CPA / Wealth Advisor Confidence Survey™

2021 Report July

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2021 Wealth Advisor Confidence Survey Report™

A joint initiative of
The Financial Awareness Foundation
CPA Trendlines and
HB Publishing & Marketing Company, LLC
Investments & Wealth Institute
Elite Resource Team

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Executive Summary – Wealth Advisor's 2021 Confidence Survey Report

Financial Advisors Remain Bullish About their Growth Prospects in 2021

Greetings,

In our efforts to substantially improve financial awareness & financial literacy, as a gift to the Financial Wealth Advisors and Financial Product Providers annually we take the **Wealth Advisors Confidence Survey**™ and produce the **Wealth Advisor Confidence Survey Report**™. We break the survey and report into 3 main area of

1. The Economy
2. Improving Financial Awareness & Financial Literacy
3. Practice Management

> ***"Great things are not done by impulse, but by a series of small things brought together."***
> ***- Vincent Van Gogh***

We believe that these key areas are very important to the success of a financial service provider or financial product provider business and to them successfully servicing their clients – We The People.

Findings of the 2021 annual **Wealth Advisors Confidence Survey**™ indicate that independent wealth advisors, CPAs, estate attorneys and planned giving officers remain confident about their own future growth prospects despite significant public health, economic and political headwinds on the horizon. As has been the case since 2017, the survey was conducted by **HB Publishing & Marketing Company, LLC**, in conjunction with **The Financial Awareness Foundation** and **CPA Trendlines** and joined in 2021 by the **Investments & Wealth Institute** and the **Elite Resource Team**.

A total of 309 financial advisors from throughout North America took part in a 25-question online survey between February 1, 2021 and March 21, 2021. Respondents received no financial or in-kind incentives to complete the survey other than a promise to receive a pre-publication copy of the results. Respondents, who received an email alert, 48 hours prior to receiving an email survey invitation, took on average 7 minutes to complete the survey. Over 98 percent of respondents who started the survey completed it within 24 hours, although not necessarily in one sitting.

Breakdown of respondents:

- CPA/Tax Advisor (48%)
- CFP/Wealth Advisor/Financial Advisor (29%)
- Estate Attorney/Planned Giving Officer/Insurance Professional (7%)
- Specialist/Other (15%)

ASSUME +/- 3% MARGIN OF ERROR

The percentage of respondents who believe at least one more 10-percent market correction is "very likely" to occur within 12 months decreased to 44% from 73% at this time a year ago, early in the COVID pandemic, although still well above the 31% reading in early 2020, shortly before COVID surfaced in the U.S.

Respondents were understandably concerned about record-high value of the stock market and potential inflationary pressures from a rapidly rebounding economy, they remained optimistic about overall economic as great strides in the U.S. vaccination rate seemed to be outpacing persistently high COVID positivity rate. Just one in five respondents (21%) believed a technical recession was "very likely" to occur the year ahead, up from one in three respondents (32%) at this time in 2020. A technical recession was defined as two consecutive quarters of negative GDP growth.

Q1. To what extent do you believe there will be a FURTHER stock market correction (at least 10% decline) within the next 12 months?

	March 2021	March 2020	1 Yr. Change
Somewhat likely	47%	20%	+27%
Very likely	45%	73%	-29%
LIKELY	*92%*	*93%*	**-1%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Shortly after the pandemic surfaced in the U.S. in early March 9, 2020, our data showed three in four respondents (73%) thought at least one more double-digit market correction was "very likely" within 12 months, compare to less than half (44%) today. That being said, more than twice as many respondents today (47%) vs. 12 months ago (20%) thought a significant market correction was "somewhat likely."

Market Correction: VERY Likely next 12 months

	2021	2020	1 Yr. Change
CFP/Wealth Advisors	**59%**	63%	**-4%**
CPA/Tax Advisors	**34%**	43%	**-9%**
Attorneys/Insurance/Planned Giving Officer	**49%**	**57%**	**-8%**
ALL RESPONDENTS	**45%**	**73%**	**-28%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

Interesting, according to Investopedia The average P/E for the S&P 500 has historically ranged from 13 to 15. For example, a company with a current P/E of 25, above the S&P average, trades at 25 times earnings. The high multiple indicates that investors expect higher growth from the company compared to the overall market. 01/30/21. Investors tend to prefer using forward **P**/**E**, though the current **PE** is **high**, **too**, right now at about 23 times earnings. MoneySense says there's no specific number that indicates expensiveness, but, typically, stocks with **P**/**E ratios** of below 15 are considered cheap, while stocks above about 18 are thought of as expensive. May 5, 2020. According to Current Market Valuation, The P/E ratio is a classic measure of any security's value, indicating how many years of profits (at the current rate) it takes to recoup an investment in the stock. The current S&P 500 10-year P/E Ratio is 36.7. This is 86% above the modern-era market average of 19.6, putting the current P/E 2.2 standard deviations above the modern-era average. This suggests that the market is Strongly Overvalued. We are in unchartered waters, stay alert.

"When Wall Street economists are tripping over themselves to see who can have the worst forecast, you can be rest assured that the bad news is already reflected in stock prices." –**Phil Palumbo, Palumbo Wealth Management**

"The early pandemic market sell-off was most likely in an 'event-driven' bear market which was triggered by an exogenous shock (i.e. pandemic) rather than in a more serious type of bear market that is structural or cyclical. This pandemic-driven bear market reminds me of other event-driven downturns such as the 1973 oil crisis, or earlier World Wars. Event-driven bear markets are the easiest breed of bear to tame and we tend to recover much faster from event-driven bear markets than we do from structural and cyclical bear markets." – **Matt Topley, Lansing Street Advisors**

"On average, the markets endure a 20-percent correction every five years and the average intra-year spread is about 14 percent from market high to market low." – **James Nevers, Soundmark Wealth**

Q2. To what extent do you believe the economy will experience a recession (at least 2 consecutive quarters of negative GDP) within the next 12 months?

	March 2021	March 2020	1 Yr. Change
Somewhat likely	34%	44%	-10%
Very likely	21%	22%	-1%
LIKELY	**55%**	**66%**	**-11%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; and The Financial Awareness Foundation, 2020

- Despite tremendous progress on the vaccine front, a gradual reopening of the economy, historically low interest rates and a record high stock market, more than half of respondents (55%) thought a continued recession was likely in 2021, only an 11 percentage point improvement from the darkest days of the early pandemic at this time a year ago.

*"We saw a lot more discipline and patience from investors during the COVID crisis than all others before it," noted **Guy Baker, Ph. D**, founder of **Wealth Teams Alliance**. "There was no fear associated with that crisis. A few clients called for reassurance, but because this is not a systemic crisis, I'm not feeling an overwhelming sense that the entire economy is about to collapse. This was not true in 2008, when the entire financial structure was jeopardized by what was in essence fraud. This current crisis is about getting back to work. Some businesses will fail because they were undercapitalized. But most businesses can weather this storm and will bounce back when business resumes."*

"Research shows that since WWII, a recession follows a bear market only two-thirds of the time." – **Phil Palumbo, Palumbo Wealth Management**

BREAK DOWN BY PROFESSION

Recession: Somewhat or Very Likely next 12 months

	2021	2020	1 yr Change pct pts
CFP/Wealth Advisors	44%	74%	-30
CPA/Tax Advisors	65%	60%	+5
Attorneys/Insurance/Planned Giving Officer	50%	72%	-22
ALL RESPONDENTS	55%	65%	-10

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- As expected, the percentage of respondents who thought a recession was at least "somewhat likely" within 12 months decreased to 55% in 2021 from 65% in 2021 after reaching a high of at the outset of the COVID-19 virus in early March 2020.
- In a reversal of 2020, CPAs (65%) were more pessimistic about the future of the economy in 2021 than other advisors were—with nearly two thirds of CPAs (65%) still thinking the economy could be mired in a recession in 2021.

KYLE WALTERS, CFP, CPWA, CIMA, partner at L&H CPAs and Advisors in Dallas told us: *"It's a very different game today for CPAs. The rules and deadlines keep changing on them. On top of that they have to send clients a bill every year, whereas financial advisors just bill out of the client's assets under management. Essentially clients don't see a bill from their financial advisor and there's less chance of their value being questioned."*

Recession: VERY Likely next 12 months

	2021	2020	1 yr Change pct pts
CFP/Wealth Advisors	9%	26%	-17
CPA/Tax Advisors	29%	18%	+11
Attorneys/Insurance/Planned Giving Officer	21%	29%	-8
ALL RESPONDENTS	21%	22%	-1

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

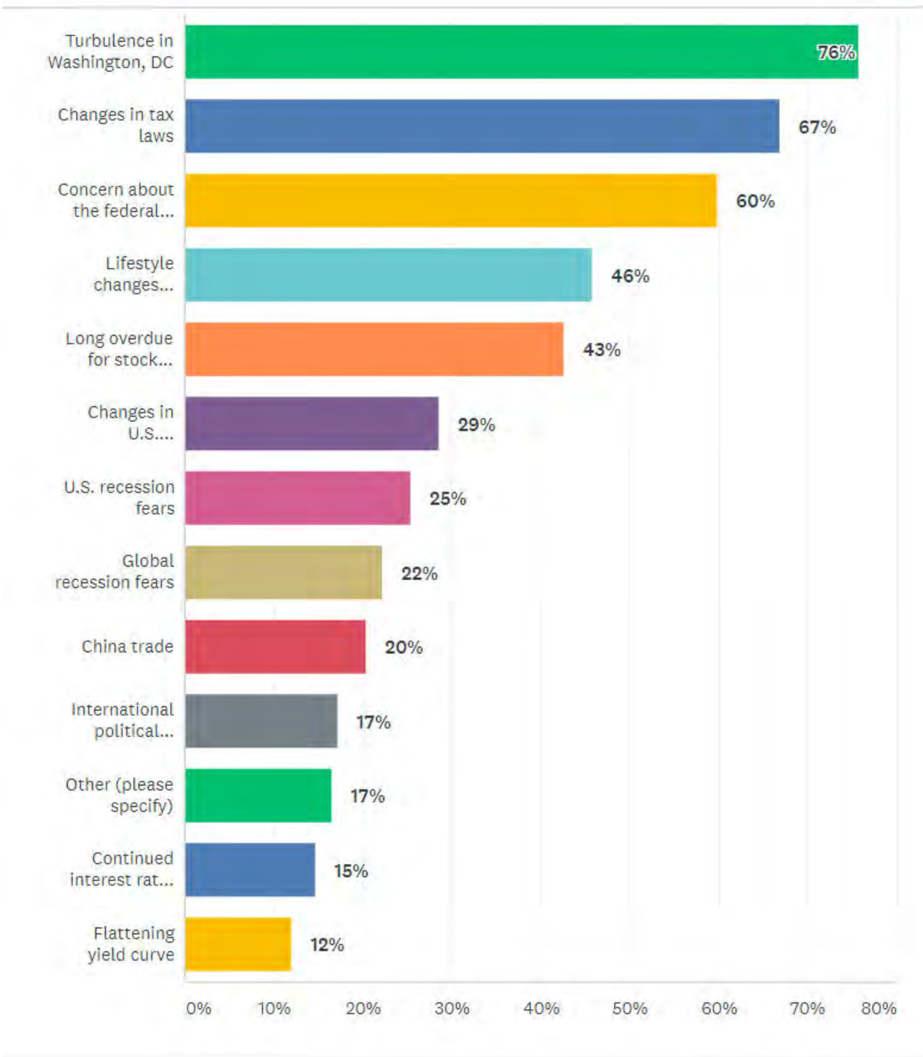
- In a switch from 2020, CPAs tended to be less optimistic about the economy's direction than Wealth Advisors, Estate Planners and Planned Giving Officers were in 2021 with three in ten CPAs (29%) thinking it was "very likely" the economy would still be mired in a recession over the next several quarters of 2021
- The National Bureau of Economic Research (NBER) is a private economic research organization that officially declares recessions in the United States. According to NBER, the traditional definition of a recession--two consecutive quarters of declining GDP—is no longer used. A recession is now defined as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales," according to NBER.

Q3. Aside from the pandemic and vaccine rollout, what's keeping the affluent up at night?

(list all that apply)

Since March 2020, almost every single respondent to the survey has cited the pandemic and in 2021 (vaccine rollout) as key concerns. So, we tried to isolate other factors in order to compare apples to apples over the four-year history of the survey. For 2021 overall, respondents told us the top concerns of clients, in addition to the pandemic, are:

1. **Turbulence in Washington, DC (76%)**
2. **Changing tax laws (67%) *new***
3. **Federal budget deficit (60%)**
4. **Lifestyle changes post-COVID (46%) *new***
5. **Overvalued stock market (43%)**



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Over the past 12 months, respondents have reported **significantly more concern** about: Turbulence in Washington, Changing tax laws, the federal budget deficit, post-COVD lifestyle changes for the long term and rising interest rates.

	2021	2020	More/Less Worried
Turbulence in D.C.	**76%**	**59%**	**MORE**
Changing tax laws	**67%**	**na**	**MORE**
Federal budget deficit	**60%**	**35%**	**MORE**
Lifestyle changes post-COVID	**46%**	**na**	**MORE**
Long overdue for stock market correction	43%	51%	**LESS**
Changes in U.S. international relations and agreements	29%	39%	**LESS**
U.S. recession fears	25%	37%	**LESS**
Global recession fears	22%	39%	**LESS**
China Trade	20%	28%	**LESS**
Intl. political landscape	17%	26%	**LESS**
Rising interest rates	**15%**	**7%**	**MORE**
Flattening yield curve	12%	16%	LESS
Impeachment hearings	< 10%	23%	**LESS**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Over the past 12 months, respondents have reported significantly less concern about: Elections and impeachment hearings, as well as a looming stock market correction, international trade and political tensions, recession (global and U.S.) and a flattening yield curve.

"In addition to the challenges surrounding the pandemic, I believe the affluent are kept awake by the uncertainty of what the "new normal" will be in the aftermath of the COVID-19 crisis. New challenges and standards call for new plans and strategies." **–Jim Stovall, Speaker & Author, Millionaire Map and Ultimate Gift**

"The proposed tax changes have not only wealthy and high-income taxpayers/consumers worried but even many of more moderate means. There is a considerable concern, and validly so if you review the tax proposals, that the impact could be financially painful and harmful in terms of current income tax implications, and divesting on heirs." **–Martin M. Shenkman, Shenkman Law**

2021 Concerns by Profession

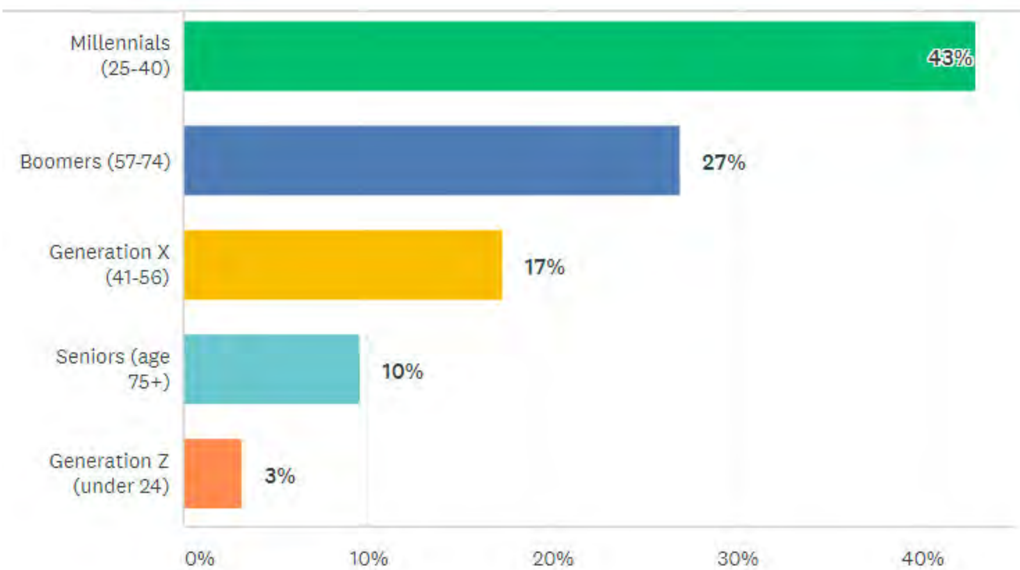
	ALL Resp.	CFP/ Wealth Adv	CPA/ Tax	Estate/ Insurance/ Planned Giving
Turbulence in D.C.	76%	72	72	**80**
Changing tax laws	67%	67	62	**77**
Federal budget deficit	60%	**72**	54	57
Lifestyle changes post-COVID	46%	46	**49**	40
Overvalued stock market	43%	46	47	29
Changes in U.S. international relations and agreements	29%	30	**33**	17
U.S. recession fears	25%	20	**30**	23
Global recession fears	22%	17	**26**	20
China Trade	20%	20	21	20
Intl. political landscape	17%	17	17	17
Rising interest rates	15%	**22**	11	14
Flattening yield curve	12%	11	**16**	6

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- **WEALTH ADVISORS** are more likely than other advisors to be concerned about the federal budget deficit and rising interest rates.
- **CPAs** are more likely than other advisors to be concerned about lifestyle changes post-COVID, international trade and political tensions, recession (global and U.S.), and a flattening yield curve.
- **ESTATE ATTORNEYS, INSURANCE PROS and PLANNED GIVING OFFICERS** are more likely than other advisors to be concerned about turbulence in Washington and changing tax laws.

Q4. Which demographic group below do you find least optimistic about its financial future?

(Select single best answer)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- As has been the case each year of the survey, Millennials continue to be the demographic group perceived as most pessimistic about their financial future.
- Boomers have consistently been perceived as the second-most pessimistic age cohort year after year.
- Two in five respondents (41%) indicated that **Millennials (age 18-35)** were the most pessimistic age group--a significant increase from 28% who thought so in 2018
- One-third of respondents (34%) felt **Boomers (age 53-70)** were the most pessimistic age group (little change since 2018).
- One in six respondents (16%) said **Generation Y (age 36-52**) was the most pessimistic age cohort (down significantly from 28% in 2018).
- One in 14 respondents (7%) said the **Great Generation (age 71+)** was the most pessimistic age cohort, down slightly from 10% from 2018.

Which demographic group is most pessimistic about its financial future? (select only one):

	2021	2020	2019	2018	2018-2021
Millennials (25-40)	**43%**	**41%**	**39%**	**28%**	**15% less hopeful**
Boomers (57-74)	27%	34%	29%	34%	7% less hopeful
Gen X (41-56)	17%	16%	23%	28%	**11% more hopeful**
Seniors (75+)	10%	6%	9%	10%	N/C
Gen Z (24 or less)	3%	3%	<1 %	<1%	2% more hopeful
	100%	**100%**	**100%**	**100%**	

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

Many millennials are seeing many uncertainties in the job market and career paths, and with life expectancy estimated to raise higher than 93 by 2050 in the US, as projected by Millbank Quarterly. With increasing education costs, student debt, COVID-19, stagnant wages, higher healthcare costs, and more ways to spend money on travel and consumables eroding any potential inheritance to be concerning. However, according to a recent survey conducted by The Harris Poll on behalf of CNBC Make It, polled 1,000 U. S. adults between the ages of 33 and 40 and found that 78% were satisfied with their lives. (05/06/21 https://www.cnbc.com/2021/05/06/middle-aged-millennials-are-content-with-their-lives-happiness-survey.html).

	ALL	CPAs	CFP/ Fin Advisors	Estate Atty/ Planned Giv
Millennials (25-40)	**43%**	**39%**	**43%**	**49%**
Boomers (57-74)	27%	33%	24%	20%
Gen X (41-56)	17%	13%	20%	**23%**
Seniors (75+)	10%	12%	9%	6%
Gen Z (24 or less)	3%	3%	4%	3%
	100%	**100%**	**100%**	**100%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

We asked financial advisors of all ages which seemed to be most pessimistic about its financial future

	Gen Z (age 24 under)	Millennials (25-40)	Gen X (41-56)	Boomers (57-75)	Seniors (Age 75+)
Those under age 39 say	<1%	**50%**	25%	13%	13%
Those 40-49 say	<1%	**50%**	18%	27%	5%
Those 50-59 say	5%	**45%**	16%	29%	5%
Those 60+ say	3%	**38%**	17%	28%	14%
ALL RESPONDENTS	**3%**	**43%**	**17%**	**27%**	**10%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Every single age cohort felt Millennials are the generation least hopeful about its financial future.
- The youngest advisors (under age 40) were somewhat more likely than other age cohort to say Gen X (age 41-56) was pessimistic about its financial horizons—and less likely than other advisors to say Boomers were pessimistic.

"Millennials are financially stressed with debt and growing families yet they value education. Financial wellness programs at work would improve their situations and optimism about their financial future." **– Marie Burns, Financial Advocate**

"The millennial population has exceeded the boomers in numbers. Therefore, their financial stability and power will play an increasing role in the U.S. economy. It is not surprising that the survey respondents find the millennials are least optimistic about their financial future. Many of them were negatively impacted by the last Great Recession as they were just about to join the workforce at that time. According to the 2018 research by The George Washington University Global Financial Literacy Excellence Center, only 26% of the millennials were satisfied with their current personal financial condition." **– Elena Zee, President & CEO Arizona Council of Economic Education (ACEE)**

	Millennials (25-40)	Boomers (57-75)	Gap (pct. pts)
CFP/Financial Advisor	**43%**	24%	19
CPA/Tax	**39%**	33%	6
Estate/Insurance/Giving	**50%**	18%*	32
ALL RESPONDENTS	**43%**	**27%**	**26 pts**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Estate attorney/insurance pros ranked GenX the second most pessimistic age cohort (25%) and were most likely to present the biggest gap in financial optimism between Millennials and Boomers. CPAs—least optimistic profession in this year's study—were least likely to believe there was a significant gap between Millennials and Boomers when it came to financial hope.

"I find it depends more on the attitude of the person as to whether they are positive or negative as opposed to which age group they fall into." – **Gary L. Flotron, MBA, CLU, ChFC, AEP; Associate Director, Financial Planning Programs; University of Missouri--St. Louis**

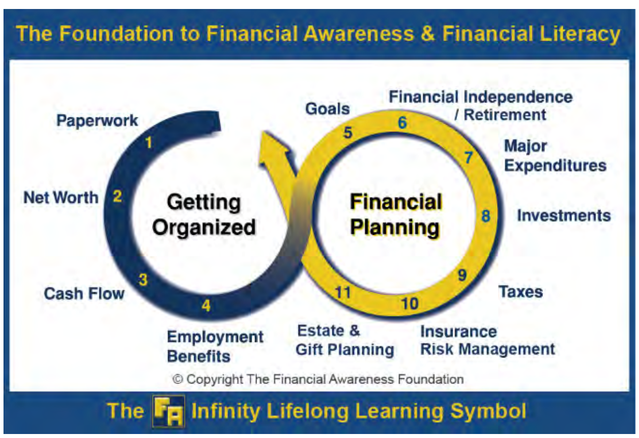
America's Financial Awareness/Literacy Challenges

With the advancements in healthcare and life expectancy, Millennials are seeing the financial challenges of their parents and grandparents firsthand. These factors, combined with growing student loan debt, are very concerning. EVERY SINGLE DAY 10,000 more Americans reach age 65. According to U.S. Census data, many will run out of money before they die.

Many families, not just students, are burdened by large amounts of student loans and other forms of growing debt. This lack of financial understanding and preparation has created further problems as more than half of our nation's adult population (young and old) doesn't understand why they need to obtain (and keep up to date) a financial, estate and gift plan to protect themselves and their families. By the way, these societal challenges are worldwide and only not limited to the U.S.
Young people now leave home highly uncertain that they will ever achieve the same standard of living that they grew up with. Younger generations are seeing more clearly that inheritance is not a given. Much of the money that used to be passed on to the next generation is now being consumed for education, or for the healthcare of the elder generation and their other senior living costs as life expectancy continues to rise.

Further, without having a solid understanding of smart money management principles -- the foundation to personal finance knowledge – so many people start out buying consumer goods they want not need, and cannot afford and unfortunately get into debt or go further into debt. Can you blame them when they're subjected to an estimated 14,000 advertising impressions a day?

We encourage everyone to learn the essential principles of smart money management – the foundation to personal finance knowledge - from our complimentary – TFAF Personal Finance Publication Set downloadable at



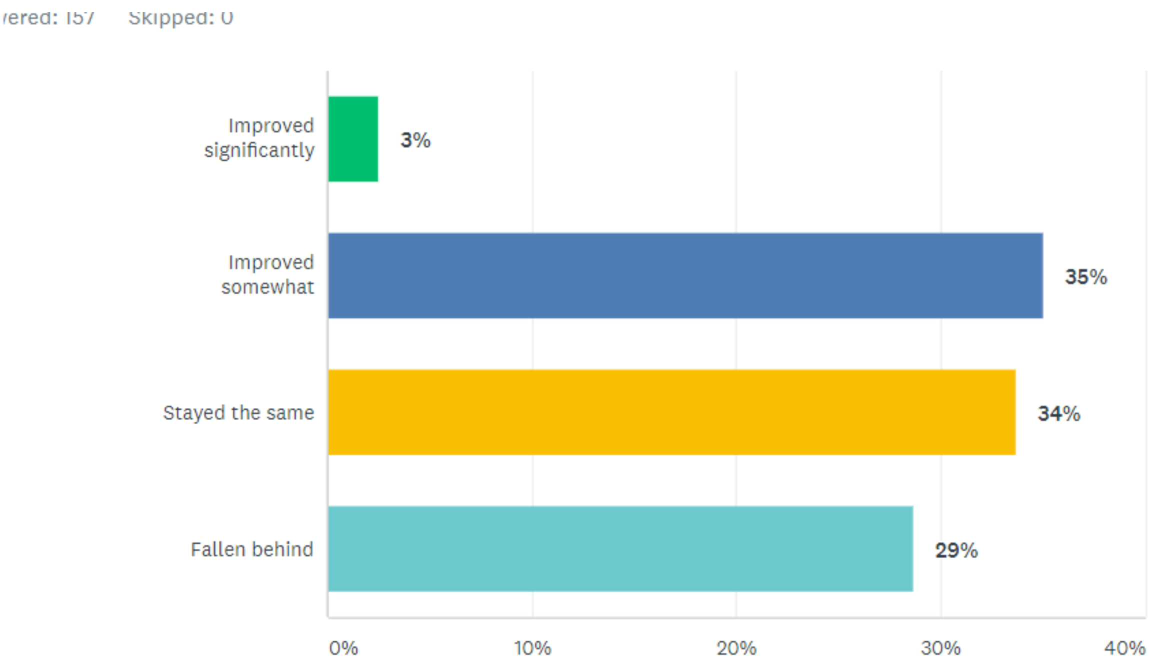
http://home.thefinancialawarenessfoundation.org/publications.html

Personal finance doesn't have to be daunting or overwhelming; try the TFAF-12 Month Financial Fitness Plan.

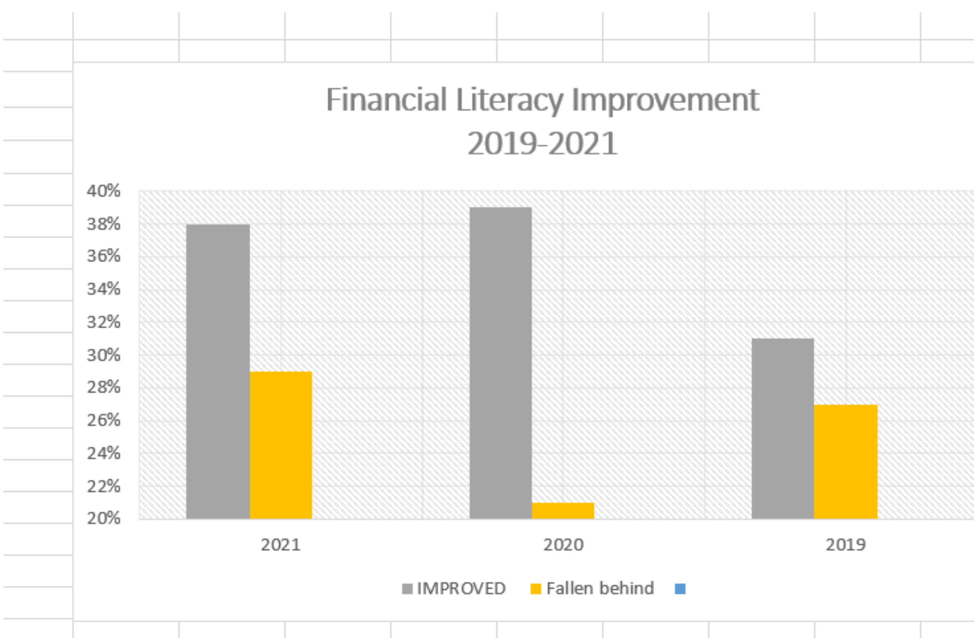
http://www.thefinancialawarenessfoundation.org/pdf/TFAF-12MonthFinFitnessCalendar.pdf

Q5. Over the past two years, to what extent has America's financial awareness and financial literacy changed?

(Select only one answer)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021



	2021	2020	2019	2 yr Chg
IMPROVED	***38%***	***39%***	***31%***	+7%
Stayed the same	34%	40%	42%	-8%
Fallen behind	29%	21%	27%	-2%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

When COVID hit in early 2020, it was a serious wakeup call, even for those with six-figure incomes.

- In 2020, two in five respondents overall (39%) believed America's financial literacy had improved in recent years—up significantly from 31% in 2019.

Assessment of Financial Literacy Improvement over the past two years
(Broken down by Profession)

	IMPROVED 2021	IMPROVED 2020	Pct point change
CFP/Wealth Advisors	**45%**	**31%**	**+14**
CPAs	**34%**	**39%**	**-5**
Atty/Insurance/ Planned Giving	**34%**	**72%**	**-38**
OVERALL	**38%**	**39%**	**<1%**

	WORSE 2021	WORSE 2020	Pct point change
CFP/Wealth Advisors	**17%**	**26%**	**-9**
CPAs	**29%**	**16%**	**-13**
Atty/Insurance/ Planned Giving	**43%**	**14%**	**-29**
OVERALL	**29%**	**21%**	**-8**

Attorney, Estate Planners, Life Insurance Agents really saw how bad it is this year, as COVID-19 really has given us a major walk up call. For many this last year has given them the time needed to get their financial house in-order with updated financial, estate and gift plans. For many others losing their job, and many cases their careers, without any cash reserves have been devastating. And for surviving spouses and child of COVID-19 death victims with no financial or estate planning their financial lives have become a huge challenge; especially those without a family safety net.

FOR 2021

	Improved Significantly	Improved Somewhat	Stayed the Same	Fallen Behind
CFP/Wealth Advisors	2%	43%	37%	17%
CPAs	4%	30%	37%	29%
Atty/ Insurance/Planned Giving	0%	34%	23%	43%
OVERALL	3%	35%	34%	29%

FOR 2020

	Improved Significantly	Improved Somewhat	Stayed the Same	Fallen Behind
CFP/Wealth Advisors	<1%	30%	44%	26%
CPAs	4%	35%	45%	16%
Atty/ Insurance/Planned Giving	1%	71%	14%	14%
OVERALL	3%	36%	40%	21%

- **Attorneys/Insurance/Planned Giving** professionals appear more optimistic than other professionals about America's financial literacy. These professionals are likely seeing fewer clients with basic American financial challenges because the clientele who can afford their services tend to be on the most affluent end of the economic spectrum.
- **Wealth Advisors** tend to be the most pessimistic among the professionals we survey. Less than one third of Wealth Advisors (31%) believe America's financial literacy has improved vs. 39% of CPAs and 72% of Estate Attorneys, Insurance Pros and Planned Giving Officers.

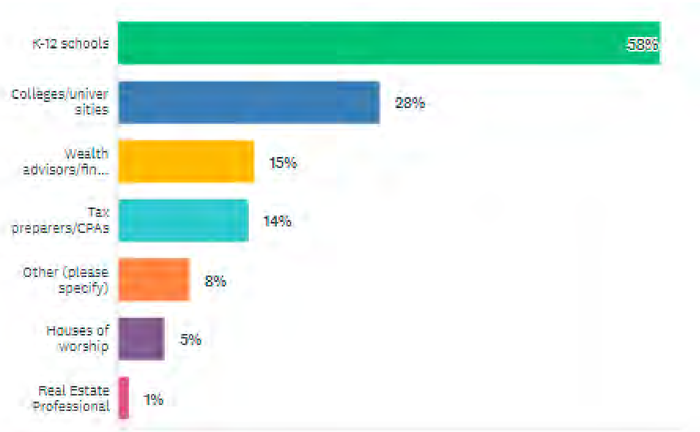
"One positive that came out of the 2020 pandemic is the spotlight on the fact that personal finance is an important lifelong skill for everyone. Now many more states than ever are proposing legislation to teach financial literacy in schools." **– Marie Burns, Financial Advocate**

"Over the last few years, financial literacy has changed as there is more information than ever before, but we are bombarded with confusing, mixed messages as not all information is accurate and valid. It's not a matter of getting information, it's a matter of getting the right information." **–Jim Stovall, Speaker & Author, Millionaire Map and Ultimate Gift**

"With no formal survey, my gut feeling is that it's the same. Financial Awareness and Financial Literacy is very difficult to measures. A person may say they are Financial Literate when in reality they're not, and, likewise, a person may say they're not relatively Financial Literate when in fact they're very knowledgeable. So, without some type of formal test, how do you tell?" – **Gary L. Flotron, MBA, CLU, ChFC, AEP; Associate Director, Financial Planning Programs; University of Missouri--St. Louis**

Q6. Which of the following could make the biggest positive impact on America's financial awareness & financial literacy over the next decade?

(list up to 3)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 202

It all starts with education of our young people.

- Once again overwhelmingly, respondents felt K-12 schools could make a bigger impact on America's financial literacy than any other institution in our society. Nearly three in five respondents (58%) cited K-12 schools.
- Unfortunately, the State Department of Education does not require personal finance to be taught in schools unless there is a bill created by a state legislature and passed by the state's voters. Less than half of U.S. states require their K-12 students to take a class in personal finance.

For more about this topic, see ***Council for Economic Education's Survey of States***
and *Financial Literacy Is Becoming a Requirement in Schools* (Governing.com)

This situation gets further complicated since many teachers are not financially literate themselves and since financial service professionals generally don't have teaching credentials. Further, financial literacy national standards are drafted by academics and not by practicing financial service professionals. What's more, some educators believe financial literacy deals only with savings, budgeting and debt management. Many are not equipped to teach comprehensive financial planning which also includes: helping people get and stay organized, establishing personal and financial goals, retirement planning, planning for major expenditures, investment planning, tax planning, insurance and risk management planning, and estate, gift and charitable planning. So how do financially illiterate teachers successfully teach personal finance to students?

- More than one fourth of respondents (28%) told us that colleges and universities were institutions that could make a significant impact on improving America's financial literacy—slightly ahead of Wealth Advisors (15%) and CPAs/tax preparers (14%).
- This is a striking example of the financial literacy crisis in America, with average student loan debt close to $40,000 and about $150,000 for medical and law school debt….on top of college debt and credit card debt.

- In response, The Financial Awareness Foundation (TFAF) has identified 100 fundamental principles for smart money management for everyone.

Who could make the biggest impact on financial literacy broken down by respondent's profession?

	K-12 Schools	Colleges/ Universities	CFP/Wealth Advisors	CPAs, Tax preparers	Houses of worship	Other
CFP/Wealth Advisors	61%	22%	**20%**	4%	4%	9%
CPAs	58%	32%	11%	**24%**	5%	5%
Atty Insurance/Planned Giving Officer	53%	28%	17%	6%	6%	11%
TOTAL	**58%**	**28%**	**15%**	**14%**	**5%**	**8%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- CPAs (61%) were more likely than other professionals to say **K-12** schools could make the biggest impact on financial literacy.
- CPAs (32%) were also more likely than other respondents to say **Colleges and Universities** could make the biggest impact on financial literacy.

"If all the allied professions (attorneys, CPAs, financial planners, insurance consultants, etc.) would all take a collaborative (communicating with each other) and holistic (looking at the whole person not just a particular task or goal) approach consumers would hear a similar message from several different perspectives and would be more likely to "hear" the message and act on it." **– Martin M. Shenkman, Shenkman Law**

"Due to the constraints of teaching financial awareness and financial literacy in public schools, it may be more realistic to strive to teach the benefits of being financially literate in colleges and universities.

As for the effectiveness of financial advisors teaching the general public about financial literacy and financial awareness . . . there is one glaring problem:

Most of the professionals that are offering to teach about retirement planning, target those with significant investable assets; and those that are perceived not to have much to invest are largely ignored.

That lack of knowledge by the general population is extremely detrimental to their ability to retire with adequate sources of income to last them for the rest of their lives." **– Christopher Sparks, PhD, Academic Investment Management**

"I believe that teaching financial literacy skills in school would make the biggest impact in America over the next decade. Starting as early as elementary school would create a solid foundation to build upon. As our children continue their education through middle and high school, their knowledge and experience of financial literacy skills can be broadened and strengthen, preparing them to succeed financially in adulthood." **– Lionel Shipman, Financial and Life Empowerment Professional**

	CFP/Wealth Advisors	CPAs, Tax preparers
CFP/Wealth Advisors	**20%**	11%
CPAs	11%	**32%**
Atty Insurance/Planned Giving Officer	17%	6%
TOTAL	**15%**	**14%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- Professionals of all types were likely to inflate their own ability to have a positive impact on financial literacy.
- By a 2:1 margin, Wealth Advisors told us they could make a much bigger impact on financial literacy than CPAs could.
- By a 3:1 margin, Estate Attorneys and Planned Giving Officers believed Wealth Advisors could make a bigger impact on financial literacy than CPAs could.
- By contrast, CPAs were almost three times as likely as other respondents to say fellow CPAs could have a bigger impact on financial literacy as other types of advisors could.
- This data suggests more work needs to be done to foster cross-discipline cooperation on behalf of clients.

"So much of our money mindset and habits are influenced by our childhood experiences. Teaching students and their families' healthy fundamental principles around using money wisely would make a huge positive impact on America's financial literacy." **– Marie Burns, Financial Advocate**

"First, the factor that could have the biggest impact on financial awareness and financial literacy is education by the parents. Having said that, who taught the parents? Ideally this education should start in K-12. However, how many teachers are really knowledgeable in financial awareness and literacy, and do they practice it themselves? Plus, the politics of the school boards and the whole education system. So that begs the question, what motivates a person to become financially literate, at what age, and how do they obtain the knowledge to become financially literate?" **– Gary L. Flotron, MBA, CLU, ChFC, AEP; Associate Director, Financial Planning Programs; University of Missouri--St. Louis**

"Yes, financial literacy should be a core requirement in high school that a student must pass in order to graduate. It's amazing how even the adults we meet with have a very poor understanding of proper investing. To the extent we can teach children how to save, budget and invest when they are young will be big dividends throughout their lives.

When they graduate high school or college in their early 20s, they should absolutely be taking advantage of their company's retirement plan or contributing to a Roth IRA.

"In fact, I think financial literacy should be a required course throughout their school years. In addition to teaching it in high school, there should be a more basic version taught in middle school and some type of financial literacy curriculum in 4th or 5th grade to get them started on the right path." **– Ryan Vogel, CFP, Partner, Chief Planning Officer, Novi Wealth**

Q7. Which of the following financial challenges were the majority of your clients struggling with when they first came to see you:

(List all that apply)

	More than 2/3 of clients faced this issue
Estate/Gift plan out of date	62%
Don't know their income needs for retirement	59%
Didn't have an investment policy or asset allocation plan	65%
Had significant insurance gaps	36%
Were in danger of outliving their money	27%
Didn't know their monthly spending	34%
Had more than $30,000 in student debt	5%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- Two thirds of respondents (64%) told us the majority of their clients ***did not have a current estate plan or gift plan in place*** when they first started working with them.
- Three in five respondents (59%) said the majority of clients didn't know their **retirement income needs** when they first started working with them—and nearly one third (31%) **didn't know their monthly spending**.
- Two thirds of respondents (65%) told us the majority of clients didn't have an **investment policy statement** or **asset allocation plan** in place when they first started working with them.
- More than one third of respondents (36%) said the majority of clients had **significant insurance gaps** or were in **danger of outliving their money** (34%) when they first started working with them.
- Less than one in ten respondents (5%) said **student debt** was an issue for the majority of their clients.

	2021	2020	% Chg
Estate/Gift plan out of date	62%	64%	2% better
Don't know their income needs for retirement	59%	59%	NC
Didn't have an investment policy or asset allocation plan	65%	57%	8% worse
Had significant insurance gaps	36%	41%	5% better
Were in danger of outliving their money	27%	39%	12% better
Didn't know their monthly spending	34%	31%	3% worse
Had more than $30,000 in student debt	5%	7%	2% better

- Biggest changes since 2020: Respondents said Americans were doing a much better job of saving sufficiently throughout retirement, but need to do a better job of getting an investment policy and asset allocation plan in place.
- According to Caring.com,
  - The number of young adults with a will increased by 63% since 2020.
  - In 2021, 18-34 year-olds are, for the first time, more likely to have a will than 35 – 54 year-olds.
  - Despite COVID-19, the overall percentage of Americans with a will has not significantly changed.
  - Not every demographic has taken the lessons learned from COVID-19 to heart. Caring.com's 2021 Wills and Estate Planning Study found that middle- and older- aged adults are less likely to have a will now than they were just one year ago, while younger adults are 63% more likely to have one this year than they were pre-pandemic. Shockingly, 18-34 year-olds are now 16% more likely to have a will than those in the 35-54 age group. The younger generation was also the most likely to cite COVID-19 as the reason they started taking estate planning seriously.

Randy Fox, a nationally recognized planned giving authority and founder of Two Hawks Consulting, LLC, told us you should ask yourself the following:

- What do I really want to have happen to my assets if I get sick or pass away?
- Who do I want to have authority?
- If my children are minors, who do I want to raise them in my absence? Am I leaving them enough money to do that?
- Do I trust the people I've named to carry out my wishes? Or do I need to make changes?
- What about who comes after them?

"I am pleased to learn that majority of the survey respondents believe K12 education is the most important area to impact change in financial literacy. I absolutely agree because we must change the system to help all children from a very young age to develop the financial literacy skill so that it will be part of their DNA.

I do not agree that most or many teachers are not prepared to teach financial literacy. It is too general a statement. It depends on the teacher, the state mandate and other factors. A 2021 10-year study published by the Montana State University showed teachers' confidence in teaching financial literacy grew from 9% from 70% in the past decade largely due to rigorous professional development and certification in financial literacy education." **– Elena Zee, President & CEO Arizona Council of Economic Education (ACEE)**

At least 2/3 of my clients *were* *__in danger of outliving their money__*, *when they first came to see me*

CFP's / Wealth Advisors who agree	************16%
Attorneys/Insurance/Giving Officers who agree	*************************32%
CPAs who agree	*************************32%
OVERALL	************** **27%**

At least 2/3 of my clients *__didn't know their monthly spending__* when they first came *to see me*

CFP's / Wealth Advisors who agree	*********************33%
Attorneys/Insurance/Giving Officers who agree	*********************33%
CPAs who agree	***********************35%
OVERALL	****************34%

At least 2/3 of my clients *didn't know their retirement income needs* when they first came *to see me*

CFP's / Wealth Advisors who agree	***62%
Attorneys/Insurance/Giving Officers who agree	***************************45%
CPAs who agree	**63%
OVERALL	*******************************59%

At least 2/3 of my clients *had no Investment Policy Statement or Asset Allocation Plan* when they first came *to see me*

CFP's / Wealth Advisors who agree	**76%
Attorneys/Insurance/Giving Officers who agree	************************************58%
CPAs who agree	***************************************61%
OVERALL	*********************************65%

At least 2/3 of my clients *had over $30,000 in college debt* when they first came *to see me*

CFP's / Wealth Advisors who agree	*2%
Attorneys/Insurance/Giving Officers who agree	**6%
CPAs who agree	***7%
OVERALL	**7%

At least 2/3 of my clients of my clients ***did not have an updated estate or gift plan*** when they first came *to see me*

CFP's / Wealth Advisors who agree	**67%
Attorneys/Insurance/Giving Officers who agree	********52%
CPAs who agree	***63%
OVERALL	******************************62%

At least 2/3 of my clients ***had significant insurance gaps*** when they first came *to see me*

CFP's / Wealth Advisors who agree	************************38%
Attorneys/Insurance/Giving Officers who agree	*************************39%
CPAs who agree	*****************33%
OVERALL	****************36%

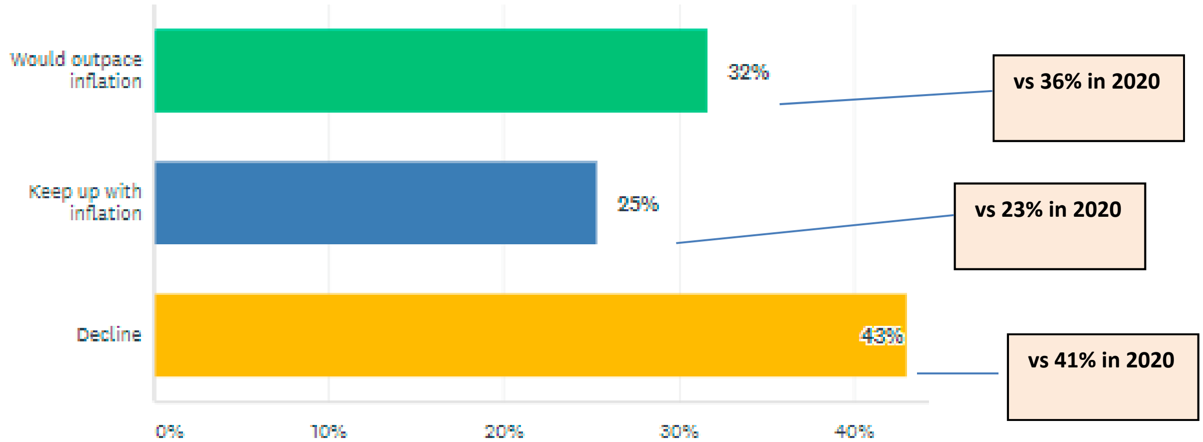
- **Wealth Advisors** were more likely than other professionals to say their clients lacked a current estate & gift plan when they first started working with them, as well as no cohesive asset allocation plan or investment policy statement.
- **CPAs** were more likely than other professionals to say clients didn't know their retirement income needs when they first started working with them.

"The support and maintenance of children should be a standard part of the estate planning documents. This would include naming guardians who would care for the children if their parents are unable to do so. Language could be added to deal with the care of children while a parent is in recovery from a major illness." **-- Dr. Guy Baker, Ph.D. Managing Director of Wealth Teams Alliance**

"I would anticipate a growth in the areas of financial planning and estate planning. More people are 'aging in place' and are concerned about their future financial situations. In addition, their children are more proactive in addressing the issues, so the parents are taking the initiative to plan for long term care, estate taxes and addressing the issue of possibly outliving their savings. Therefore, financial planning firms, estate planning lawyers and accountants dealing with this population will be increasing staff to attend to the needs of the population. Also, financial planning companies are developing new products to assist with these issues, thus more planners will be marketing these strategies to the clients." - **Hyman G. Darling, Bacon Wilson, P.C.**

The lack of financial awareness and financial illiteracy has been brought to the surface during the pandemic-- there is a HUGE need and opportunity for Wealth Advisors to assist and serve all Americans.

Q8. If families were no longer permitted to tap their home equity to pay for higher education, how would that impact the cost of higher education? (Select only one)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

Data suggests that colleges are "baking in" the home equity potential of many student families when setting tuition fees and expected family contribution (EFC).

- More than two in five respondents (43%) today believe that college tuition fees would ***actually decrease*** if Americans could no longer tap their home equity to pay for it.
- Only one in three advisors (32%) believed tuition costs would **continue to outpace inflation** if Americans could no longer tap their home equity for education financing.

Responses broken down by profession

	Continue faster than inflation	Maintain pace with inflation	Decline
CFP/Wealth Advisors	26%	33%	41%
CPAs	32%	22%	45%
Attorneys/Insurance/Planned Giving Officer	36%	22%	42%
TOTAL	**32%**	**25%**	**43%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- **Attorneys/Insurance/Giving Officers (36%)** were more likely than other professionals to say home equity access contributes to ever-rising tuition fees for higher education.

- **Wealth Advisors (33%)** were the professional most likely to say tuition rates would maintain pace with inflation—but not exceed it--if students' families could not use home equity to pay for it.
- **CPAs (45%)** were more likely than other professionals to say that eliminating home equity would cause tuition rates to decline.

"Because most institutions struggle to reach their freshmen enrollment goals year after year, the overall costs would likely decline. However, the top tier colleges and universities do not have that problem—the demand to get into those elite schools will still be high, so their tuition rates will continue to outstrip inflation." – **Christopher Sparks, PhD, Academic Investment Management**

"I am unsure if there would be any impact of the cost of college if families were not permitted to use a home equity loan to fund college costs, because there are other funding options available such as student loans (federal and private) and scholarships. However, I do believe that if home equity loans are not permitted to pay for college, many students may not be able to attend college at all or for some, college time (years in school) would be longer or families will use other funding (borrowing) options to pay for college, which could cause a heavy financial burden and could limit future borrowing capacity."
– Lionel Shipman, Financial and Life Empowerment Professional

"Frankly, if education was a normal business, the cost would decline. But, unfortunately, education is not run like a normal business and they would just pass on increased costs." **– Gary L. Flotron, MBA, CLU, ChFC, AEP; Associate Director, Financial Planning Programs; University of Missouri--St. Louis**

Q9. During uncertain times, to what extent can the following advisor actions help clients feel more confident about reaching their financial goals?

	Strongly Agree
Meaningful advice	*** **77%**
Focus on long term goals	***63%
Go beyond investments	**61%
Deliver on core expectations	***46%
Enhance reviews	***36%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- During uncertain times like we've seen over the past 12 months, the majority of respondents said the three most important things that advisors can do for clients is **provide meaningful advice (77%),** help them **focus on long term goals (63%)** and provide **guidance beyond simply their investments (61%).**

"The circumstances that COVID-19 produced has led many of us to realize that there is more to life than money. People have come to realize that relationships are much more important to us than we previously imagined.

*If advisors can provide more than just financial advice and demonstrate real concern for the physical and emotional well-being of our clients, we will likely engender more trust from those clients. Greater trust means increased adherence to advice, and better compliance leads to better outcomes." -**- Christopher Sparks, PhD, Academic Investment Management***

Q10. Over 45 million student loan borrowers collectively owe more than $1.5 trillion. To what extent are the following factors contributing to the student loan crisis?

(Please select one answer from each row)

		Strongly Agree
1.	**Overpriced tuition**	*** **86%** ***80% in 2020
2.	**Insufficient 529/savings**	********************************* **53%** *****************************47% in 2020
3.	**Peer pressure (keeping up w/Jones's)**	***************************39% **********************35% in 2020
4.	**Unrealistic about merit aid/scholarships**	******************35% ***************30% in 2020
5.	**Unclear about FAFSA/CSS aid process**	*****************27% **************************29% in 2020
6.	**Unclear about Expected Family Contribution (EFC)**	***************27% *******************28% in 2020
7.	**Bad student loan terms**	**************22% *********************24% in 2020
8.	**No family help**	************22% ***************21% in 2020
9.	**Unexpected $ setback (medical, job loss)**	*******13% ************19% in 2020

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- **Overpriced tuition (86%)** was by far the most frequently cited cause of the student loan crisis in America, up from 80% in 2020.
- More than half of respondents (53%) strongly agreed that **insufficient college savings**—more so than lack of knowledge about financial aid (27%) and student loan terms (22%) —was a leading cause of the student loan crisis.
- Surprisingly, just one in eight respondents (13%) strongly agreed that **unexpected financial setbacks**, including medical expenses or job loss, was contributing to the student loan crisis—even after COVID-19 virus surfaced.
- As was the case in 2020, just one in five respondents (22%), believed lack of family financial assistance was a leading contributor to the student loan crisis.

"Some may be afraid of the perceived cost of establishing a plan. However, people must realize that it may be more costly when life happens and there is no plan in place. It's like having an umbrella with you at all times because you don't know when (not if) it's going to rain." **– Lionel Shipman, Financial and Life Empowerment Professional**

"If I were forced to select one of the given answers, I would select #5. However, I submit that the true answer is a conglomeration of the first six answers. In other words (almost) all of the above.

The real problem, as I see it, is a huge lack of knowledge about College Planning in general. Unfortunately, too many people do not appreciate the value of what a college planner brings to the table.

Most do not understand how much money a college planner could save them because we would address all six of the first answers and then some. For example, a good college planner also helps families chose the right school for the student, which cuts down on dropouts and transfers to other schools . . . which, of course, costs more money." **– Christopher Sparks, PhD, Academic Investment Management**

"Agree with overpriced tuition that is driven by a lot of factors including too much bureaucracy and fat in the administration." **– Gary L. Flotron, MBA, CLU, ChFC, AEP; Associate Director, Financial Planning Programs; University of Missouri--St. Louis**

Q11. Why are so many Americans hesitant to obtain (and keep current) a financial, estate and gift plan?

(Select all that apply)

	2021	2020	2019	2 yr trend
Too busy/not a priority	75%	74%	83%	Improving
Believe they're not wealthy enough	68%	65%	NA	Worse
Think it's too expensive	50%	47%	42%	Worse
Unsure where to turn for advice	46%	45%	39%	Worse
Believe they're too young	43%	44%	36%	Worse
Believe government can handle	9%	7%	8%	NC
Other	15%	14%	15%	NC

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- While respondents did not report much improvement in many common areas of Americans' estate planning readiness, they did say Americans were significantly less likely to use the excuse of **"I'm too busy"** or **"it's not a high priority."** *We'll take that as a sign of progress, likely triggered by the pandemic.*

- Unfortunately, two thirds of respondents (68%) said too many Americans believe they've not wealthy enough to need an estate plan and roughly half said too many Americans think estate plans are too expensive (50%), or they're too young to need one (43%) or they are unsure where to turn for advice (46%).

"All of a sudden, everyone is in touch with their own mortality. Estate planners and insurance professionals are going to be very, very busy for the foreseeable future." – **Randy Fox, editor Planned Giving Design Center**

"Many Americans hesitate and procrastinate in doing financial and estate planning because they are confused and frustrated by the myriad of competing messages that confront them. It's more important than ever to get past the noise and clutter, and apply solid and proven financial principles." **– Jim Stovall, Speaker & Author, Millionaire Map and Ultimate Gift**

"Most consumers view financial planning as akin to going to the dentist. That is it looked at with much relish or joyful anticipation. If you want to add estate planning and talking about death into the discussion mix, many consumers view that as akin to going to the dentist for a filling without Novocain! Advisers need to change-up the conversation to refocus the discussion on the positive aspects planning provides to the client, even estate planning, and less on the painful four letters words like "budget." **– Martin M. Shenkman, Shenkman Law**

"Unfortunately, as the wealth gap continues to widen, the prevailing belief that many Americans have: that they are not wealthy enough to have a financial plan, and/or that it's too expensive, is likely to continue.

With a robust initiative to increase financial awareness and literacy (especially if we focus on younger people), we may start to see an increase in financial, estate and gift plans, which should ultimately help to reverse the thinning out of the middle class."
– Christopher Sparks, PhD, Academic Investment Management

Coming into COVID-19, over 120 million adults—half of the U.S. adult population--**don't understand** the importance of having a current financial, estate and gift plan to protect their assets and their families. Most people are never taught the essential principles of smart money management and few are provided with much personal financial education at home or in school. Without this foundation, people do not have the critical tools to make well-informed everyday money decisions throughout their lives. This is a big part of the reason why so many Americans are in danger of:

- Making critical money decisions based on marketing materials and miss information.
- Running out of money in retirement.
- Allowing excessive debt to destroy them and their families.

This lack of financial awareness, along with the financial illiteracy epidemic, places a HUGE amount of pressure on families and friends, employers, nonprofits; as well as on the ultimate safety net the state and federal government. This is not just a U.S. epidemic; it's an international one and requires immediate attention now.

"There has been a greater focus on estate planning by younger Americans due to COVID-19." In many ways, the pandemic forced Americans to consider a new perspective on estate planning. Many younger Americans had delayed creating an estate plan by assuming (incorrectly) that estate planning is only for older people and not relevant for young, healthy people. The unknown aspects of COVID were an unexpected shock that helped many younger Americans realize that estate planning is important precisely because you can never know what the future may bring. Having a plan in place is one small step to protect yourself and your family from otherwise uncontrollable risks." **— Patrick Hicks, Head of Legal at Trust & Will**

"One issue that comes up a lot is regarding the health care and end of life decisions. More time should be spent considering what the clients want or don't want, burial vs. cremation, organ donations, etc. so that the family knows the intentions. Especially in a second (or third!) marriage, since many states allow the spouse to be in charge of the body, but the kids of the first marriage say their parent wanted to buried with the predeceased spouse. We have had situations where the body was 'on ice' for a week while the matter was being resolved, and there were 2 separate wakes…..and this gets expensive also!"

— Hyman G. Darling, Bacon Wilson P.C.

The data and observations contained within this report show there is a HUGE opportunity for financial service professionals to help the public get its financial house in order with comprehensive financial plans, estate and gift plans.

	ALL	CPAs	CFP/Finl Advisor	Estate/ Planned Giv
Too busy/not a priority	75%	74%	74%	**81%**
Believe they're not wealthy enough	68%	70%	67%	64%
Think it's too expensive	50%	46%	50%	**58**%
Unsure where to turn for advice	46%	36%	59%	50%
Believe they're too young	43%	46%	41%	39%
Believe government can handle	9%	9%	2%	**17%**
Other	15%	12%	17%	17%

Practice Growth Expectations of Advisors

Despite devastating challenges created by the COVID-19 pandemic and the economic fallout that followed, more than four in five advisors surveyed (81%) expect their firms to grow in 2021, up from 75% who felt this way at this time a year ago. Further, nearly two in five surveyed advisors (38%) expect to see double digit revenue growth over the next 12 months—up from 28% who felt this buoyant two years ago, pre-pandemic.

Facing a new tax landscape likely to be less generous with high net worth families and successful business owners, clients are going to need more financial advice than ever to comply, to preserve their wealth and to pass it on strategically to future generations and the causes they support.

CPAs are seeing a substantial increase in business due to clients needing help with revised tax reporting deadlines, applying for stimulus loans and navigating the new tax landscape likely to be passed under the Biden Administration. Estate attorneys are reporting a significant upsurge in clients needing updated estate and gift plan and new tax mitigation strategies. Wealth are attracting new business from anxious investors and pre-retirees who previously were “do it yourselfers” or who were content with the basic offerings of robo-advisors or investment advisors/stock brokers.

As we head into an environment of likely lower after-tax returns for equities, and fixed income, comprehensive solutions that include wealth protection and tax mitigation solutions will likely take precedence over stock tips and product suggestions. They will also be counted on to provide trusted guidance about crypto-currency and other alternative asset classes.

While most advisors we contacted told us they are busier than ever it is clear there is “shrinking of the pie” as record numbers of firms merge, consolidate or exit the advisory world as Boomers retire and as valuation multiples remain strong. To that end, nearly one in four (22%) respondents expect their peers to grow by double-digits in 2021, twice as many than who felt this way at this time a year ago.

As financial decisions become increasingly complex for even Americans of modest wealth, it is clear that advisors of all types are being valued for the advice they give far more than they are for completing transactional services such as completing tax returns or drafting estate documents. Wealth advisors and other professionals who are compensated on a recurring revenue model such as assets under management or monthly retainer, seem far more optimistic about the future of their firms.

Nearly all (98%) wealth advisors we surveyed expect their firms to grow this year compared to three in four (75%) CPAs and 71% of estate attorneys and planned giving officers. Further, three in five (60%) wealth advisors expected their firms to grow by double digits in 2021—compared to 40% of estate attorneys/ planned giving officers and 23% of CPAs.

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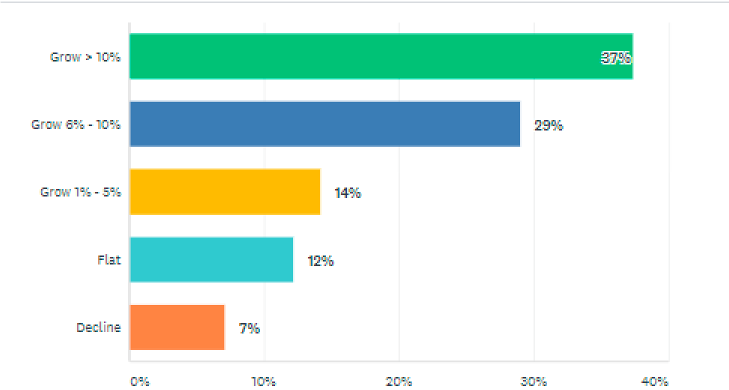
“Wealth Managers, by their very nature, tend to be more optimistic than attorneys and CPA’s. Attorneys are largely trained how to keep others (counterparties to contracts) from doing things. Similarly, CPA’s tend to be backwards looking – they report history whether that is financial statement history or tax reporting history. Wealth Managers tend to be trained in finance which is forward looking and less worried about the past.” -- **Randy Hubschmidt, Partner, Fortis Family Wealth**

To a certain extent, **CPA Karen Koch, Senior Director, Source Advisors** *agreed: “Whether a CPA, wealth advisor, or attorney, we all struggle with how to grow the business even though our clients continually ask for more services. We are uncertain how to incorporate client needs to a revenue stream. Future growth is likely going to include strategic relationships with vendors that can offer expertise typically not found inside a professional services firm. Energy and sustainability are big buzz words for business owners but often to take advantage of energy tax incentives a partnership with a company to certify the energy efficiency is required. We need to assure our clients we are the trusted advisor that knows how to deliver fully defensible services with a team approach.*

Q12. Please describe the extent to which you expect your firm to grow (or decline) over the next 12 months



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

Four out of five surveyed advisory firms expect to grow in 2021

	2021	2020	2019	1 yr Change	2 yr Change
Expect to grow this year	81%	75%	77%	+6%	+4%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

Nearly two in five firms expect to grow by <u>double-digits</u> in 2021

- Overall, four in five advisors (81%) expect their firms to grow in 2021, up from 75 percent during the early stage of COVID onset at this time a year ago.
- Further, as shown below, the percentage of firms expecting double digit growth over the next 12 months ***has actually increased to*** nearly two in five firms (37%) from 36% in early 2020 and from 28% in 2019.

	2021	2020	2019	1 yr Change	2 yr Change
Grow 10% or more	37%	36%	28%	**+1%**	**+9%**
Grow 1% to 9%	43%	40%	49%	**+3%**	**-6%**
Flat or declining revenue	19%	24%	22%	**-5%**	**-3%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

Also encouraging is the fact that the percentage of firms expecting flat or declining growth in 2020 has shrunk to less than one in five firms (19%) in 2021, from 25 percent a year ago and from 22 percent in 2019.

Wealth Advisors most optimistic (again)

Firms expecting overall growth over next 12 months (by profession)

	CPAs	Attorneys/ Insurance/ Plan Giving	CFP/Wealth Advisors
2021	75%	71%	**98%**
2020	74%	72%	**91%**
2019	72%	77%	**97%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As has been the case in since we began this study in 2017, CFPs/Wealth Advisors remain the most optimistic sub-group by far about their firm's growth prospects.
- Nearly all CFP/Wealth advisors (98%) expect to grow in 2021, more than 20 percentage points higher than CPAs, estate attorney, insurance pros and planned giving officers.

Firms expecting 10% growth or more over next 12 months (by profession)

	CPAs	Attorneys/ Insurance/ Plan Giving	CFP/Wealth Advisors
2021	23%	40%	**60%**
2020	30%	29%	**56%**
2019	21%	20%	**47%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As has been the case in previous years of the study, **Wealth Advisors** were far more likely than other types of advisors to anticipate **double-digit growth** over the next 12 months.
- Three in five Wealth Advisors (60%) expect to grow by 10-percent or more in 2021, compared to two in five (40%) Estate Attorneys/Planned Giving officers and less than one in four (23%) CPAs.

Firms expecting modest (1%-9%) growth over next 12 months (by profession)

	CPAs	Attorneys/ Insurance/ Plan Giving	CFP/Wealth Advisors
2021	**52%**	31%	37%
2020	44%	43%	35%
2019	51%	44%	50%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As has been the case in previous years of the study, **CPAs** were more likely than other types of advisors to anticipate single-digit growth over the next 12 months.

Firms expecting modest flat/declining growth over next 12 months (by profession)

	CPAs	Attorneys/ Insurance/ Plan Giving	CFP/Wealth Advisors
2021	**25%**	**29%**	**2%**
2020	27%	28%	9%
2019	28%	36%	3%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As has been the case in previous years of the study, **Wealth Advisors** were less 10 times less likely than other types of advisors to anticipate flat or declining revenue growth over the next 12 months.
- We have found over the years, that when respondents assess the prospects of their peers and competitors, it can often be a more reliable barometer of their industry optimism than self-reported prospects for their own firm.

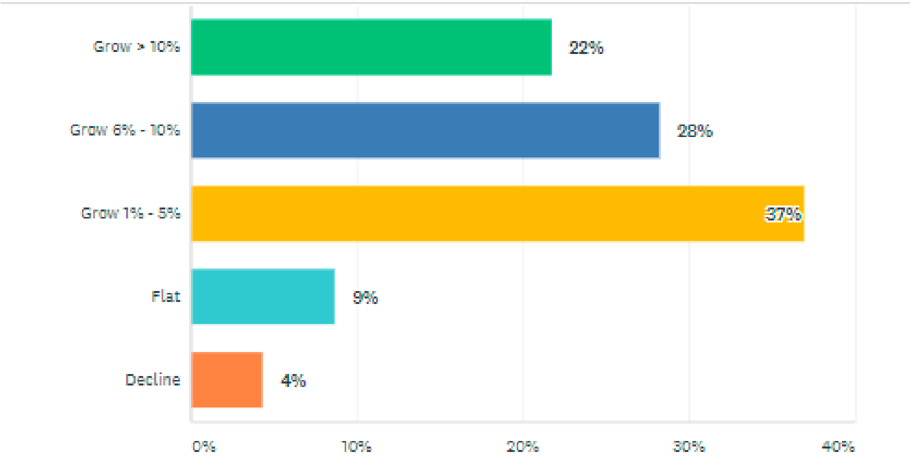
Many financial service providers and financial product provider found that they could be effective working with their clients remotely over the last year. Many also found that they could expand their geographic territory using this new skillset. With significant proposed tax reforms advancing this could significantly improve the business opportunity for all financial service professionals.

"Most CPAs I know are analytical numbers people. They've been drawn to our profession because you like the sense of balance, order and control we thrive on (i.e., Debits = Credits). But when it comes to getting inside their own heads and modifying their habits or behaviors, there's no standard, reg or best practice to follow. They must get outside your comfort zone and play around in some squishy areas.

But that's where the profession is moving. It's all about navigating the gray areas in a client's financial life. Instead of one or two tax deadlines per year, it's an ongoing process in which they clients need their CPA all year round. Their expert advice—not their ability to fill out rows and columns for the government—is what clients increasingly value." – **KYLE WALTERS, CFP, CPWA, CIMA, partner at L&H CPAs and Advisors in Dallas**

Q13. Please describe the extent to which you expect peer firms of comparable size and client makeup to grow (or decline) over the next 12 months

(Select best single answer)



Rising tide lifts all boats

	2021	2020	2019	1 yr change	2 yr Change
Peers to grow in 2021	**87%**	**73%**	**80%**	**+14%**	**+7%**
Our firm to grow in 2021	*81%*	*75%*	*77%*	*+6%*	*+4%*

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As was the case in 2019, more respondents expected their peers to grow in 2021 than their own firms.

GROW BY 10% or MORE

	2021	2020	2019	
Peers	**22%**	**11%**	**9%**	
Our firm	*37%*	*36%*	*28%*	

GROW BY 1% - 9%

Peers	65%	62%	71%	
Our firm	43%	40%	49%	

FLAT OR DECLINING REVENUE

Peers	13%	27%	20%	
Our firm	19%	24%	22%	

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- Overall, just one in ten respondents expect their peers to grow by more than 10% in the year ahead, a rate that has not changed since 2019.
- Since 2019, respondents are somewhat less likely to expect to their firms to grow by single digits in the year ahead and more likely to expect their peers to show flat or declining growth—especially since the onset of COVID-19 virus.

Firms expecting PEERS to grow 10%+ over next 12 months (by profession)

	CPAs (our peers)	CPAs (our firm)	GAP
2021	**14%**	23%	**+9%**
2020	**9%**	30%	**+21%**
2019	**6%**	21%	**+15%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

AVG Outperform expectation: 15%

	Atty/ Insur/ Giving (peers)	AIG Our firm	GAP
2021	**40%**	40%	**0%**
2020	**14%**	29%	**+15%**
2019	**4%**	20%	**+16%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

AVG Outperform expectation: 10%

	CFP/ Wealth Advisors (our peers)	CFP/Wealth Advisors (our firm)	GAP
2021	**22%**	60%	**+38%**
2020	**19%**	56%	**+37%**
2019	**17%**	47%	**+30%**

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

AVG Outperform expectation: 35%

- Estate Attorneys/Insurance Pros/ Planned Giving Officers report being more optimistic about their peers' growth prospects in 2021 than other advisors do—and least likely to expect their firms to outperform their peers.
- Wealth Advisors are more likely than other advisors to expect their firms to outperform their peers.
- CPAs remain the least likely to report robust growth expectations for their peers in the near term.

Firms expecting PEERS to grow 1%-9% over next 12 months (by profession)

	CPAs	CFP/Wealth Advisors	Attorneys/ Insurance/ Plan Giving
2021	66%	65%	31%
2020	67%	63%	71%
2019	75%	66%	60%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- **CPAs and Wealth Advisors** are much more likely generally more likely than other advisors to forecast single-digit growth expectations for their peers.

Firms expecting PEERS to be flat/decline over next 12 months (by profession)

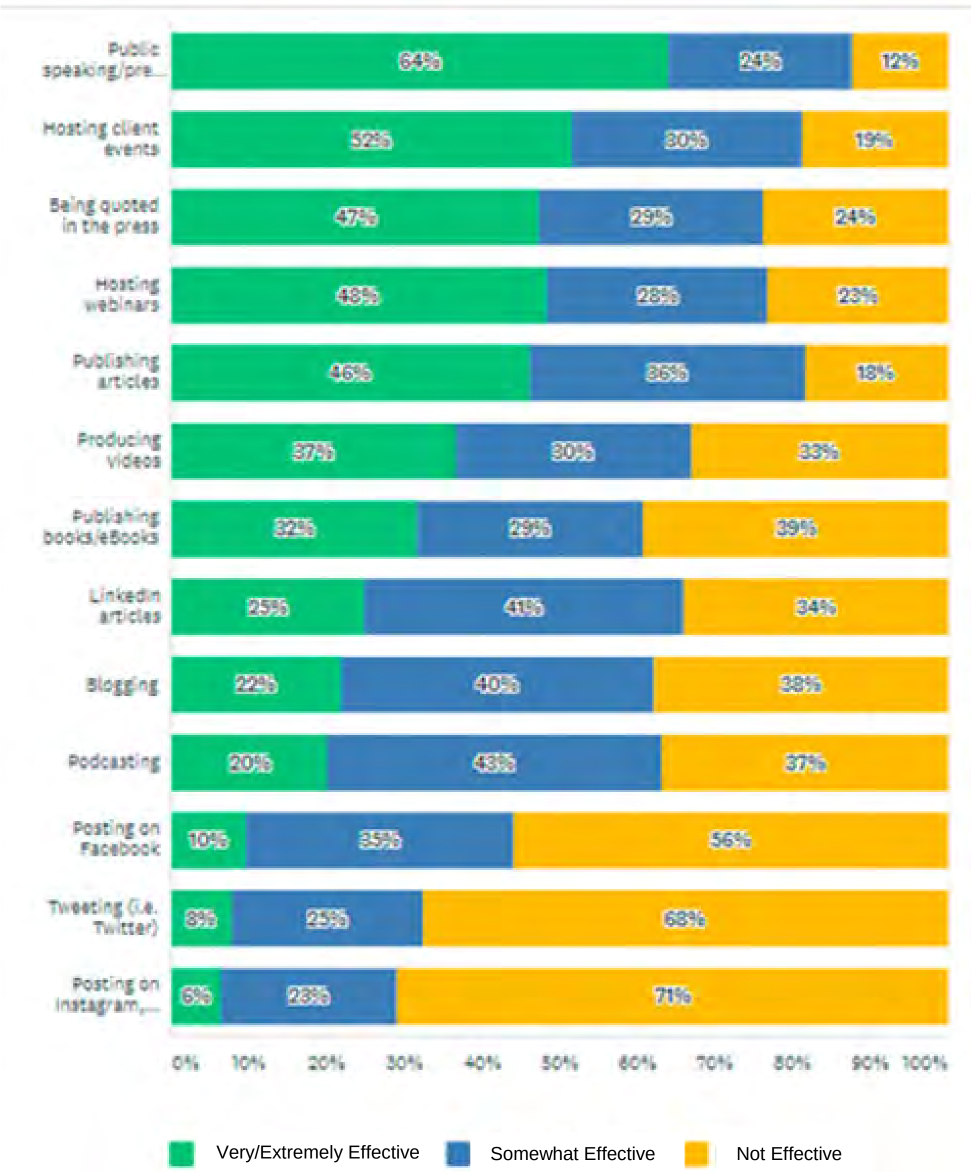
	CPAs	CFP/Wealth Advisors	Attorneys/ Insurance/ Plan Giving
2021	**19%**	13%	29%
2020	**24%**	18%	15%
2019	**19%**	17%	36%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- **Estate Attorneys, Insurance Pros and Planned Giving Officers** are more likely than other advisors to predict flat or declining growth for their peers in 2021.

Q14. To what extent are the following communication channels effective for enhancing your status as a thought leader?

(Select best answer for each row)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- As was the case in previous years of our study, **public speaking** led the list of advisors' most effective thought leadership tactics, followed by **client events**, **press mentions**, **webinars** and **bylined articles**—each of these tactics was rated "very" or "extremely" effective by <u>half or more respondents</u>.
- Roughly <u>one third</u> of respondents rated self-produced **videos, books or eBooks** very or extremely effective.
- Roughly <u>one fourth</u> of respondents rated self-produced **podcasts, LinkedIn articles or blogs** very or extremely effective.
- Social media (**Facebook, Twitter, Instagram**) continues to lag other thought leadership tactics considered very or extremely effective by <u>one tenth</u> or fewer financial advisors.

*% of firms considering selected Thought Leadership tactics to be **"very"** or **"extremely" useful***

THOUGHT LEADERSHIP TACTIC	*ALL FIRMS*	Expecting > 10% growth	Expecting single-digit growth	Expecting flat/declining growth	Hi-Growth vs. Declining Growth
Public speaking and presentations	**64%**	**74%**	**66%**	**40%**	**1.9x**
Hosting client events	**52%**	**66%**	**44%**	**40%**	**1.7x**
Producing webinars	**48%**	**58%**	**48%**	**29%**	**2.0x**
Being quoted in the press	**47%**	**43%**	**58%**	**30%**	**1.4x**
Publishing bylined articles	**46%**	**47%**	**53%**	**28%**	**1.7x**
Producing videos	**37%**	**54%**	**31%**	**17%**	**3.2x**
Authoring book/e-book	**32%**	**36%**	**35%**	**14%**	**2.6x**
Publishing articles on LinkedIn	**25%**	**33%**	**27%**	**7%**	**4.7x**
Blogging	**22%**	**26%**	**25%**	**7%**	**3.7x**
Podcasting (new 2021)	**20%**	**36%**	**15%**	**0**	
Facebook	**10%**	**16%**	**9%**	**0**	
Twitter	**8%**	**11%**	**9%**	**0**	
Instagram/Pinterest	**6%**	**9%**	**8%**	**0**	

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- Firms projecting double-digit growth place a higher value on almost all thought leadership tactics than firms expecting flat or declining growth.
- Firms projecting double-digit growth were far more likely than other firms to place a high value on producing **podcasts**.
- Firms expecting double-digit growth were about 4x more likely than no-growth firms to find value in publishing on **LinkedIn**.
- Firms expecting double-digit growth were about 3x more likely than no-growth firms to find value in producing **videos or authoring books and eBooks**.
- Firms expecting double-digit growth were about 2x more likely than no-growth firms to find value in hosting **webinars, client events and publishing bylined articles**.

Once again we note, speaking, writing, working the press, hosting events and producing videos and podcasts takes more time and effort than sending out social media posts. But as shown below, high-growth firms are clearly making the investment of time and resources to do so. To make the thought leadership process a little less daunting, you can collaborate with other professionals in your niche spread out the workload and maximize promotion. Collaborating with other professionals on an article or presentation is a lot like working on a client case together. It keeps you on task. It provides a wider perspective and it makes the process of authoring and presenting more enjoyable and a lot more applicable.

“All these communication channels are effective and needed because the masses do not receive or get information the exact same way. Some people will only hear me and other thought leaders through traditional platforms such as public speaking; whereas, others will use social media platforms such as Twitter or LinkedIn. As thought leaders, we must be open to use various platforms to communicate our messages regarding financial literacy and life skills.” **– Lionel Shipman, Financial and Life Empowerment Professional**

Q15. On average, how often would you say you contact your clients every month?

(Select single best answer)

As has been the case every year since 2018, advisors are increasingly reliant on frequent client communication. More than nearly half of respondents (46%) now **communicating with clients multiple times per month** (up from 35% in 2018). This data suggests that even before the COVID pandemic, advisors sensed clients were getting increasingly nervous about how much steam the record-high stock market and 10-year economic expansion had left—and how anxious clients are to get their retirement plans and estate affairs in order and to start building their legacies.

Frequency of client communication	2021	2020	2019	2018
2+ times per month	46%	43%	38%	35%

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

And contacting clients frequently seems to be good for business….

FREQUENCY OF CLIENT CONTACT	Firms Expecting double-digit growth in 2021	Firms Expecting flat/ declining revenue	*Gap*
2+ times per month	53%	29%	*24%*

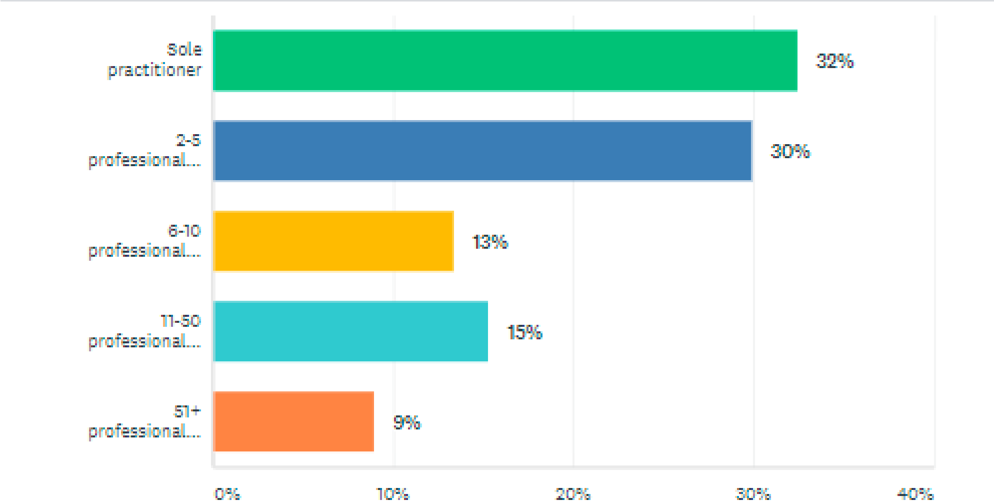
Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- More than half of firms (53%) expecting to grow in 2021 told us they communicate with their clients ***multiple times per month,*** *up from 46% in 2020.* By contrast, less than three in ten firms (29%) expecting flat or negative revenue in 2021 communicate with their clients multiple times per month (see above):

Frequency of client communication	CPAs	CFP/Finl Advisor	Estate/ Planned Giving
6+ times per month	0%	4%	12%

Q16. Which of the following best describes the size of your firm, practice or business?

(Select single best answer)

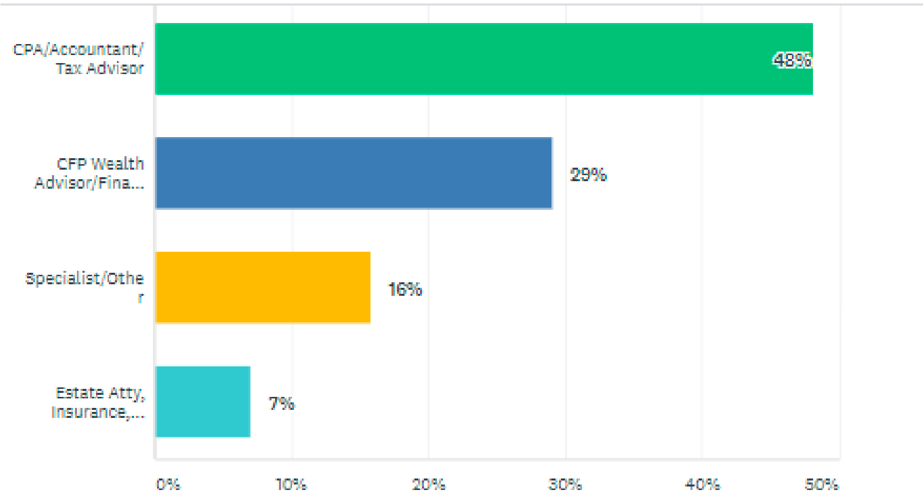


Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- One third of respondents (32%) are sole practitioners.
- Another two in five respondents (43%) work in small firms of 2 to 10 professionals.
- One in four respondents (24%) work in firms of 11 or more professionals on staff.

Q17. Which of the following best describes your business or profession?

(Select single best answer)

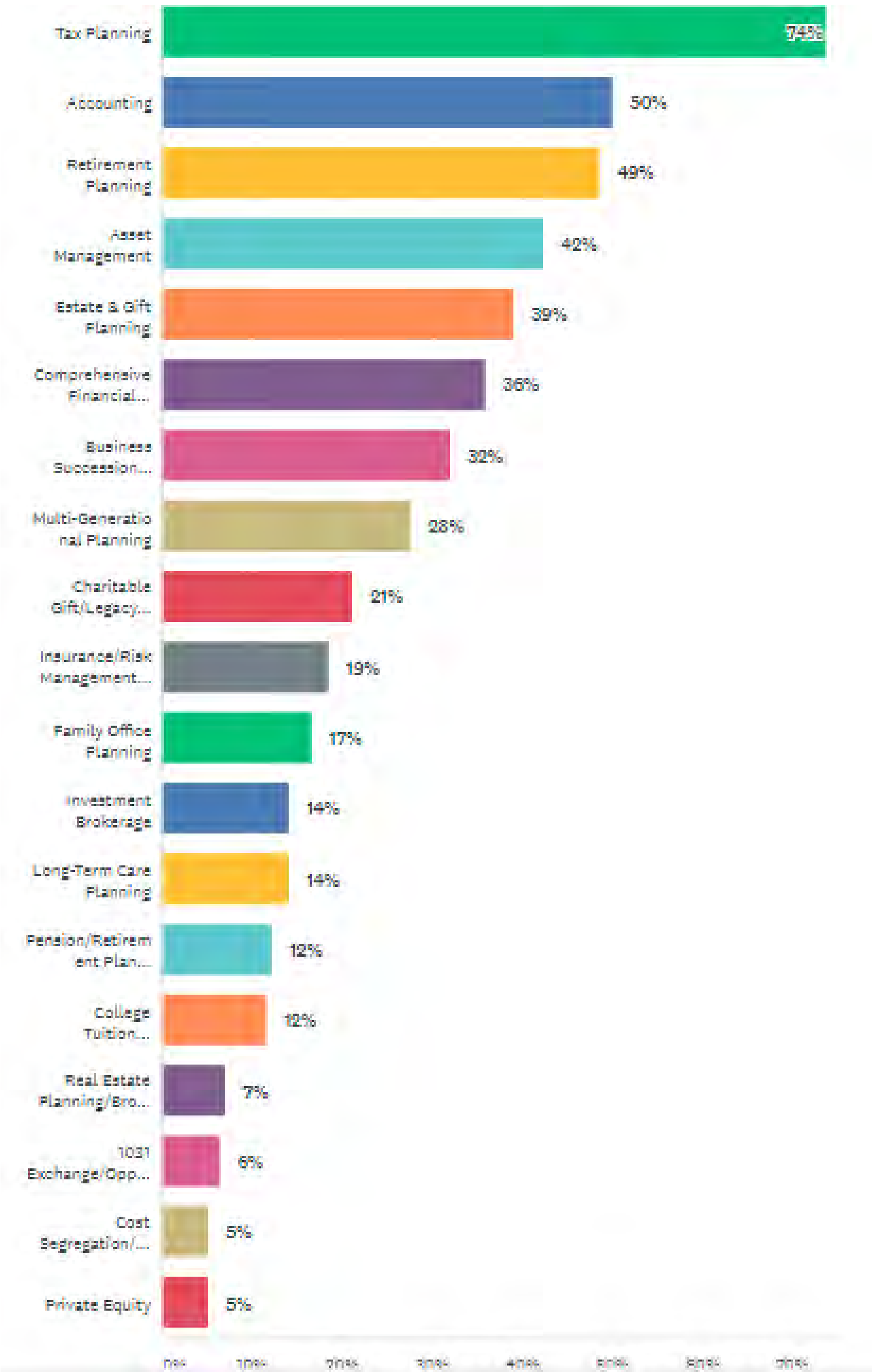


Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst. Elite Resource Team 2021

- Nearly half of respondents (48%) describe themselves as CPAs, Accountants or Tax Advisors.
- Three in ten respondents (29%) describe themselves as CFPs, Wealth Advisors or Financial Advisors.
- 7 percent of respondents consider themselves Attorneys, Planned Giving Officers or Insurance Professionals.
- One in six respondents (16%) describe themselves as specialists.

Q18. Which of the following do you consider core offerings for your firm or practice?

(Select up to 6 of your top services)



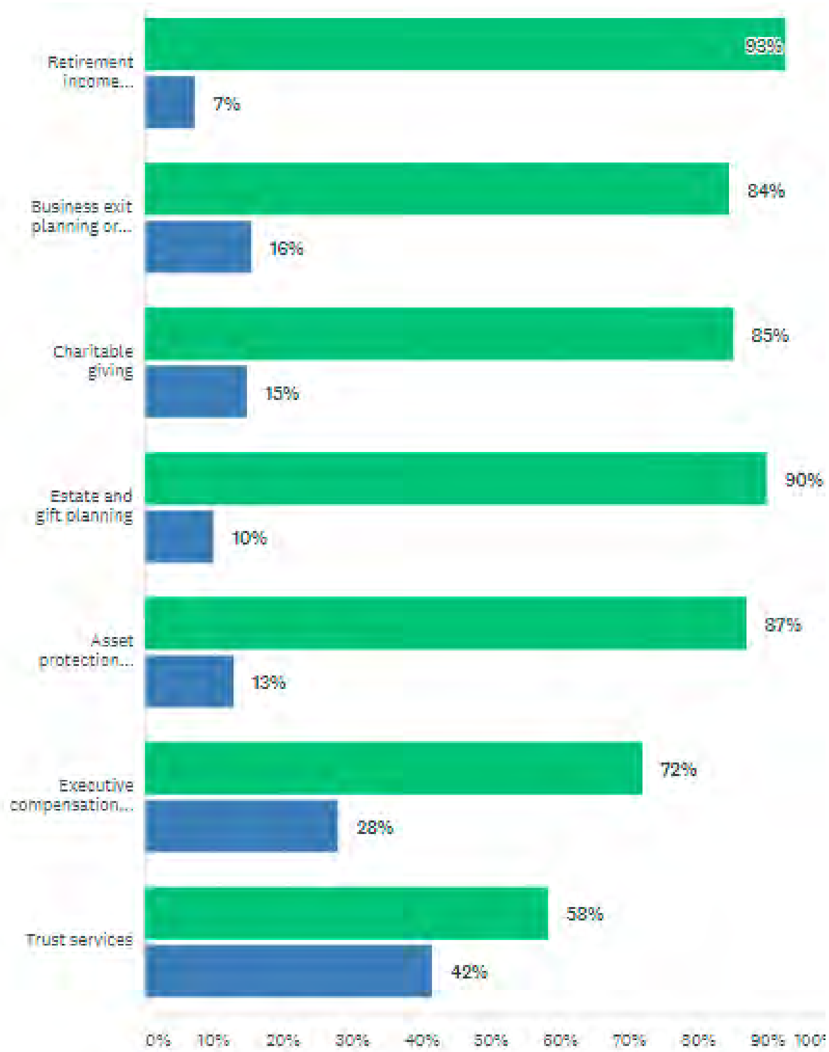
Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

Three fourths of respondents (74%) provide **Tax Planning** services to their clients.

- Half of respondents provide **Accounting** (50%) and **Retirement Planning** services (49%) to their clients.
- Two in five respondents provide **Asset Management** (42%) and **Estate & Gift Planning** services (39%).
- One third of respondents provide **Comprehensive Financial Planning** (36%) and **Business Succession Planning** (32%).

- One fourth of respondents (28%) provide **Multi-Generational Planning**.
- One in five respondents provide **Charitable Legacy Planning** (21%) and **high risk Insurance Management** (19%).

Q19. Which of the following services, if not already being offered, are you planning to offer eventually?

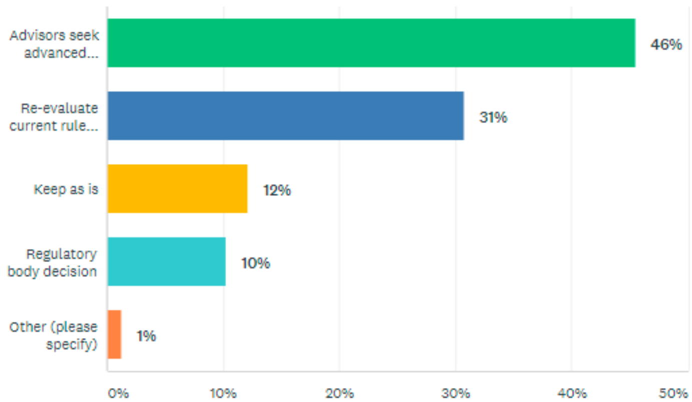


Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- With COVID causing many Americans to contemplate the shortness of life, we have seen a substantial increase in respondents planning to provide **Retirement Income Planning, Business Exit Planning, Estate & Gift Planning, and Asset Protection services**.

"When you see countless 30, 40 and 50 year-olds dying in the hospital with no power of attorney, it's really a wakeup call for all of us." – **Randy Fox, founder of Two Hawks Consulting**

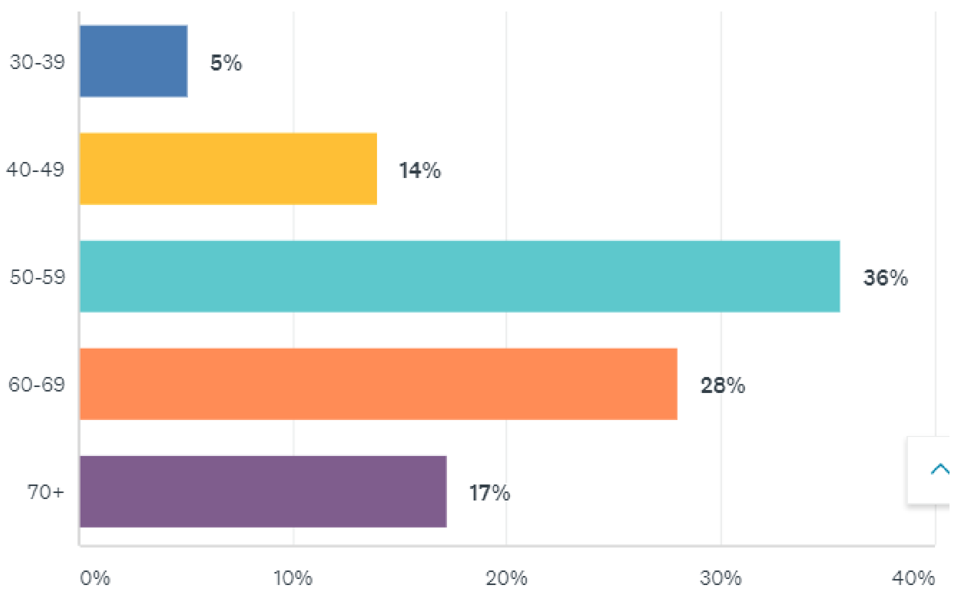
Q20. Which of the following best reflects your view about continuing education and training for financial advisors?



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

- Nearly half of respondents (46%) believe advisors should continue to seek advanced certifications.
- About one third of respondents believe advisors should reevaluate current rules, certifications and licenses.
- Only one in ten believe the rules should remain as is or require a regulatory body decision.

Q21. Which of the following best describes your age?



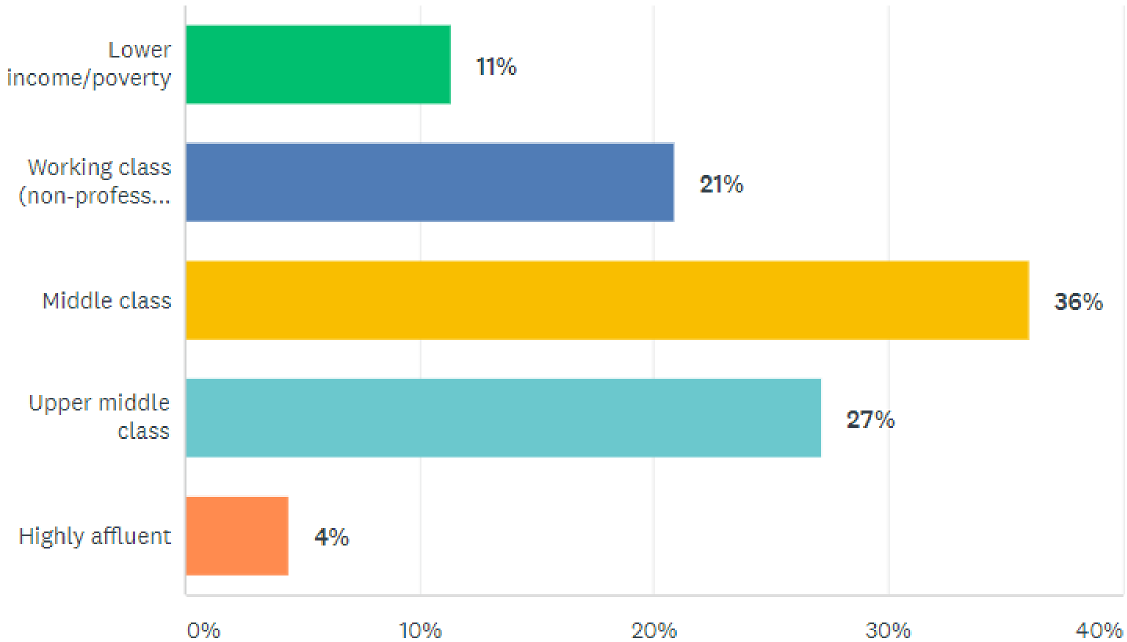
Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

The survey response panel is composed of highly experienced financial advisors

- More than two in five respondents (45%) are age 60 or older.
- More than one third of respondents (36%) are in their 50s.
- One in five respondents (19%) are in their 40s or 30s.

Q22. Which of the following best describes your family's financial status growing up?

(Select single best answer)



Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

The survey response panel is composed of advisors who grew up in a balanced cross-section of economic circumstances

- One third of respondents (32%) were raised in **working glass or lower income** households.
- Another one third of respondents (36%) were raised in **middle class** surroundings.
- Slightly more than one in four respondents (27%) indicated they were raised in **upper middle-class** households.
- Just one in twenty-five respondents (4%) described their upbringing as **highly affluent**.

Advisor's Financial Upbringing Can Impact their Views About Money

Data suggests that an advisor's financial upbringing can significantly influence their views about money, how they counsel their clients and even which financial advisory profession they chose to pursue.

Index 100 = average

FACTOR	Lower Income/Working Class	Middle Income	Upper Income
Likely to be a… **CPA** **Wealth Advisor** **Estate Atty/Planned Giving Specialist**	CPA 115 Atty 114	Specialist 113	Wealth Advisor 110
Another 10% Market Correction Very Likely	102	107	93
Recession Very Likely	95	110	95
What's Keeping Clients Up at Night? *(besides pandemic)*	Global Recession 177 China Trade 145 US Recession 116 COVID Lifestyle Changes 115 Changing Tax Laws 113	Intl Political Landscape 124	Flattening Yield Curve 133
Least Optimistic Generation about Money	Seniors 120	Boomers 111	Gen X 118
Has America's Financial Literacy Improved L2 Years?	Fallen Behind 148	Improved 116	Stayed the Same 112
In addition to K-12 Schools, who else could make biggest impact on financial literacy?	CPA/Tax Preparers 157		Houses of Worship 160
Biggest client challenges when on board	Excessive student debt 160 Outliving their money 141 Significant insurance gaps 122 Outdated Estate/Gift plan 119	Excessive student debt 120	Didn't know monthly spending 109
If no HELOCs allowed for tuition help	Tuition would continue outpacing inflation 109	Tuition would decline 123	Tuition would continue outpacing inflation 113
How can advisors make clients more confident during uncertain times	Focus on long-term goals 105	Go beyond investments 107	Enhance reviews 119
Biggest contributors to student loan crisis	Bad loan terms 141 No family help 123 Keeping up with Jones's 121	Keeping up with Jones's 126	Unclear about FAFSA/CSS process 119

Why Americans reluctant to get/update estate and gift plan	Believe govt. can handle 133 Not a priority 115	Believe too young 107	Believe govt. can handle 133 Too expensive 116
Practice growth expectations	Moderate Growth 119	Flat/Declining Growth 121	Double-Digit growth 116
Best thought leadership channels	Facebook 120	Publishing on LinkedIn 136 Podcasting 135 Bylined articles 130 Quoted in the press 126	Twitter 200 Instagram 167 Podcasting 135
Core Services Offered			More likely than other respondents to offer Gift planning Business Exit Planning Estate Planning LTC Planning Insurance Risk Mgmt

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

Q23. List up to three (3) things that you and your peers could do to make your profession even better for the youngest professionals coming up the ranks

Sources: CPA Trendlines; HB Publishing & Marketing Company, LLC; The Financial Awareness Foundation, Investment & Wealth Inst., Elite Resource Team 2021

By mining the open-ended responses to this question, our software found the words most likely cited pertained to mentoring, training, professional education and encouragement.

- Mentoring
- Training
- Teaching
- Education
- Professional
- Client
- Encourage

Conclusion

"The Biden tax plan may also be looked at as the "accountant's retirement act." You'll have two choices: either get up to speed and invest the next 3-5 years amortizing that learning curve….OR you'll retire now, because you can't put in the work. We got a glimpse of this during tax season, which was even worse for most accountants I've talked to than the COVID-induced PPP confusion of 2020. There was so much new stuff coming down every day that smaller firms couldn't keep up. Larger firms had specialist who could. We're going to see a continuation of that.

— Rick Telberg, Founder and CEO, CPA Trendlines Research, cpatrendlines.com

"As we noted last year, with the new stimulus packages and the possibility of major tax reforms, clients are going to need more financial assistance to comply; in our opinion this will generate significant new business opportunities for financial service advisors and for financial product providers. Also with so many businesses being challenged with supply chain breakdowns and dealing with the possible new normal of social distancing, it may create more business for advisory practices over financial product providers. Lastly for all wealth advisors again the survey highlights that there is a **HUGE** need and opportunity for financial service professionals to share some of their knowledge and skills as speakers, writers and communicators to help educate and motivate the public to get their financial house in order with comprehensive financial plans, estate and gift plans. We've had a lack of financial awareness along with a financial illiteracy epidemic for years now it really needs immediate attention."

— Valentino Sabuco, Executive Director, The Financial Awareness Foundation, **www.thefinancialawarenessfoundation.org**

"From the depths of the pandemic recession to the overheated recovery and supply chain shortages, it's never been a more challenging time for business owners and investors to succeed. If anyone ever questioned the value that CPAs, wealth advisors and estate planning attorneys provide to their clients, those doubts have been erased during this crisis. That's why such a high proportion of respondents remain optimistic about their firm's growth prospects despite the many storm clouds of uncertainty on the horizon.

As former heavyweight boxing champion, ***Mike Tyson*** *liked to say: '****Everyone has a plan 'till your get punched in the mouth.'*** *Well we've all been sucker-punched. Either you throw in the towel or you dust yourself off and get back on your feet. Most respondents have clearly chosen to get off the canvas and fight. As was the case during World War II, September 11th and 2008, a crisis forces us to take action and break down barriers to innovation. Advisors who have been leaning into the 'new normal' by adapting rather than hiding will have no shortage of clients and prospects seeking their counsel.*

You might have to have more virtual relationships with clients, prospects and strategic partners, but it's clear they're counting on you for guidance and reassurance. The easy money and worry-free retirement of the past decade is in the rear-view mirror. Now is when the contenders separate themselves from the pretenders. Advisors who keep investing in their technologies, processes and capabilities when times look bleak--the ones who keep speaking, publishing and reaching out to clients when the headlines are doom and gloom--are the ones who will come out of the crisis with a full head of steam."

— Hank Berkowitz, Principal, HB Publishing & Marketing Company, LLC, www.HBPubDev.com

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We know that those of you who took time to complete our survey are highly confident in your business and leaning into this crisis rather than hiding in fear. We're sure that you will be amply rewarded for your courage during these trying times. Keep up the great work. Your clients need you.

Sincerely,

Rick Telberg, Valentino Sabuco and Hank Berkowitz

About the Researchers

The Financial Awareness Foundation

We are a 501(c)(3) nonprofit organization, and our mission is to significantly help solve problems created due to a lack of financial awareness and financial illiteracy. We serve as a nonpolitical 'financial awareness advocate' for We The People - the general public, the financial service professionals and their organizations, nonprofits, educational institutions, municipalities, employers and the news media.

Most people are never taught the essential principles of smart money management and are provided with very little personal financial knowledge at home or school. This leaves them vulnerable to become victims in many of their everyday money decisions, which jeopardizes almost every aspect of their lives, including their health and well-being, financial security and any hopes of financial independence or even an adequate retirement.

Just in the US, we currently have more than 10,000 people reaching age 65 daily; many will run out of money before they die. This lack of financial understanding has created a problem for more than ½ of our adult population don't have nor understand why they need an up-to-date financial, estate and gift plans to protect themselves and their families. And these problems are not limited to the US . . . they are worldwide.

That's why over 12 years ago we helped launch ***The Improving Financial Awareness & Financial Literacy Movement***. Our plan has not changed – we intend to touch everyone at least twice a year through the strategic campaign venues of ***Financial Literacy Month in April*** and six months later with ***Estate & Gift Planning Awareness Month in October.*** The plan is to touch everyone at least twice a year through these strategic campaign venues, with educational and motivating content, reminders and tools for making wise informed lifelong financial decisions and to get and keep your financial house in order by having current financial, estate and gift plans.

http://www.thefinancialawarenessfoundation.org/pdf/TFAF-FallCampaignReport&Magazine.pdf

http://www.thefinancialawarenessfoundation.org/pdf/TFAF-Advisors-CanIncreaseYourBottomLine.pdf

You can visit our website at www.thefinancialawarenessfoundation.org to receive your FREE copy of ***The Personal Finance Publication Set*** – that includes money secrets and the essential principles to smart money management – the foundation to personal finance knowledge. These are very special empowerment tools, not a Do-It-Yourself-Kit. They encourage people to make better informed lifelong money decisions and use financial professionals & product providers to get the best results from time & money.

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Financial Upbringing Influence on Optimism & Financial Advice

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
	ALL		51			55			49	
Q1. Market Correction Very Likely	44%		45%	102		47%	107		41%	93
Q2. Recession Very Likely	21%		20%	95		23%	110		20%	95
Q3. Top concerns excluding pandemic										
Turbulence in D.C.	76%		76%	100		75%	99		76%	100
Changing tax laws	67%		76%	113		56%	84		70%	104
Federal budget deficit	60%		63%	105		54%	90		64%	107
Lifestyle changes post-COVID	46%		53%	115		44%	96		40%	87
Long overdue for stock market correction	43%		49%	114		44%	102		36%	84
Changes in U.S. international relations and agreements	29%		33%	114		26%	90		28%	97
U.S. recession fears	25%		29%	116		28%	112		20%	80
Global recession fears	22%		39%	177		14%	64		16%	73
China Trade	20%		29%	145		19%	95		14%	70
Intl. political landscape	17%		14%	82		21%	124		18%	106
Rising interest rates	15%		14%	93		16%	107		16%	107
Flattening yield curve	12%		10%	83		11%	92		16%	133
Q4. Least optimistic group										
Millennials	43%		41%	95		42%	98		44%	102
Boomers	27%		25%	93		30%	111		27%	100
Gen X	17%		16%	94		16%	94		20%	118
Seniors	10%		12%	120		11%	110		6%	60

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
Gen Z	**3%**		**6%**	**200**		**2%**	**67**		**2%**	**67**
Q5. Financial Literacy Improvement										
IMPROVED	**38%**		**30%**	**79**		**44%**	**116**		**42%**	**111**
Stayed the same	**34%**		**29%**	**85**		**33%**	**97**		**38%**	**112**
Fallen behind	**29%**		**43%**	**148**		**23%**	**79**		**20%**	**69**
Q6. Who could make biggest impact										
K-12 Schools	**58%**		**61%**	**105**		**60%**	**103**		**52%**	**90**
College/Univ	**28%**		**29%**	**104**		**26%**	**93**		**28%**	**100**
Wealth Adv/Finl Planners	**15%**		**14%**	**93**		**14%**	**93**		**16%**	**107**
CPA Tax Prep	**14%**		**22%**	**157**		**11%**	**79**		**10%**	**71**
House of Worship	**5%**		**6%**	**120**		**2%**	**40**		**8%**	**160**
Q7. Biggest financial challenge new clients face										
Estate/Gift plan out of date	**62%**		**74%**	**119**		**56%**	**90**		**55%**	**89**
Don't know their income needs for retirement	**59%**		**64%**	**108**		**54%**	**92**		**60%**	**102**
Didn't have an investment policy or asset allocation plan	**65%**		**66%**	**102**		**65%**	**100**		**64%**	**98**
Had significant insurance gaps	**36%**		**44%**	**122**		**31%**	**86**		**32%**	**89**
Were in danger of outliving their money	**27%**		**38%**	**141**		**28%**	**104**		**15%**	**56**
Didn't know their monthly spending	**34%**		**34%**	**100**		**31%**	**91**		**37%**	**109**
Had more than $30,000 in student debt	**5%**		**8%**	**160**		**6%**	**120**		**2%**	**40**

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
Q8. If home equity no longer permitted as tuition source										
Continue outpacing inflation	32%		35%	109		25%	78		36%	113
Keep pace with inflation	25%		25%	100		23%	92		28%	112
Decline	43%		39%	91		53%	123		36%	84
										#DIV/0!
Q9. How advisors can make clients more confident during uncertain times (strongly agree)										#DIV/0!
Meaningful advice	77%		78%	101		72%	94		82%	106
Focus on long term goals	63%		66%	105		60%	95		63%	100
Go beyond investments	61%		57%	93		65%	107		61%	100
Deliver on core expectations	46%		44%	96		44%	96		51%	111
Enhance reviews	36%		33%	92		33%	92		43%	119
Q10. Biggest contributors to student loan crisis										
Overpriced tuition	86%		90%	105		89%	103		78%	91
Insufficient 529/savings	53%		55%	104		60%	113		42%	79
Peer pressure (keeping up w/Jones's)	39%		47%	121		49%	126		20%	51
Unrealistic about merit aid/scholarships	35%		41%	117		30%	86		34%	97
Unclear about FAFSA/CSS aid process	27%		27%	100		21%	78		32%	119
Unclear about Expected Family Contribution (EFC)	27%		31%	115		26%	96		22%	81
Bad student loan terms	22%		31%	141		23%	105		12%	55
No family help	22%		27%	123		18%	82		22%	100
Unexpected $ setback (medical, job loss)	13%		16%	123		9%	69		14%	108

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
11. Why are so many Americans hesitant to obtain (and keep current) a financial, estate and gift plan?										
Too busy/not a priority	**75%**		**86%**	**115**		**68%**	**91**		**76%**	**101**
Believe they're not wealthy enough	**68%**		**76%**	**112**		**60%**	**88**		**68%**	**100**
Think it's too expensive	**50%**		**47%**	**94**		**46%**	**92**		**58%**	**116**
Unsure where to turn for advice	**46%**		**51%**	**111**		**42%**	**91**		**44%**	**96**
Believe they're too young	**43%**		**39%**	**91**		**46%**	**107**		**44%**	**102**
Believe government can handle	**9%**		**12%**	**133**		**4%**	**44**		**12%**	**133**
Other	**15%**		**14%**	**93**		**21%**	**140**		**8%**	**53**
Q12. Practice growth expectations next 12 months										
Strong growth 10% or more	**37%**		**31%**	**84**		**38%**	**103**		**43%**	**116**
Moderate growth 1% to 10%	**43%**		**51%**	**119**		**39%**	**91**		**40%**	**93**
Flat declining revenue	**19%**		**18%**	**95**		**23%**	**121**		**16%**	**84**
Q13. Peer firm growth expectations next 12 months										
Strong growth 10% or more	**22%**		**14%**	**64**		**11%**	**50**		**22%**	**100**
Moderate growth 1% to 10%	**65%**		**62%**	**95**		**64%**	**98**		**60%**	**92**
Flat declining revenue	**13%**		**24%**	**185**		**25%**	**192**		**18%**	**138**
Q14. Top Thought Leadership Channels										
Public speaking and presentations	**64%**		**51%**	**80**		**71%**	**111**		**69%**	**108**

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
Hosting client events	52%		51%	98		57%	110		46%	88
Producing webinars	48%		45%	94		52%	108		48%	100
Being quoted in the press	47%		33%	70		59%	126		49%	104
Publishing bylined articles	46%		28%	61		60%	130		49%	107
Producing videos	37%		31%	84		45%	122		33%	89
Authoring book/e-book	32%		24%	75		38%	119		33%	103
Publishing articles on LinkedIn	25%		14%	56		34%	136		27%	108
Blogging	22%		16%	73		25%	114		24%	109
Podcasting (new)	20%		6%	30		27%	135		27%	135
Facebook	10%		12%	120		5%	50		12%	120
Twitter	8%		2%	25		5%	63		16%	200
Instagram/Pinterest	6%		2%	33		7%	117		10%	167
Q15. Frequency of client contact (per month)										
1x or less	54%		52%	96		61%	113		49%	91
2x or more	46%		48%	104		39%	85		51%	111
Q16. Which of the following best describes the size of your firm, practice or business?										
Sole prac	32%		25%	78		39%	122		32%	100
2-5 profl	30%		33%	110		25%	83		32%	107
6-10 profl	13%		18%	138		11%	85		12%	92
11-50 profl	15%		18%	120		14%	93		14%	93

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
51+ profl	9%		6%	67		11%	122		10%	111
Q17. Which of the following best describes your business or profession?										
CPA/Tax Advisor	48%		55%	115		46%	96		44%	92
CFP/Wealth Advisor	29%		25%	86		30%	103		32%	110
Specialist/Other	16%		12%	75		18%	113		18%	113
Estate Atty, Gift, Insur.	7%		8%	114		7%	100		6%	86
Q18. Top Services Offered										
Tax Planning	74%		71%	96		77%	104		73%	99
Accounting	50%		57%	114		54%	108		46%	92
Retirement Planning	49%		43%	88		54%	110		48%	98
Asset Mgmt	42%		37%	88		47%	112		42%	100
Estate/Gift Planning	39%		33%	85		37%	95		48%	123
Comprehensive Finl Planning	36%		27%	75		39%	108		42%	117
Business Succession Planning	32%		37%	116		19%	59		42%	131
Multi-Generational Planning	28%		22%	79		23%	82		40%	143
Charitable/Gift/Legacy Planning	21%		24%	114		16%	76		25%	119
Insurance Risk Mgmt	19%		16%	84		16%	84		25%	132
Long Term Care Planning	14%		6%	43		18%	129		19%	136
Q19. Top Services Planning to Offer within 12 months										

Financial Upbringing Influence on Optimism & Financial Advice			Lower Income/Working Class	Index		Middle Income	Index		Affluent	Index
Retirement Income Planning	93%		89%	96		97%	104		90%	97
Business Exit Planning	84%		81%	96		85%	101		86%	102
Charitable Giving	85%		69%	81		92%	108		89%	105
Estate/Gift Planning	90%		94%	104		88%	98		90%	100
Assset Protection Planning	87%		81%	93		83%	95		95%	109
Exec. Compensation Planning	72%		79%	110		71%	99		69%	96
Trust Services	58%		50%	86		55%	95		65%	112
Q20. Which of the following best reflects your view about continuing education and training for financial advisors (select single best answer)										
Advisors seek advanced certifications	46%		36%	78		39%	85		63%	137
Re-evaluate current rules, cert., licenses	31%		36%	116		35%	113		20%	65
Keep as is	12%		16%	133		12%	100		8%	67
Regulatory body decision	10%		12%	120		11%	110		8%	80
Other										
Q21. Age										
Under 39	5%		6%	120		5%	100		4%	80
40-49	14%		14%	100		13%	93		16%	114
50-59	36%		37%	103		48%	133		20%	56
60-69	28%		22%	79		23%	82		40%	143
70+	17%		22%	129		11%	65		20%	118