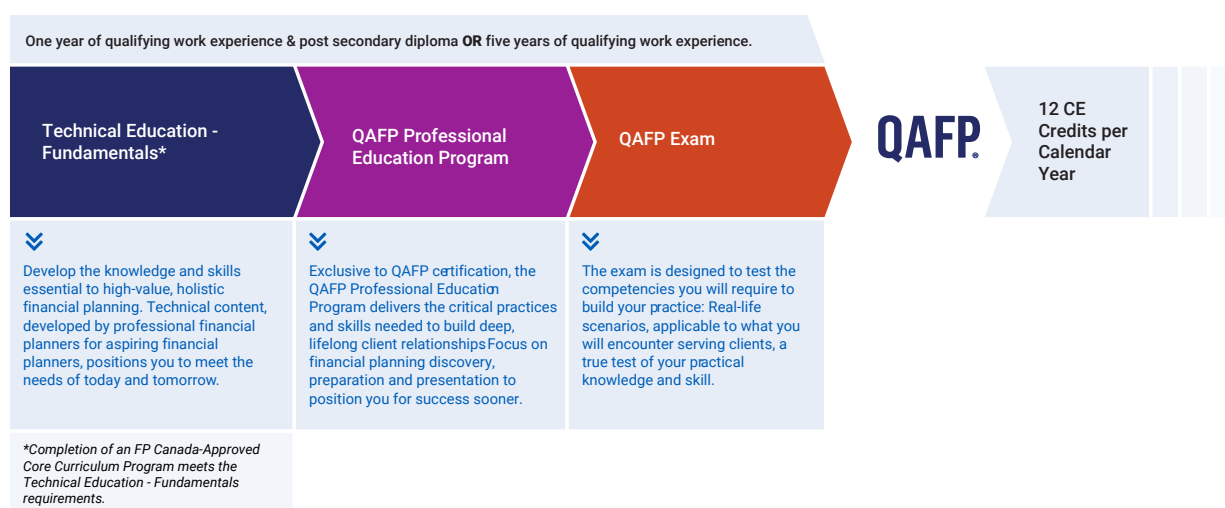
(Source: Innovative Research)

One source, credit for the education I already have, a faster track to QAFP® certification and CFP® certification.”

(Source: Innovative Research)

## Reimagined QUALIFIED ASSOCIATE FINANCIAL PLANNER® Certification: Advice for today's speed of life.

FP Canada has reimagined QAFP® certification. The education path is now updated and helps candidates build holistic proficiency sooner. Accelerating financial planner careers has never been easier. QAFP certification also serves as a stepping stone to CERTIFIED FINANCIAL PLANNER® certification. Start your book of business as a QAFP professional now with emerging wealth builders, and as those clients mature and complexity grows, continue on with CFP® certification.



“Clients will trust you more if you have credibility. If you’re certified, and can articulate a financial plan.”

(Source: Innovative Research)

“Having QAFP certification empowers you when you have clients that say “I trust your advice on what to do with my money.”

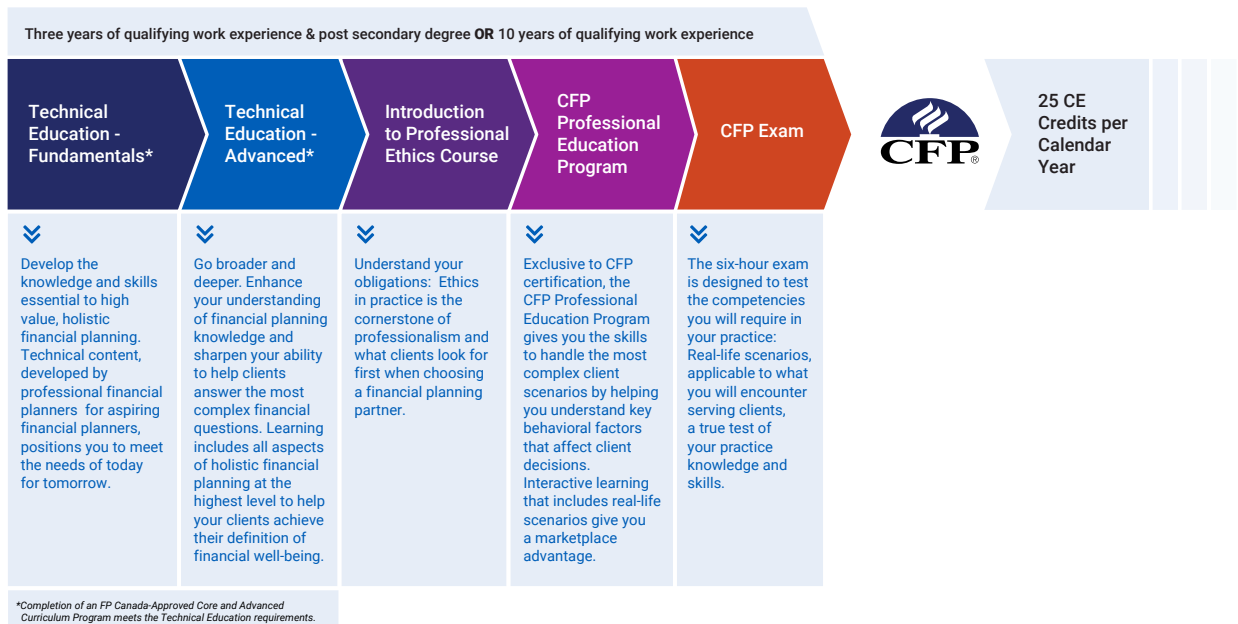
(Source: Innovative Research)

“The stepping stones are all in place now. I can evolve as my clients evolve. And I’ll be in a better position to take on the relationships of my senior peers as they retire.”

(Source: Innovative Research)

## Improve the journey to CERTIFIED FINANCIAL PLANNER® Certification: The gold standard of the industry.

There are well over 17,000 CFP professionals in Canada - the best-known and respected certification in Canada and around the world. How could we improve on that? By making the education track clearer so learners can achieve certification sooner.



“Having my CFP® certification is a sign that I’m holding myself to a higher standard with planning. With a clearer education track, now I can get there faster.”

(Source: Innovative Research)

## GENERATION NEXT - GENERATION NOW

There will be a new generation of investors, wealth builders and clients for financial planners. Legacy relationships will transition and financial planning experiences will evolve to match new client expectations. The industry will figure out the monetization part. FP Canada will align education with market and industry needs.

And through all this change, the public interest will be served. More Canadians will be served. And more professional financial planners will provide value - ***"from cradle to grave with holistic financial plans leading, ultimately, to more financial well-being"***, according to one CFP professional.

**EXPLORE FP CANADA INSTITUTE END-TO-END CERTIFICATION  
EDUCATION AND THE REIMAGINED QAFP CERTIFICATION TODAY.**

**[financialplanningprofessionals.ca](https://financialplanningprofessionals.ca)**



# APPENDIX

Proprietary FP Canada advisor and financial planner surveys and virtual focus groups were conducted between 2021 and 2023. World class thought-leadership studies, surveys, reports and articles were also used in the formulation of the insights and observations of the FP Canada **Generation Next** Report. We thank all sources for assisting in the evolution of professional financial planning.

## **Accenture**

Wealth Management Report:  
The New State of Advice.  
Excerpts 2020, 2021

## **McKinsey & Company**

On The Cusp of Change:  
North American wealth management in 2030.

## **Capgemini**

Wealth Management Top Trends, 2022

## **WealthManagement.com**

## **Investment Executive**

## **Innovative Research Group**

Proprietary surveys and virtual focus group sessions conducted with advisors between 2021 and 2023.

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