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Identifying and Removing Psychological Barriers to Seeking Financial Advice

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Abstract

Working with a financial professional has been documented to provide psychological and financial wellness benefits yet many individuals remain reluctant to engage professional help. Drivers of financial professional use are frequently related to changing life circumstances and\or demographics, both of which are beyond the ability of a financial professional to influence. However, research has begun to probe the psychology of individuals and the important role that self-efficacy, emotions, and other psychological traits play in promoting financial advisor use. These psychological traits are much easier to influence and subtle changes can be used to nudge behavior towards advisor adoption. Building on previous work by Ashworth and Purda (2020) we experimentally explore whether more explicit representation of the value proposition behind financial advisor use boosts positive attitudes and perceptions of financial professionals and the benefits they can provide. We document that relatively simple changes in the presentation of professional credentials, expertise, and services offered are associated with improved perceptions of financial professionals and elevates consumer attitudes towards engaging a financial advisor.

Key words: Financial Planning, Self-Efficacy, Financial Advice

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I. Introduction and Motivation

Working with a financial professional can result in positive behavioral responses to economic crisis, improved confidence in retirement savings, and improved financial outcomes (Marsden, Zick, and Mayer, 2011; Lei and Yao, 2016). Yet research shows that many individuals – especially those most in need of assistance – frequently fail to obtain the advice they need (Du Plessis, Lawton and Corney, 2010). Financial advisors are more common for individuals that are richer, older, and more experienced investors while those that are younger, poorer, and inexperienced choose to manage their own affairs (Hackethal, Haliassos, and Jappelli, 2012).

Our research aims to better understand why people fail to seek financial advice despite the potential economic and psychological benefits associated with doing so. We focus on consumers' psychological traits and the perceptions that prevent them from engaging with a financial professional. Having identified these perceptions, we explore whether they can be effectively changed to improve attitudes towards financial professional use. Through a series of experiments, we find that relatively simple changes to how financial professionals and the services they provide are described can elevate consumers' attitude towards their adoption.

A distinguishing feature of our work is its focus on both identification and removal of barriers that prevent individuals from seeking financial advice. Previous work that has examined financial advice seeking behaviour has often examined differences in demographics, personal circumstance, or life events and the role these play in prompting individuals to seek or avoid obtaining financial help (Cummings and James, 2014; Korb, 2010). While knowing situations that are likely prompts for advice seeking can be useful for sourcing prospective clients and demographics or personality traits can provide some guidance on how best to interact with consumers with these characteristics (Amaral and Kolsarici, 2020) ultimately there is little the finance industry can do to engineer these events. Individuals face changing life circumstances with the passage of time in sometimes unpredictable ways.

While financial professionals can do little to influence the age, gender, or life circumstance of an individual, they may be able to alter certain psychological characteristics that have been associated with the propensity to work with a financial professional. Most frequently examined in this regard is financial literacy with numerous studies suggesting that it plays an important role in whether individuals seek to work with a financial professional and the tasks they are willing to delegate (Robb, Babiarz, and Woodyard, 2012; Calcagno and Monticone, 2015; Kramer, 2016). While an individual's financial knowledge is in theory a characteristic that can be objectively measured and altered with education, an additional important influence on advisor adoption is the individual's perception of their financial knowledge (Dietz, Carrozza, and Ritchey, 2003). This financial self-efficacy can behave in nuanced ways with research being inconclusive as to whether a positive relation between financial self-efficacy and advisor adoption exists (Ashworth and Purda, 2020).

Drawing on the debate as to whether financial advisor use is a substitute or compliment to an individual's own financial knowledge (Collins, 2010; Bhattacharya et al, 2012), we ignore the ambitious goal of influencing financial literacy and focus more concretely on elevating individual's confidence in their ability to successfully engage with a financial professional.

Significant evidence suggests that consumers are generally ill-informed about the various financial professionals they interact with, the services they provide,

and the obligations they are bound to (Tharp, 2019). Central to our work is the conceptualization of the value proposition behind securing financial advice. We use this conceptualization to specifically outline the potential benefits that consumers may receive when working with a financial professional and the resources spent in order to secure these benefits. Our experimental conditions alter the manner in which these benefits and resources are expressed to consumers and measure the impact on attitude towards financial advice seeking and consumer perception related to the qualifications of the financial professional, the benefits they provide, and the extent to which they are acting in the consumer's best interest. We see that relatively small changes can significantly change consumer attitude's and confidence in their ability to work with a financial professional.

The specific benefits that ground our conceptualization of value include i) obtaining professional expertise, ii) specific financial products or services, and iii) emotional outcomes associated with achieving positive outcomes or avoiding poor ones. The remaining contributor to value, resources spent, is illustrated by various presentations of fees paid for securing financial services. In total, we examine 14 experimental conditions, 9 related to alternative presentations of benefits and 5 related to fees paid, and assess their influence on consumer perceptions.

The most significant finding from our work is that additional and specific information provided to consumers can go a long way to elevating their attitude and confidence in securing financial advice. We find that in contrast to general discussions of a professional's experience, precise descriptions of credentials and the requirements needed to be satisfied to obtain them can improve consumers' assessment of the professional's qualifications and the benefits provided.

Similarly, additional information provided on specific financial services provided, illustrated by a discussion of the elements included in a comprehensive financial plan, elevates consumer attitudes towards engaging with a professional beyond general discussions of services or outcomes. Our work provides meaningful insights for financial professionals by suggesting improvements to the way in which they present their credentials and services.

The remainder of the paper proceeds as follows. In Section II we outline previous research and theory that set the stage for our experiments. Here we discuss prior work essential to the identification of psychological barriers to financial professional use. In Section III we describe the experimental methodology and results. We discuss concrete implications for financial professionals in tandem with the presentation of our findings. Section IV summarizes our work and concludes.

II. Previous Research and Theoretical Foundations

Through a series of interviews and surveys, Ashworth and Purda (2020) identify potential psychological barriers associated with financial professional use. From this work emerged a refinement to the definition of self-efficacy in the context of personal finance. Generally speaking, self-efficacy is the belief in one's ability to successfully undertake a particular task (Bandura, 1997). When it comes to personal finance, previous researchers have measured this perception by probing the extent to which individuals feel confident in handling their own financial affairs (Remund, 2010; Parker, Bruin, Yoong, and Willis, 2012; Letkiewicz, Robinson and Domian, 2016). For instance, do they perceive that they are capable of making sound financial decisions, managing their investments, and planning for the future? Ashworth and Purda (2020) supplement this view of financial self-efficacy by introducing the additional construct

of Financial Advice Seeking Self-Efficacy. They coin this term FASSE and define it as one's belief that they are capable of successfully working with a financial professional. Elements of FASSE include knowing where to seek out financial help, being able to correctly identify a professional's expertise, familiarity with the products and services that are available, and feeling confident of receiving good value for fees that are paid.

The distinction between financial self-efficacy and FASSE is motivated by two significant findings. The first is that individuals show a great deal of confusion and unfamiliarity with financial professionals overall and are generally naïve about the services they offer, their credentials, and expertise. This confusion acts as a barrier to financial advisor engagement in that individuals are not sure where to turn or what to ask for in seeking financial help. The second motivating finding is that financial self-efficacy and FASSE are found to influence consumers' attitude towards financial professional adoption in distinct and conflicting ways. We describe both of these motivating findings in detail below, followed by a discussion of how they relate to the value proposition behind securing financial advice and ultimately guide the development of our experiments.

a) Consumer Knowledge of Financial Services and Professionals

Ashworth and Purda (2020) survey over 150 individuals to establish a baseline indication of consumers' familiarity with a variety of financial professional titles, the extent to which they differentiate between them, and their overall familiarity with the elements that constitute financial planning. Consumers were asked to anchor their measures of familiarity by first identifying professions they considered themselves to be both very familiar and unfamiliar with. Based on this identification, they answered a series of questions related to the titles of financial planner, financial advisor, investment advisor and the Certified Financial Planner (CFP) designation specifically.

Overall, consumers surveyed reported that they were not familiar with any of these professional titles. When asked to think of a job that they knew well, individuals assessed their familiarity with the occupation as being approximately 4.5 out of 5.0 where higher numbers reflect greater perceived familiarity. A job that they perceived themselves to be unfamiliar with was assessed a score of 3.4. In contrast, the specific professional titles of financial planner, financial advisor, and investment advisor were all assigned average values hovering just below 3.0 and the CFP designation specifically had a level of familiarity assigned to it of only 2.0.

These findings are consistent with work by Lach, Reinecke Flynn and Kelly (2019) and Tharp (2019) that suggest consumers know very little about the different titles used to describe financial professionals.

In addition to familiarity across financial titles, Ashworth and Purda examined consumers' familiarity with elements of financial planning as an indication of their awareness of the services offered by financial professionals. Overall, 38% of survey respondents indicated they had a financial plan in place although this proportion varied significantly with an individual's educational background. Among respondents whose highest level of education was high school, 17% suggested that they had a financial plan while this value was approximately 50% for individuals with either a bachelors or doctorate degree and as high as 75% for those with a professional degree.[2] While these rates appear encouraging, we caution that what individual consumers consider to be a financial plan may not truly be comprehensive and may

[2] *Examples of professional degrees include MD, DDS, LLB.*

lack key elements. When specifically asked to identify the extent to which various aspects should be included in a financial plan, survey respondents ranked retirement savings as the most important. This was followed by the inclusion of budgeting and debt management considerations. Least likely to be included were elements involving estate planning, insurance, and taxation. While financial professsionals would consider these elements to be important components of a plan, they do not rank highly among survey respondents suggesting that consumers are on average unaware of the full range of services offered by financial professionals.

b) Consumer Attitudes Towards Financial Professional Adoption

Having established that consumers are on average unfamiliar with various financial professionals and the services they provide, Ashworth and Purda explore the extent to which this confusion leads to low self-efficacy with regards to one's ability to successfully work with a financial professional. Individual's level of FASSE was measured and related to one's overall attitude towards engaging with a financial professional and whether or not they reported having actually consulted with a professional in the past. Additional psychological characteristics identified through interviews as potentially influencing financial professional adoption were also examined.

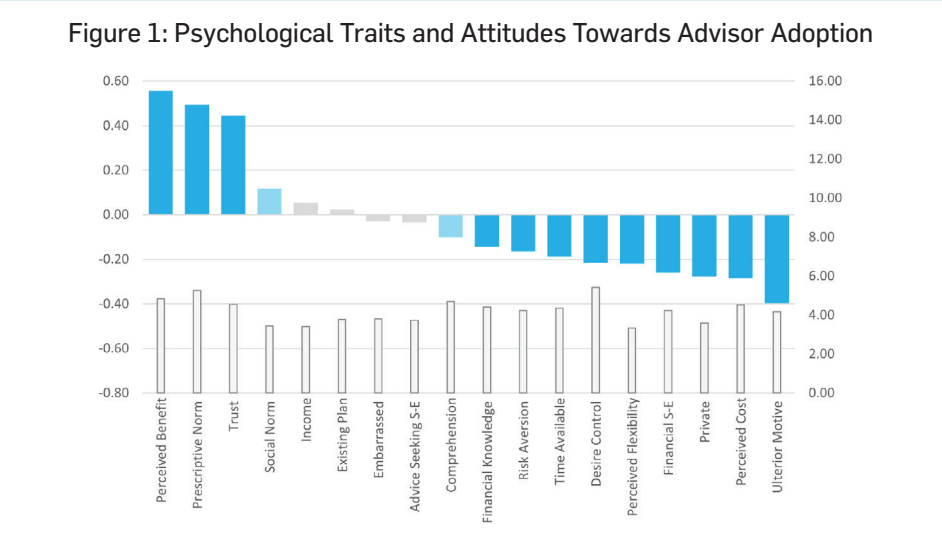
The full list of characteristics included:

- perceived need for advice, its costs and benefits;
- a desire to avoid financial discussions;
- embarrassment;
- concerns about privacy;
- the influence of peer pressure (social norms);
- perceptions of what should or should not be done to manage finances (prescriptive norms);
- concerns of trust or ulterior motives among financial professionals;
- financial literacy;
- risk tolerance;
- desire to be in control;
- financial self-efficacy;
- financial advice seeking efficacy (FASSE)

Figures 1 and 2 report highlights from the survey of approximately 430 individuals and further motivate the distinction between financial self-efficacy and FASSE while identifying other key influences on consumer attitudes towards advisor use. Attitude was measured through the use of a composite score derived by survey responses across three questions (e.g., "I like the idea of getting professional financial advice for myself"). The most influential characteristics are presented at the ends of Figure 1, with strong positive correlations associated with a positive attitude towards seeking financial advice and strong negative correlations associated with an aversion to seeking advice. From the figure we see that the characteristics with the strongest relation to attitude relate to the perceived costs and benefits of working with a financial professional in addition to whether these professionals are deemed to be trustworthy or operating with an ulterior motive outside the client's best interests. Measures of an individual's perceived financial knowledge and their financial self-efficacy are negatively associated with a favourable attitude towards working with a financial professional. This suggests that as individuals become more confident in their financial know-how they may be less favorably pre-disposed to seeking professional assistance.

Figure 1: Psychological Traits and Attitudes Towards Advisor Adoption

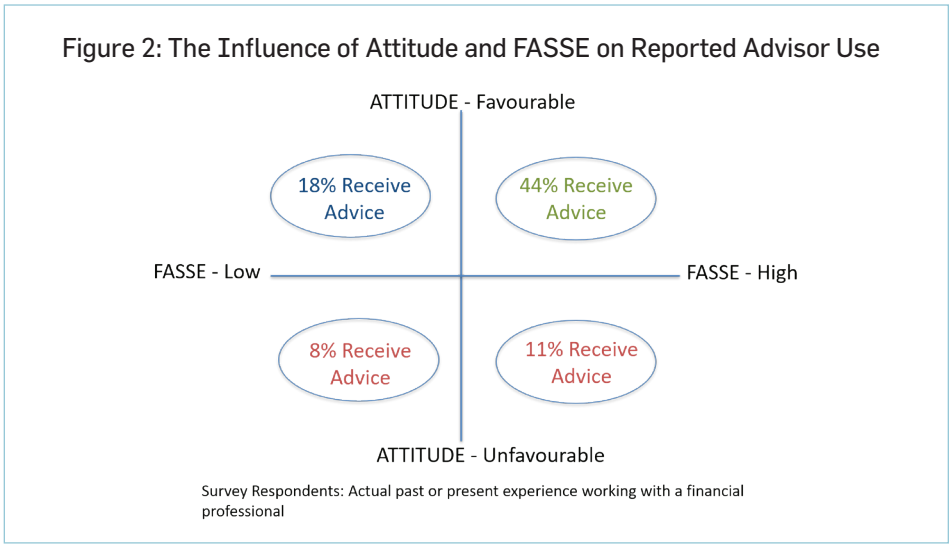
The bottom bar graph shows average responses on the strength of certain psychological characteristics among survey participants. Higher responses indicate that survey respondents feel more strongly about the characteristic with the relevant scale being on the right. The upper bar graph shows the correlation between these same psychological characteristics and ones' attitude towards working with a financial professional. Attitude is derived from survey responses to three questions. Correlation measures are indicated by the scale on the left.



The newly introduced measure of FASSE shows very little correlation with attitude towards seeking financial advice, despite its prevalence in the interviews and first survey. To establish the interplay between the two, we present Figure 2 which is a two-by-two grid measuring both attitude and FASSE as being either high or low. The result is a quadrant where we categorize respondents into one of four categories. Individuals can have both a negative attitude towards working with a financial professional and little confidence that they have the knowledge or skills to do so (Low Attitude, Low FASSE) or can rank highly on both attitude and advice seeking self- efficacy (High Attitude, High FASSE). Alternatively, results may be mixed where an individual feels a strong positive attitude towards financial advice but fears they have little ability to secure this advice (High Attitude, Low FASSE) or have a very poor attitude towards seeking advice but believe they have the skills to do so (Low Attitude, High FASSE). For each quadrant we provide the proportion of survey respondents who report having used a financial advisor in the past.

Figure 2: The Influence of Attitude and FASSE on Reported Advisor Use

The figure reports the proportion of survey respondents who indicate they have used a financial professional within each of four quadrants defined by their attitude towards using a financial advisor (favourable or unfavorable) and their self-perceived ability to successfully work with one (high or low FASSE). Financial advisor use is most common for individuals who report both a favourable attitude and a high level of FASSE.



What we see from Figure 2 is the strong role that both attitude and FASSE play. Rates of financial advisor use across the general population typically hover around 20%[3]. When attitude towards advisor use is unfavourable, this falls to around 10%. A favourable attitude, but with low confidence that one can successfully engage with a professional lifts advisor use to 18%. In contrast, advisor adoption jumps to 44 % of respondents when both FASSE and attitude are high. This suggests that boosting individuals' FASSE may play a key role in moving people towards soliciting financial advice.

Given the potential importance of FASSE we examine the relation between it and other psychological attributes to get a better understanding of their associations with one another. Results are provided in Table 1. The right hand side of the table lists the psychological attributes explored by the survey and their relation (either positive or negative) to FASSE. For instance, the top two lines show that perceptions of both the cost of financial services and ulterior motives of advisors show negative associations with FASSE. Reducing these perceptions may therefore boost individuals' confidence in their ability to work with a financial professional. Importantly, the left hand side of the table shows how these same psychological characteristics relate to attitude. Again, perceived cost and ulterior motives show a strong negative relation. Reducing these perceptions is associated with a more favorable attitude towards advisor use.

Since a favourable attitude and high FASSE are both needed to promote financial advisor use, psychological traits that influence both attributes similarly are prime candidates for interventions. In other words, if we can actively work to change these

[3] *A recent survey on financial advisor adoption supporting this figure is available at https://www.cnbc.com/2019/04/01/when-it-comes-to-their-financial-future-most-americans-are-winging-it.html*

traits in a beneficial way, they will promote advisor use through the two channels of both attitude and FASSE. We highlight these traits in the table in blue.

Table 1: Psychological Traits and their Relation to Attitude and FASSE

The table identifies consumer psychological traits and the strength and direction of their relation to both one's attitude towards working with a financial professional and perceived capability of doing so (FASSE). Elements in blue similarly relate to both attitude and FASSE. For example, perceived cost negatively relates to attitude and FASSE suggesting that if perceptions of cost can be reduced, attitude and FASSE would both increase. Elements in red, influence attitude and FASSE in opposite directions. For instance, reported financial knowledge decreases ones' attitude towards advisor use but boosts FASSE. Elements in black show only weak associations with attitude or FASSE, not both.

Table 1: Psychological Traits and their Relation to Attitude and FASSE

Attitude toward Advice	Advice Seeking Efficacy
Perceived cost (-)	Perceived cost (-)
Ulterior motive (-)	Ulterior motive (-)
Private (-)	Private (-)
Perceived flexibility of money (-)	Perceived flexibility of money (-)
Risk aversion (-)	Risk aversion (-)
Perceived benefits (+)	Perceived benefit (-)
Prescriptive norm (+)	Prescriptive norm (-)
Comprehension of situation (-)	Comprehension of situation (+)
Time available (-)	Time available (+)
Financial self-efficacy (-)	Financial self-efficacy (+)
Financial knowledge (-)	Financial knowledge (+)
Trust (+)	Embarrassment (-)
Desire control (-)	Existing plan in place (+)
Social norm (+)	Income (+)

Lower in Table 1, we list psychological characteristics that are seen to hold different associations with attitude and FASSE. For instance, financial knowledge and financial self- efficacy are both seen to be positively associated with FASSE but negatively associated with attitude. This suggests that a goal of improving financial literacy, for example, may promote improved levels of FASSE but have the unintended consequence of lowering attitudes towards advisor use. Consistent with the findings of Tang and Hu (2019), improved financial knowledge may reduce advisor adoption through an unwillingness to delegate financial decisions.

The findings in Table 1 and Figure 2 demonstrate the important role that FASSE plays in advisor adoption and highlight that this role is different from that of financial self-efficacy in general. Table 1 forms the foundation for subsequent experimental interventions by establishing the psychological characteristics most likely to drive advisor adoption through their dual role on FASSE and attitude. We discuss the development of our experimental framework in the next section by examining how these characteristics can help enhance the value proposition behind financial advisor use.

c) The Value Proposition Behind Financial Professional Adoption

During exploratory interviews, consumers frequently questioned the value of working with a financial professional. Mirroring these concerns were comments from financial

professionals that "the value proposition needs to work from both perspectives" and "for the consumer, the value proposition is not there because they don't know enough about it." These comments are consistent with survey findings on the overall level of confusion surrounding financial professionals, the potential role of FASSE, and the importance of understanding the benefits and costs of securing financial advice. Building on these observations, we conceptualize the value proposition associated with seeking financial advice as the equation below:

$$\text{Value Proposition} = \frac{Benefits\ Received}{Resources\ Spent}$$

This presentation of the value proposition associated with financial advice is broad enough to cover a wide range of potential benefits and resources spent. For instance, it can capture the ongoing debate as to whether financial advice benefits consumers by providing enhanced investment returns (Lei and Yao, 2016; Hackethal, Halissos, and Jappelli, 2012; Anderson and Martinez, 2008, Metrick, 1999) while also being used to describe psychological benefits or positive behavioural changes associated with professional guidance (Hung and Yoong, 2010; Marsden, Zick and Mayer, 2011). Similarly, the denominator in the value equation can be expanded to include fees paid, amount of time devoted to engaging with a financial professional, or the loss of flexibility or liquidity associated with commitment to a financial plan. While we do not explore all of these alternative interpretations associated with benefits received or resources spent, conceptualizing value in this way is nevertheless useful to illustrate the broad range of factors that contribute to consumer judgement of value in the context of financial services.

Figure 3: Conceptualization of Value Proposition

The figure anchors the experimental interventions into two categories: i) those that refer to the benefits received by engaging with a financial professional and ii) those that refer to the resources spent in order to secure professional financial help. Benefits related to professional expertise and services provided may have implications for financial advice seeking self-efficacy (FASSE) as some interventions inform participants about professional credentials and services offered.

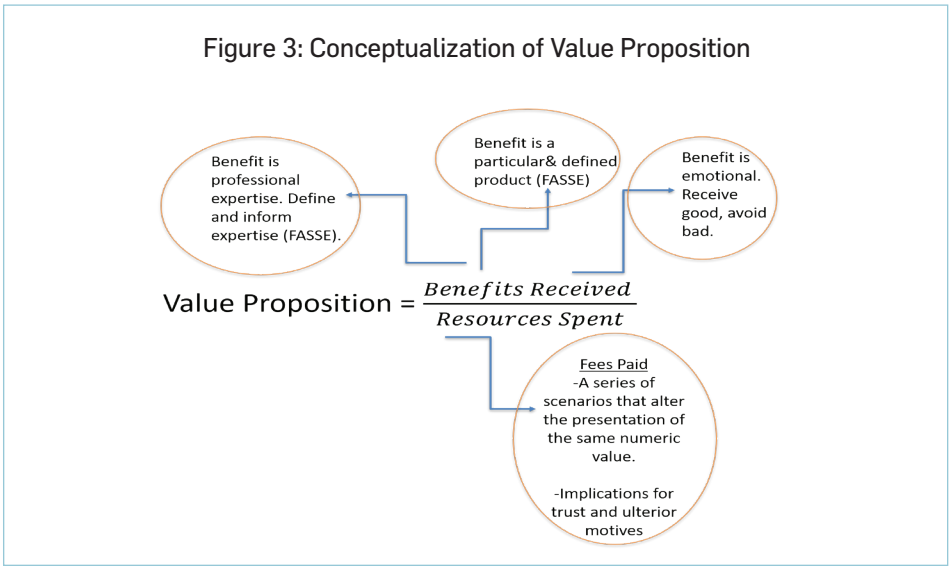


Figure 3 illustrates this conceptualization of value with our various categories of experimental interventions mapped along side it. In total, we conducted 14 different interventions, organized within four categories. The first three categories dealt with changes to the numerator and corresponded to i) benefits associated with expertise ii) benefits associated with services provided and iii) benefits associated with emotional outcomes. Appendix tables A.1. and A.2. provide specific experimental conditions that illustrate different ways that these benefits were conveyed. For example, Table A.1. shows alternative ways in which the credentials of a particular financial professional were represented, ranging from a complete description of the requirements satisfied in order to obtain a particular designation to a general description of expertise. The specifics of these alternative descriptions and the motivation behind each is described in more detail in the next section on experimental methodology. For now, it is important to note that each scenario was preceded by the same preamble, provided below, that asked the experimental participant to imagine that they were considering engaging with a financial professional for help with a variety of tasks.

> *Imagine you have been thinking about your financial situation. You currently feel uncertain about whether you are managing your finances in the right way. You wonder whether you are saving enough money (e.g., for retirement, for your house, for your children's education, in case of an unexpected emergency such as losing your job or getting sick, etc.) and whether you are putting that money in the right investments. You also wonder if you are missing out on tax-saving opportunities and other government credits and incentives. One of the things you are considering is using a financial professional to help you develop a plan and manage your finances.*

Participants were then provided with a description of a particular financial professional and asked to answer a series of questions corresponding to this professional. Questions considered perceptions of the professional's expertise, trustworthiness, capabilities, ulterior motives, cost, and the consumer's overall attitude towards working with the professional. The five variations provided in Table A.1. differ in how the professional's expertise was presented. The variations provided in Table A.2. altered the suggested outcomes that would occur upon engaging with the professional. These outcomes were conveyed to describe particular services provided or elicit positive or negative emotions. Some scenarios described positive emotional outcomes such as feeling secure or confident while others emphasized avoiding negative outcomes such as feeling unprepared.

Turning to the denominator of the value proposition, Figure 3 illustrates that our conceptualization of resources spent referred to fees paid for securing the financial advice. Table A.3. provides the five experimental interventions examining variations in the way that fees were presented to consumers. Again, consumers read the same preamble outlining an imagined scenario where they were considering financial advice. In this setting, however the preamble was expanded to provide a description of the value of assets that would be involved to allow for calculation of a specific fee paid in some scenarios.

The financial professional also does some calculations and estimates that the total financial value of everything that they would manage for you as part of the plan would be approximately $100,000.

You say to the financial professional that one of the main things you would like to know at this point is the total cost for all of their services.

Based on this additional information, five alternative expressions of fees were provided including a percent of assets under management, a flat fee, commission-based payment, and various hourly rates. Importantly, the actual dollar value paid was set to be equivalent across all scenarios. Participants were again asked to answer a comprehensive set of questions designed to measure their attitude towards securing financial advice, perceptions of professional expertise, and the professional's underlying motives based on the scenario they were provided.

III. Experimental Methodology

a) Overview

The purpose of the experiments was to test the ability of simple interventions to increase the likelihood consumers would consider employing professional financial services. Results of the survey indicated that perceived benefits and costs were closely related to both consumers' attitude toward using professional financial services and FASSE, suggesting they would be good candidates for the experimental interventions. The survey results, however, were entirely correlational and provided little insight about interventions that may affect these perceptions. The purpose of the experiments, then, was to test the ability of simple interventions to change benefit and cost perceptions and to examine whether changes in these perceptions would affect consumers' attitudes and FASSE.

b) Method

855 Canadians were recruited from the Prolific online panel (see Table 2 for a description of participants). All experiments were run simultaneously using a custom online experiment platform. Participants were provided a limited amount of (hypothetical) background information about their financial situation (our preamble, which was identical across experimental conditions) and were randomly assigned to view either one of nine different descriptions of the financial professional and benefits provided (Appendix Tables A.1. and A.2) or one of five different fee structures (Appendix Table A.3).

Table 2: Sample Characteristics

The table provides details of the demographics of the experiment participants. Panel A provides general details related to gender and age while Panels B and C provide more detailed information on education level and income specifically.

Table 2: Sample Characteristics

Panel A: Sample Overview	
Number of Participants	855
Proportion Female	48%
Median Age Category	30-34 years
Panel B: Educational Background	
Highest level obtained	Proportion of Sample
Some High School	1.43%
High School	21.93%
Trade	15.61%
Bachelors Degree	43.27%
Professional Degree (LLB, MD, DDS)	3.46%
Masters	12.75%
Doctorate	1.55%
Panel C: Household Income	
Income Level ($)	Proportion of Sample
0-9,999	3.43%
10-24,999	10.55%
25-49,999	18.17%
50-74,999	21.35%
75-99,999	18.55%
100-124,999	11.69%
125-149,999	5.08%
150-174,999	4.57%
175-199,999	2.03%
200,000+	4.57%

c) Experimental Conditions Examining Benefits of Financial Professional Use

551 of the participants were assigned to experimental conditions investigating the impact of information highlighting different aspects of the benefits of professional financial services. We investigated two broad aspects of the benefits of professional financial services: indirect information about the benefits conveyed through financial professionals' qualifications (and, in particular, the CFP certification) and direct descriptions of the benefits provided at different levels of abstraction (e.g., specific services offered such as the features of a financial plan vs. the impact on consumers' emotional well-being).

In total, there were nine different conditions: one control condition, four conditions that tested aspects of financial professionals' qualifications (Table A.1.), and four conditions testing different representations of the benefits of using such services (Table A.2).

The control condition included no additional information about the fictious financial professional named Leslie Gilmour (i.e., no information about certification or description of the benefits provided beyond the high-level description of services). The first of the qualification conditions (the "CFP only" condition) included the CFP designation after Leslie's name and indicated that Leslie was a "registered Certified Financial Planner (CFP)." The second qualification condition ("IFP" condition) indicated Leslie was an IFP ("a registered Independent Financial Planner (IFP)"), a fictitious designation that would allow us to test whether any positive effects of the CFP designation were due to legitimate knowledge of the CFP certification versus the heuristic value of certification. The third qualification condition ("CFP and non-certified comparator" condition) was identical save for the addition of a second financial professional, Robin Hanson, whose services were described in a similar manner, but who had no certification. This was to test whether the explicit comparison to a non-certified professional might help elevate (or be necessary to elevate) the perceived benefits of using a CFP. The final qualification condition ("CFP explanation" condition) was identical to the first qualification condition, with the addition of a short description of what the CFP certification involves (e.g., "pass a national exam," "three years of qualifying work experience," and "a Code of Ethics"). This description was taken directly from the FP Canada Website.

All four of the direct-benefit conditions in Table A.2. described Leslie as a CFP (identical to the "CFP only" condition). The first of the direct-benefit conditions ("Concrete benefits") included an itemized description of the specific components of the "comprehensive financial plan" that Leslie could develop (e.g., retirement planning, tax optimization, and estate planning). The second direct benefit condition ("Abstract approach benefits") described the benefits of using professional financial services in terms of the positive affective impact on consumers (e.g., "feel good about your finances" and "feel secure in your future"). Industry communications often appear to emphasize such positive emotional benefits. This condition would serve as a direct test of the efficacy of these appeals. The third direct-benefit condition ("Verified abstract approach benefits") was designed to address the possibility that abstract benefits alone may be too distal to be seen as credible outcomes of financial services. Consequently, we included a condition that described the same abstract benefits but as reported from surveys of consumers. Similar evidence-based descriptions of the positive outcomes of using professional financial services have been used in industry communications.

The final direct-benefit condition ("Abstract avoidance benefits") examined the relative efficacy of presenting abstract benefits in an avoidance frame (e.g., "don't have to worry about your finances" rather than "feel good about your finances"). There is some evidence that avoidance frames are more effective in prevention-focused contexts and individuals (e.g., Keller et al., 2003). Because certain financial decisions can involve a prevention focus (Zhou and Pham, 2004), we test whether avoidance frames appealing to individuals' desire to avoid negative emotions can be more effective in motivating people to seek professional financial services.

Measures: All items were measured along seven-point scales. The primary dependent variable was consumers' attitude toward using the financial services, which we measured with two items (α = .91[4]). We also measured the perceived qualifications of the financial professional (two items) (α= .91), the perceived benefits from working with a professional

[4] *Cronbach's alpha (α) is a commonly used measure of the internal consistency of a set of items. Values above .70 are generally considered acceptable for multiple-item measures.*

(six items) ($\alpha = .75$), perceptions that the financial professional possessed an ulterior motive (four items) ($\alpha = .77$), and FASSE (measured with six of the survey items adapted for the current context) ($\alpha = .83$).

Results: All dependent variables were analyzed with 9-level one- way analysis of variance tests (ANOVAs). These analyses compare the means (Ms) across the nine experimental conditions. Specifically, they provide a probability estimate, derived from an F statistic (reported where appropriate), that the associated population means are equivalent.

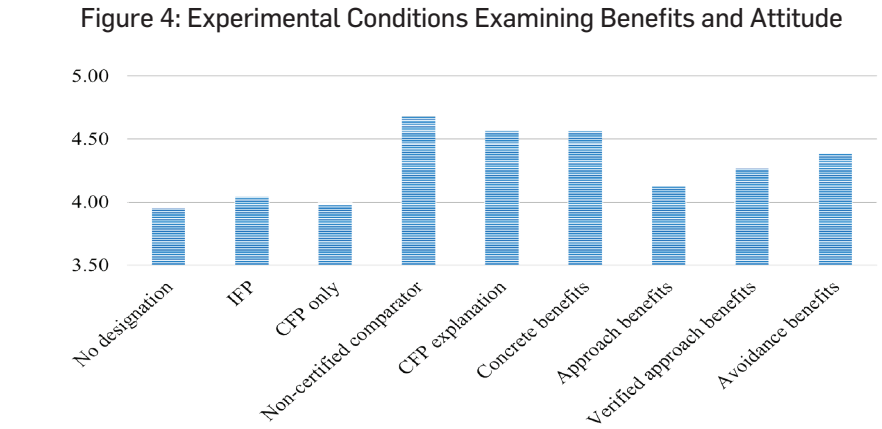
Conventionally, probabilities (p values) below .05 are taken as evidence for population-level differences, with the differences across means being described as "significant"[5]. ANOVAs provide an omnibus test of mean differences (described as a "main effect") but do not, by themselves, indicate which means differ from other means. Consequently, we follow up significant main effects with pairwise comparisons of means of interest (although there are different follow-up tests, we use "least significant difference" follow-up tests per convention).

There was a significant main effect of experimental condition on attitude toward using the financial services ($F(8, 538) = 3.87$, $p < .001$) suggesting (population-level) differences in attitudes across the nine experimental conditions representing benefits of advice. Least significant difference follow-up analyses indicated that, relative to the control condition (in which no professional designation was provided) ($M = 3.95$), the CFP designation elevated attitudes towards obtaining financial advice only when in the presence of a non-certified financial professional ($M = 4.68$, $p < .001$) and when there was an explanation about the nature of the certification and the requirements needed to obtain it ($M = 4.57$, $p < .001$). Neither the CFP certification alone ($M = 3.98$, $p > .85$) nor the artificial certification of "Independent Financial Planner" ($M = 4.04$, $p > .60$) raised attitudes significantly above the control condition. These results are illustrated in Figure 4 which shows average attitude towards financial professional use. Higher values represent a more positive attitude. The elevated values for attitudes toward using a CFP when seen alongside a non-certified professional (CFP and non- certified comparator condition) and when the requirements of the CFP standard are described (CFP explanation condition) can be clearly seen. The figure and corresponding statistical tests suggest that relatively simple enhancements to the way professionals' credentials are presented can be effective ways to improve attitude towards advisor adoption.

[5] *For p-values < .05, we indicate when they are also < .01 and .001 per convention. For p-values > .05, we report the largest multiple of .05 below the p-value (e.g., p > .60).*

Figure 4: Experimental Conditions Examining Benefits and Attitude

The figure anchors the experimental interventions into two categories: i) those that refer to the benefits received by engaging with a financial professional and ii) those that refer to the resources spent in order to secure professional financial help. Benefits related to professional expertise and services provided may have implications for financial advice seeking self-efficacy (FASSE) as some interventions inform participants about professional credentials and services offered.



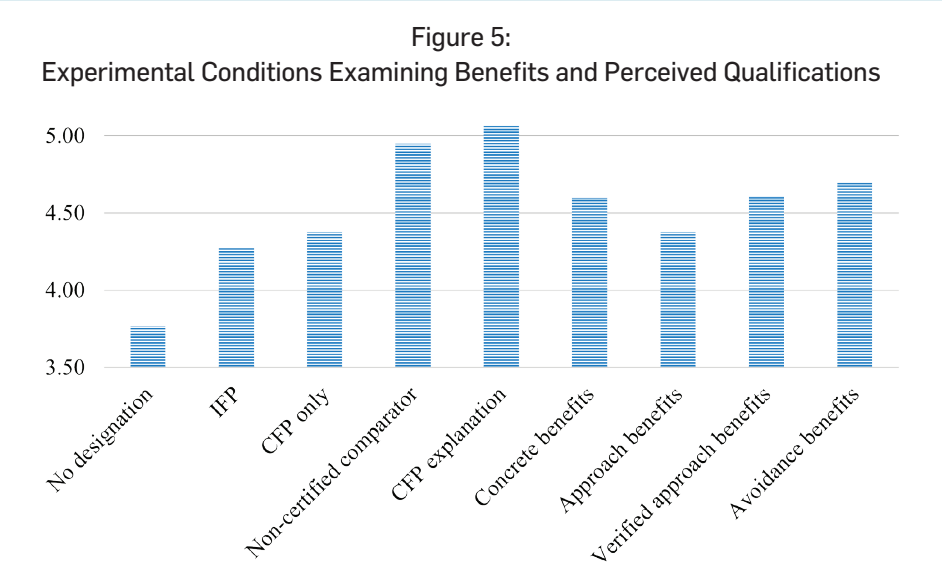
We next examine the scenarios that included direct statements of the benefits of using professional financial services, including the concrete benefits (a list of specific components of the financial plan) and the abstract benefits (the positive emotions and avoidance of negative emotions that come from working with a financial professional). Recall that there were three versions of the abstract benefits: a description of the positive emotional outcomes, either with or without verified survey evidence (the "abstract approach benefits" and "verified abstract approach benefits" conditions), and a description of the negative emotions avoided ("abstract avoidance benefits"). Only the abstract avoidance benefits ($M = 4.39$, $p < .05$) elevated attitudes towards financial professional use. Neither of the two abstract benefits eliciting positive emotions significantly increased attitude relative to the control condition (*M*s = 4.13 and 4.27, *ps* > .35 and 10 respectively).

Next, we examined the impact of the different scenarios on participants' perceptions of how qualified the financial professional was. There was a significant main effect of experimental condition ($F(8, 536) = 10.52$, $p < .001$), indicating the different information provided across conditions affected these perceptions. Figure 5 illustrates how qualified participants perceived the financial professional to be in each condition. Follow-up analyses showed that both the CFP certification ($M = 4.38$, $p < .01$) and the artificial certification (IFP) ($M = 4.28$, $p < .01$) increased participants' perceptions about how qualified the financial professional was relative to the control (no certification) ($M = 3.77$). However, the CFP certification had no impact beyond the artificial certification (*M*s = 4.38 vs. 4.28, $p > .55$), suggesting the positive effect of certification was due to the mere presence of a certification (i.e., a heuristic effect) rather than any knowledge about the meaning of the certification. Consistent with these findings, all of the other conditions (all of which described the financial professional as a CFP) increased beliefs that the financial professional was more qualified than in the control condition (*ps* < .01). Relative to the CFP certification alone, beliefs about how qualified the financial professional

were further improved in the presence of a non-certified financial professional ($M = 4.95$, $p < .001$) and when the CFP certification was explained ($M = 5.07$, $p < .001$). None of the direct benefit conditions (expressed as concrete benefits or as any of the variety of abstract benefits) elevated beliefs about how qualified the financial professional was beyond the CFP certification alone (*ps* > .15).

Figure 5: Experimental Conditions Examining Benefits and Perceived Qualifications

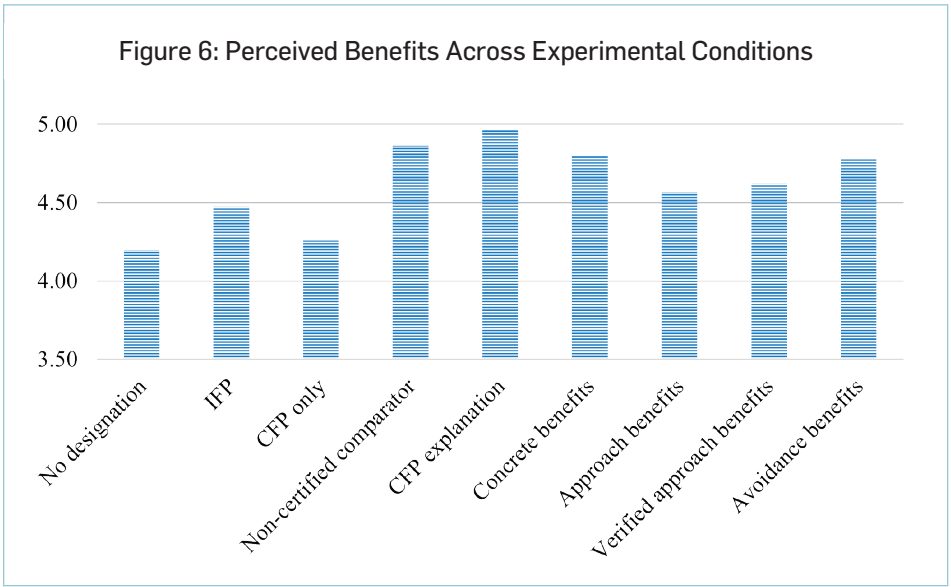
The figure provides the average response for sample participants across questions designed to assess the participant's perception of how qualified a financial professional is. Higher values indicate a more positive view of qualifications. Possible values range from 0 to 7. Mean values are reported across 9 experimental scenarios designed to express benefits to financial advisor use as relating to expertise, particular services provided, or emotional outcomes. Details of the experimental conditions are provided in Table A.1. and A.2.



We next examined whether the various presentations of financial professionals and their credentials influenced perceptions of the benefits of working with a professional. A significant main effect of experimental condition ($F(8, 541) = 4.22$, $p < .001$) indicated that the information provided in the different scenarios impacted participants' perceptions of the benefits of professional financial services. Figure 6 shows the average perceived benefit in each condition and reveals a similar pattern of results across conditions as with participants' attitude toward using a financial professional. Follow-up analyses showed that neither the CFP certification alone ($M = 3.92$, $p > .70$) nor the artificial certification ($M = 4.14$, $p > .10$) increased perceived benefits relative to the control. However, the CFP certification led to higher perceived benefits than the control condition ($M = 3.86$) in the presence of a non-certified financial profession ($M = 4.53$, $p < .001$) and when the CFP certification was explained ($M = 4.63$, $p < .001$). Unlike attitudes, all direct benefit conditions (i.e., concrete benefits and all versions of the abstract benefits) increased perceived benefits relative to the control (*ps* < .05). Although appealing to emotions did not influence individuals' attitude toward using a financial professional in general, eliciting both positive and negative (avoidance) emotions did seem to have some

Figure 6: Perceived Benefits Across Experimental Conditions

The figure provides the average response for sample participants across questions designed to gauge the extent to which they perceive there to be benefits to obtaining financial advice. Higher values indicate greater perceived benefits with possible values ranging from 0 to 7. Mean values are reported across 9 experimental scenarios designed to express benefits to financial advisor use as relating to expertise, particular services provided, or emotional outcomes. Details of the experimental conditions are provided in Table A.1. and A.2.

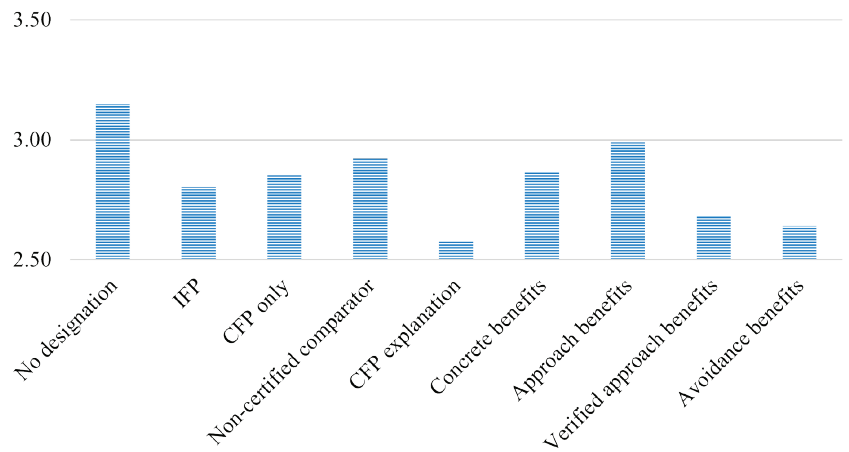


The extent to which consumers perceive benefits to working with a financial professional may be influenced by their perception that the professional is working in their best interests. Our measure of ulterior motives was designed to capture this possibility. Means across conditions are shown in Figure 7. Lower values correspond to reduced concerns about ulterior motives. A significant main effect of experimental condition ($F(8, 541) = 2.09$, $p < .05$) indicated that perceptions of ulterior motives differed across the different scenarios. Follow-up analyses showed that, although the CFP certification reduced perceptions of ulterior motives relative to control (*M*s = 2.86 vs. 3.15, $p > .05$), the difference did not quite reach standard criterion for significance. Notably, the CFP certification with an explanation ($M = 2.58$, $p < .01$), the verified abstract approach benefits ($M = 2.69$, $p < .01$), and the abstract avoidance benefits ($M = 2.64$, $p < .01$) conditions all reduced perceived ulterior motives relative to the control. Certainly, descriptions of professional standards and a code of ethics appear to provide some degree of comfort to consumers that the professional is acting in good faith. Consistent with other dependent variables, the control scenario with no details of professional credentials was assessed most poorly by consumers along the dimension of ulterior motives.

Figure 7: Experimental Conditions Examining Benefits and Perceived Ulterior Motives

The figure provides the average response for sample participants across questions designed to gauge the extent to which they perceive the financial professional to have ulterior motives. Higher values correspond to greater concerns of these motives. Possible values range from 0 to 7. Mean values are reported across 9 experimental scenarios designed to express benefits to financial advisor use as relating to expertise, particular services provided, or emotional outcomes. Details of the experimental conditions are provided in Table A.1. and A.2.

Figure 7:
Experimental Conditions Examining Benefits and Perceived Ulterior Motives

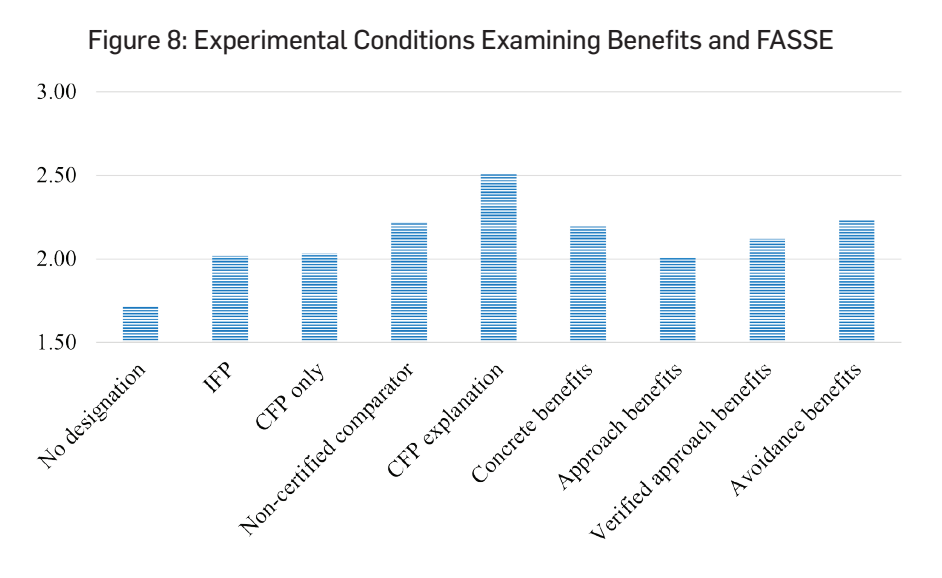


Our previous work highlighted the important roles of both attitude and FASSE in encouraging the use of financial professionals. Our various descriptions of financial professionals have been seen to change attitudes towards financial advisor use but may also help to inform or educate consumers on the various credentials available. Clearly the results on perceived qualifications suggest that consumers assess financial professionals differently once they are more aware of the profession, its relevant designations, and what was required to obtain a designation specifically. While these findings seem consistent with an improvement in FASSE, we turn next to directly testing whether average FASSE differs across the experimental scenarios.

There was a main effect of experimental condition on FASSE ($F(8, 541) = 2.62$, $p < .01$) again, suggesting (population-level) differences in FASSE across the different scenarios. Follow- up analyses illustrated in Figure 8 showed a similar pattern of results to the attitude measure: relative to control ($M = 1.72$), neither the CFP certification alone ($M = 2.03$, $p > .05$) nor the artificial certification ($M = 2.02$, $p > .10$) increased FASSE. However, the CFP certification in the presence of a non-certified financial profession ($M = 2.22$, $p < .01$) and the CFP certification with an explanation of the certification ($M = 2.51$, $p < .001$) increased FASSE, as did three of the four direct benefits conditions (concrete benefits ($M = 2.20$, $p < .05$), verified abstract approach benefits ($M = 2.12$, $p < .05$), and abstract avoidance benefits ($M = 2.23$, $p < .01$)). The abstract approach benefits without evidence did not significantly differ from the control condition in this case ($M = 2.01$, $p > .10$).

Figure 8: Experimental Conditions Examining Benefits and FASSE

The figure provides the average response for sample participants across questions designed to gauge their financial advice seeking self-efficacy (FASSE). Possible values range from 0 to 7 with higher values indicating that individuals perceived themselves to be more capable of successfully engaging with a financial professional. Mean values are reported across 9 experimental scenarios designed to express benefits to financial advisor use as relating to expertise, particular services provided, or emotional outcomes. Details of the experimental conditions are provided in Table A.1. and A.2.



These findings have significant implications for the finance industry and professionals operating within it. Small changes to the presentation of professional credentials influence both attitude and FASSE in a similar way. Presenting the precise elements of a financial plan for instance, or detailing for potential clients the requirements needed to be satisfied in order to obtain a certain professional designation, serve to boost not only attitude towards financial professional use but also FASEE., both of which are key to changes in behavior.

Overall, there was a robust pattern of results across measures. The CFP designation alone appeared to have little impact and, when it did, no detectable improvement over an artificial designation. However, in the presence of a clearly uncertified financial professional, when accompanied with a description of the certification, or when accompanied by an explanation of the product or (avoidance-framed) benefits, the CFP certification was capable of elevating all reactions in a positive direction. When little information was provided about a professional's designation or specific professional credentials, consumers respond poorly. The control condition that lacked these details resulted in weaker attitudes towards working with a financial professional, lower perceived benefits, lower FASSE, and higher assessments of ulterior motives.

d) Experimental Conditions Examining Fee Structure

304 of the participants were assigned to experimental conditions investigating the impact of the fee structure used by professional financials. These conditions used the same opening information as in the benefits experimental conditions, but, to facilitate including information about fees in the scenario, participants in all conditions were provided with some additional information so that fees could be calculated. We constructed five different commonly used fee structures or variants thereof (Table A.3). In all structures, the total cost to participants was the same, $1,500 per year. Participants read that the fee was based on a percentage (1.5% of total finances managed), commission, a flat fee, or an hourly rate. We included two versions of the hourly rate – one that merely described the fee as being based on an hourly rate and one that specifically included an estimate of the number of hours worked and the hourly rate ($200/hour).

Measures: In addition to the measures collected in the previous experiment, we measured the perceived expense of the services (three items) (α = .85).

Results: All dependent variables were analyzed with 5-level one-way ANOVAs. As in the experimental conditions focused on benefits, most relevant among these were measures of attitude towards financial advisor use, FASSE, perceived benefits, qualifications, and ulterior motives. There were no significant effects of experimental condition across dependent variables (Fs = .44 – 1.64, ps > . 15 – .70), meaning there were no effects of the different fee structures that could be distinguished from chance at the standard criterion for statistical significance.

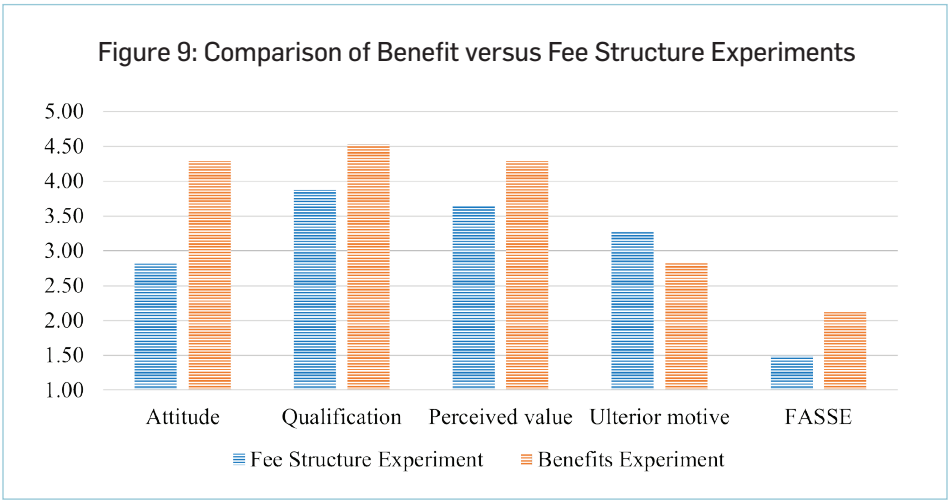
A MANOVA comparing all means in the fee structure experiment to all of the equivalent means in the benefits experiments, however, revealed a highly significant effect of the two experiments (Wilk's α = .011, F(6, 837) = 12,296.73, p < .001). Note that this, and all of the following analyses, aggregates across the individual conditions within each of the two experiments, comparing only the overall mean on each measure within the fee structure experiment (conditions outlined in Table A.3.) to the overall equivalent mean in the benefits experiment (conditions from Tables A.1. and A.2).

The MANOVA is a multivariate analysis, examining all of the measures simultaneously. The significant result here needs to be followed by individual analyses of each measure to determine which of the measures differed across the two experiments. Follow-up ANOVAs showed that reactions were universally less positive in the fee structure experiment than in the benefits experiment (i.e., all means were significantly lower in the fee structure experiment than in the benefits experiment) (Fs(1, 842) = 44.61 – 413.44, ps < .001). These results are presented in Figure 9. From the figure we see that participants' attitudes towards financial advisor use were less positive in the fee structure experiments. FASSE, perception of benefits, and professional qualifications were also all assessed to be lower in the experiments focused on fee structure while perceived ulterior motives were found to be higher. Either the mere presence of the fee created more negative responses or, more likely, the amount of the fee (within industry norms) was considered unreasonable. These findings suggest that there is no advantage to financial professionals in choosing to display their fees in any of the ways illustrated by our scenarios.

Nevertheless, our interviews and surveys emphasized the importance of the resources spent to engage with a financial professional, consistent with the overall lower attitude measures across the fee scenarios. We leave it to future research to examine whether alternative presentations of these resources significantly influence the important variables of attitude and FASSE.

Figure 9: Comparison of Benefit versus Fee Structure Experiments

The figure provides mean values assessing consumers attitude towards engaging with a financial professional and their perceptions of the professional's qualifications, the perceived benefits they provide, and whether they have ulterior motives. Average FASSE across experimental participants is also reported. For each measure the figure compares average values across experimental conditions exploring the benefits of financial advisor use as presented in Tables A.1. and A.2. with experimental conditions changing the presentation of fees (Table A.3.).



IV. Conclusions

We use a multi-faceted approach to probe deeply the potential psychological barriers to working with a financial professional. Building on Ashworth and Purda (2020), we draw from interviews and surveys to identify these barriers within the conceptualized framework of the value proposition associated with professional financial advice. While consumers and financial professionals speak of the value of financial advice in general terms, we show that it can be articulated more clearly through a definitive description of benefits received from financial professionals versus the resources spent to secure these benefits. Importantly, articulating the value proposition in this way allows us to conceive of possible interventions that will change consumer perceptions about benefits and cost.

We design and execute 14 experiments which describe benefits and resources spent in detail. Related to benefits, we examine professional expertise, the specific products and services associated with working with a financial professional, and emotional outcomes. These outcomes may elicit positive feelings or allow the consumer to avoid negative ones. With respect to resources spent, we articulate fees for working with a financial professional in a variety of ways.

In all cases, we examine how experiment participants assigned to various descriptions of benefits and resources, feel towards professional advisor use. We examine the extent to which they maintain a positive attitude, perceive the professional to be qualified and provide benefits, and feel confident in their own ability to successfully engage with a financial professional. We emphasize that this confidence, or financial advice seeking self-efficacy, and a positive attitude are both needed in order to encourage consumers' engagement of financial professionals. In addition, we show that FASSE is a unique construct that behaves differently from financial self- efficacy in general.

Of the various experiments that we conduct, we find the most meaningful results among those that present professional expertise in different ways rather than altering the presentation of fees. Consistently, we show that consumers' attitude and FASSE improves when additional detail related to professional credentials and financial services offered are provided. Consumers appear to respond to specific information. Informing them of the precise requirements needed to obtain a professional designation or the services that will be provided as elements of a financial plan boosts both attitude and FASSE. As a result, this additional information can play an important role in removing barriers to obtaining financial advice.

Our study has significant implications for both industry professionals and consumer financial wellness. It is well documented that individuals who could benefit significantly from professional financial advice are frequently reluctant to engage professional help. We have identified reasons why this may be the case, specifically a general lack of awareness and confusion about a variety of elements associated with the financial services industry and professionals operating within it. At the same time that we have documented these potential barriers to financial professional use, we have shown that they can feasibly be removed through the provision of additional information. Small details in the form of professional qualifications and services nudge consumers towards engaging with a financial professional through the dual channels of attitude and FASSE.

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Appendix

Table A.1. Experimental Scenarios: Benefits Received, Expertise

Scenario Description	Excerpt of Wording
1. Control: No Designation	Leslie Gilmour is an experienced financial professional. Leslie will create a personalized roadmap to help you achieve your goals, giving you confidence that you're on the path to future success. Leslie is committed to helping Canadians become better off today and tomorrow* * Italicized portion is repeated in subsequent scenarios
2. CFP	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP)...
3. CFP Compared to No Designation	Robin Hanson has been helping Canadians' develop financial plans for many years. Robin will develop a personalized plan and help you put that plan in action. Robin can provide the kind of expert advice that Canadians need to achieve the financial wellbeing they seek. Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP)...
4. Fictitious Designation	Leslie Gilmour is an experienced financial professional and a registered Independent Financial Planner (IFP)...
5. CFP With Explanation	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP)*... *Certified Financial Planners must complete a rigorous education program, pass a national exam and demonstrate three years of qualifying work experience. CFP professionals must keep their knowledge and skills current by completing 25 hours of continuing education each year. CFPs must also adhere to the CFP Standards of Professional Responsibility, including a Code of Ethics which mandates that CFP professionals place their clients' interests first. The Standards Council vigilantly enforces these standards.

Table A.2. Experimental Scenarios: Direct Benefits Received, Product and Emotional Outcomes

Scenario Description	Excerpt of Wording
1. CFP With Services Provided, Concrete Benefits	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP)... Leslie can help you develop a comprehensive financial plan, including: • Identifying and prioritizing your personal financial goals • Developing a plan for emergencies and unforeseen financial difficulties • Creating a plan for your retirement so you can live comfortably • Creating plans for other important goals, such as buying a house, saving for your children's education, etc. • Making sure your taxes are optimized now and in the future • Ensuring you have the right insurance for your lifestyle and family circumstances • Making a will and estate planning • Developing and managing the right mix of investments for your plan • Creating a monthly budget to make sure you can follow your plan • Being available to help as your plans evolve or through unexpected circumstances
2. CFP with Aspirational Outcome	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP). Leslie will create a personalized roadmap to help you achieve your goals, giving you confidence that you're on the path to future success. Leslie can help you develop a comprehensive financial plan so you can feel good about your finances, you can feel secure in your future, and, ultimately, you can live your life to the fullest.
3. CFP with Aspirational Outcome Verified	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP). Leslie will create a personalized roadmap to help you achieve your goals, giving you confidence that you're on the path to future success. Leslie can help you develop a comprehensive financial plan. Surveys show that Canadians with a financial plan feel better about their finances, have increased feelings of security in their future, and, ultimately, feel better able to live life to the fullest.

Scenario Description	Excerpt of Wording
4. Fictitious Designation	Leslie Gilmour is an experienced financial professional and a registered Certified Financial Planner (CFP). Leslie will create a personalized roadmap to help make sure you don't miss your goals, giving you confidence that you're on a path that avoids future problems. Leslie can help you develop a comprehensive financial plan so you don't have to worry about your finances, you won't feel uncertain about your future, and, ultimately, you can live your life without financial stress..

Table A.3. Experimental Scenarios: Resources Spent, Presentation of Fees

Scenario Description	Excerpt of Wording
1. Percent Fee	The financial professional explains that the cost is based on a percentage of the total finances managed for your plan. The financial professional charges 1.5% per year, which means your total fees would be about $1,500 per year.
2. Flat Fee	The financial professional explains that the cost is based on a percentage of the total finances managed for your plan. The financial professional charges 1.5% per year, which means your total fees would be about $1,500 per year.
3. Commission	The financial professional explains that the cost is based on a percentage of the total finances managed for your plan. The financial professional charges 1.5% per year, which means your total fees would be about $1,500 per year.
4. Hourly Rate Unknown	The financial professional explains that the cost is based on a percentage of the total finances managed for your plan. The financial professional charges 1.5% per year, which means your total fees would be about $1,500 per year.
5. Hourly Rate Known	The financial professional explains that the cost is based on a rate of $200 per hour for their work. The financial professional estimates that, based on seven or eight hours of work per year, the total would be about $1,500 per year.

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