

All-Actuaries Summit

GETTING CLOSER
THINKING BIGGER

2-4 May
2022

Melbourne Convention
and Exhibition Centre
(Hybrid Event)



**Actuaries
Institute**



Actuaries Institute's Professional Presence in Financial Planning ?

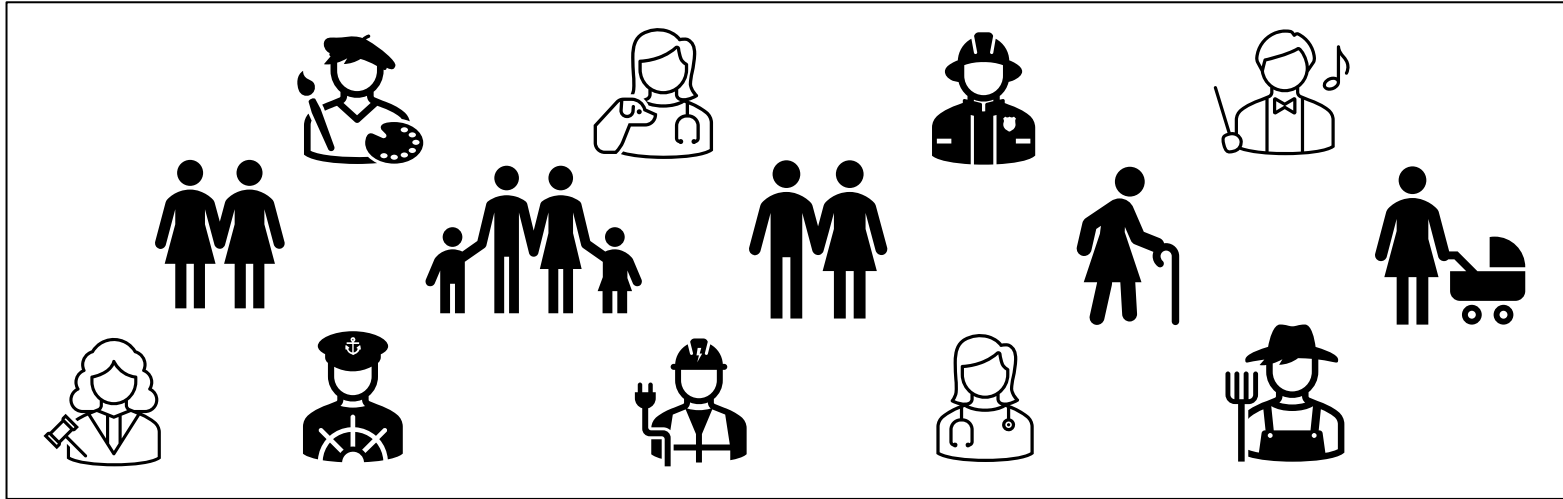
Mark Berry

*This presentation has been prepared for the Actuaries Institute 2022 All-Actuaries Summit.
The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those
of the Institute and the Council is not responsible for those opinions.*

Agenda

- Setting the scene
- Survey of Actuaries who are or have been Financial Planning Practitioners
- Actuarial Students Interests in Financial Planning
- Mark's reflections
- Next Steps

Actuaries = health of the pool



Financial Planners = health of individual pool participants

Current Educational Pathway for recently qualified Actuaries seeking to become Financial Planners

Must complete a Graduate Diploma of Financial Planning

1. Economic and Legal Context for Financial Planning
2. Ethics and Professionalism in Financial Advice
3. Superannuation and Retirement Advice
4. Insurance Advice
5. Estate and Succession Planning
6. Taxation for Financial Planning
7. Client Engagement Skills
8. Investment Advice

SURVEY OF ACTUARIES IN FINANCIAL PLANNING

Who participated?

Practitioners

- Peter Crump <https://www.bdo.com.au/en-au/our-people/peter-crump>
- Inbam Devadason <https://www.precisionfinancial.com.au/about>
- Richard Sherman <https://reservefc.com.au/about/>
- George Nassios <https://escalapartners.com.au/our-people>
- Tony Kench
<https://principaledgefinancialservices.com.au/worker/tony-kench/>
- Andrew McKee www.mckeefinancial.com.au
- Dennis Barton <https://actuary.com.au/our-team/>

Who participated?

- Mark Berry
- Anthony Street
- Penny Butler
- Nicole Raffin

<https://www.berryplan.com.au/our-team>

No longer practicing

- Bruce Gregor
- Phil Muir
- Greg Enfield
- Jim Hennington
- Nick Florentzos

Entry Year to Financial Planning

1982

1997

2001

2002 (2)

2004

2006

2009 (2)

2011 (2)

2014

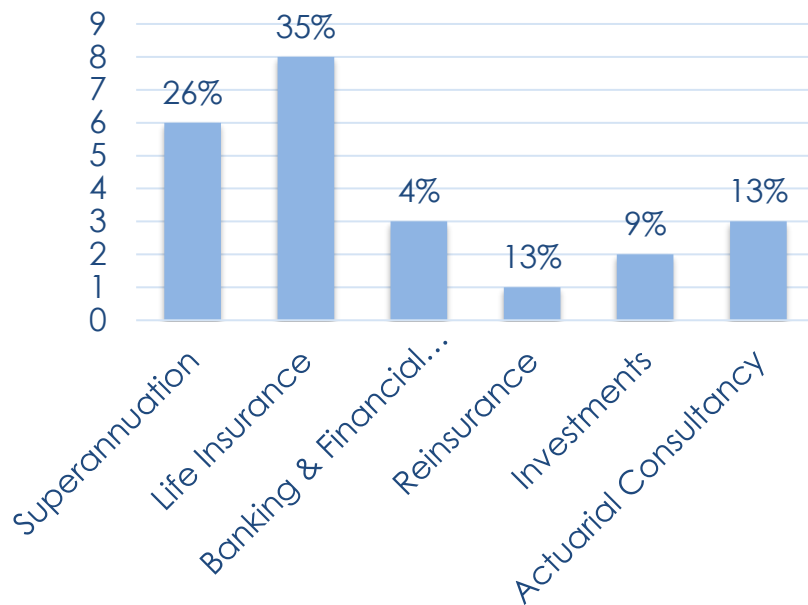
2011

2017

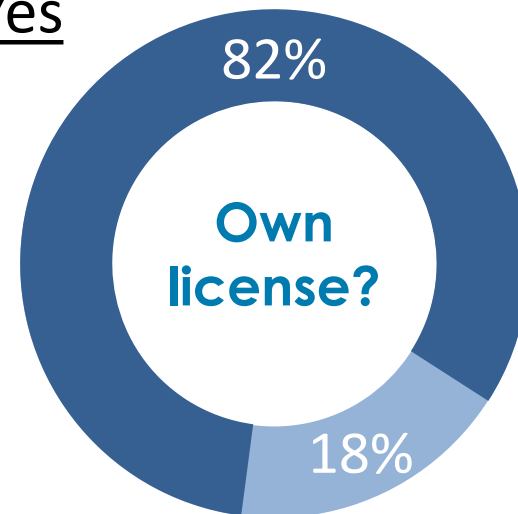
Why did you enter financial planning?



Prior area of expertise?



Yes



No

Licensing

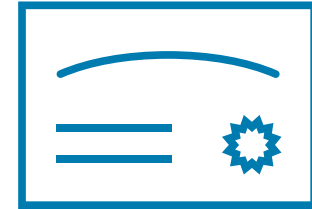
AFSL



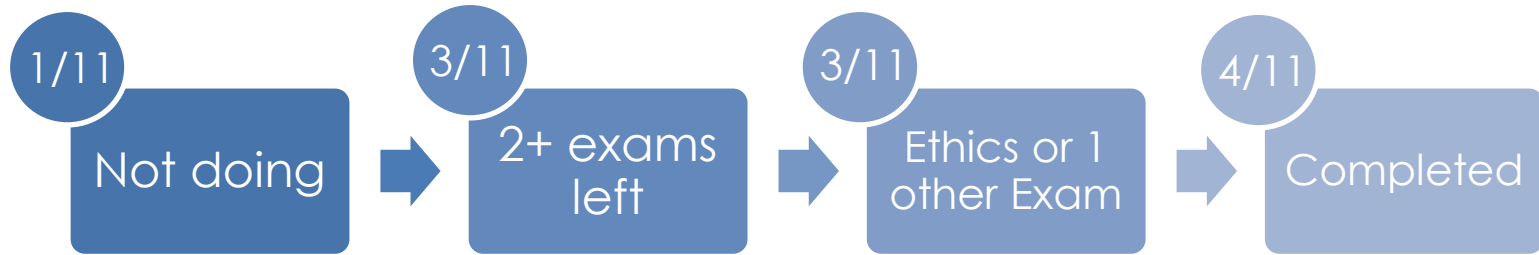
Tax Agent



Credit
Representative



FASEA Progress



Ceasing Institute Membership

"At this stage I plan to keep it but I would potentially reassess in the future"

"Continued membership. The main reason is that I use it in my title for correspondence with clients hopefully as a point of difference."

"Don't see the value in keeping it. Now joined Financial Planners Association so more relevant to my role."

"No I still practice as an actuary. Even if I didn't, I would probably keep it as a point of difference. "

"No but it was tempting in the early years as it is a significant cost with little benefit when starting out a new financial planning venture, there was one point when I was applying for my AFSL when the relevant ASIC officer made it very clear to me that being an actuary was irrelevant in my ASFL application."

How you satisfy CPD requirements

Kaplan (7)
industry conferences and events (4)
Work training sessions (4)
Institute conferences (5)
Aspire (1)
SMSF association (2)
Tax Institute (2)
MFAA (1)

Would you recommend a financial planning career to other actuaries?

- **“Yes** definitely. *I feel that the Actuarial skill set is well suited to Financial Planning. I believe Actuary’s ability to understand investment, investment risks, insurance, long term projection and cash flow matching in retirement are skills that will enable Actuaries to stand out in Financial Planning”*
- **“Yes** as I think it is a fulfilling application of actuarial skill. *As a financial planner you have a direct impact on a person’s financial well being”*
- **“No**, I don’t believe it is something that actuaries would aspire to in lieu of traditional work and it is not a unique overlap between actuarial and financial planning”
- **“Probably not**. *Now too much compliance and red tape for it to be economic to provide holistic professional advice. Advice margins have been crunched over the years. Might be different if you were part of a larger firm but costs still too high”*

Do you believe actuarial skills add value to financial planning?

- **“Yes**, as actuaries are trained to question and to need to understand. Also professional. Having said that, the delivery of financial advice is different, and as above may not be a natural fit for all. Communication is key”
- **“Yes** – because the detailed analysis of different scenarios and various factors that influence a decision can be appropriately explored by a planner with these skills and qualifications. So, they do add value. “
- **“Yes**, I think actuarial skills – in particular the ability to understand risk and communicate complex ideas – add value in the delivery of advice”
- **“No**, Not in the way that I approach financial planning. I don’t use complicated spreadsheets or projection processes with my clients as I don’t believe they need them. Our interaction is on a personal “life” level and not clouded by numbers. For them money is the enabler and not the objective”

Do clients attach value to your actuarial skills?

- *“**Yes**, I think it helps you have confidence from complex clients straight away “*
- *“**No**, it is another professional qualification in my CV but not one that they feel is essential to our relationship.”*
- *“To the professionalism, **yes**. To the content, probably not. An engineer could do FP almost as easily as an actuary. It is the professionalism, relationship and the advice outcomes that matter”*

Do you promote your actuarial skills?

- **“Yes.** *It is a point of differentiation”*
- **“Yes,** *I certainly promote my Actuarial background. I explain that because of this I focus on trying to achieve strong risk adjusted returns and cash flow matching in Retirement”*
- **“No,** *just as I would not expect a person with an MBA for example to promote that in the financial planning business”*

Challenges and Obstacles

- *“Focusing on the person and not the numbers / process. Listening rather than talking.”*
- *“Salary – big drop down, although this has improved over time. Overall big reduction though”*
- *“Training – needing to “start again”, with no recognition of FIAA, which is incredibly frustrating. Had the current FASEA requirements been in place when I made the switch, I’m not sure I would have done it – which in retrospect means I would be missing out as I do enjoy the work overall and my clients do seem to value my work and contribution to their lives”*
- *“Building a client bank from scratch. Not a very good salesperson in the traditional sense. Took some time to build momentum”*
- *“Getting your hands dirty – need to be responsible for the advice process from beginning to end – including mundane activities (eg application forms & compliance) as well as the client facing activities”*

Should the Actuaries Institute build a financial planning community ?

*“**Yes**, I think this is a field of actuarial work that requires a high degree of understanding, but then focuses on communication with the end customer and practical solutions, which is an area that in my previous actuarial roles wasn’t always given high focus.”*

“The building blocks are already there – just needs that practical, customer element”

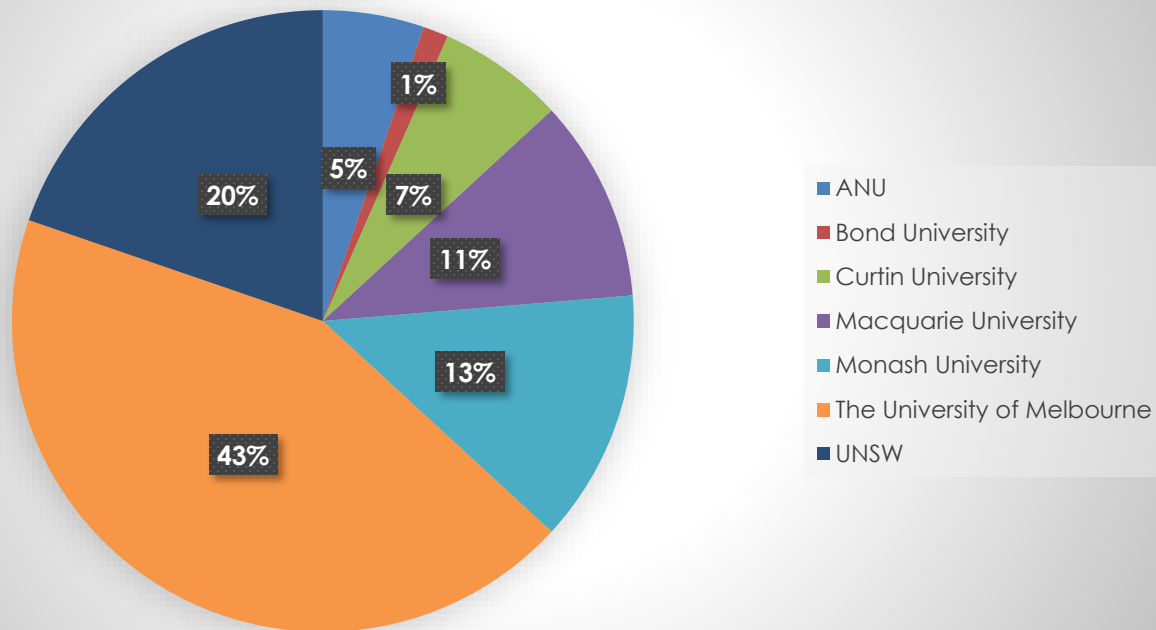
*“**No**, There are already bodies competing for recognition as industry / professional body. We don’t want it split further”*

“Other higher priority areas”

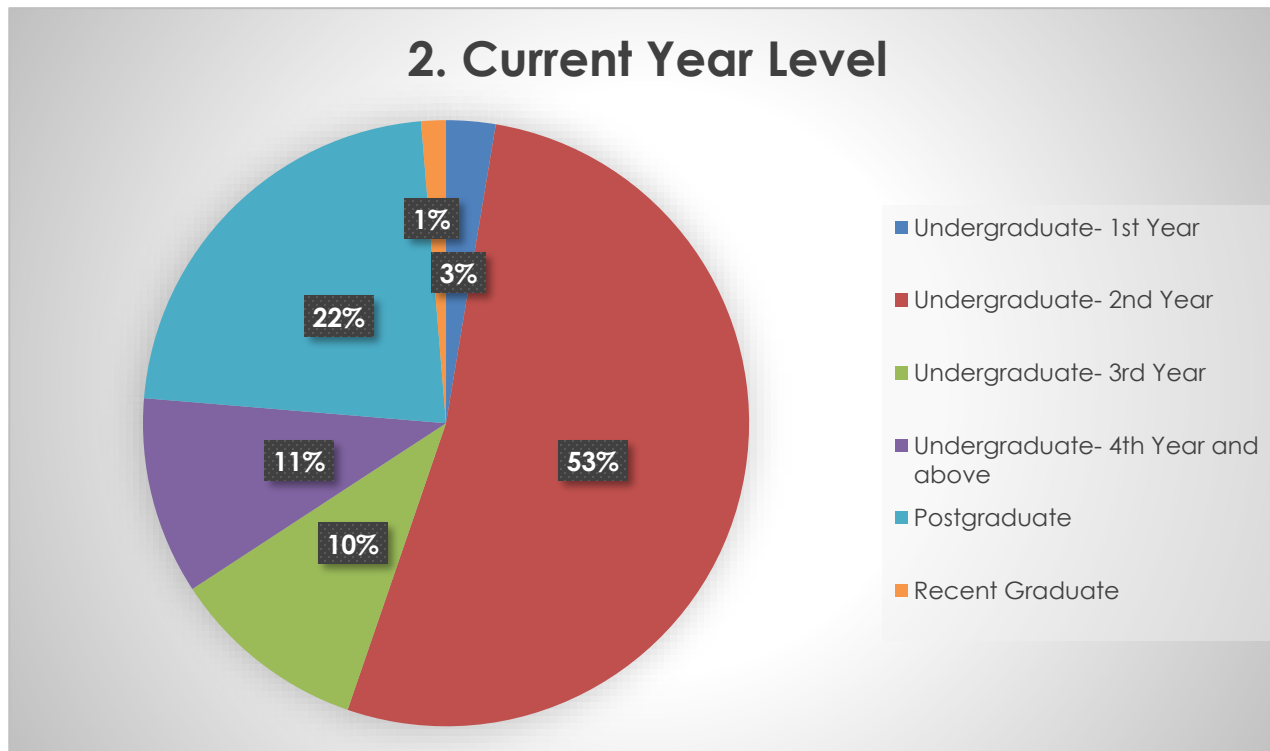
ACTUARIAL STUDENTS INTERESTS IN FINANCIAL PLANNING

Question 1: Please select the university at which you are currently enrolled for Actuarial Studies or related courses.

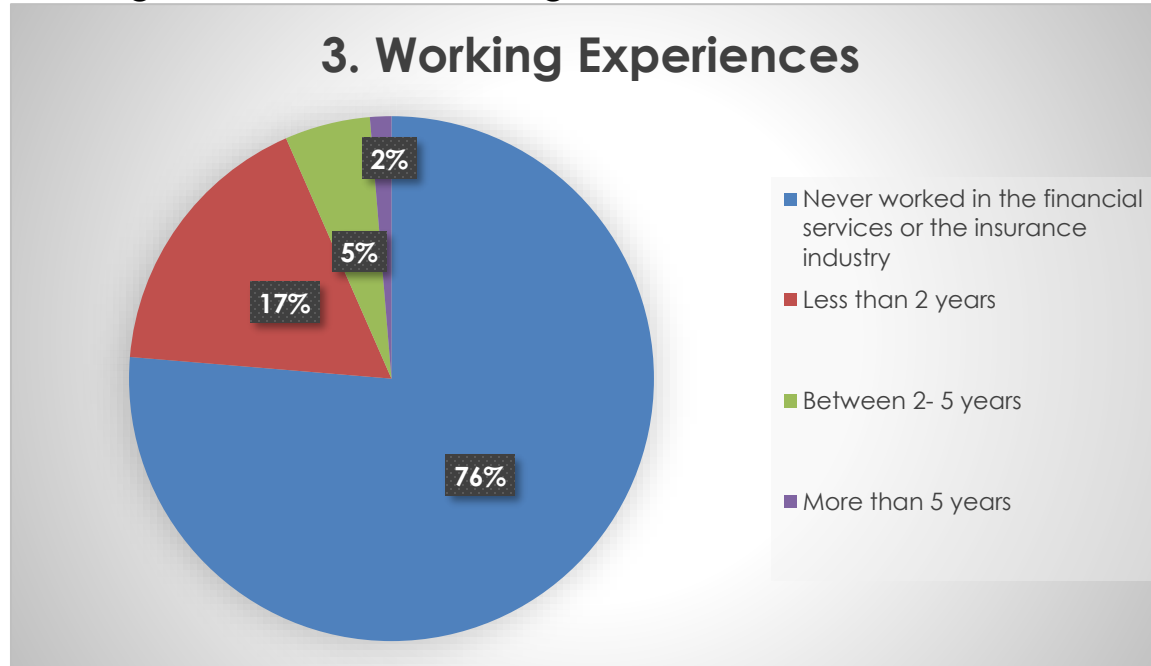
1. Enrolled University



Question 2: Please provide your current year level

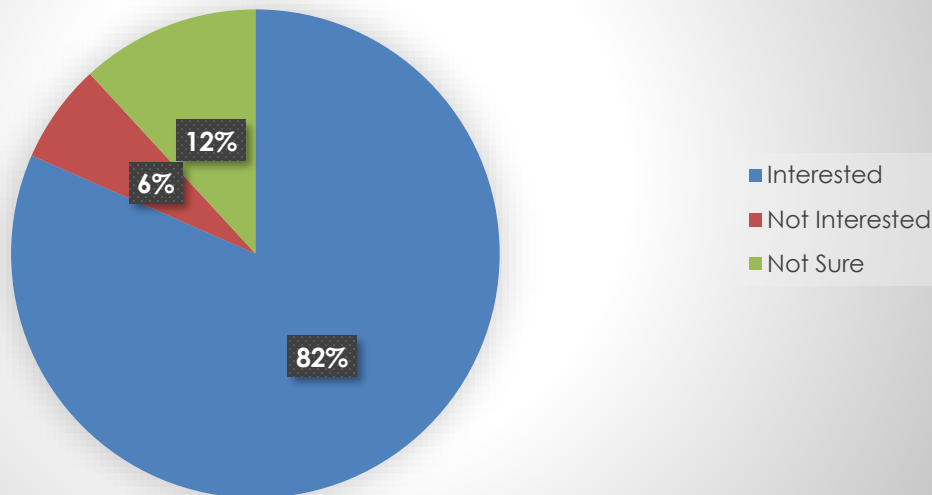


3. Have you ever worked in the financial services industry or in insurance? The financial services industry includes but is not limited to banks, wealth management firms, superannuation funds, financial planning firms and stockbroking firms.



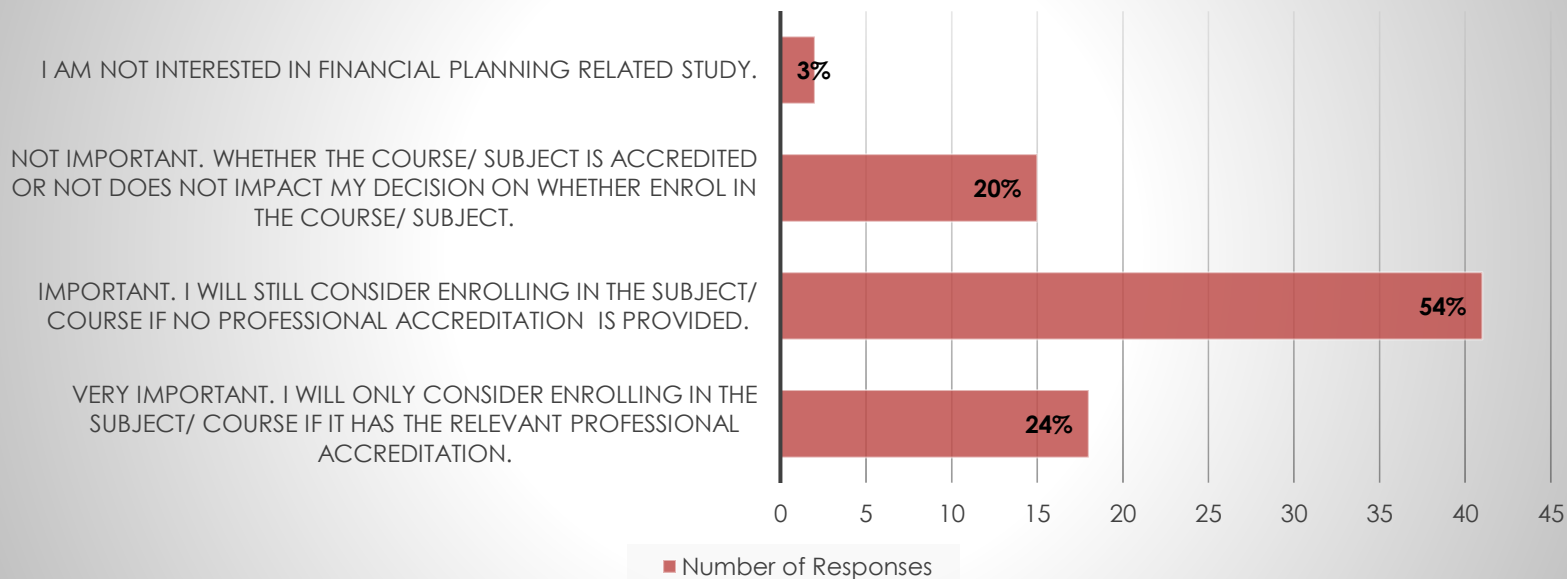
4. If Actuarial Studies incorporated financial planning subjects as elective subjects/ study areas, would you be interested in taking the financial planning subjects.

4. Interest in Financial Planning



5. Is it important to you whether any financial planning subject offered as a part of an Actuarial Studies course would provide credit towards professional accreditation by the Financial Advisers Standards and Ethics Authority (FASEA)?

5. Importance of the Financial Planning Accreditation



Key Findings

- Majority of Actuarial students (82%) are interested in learning more about financial planning.
 - No clear correlations observed between the level of interests in the financial planning subject area and student year level
 - No clear correlations observed between the level of interests in the financial planning subject area and years of professional working experience.
- In terms of accreditation of financial planning subjects
 - 20% of the students consider it is not important.
 - 54% of the students consider accreditation is important and will still consider enrolling into the subjects even no accreditation is provided.
 - 24% of the students consider accreditation is important and will only consider enrolling the subjects if accreditation is provided.

Mark's Reflections

Actuaries have the ability to

- to engage in a wide range of issues
- then simplify the resulting complexity,
- to **provide customers with a financial framework, a model that enables better informed decisions**, whether these decisions be around:
 - Insurance
 - Wealth accumulation including borrowing to invest in growth assets like properties and shares
 - Retirement income
 - Reverse mortgages

Why should the Actuaries Institute offer members the opportunity to have a professional presence in Financial Planning?

- There is **strong demand** for personalised modelling of an actuarial standard to assist customers understand their capability to maintain their lifestyle as they make their journey and **customers will pay for this advice**
- **Institutions (employers of actuaries) are wanting a deeper customer understanding** so would welcome any additions into the actuarial education process that assists this = training that helps actuaries understand products from the client's perspective

Strategic view on what needs to be added to the Actuarial Course



Future Pathways

Through University

- Encourage undergraduates to combine actuarial and financial planning degrees

Through Institute

- Include some elements of financial planning in actuary designation education pathway.
- Financial planning could form a specific area for fellowship program (Similar to the current ERM)

	Mark
Bachelor Degree (AQF 7)	Bachelor of Economics (1987)
Actuarial	2 Specialists: Life and General Insurance 2 Ordinary: Superannuation and Investments Fellow of the Institute of Actuaries of Australia (1994)
Retail Experience	Diploma of Financial Planning (2001) (AQF8) Tax Institute Exams CTA (2012) SMSF Specialist Advisor (2011) Certificate IV in Finance and Mortgage Broking (2018)

Mark's Education Journey

Qualification	Mark
Retail Qualifications	AFSL
	Tax Agent
	Mortgage Broker
Did being a fellowship help?	No
FASEA	Approved Degree – Kaplan Diploma (when was Securities Institute) SSA (would get 1 credit)
Pathway	• Adviser Exam • Ethics for Professional Advisers

Mark's Retail Client Qualifications

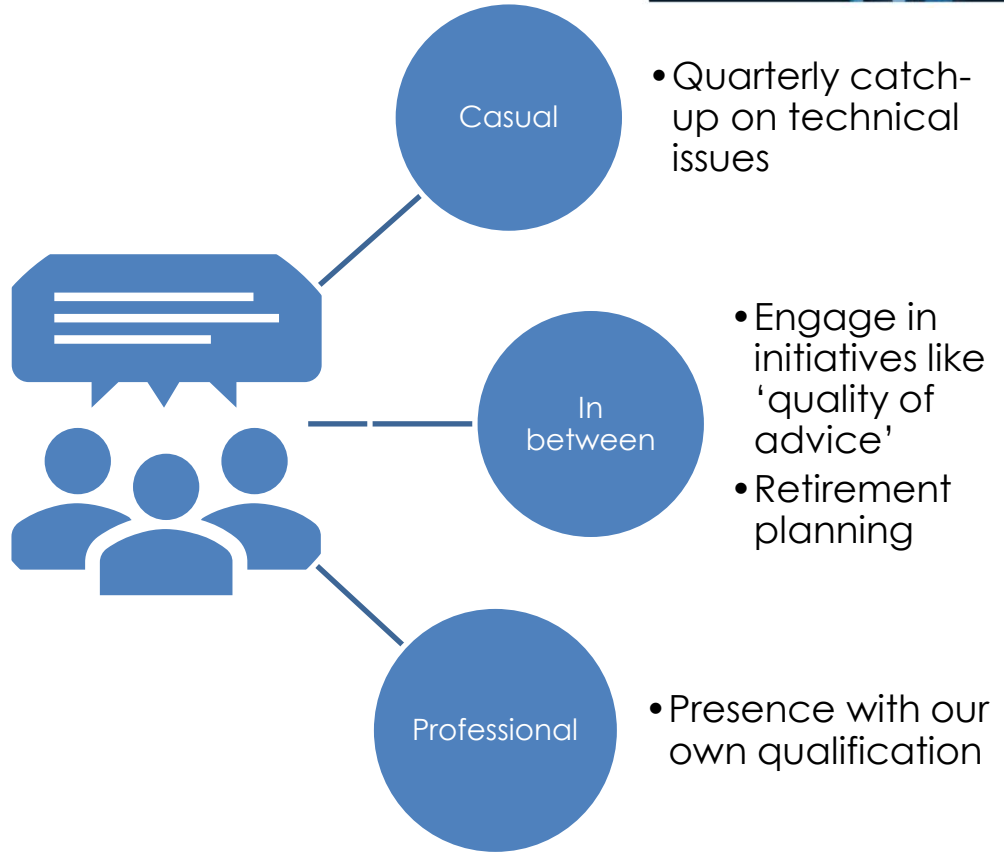
Building Financial Planning skills

- ✓ Intellectual capability
- ✗ Technical knowledge and experience

How do we close the gap?

Start to build the ecosystem required for actuaries to be ethically successful in financial planning

Actuarial Financial Planning Community

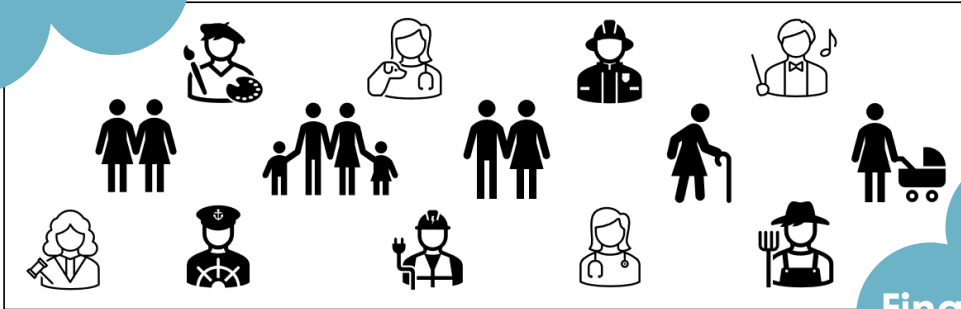


Next steps

- **Build a financial planning community** = quarterly meeting to discuss technical issues
- **Collation of examples** of financial planning advice outlining why it is actuarial in nature
- **Institute commission 2 research projects:**
 1. Where did those who completed actuarial courses over the last 5 years at all the Australian universities end up
 2. a study to resolve if actuaries can build viable, sustainable financial planning businesses

This research would then help us build the business case to create the financial planning actuary
- **Set up a further meeting in August** to allow opportunity for more input from the profession

Actuary in front of the
client



Financial well being of the
Australian community

**THANK YOU FOR YOUR
INTEREST**

QUESTIONS OR COMMENTS?

Appendix

SURVEY OF ACTUARIES IN FINANCIAL PLANNING

Why did you enter financial planning

"I wanted to help people"

"I was working in a financial planning business as a consulting actuary but the volume of actuarial work was declining. I was given an opportunity to participate as an adviser and enjoyed in the direct personal interaction with the end client. I could make a difference for the client and interact in a meaningful way to do this."

"Desired to help people growth their wealth. Felt that my Actuarial background and work experience (Head of Product) was well suited to role."

"I could see the need for quality advice that helped individuals optimise their wealth and reach their financial goals. I believe it's important to delve sufficiently into the detail and model the impacts of various strategies to assist with decision making"

Why did you enter financial planning

“I had enjoyed 20 years in corporate life in actuarial and general management roles, but was looking for an alternative that would allow me to take more control. I was worried that I might become jaded with corporate life, so was looking for something new. In addition, I had a young family and wanted more flexibility to manage my time. While I enjoyed my time in corporate roles, I thought it was time for a change. In my early 40s, it was either ‘now or never’ – so I took the plunge.

I considered a range of options, but financial planning’s dual focus on client relationships and financial services was a big attraction for me. In addition, there was the challenge of growing a business practice over time.”

Why did you enter financial planning

“Wanted new career path/ freedom self employed/ ability to use mathematical/ tax/ investing skills to help people”

“I was on the Board of a Government Superannuation Board and one of my fellow directors told me of the experience of one of his doctor wife’s patients at the hands of a person providing free financial advice and getting an 8% (sic) commission. I set up a financial planning practice alongside my consulting actuarial practice and charged hourly fees, fully rebating commissions.”

“Decided that I had had enough of corporate life having just been made redundant. Always had an interest in financial planning, had worked with many different financial planners so decided to set up my own practice. How hard could it be”

Why did you enter financial planning

I was providing actuarial advice to multinationals and realised that, whilst the superannuation executives understood things, even senior staff had no idea about how to manage their own personal retirement plans when they moved country.

So I founded a business to help them. Given it involved personal advice I needed to get licensed as a financial planner.

Products dealt with

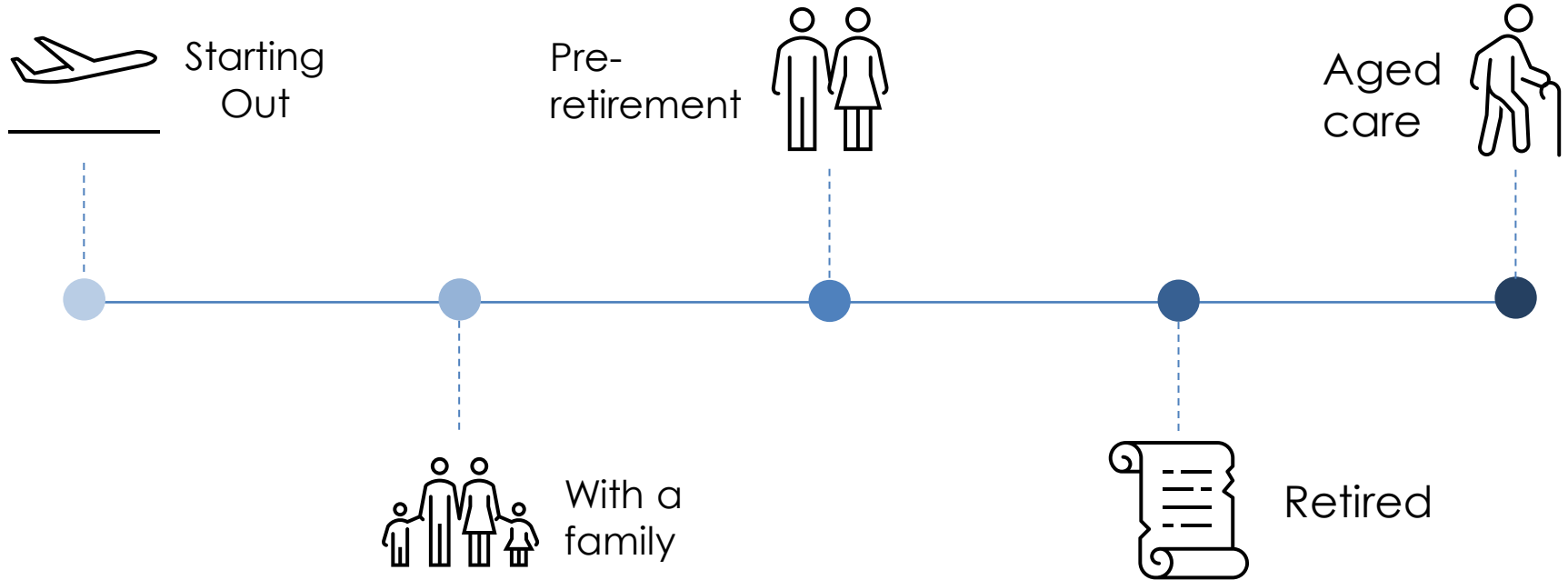
- Standard (all)
- Standard Margin Lending Facility (3)
- Derivatives (1)
- Mortgage broking (3)
- General Insurance (1)



Standard areas of Advice

- Superannuation
- SMSF
- Retirement Planning
- Estate Planning
- Wealth Creation
- Cashflow management
- Tax planning
- Investments
- Life Insurance
- Centrelink & Aged-care

Customer segments



Why exited

'I realised that the regulatory environment for licensed advice was toxic, dangerous and highly inefficient. As a business owner, the risk-return characteristics of operating in this environment are clearly a poor investment opportunity - sell ...!! .'

'I therefore exited financial planning and took the view it would take 5 years for this to evolve. If policymakers can design an efficient regulatory environment for advice then I will re-join as there is huge end customer need.'

'Unsuccessful in establishing a viable business'

'Retired'

Comments on FASEA

'I do not need to continue to educate to the point of oblivion, no prior learning recognition a big issue'

'I haven't exited yet but am considering my options at the current time.'

'I won't exit however, as a comment, the onerous compliance, regulatory and education obligations are impacting the industry'

Comments on FASEA

'I also have a view what much of the current pathway to a better qualified person in the area of Wealth and Financial planning neglect that the informal learnings of the past 30 years cannot be replaced by courses from universities given by lecturers that write academic papers – this includes FASEA process which also has taken a very blunt academic approach. '

Would you recommend a Financial Planning Career to other Actuaries

'Yes, but it's quite a different skill set – may not be a natural fit for many'

Yes, for the opportunity to apply a range of skills to assist clients with individually tailored solutions

Yes, if enjoy helping individuals and don't want to be stuck in big institutions

Yes definitely. I feel that the Actuarial skill set is well suited to Financial Planning. I believe Actuary's ability to understand investment, investment risks, insurance, long term projection and cash flow matching in retirement are skills that will enable Actuaries to stand out in Financial Planning

Would you recommend a Financial Planning Career to other Actuaries

Yes. It is a field of work that directly utilises actuaries' education, training, and for most actuaries their previous financial sector work experiences. While perhaps considered wider field in terms of number of actuaries currently working as financial planners it is not necessarily a huge leap in terms of training and knowledge required to start providing advice.

It can also be highly rewarding from a personal perspective

Yes as I think it is a fulfilling application of actuarial skill. As a financial planner you have a direct impact on a person's financial well being

Would you recommend a Financial Planning Career to other Actuaries

Yes – working directly with clients is great fun and advice can have very tangible benefits for clients. However, I think it is important to provide an accurate picture of the positives and the negatives.

As an employed adviser, the income transition would be easier with a greater level of support as you gain advice experience. But you would not own the clients or the business.

As a self-employed adviser, you have greater control of your business and you own the client relationship – which is a valuable asset. Building relationships with clients

Would you recommend a Financial Planning Career to other Actuaries

"No, I don't believe it is something that actuaries would aspire to in lieu of traditional work and it is not a unique overlap between actuarial and financial planning."

'Probably not. Now too much compliance and red tape for it to be economic to provide holistic professional advice. Advice margins have been crunched over the years. Might be different if you were part of a larger firm but costs still too high'

Not in the current environment and prior learn structure

Ambivalent from personal viewpoint, but it would lift the quality of advice. It's interesting and personally rewarding but under utilises actuarial skills

Do you believe actuarial skills add value to financial planning

- Yes, as actuaries are trained to question and to need to understand. Also professional. Having said that, the delivery of financial advice is different, and as above may not be a natural fit for all. Communication is key
- Yes – because the detailed analysis of different scenarios and various factors that influence a decision can be appropriately explored by a planner with these skills and qualifications. So, they do add value.
- Yes – they are centred around liability identification
- Definitely help in understanding markets/ legal framework/ tax super insurance and the like and more complex stochastic modelling

Do you believe actuarial skills add value to financial planning

I think actuarial skills – in particular the ability to understand risk and communicate complex ideas – add value in the delivery of advice

Yes. Accepting that models are only as good as the assumptions, actuarial training can identify the models and get deeper insights

Do you believe actuarial skills add value to financial planning

- *A little. Good foundation in technical skills. Analysis of financial data. Ability to make and understand projections. Understand risk especially life insurance*
- *Not in the way that I approach financial planning. I don't use complicated spreadsheets or rejection processes with my clients as I don't believe they need them. Our interaction is on a personal "life" level and not clouded by numbers. For them money is the enabler and not the objective.*

Do clients attach value to your actuarial skills

- *Yes, clients appreciate the higher level of academic commitment required to achieve the actuarial qualification*
- *Yes, I think it helps you have confidence from complex clients straight away*
- *No, it is another professional qualification in my CV but not one that they feel is essential to our relationship.*
- *Some do, some don't – overall I think many just want professional competence, and someone who will properly think through their unique scenario*
- *No. My clients are Mum and Dad investors. Many would have no real understanding of what an Actuary does*

Do clients attach value to your actuarial skills

- *It depends. I have clients with financial services backgrounds (including actuaries) and in these cases the clients do attach value to my qualification as an actuary.*
- *However, clients from other industries (most of my clients) do not attach significant value to my qualifications. They value the advice*
- *To the professionalism, yes. To the content, probably not. An engineer could do FP almost as easily as an actuary. It is the professionalism, relationship and the advice outcomes that matter.*

Do clients attach value to your actuarial skills

- *Probably most but not all. The majority of new clients have been referred by a trusted friend or family member and they are therefore relying on that referral rather than necessarily doing their own due diligence on us as advisers.*
- *However, a large part of getting existing clients to be comfortable referring us to their friends and family is their confidence in us, and a lot of that comes down to the quality and professionalism of the advice provided.*
- *For people that are aware of actuaries and what they do, having the actuarial qualification is definitely a positive as the general perception of actuaries (in my view) are that they are smart and have had to pass very difficult mathematical and financial exams to get that qualification. New clients that are aware of actuaries therefore come to the initial meeting with generally a high level of confidence in our abilities and in the quality of the advice they will receive without needing to do much, if any, due diligence on us from that perspective.*

Do you promote your actuarial skills

- *Yes. It is a point of differentiation*
- *I promote my actuarial background in terms of my approach to their investment needs by conveying to them how to understand their objectives and define the risk of achieving these via chosen investment strategies*
- *I certainly promote my Actuarial background. I explain that because of this I focus on trying to achieve strong risk adjusted returns and cash flow matching in Retirement.*
- *Yes – mainly a professionalism point of view, and an “understanding” point of view*

Do you promote your actuarial skills

- *Mention, but not vigorously promote.*
- *Not overtly, although it usually gets discussed as part of the introductory meeting – particularly if it's likely the client will understand the qualification of an actuary.*
- *No, just as I would not expect a person with an MBA for example to promote that in the financial planning business.*
- *Not really. I mention that I am an actuary in my adviser profile and my website. Not really looking for new clients. All new clients are via existing client referral*

Challenges and Obstacles

Focusing on the person and not the numbers / process. Listening rather than talking.

Salary – big drop down, although this has improved over time. Overall big reduction though

Training – needing to “start again”, with no recognition of FIAA, which is incredibly frustrating. Had the current FASEA requirements been in place when I made the switch, I’m not sure I would have done it – which in retrospect means I would be missing out as I do enjoy the work overall and my clients do seem to value my work and contribution to their lives

Challenges and Obstacles

Adapting communication to suit a retail client, and being aware of the wide range of clients' understanding and prior knowledge. Taking the time to explain as needed.

Implementation of strategies can have practical difficulties which need patience and care to resolve. For example, can take a surprisingly long time to complete necessary paperwork correctly, or smooth out a long running Centrelink issue.

I initially explored moving to a salaried financial planning role and the pay cut was too large. I therefore started my own business from the start. This was a challenging, yet great learning experience.

Challenges and Obstacles

Building a client bank from scratch. Not a very good salesperson in the traditional sense. Took some time to build momentum

Naivety in what is a pathway to aspects of financial planning

Understanding the value I would be able to bring to clients before started actively working, so found hard to articulate the value to bring clients on in first couple years

Building the depth of financial planning knowledge and how to apply that to different clients – and knowing what you don't know.

Challenges and Obstacles

Business development – it takes time to build referral networks and other sources of clients.

Communication skills – being able to explain your advice in a way that the client will understand – which needs to be tailored for each client.

Income transition – for self-employed advisers, there is a period of years to transition from an employed actuary's income to a self-employed financial planner's income.

Getting your hands dirty – need to be responsible for the advice process from beginning to end – including mundane activities (eg application forms & compliance) as well as the client facing activities.

Challenges and Obstacles

Even with the actuarial qualifications, and direct experience working in financial services, it can still take a while to build up a sustainable client base. People won't necessarily come to you as a financial adviser just because of those qualifications and experience. They need to know that you in the financial advice field for the long term, and the business that you are in, or start, is going to be viable.

It therefore means the personal financial impact of moving from a well paid corporate job to starting from scratch, with zero clients, is potentially significant.

Should the institute pursue the building of a community of financial planning actuaries

Yes 9

- *“Working directly with clients is great fun and advice can have very tangible benefits for clients”*
- *“Actuary’s ability to understand investment, investment risks, insurance, long term projection and cash flow matching in retirement are skills that will enable Actuaries to stand out in Financial Planning”*

No 5

- *“Now too much compliance and red tape for it to be economic to provide holistic professional advice”*
- *“Not something that actuaries would aspire to in lieu of traditional work and it is not a unique overlap between actuarial and financial planning”*
- *I don’t know why we would be looking to build an institute financial planning qualification or designation when there are already sufficient competing pathways and professional streams for financial planning.*

Should the institute pursue the building of a community of financial planning actuaries

Yes 9

- *I think this is a field of actuarial work that requires a high degree of understanding, but then focuses on communication with the end customer and practical solutions, which is an area that in my previous actuarial roles wasn't always given high focus.*
- *The building blocks are already there – just needs that practical, customer element*
- *Also, adding professionalism into this industry is certainly not a bad thing!*

No 5

- *I think the need for separate FP qualification is overstated. The problems in the past have been not competence but the remuneration structure. This is not fixed yet with asset based fees still possible but has gone a long way to improving. All that would be needed would be a year of part time.*
- *Concerned that while individual actuaries can enter FP, the Institute setting itself up in this area is a step down market. Better to concentrate on AI and big data and not spread the Institute too thinly.*
- *There are already bodies competing for recognition as industry / professional body. We don't want it split further.*

Should the institute pursue the building of a community of financial planning actuaries

Yes 9

- *This sort of work does help bring actuaries into the world of people who may otherwise never have heard of them – it could be a great way to broaden the actuarial field, and help actuaries to be seen as financial problem solvers of the real world, rather than purely technical solutions*
- *YES – but approach needs to be broadened beyond why a standard Financial Planning course would take*
- *Can't see downside*

No 5

- *Not really. Would have thought there were many other higher priority areas.*

Should the institute pursue the building of a community of financial planning actuaries

“valuable for actuaries who are thinking of transitioning to financial planning or who have recently commenced”

“Promoting the actuary brand among financial planning potential clients”

“Yes, but who would do it? all efforts are directed to an “actuary working and providing answers to institutions” and being remunerated by that institution. Completely different doing work for an individual or family”

“time to build a community of actuaries who advocate for the customer. The outcome will be a profession with a much deeper understanding of the industries in which it operates”

Should the institute pursue the building of a community of financial planning actuaries

From the wider actuarial profession and the institute's perspective, it will also mean there is a community of actuaries providing direct advice to consumers, that can be utilised by the even greater number of actuaries involved in building products or advising companies and institutions in the insurance, superannuation and investments space, that perhaps don't have experience in or access to the "real world" application of their work.

In addition, the more actuaries there are working as financial planners in the "retail" space, and therefore coming into contact with people from all walks of life and all industries, the greater awareness there will be of the actuarial profession in the broader community.

Should the institute pursue the building of a community of financial planning actuaries

“I think the Institute should develop a Course in a “Certificate of Comparative Survival Finance” to enable advice to retirees regarding survival benefits from offered Retirement income products. The aim would be that any organisation offering a retirement income product (or any retiree seeking such a product) that professed survival benefits would have the value of such benefits actuarially evaluated and compared. A Guidance Note would specify how this should be done.”

Should the Actuaries Institute build a financial Planning community

“I am personally more interested in being involved in the “community of financial planning actuaries” and attending meetings/functions with that group, rather than the education side of things. ”

Happy to do quarterly and happy for your suggested first meeting on estate planning

A good start would be to register the Actuaries Institute as a CPD provider on Aspire and Kaplan and possibly other CPD recording platforms.

Should the Actuaries Institute build a financial Planning community?

“Yes – I think it would be useful to have access to a community of financial planning actuaries. I think it would be very valuable for actuaries who are thinking of transitioning to financial planning or who have recently commenced financial planning.

APPENDIX – STUDENT SURVEY QUESTIONS AND RESULTS

Survey Methods

- A student survey was designed and distributed to the Australian university students (both undergraduate and post-graduate) currently enrolled in actuarial studies, to understand their interests in financial planning as an additional study areas.
- The survey was conducted online via Google form and distributed to all Australian universities that provide actuarial courses. The target student cohorts are 2nd year and above.
- The survey was open for two months between March to April for Curtin university and between October to December 2021 for all other six university and 76 responses were received.
- The key findings of the survey are shown in the next slides. Detailed survey results are included as appendix.

Key Findings

- Majority of Actuarial students (82%) are interested in learning more about financial planning.
 - No clear correlations observed between the level of interests in the financial planning subject area and student year level
 - No clear correlations observed between the level of interests in the financial planning subject area and years of professional working experience.
- In terms of accreditation of financial planning subjects
 - 20% of the students consider it is not important.
 - 54% of the students consider accreditation is important and will still consider enrolling into the subjects even no accreditation is provided.
 - 24% of the students consider accreditation is important and will only consider enrolling the subjects if accreditation is provided.

APPENDIX

EDUCATION PATHWAYS

Current Education Pathways for Financial Planning

New entrant to financial planning need to meet the following requirements

- Complete an approved degree (bachelor degree, graduate diploma or master degree covering 11 knowledge areas)
- pass the financial adviser exam
- Undertake a full-time professional year;

In addition, each financial planner is required to

- participate in 40 hours of continuing professional development (CPD) each year
- comply with the Financial Planners and Advisers Code of Ethics 2019 (Code of Ethics).

Overlapped Knowledge Areas

	FASEA Knowledge Area	Number of Curriculum Topics	Potential areas overlapped with Actuary Program	Curriculum Learning Outcomes	Potential areas overlapped with Actuary Program
1	Financial Advice Principles	10	44%	9	8%
2	Ethical & Professionalism	10	10%	7	7%
3	Superannuation and Retirement	8	6%	9	17%
4	Estate Planning	15	0%	6	0%
5	Insurance Planning and Risk	12	33%	7	26%
6	Taxation	20	0%	8	0%
7	Investments	16	54%	8	76%
8	Commercial Law	10	40%	5	40%
9	Financial Advice Construction	16	0%	7	0%
10	Financial Advice Regulatory and Legal Obligations	4	0%	10	0%
11	Behavioural Finance Client and Consumer Behaviour/Client Relationships	14	32%	12	42%
	Overall		20%		20%

Some Observations on Education Focuses

- FASEA:
 - Australian Context Focused (i.e. Tax, Regulation etc)
 - Customer Focused (i.e. Behavioural Finance Client)
 - Process driven (i.e. Financial Advice Construction)
- Actuarial Education
 - General context not limited to one jurisdiction
 - Institution Focused and put emphasis on balancing interests
 - Principle driven

Potential Paths Ways for Actuaries

No clear shortcut!

- Take the full studies (may apply for exemptions for one or two subject areas)
- Pass the financial adviser exams
- Working experience