

The Evolution of Advice

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To get the best out of your current financial advisor, you need to better appreciate what kind of advice is available to you today versus in the past. And more importantly, what the provision of advice now and in future may look like and how this may impact your ability to access quality advice. The rich do and will always have the ability to pay for the best advice available. The vast majority of Canadians have a more limited ability to access advice depending upon their personal financial resources.

In the 1970s, most people accessed financial products through a transactional model similar to buying a chocolate bar. The four pillars were distinct and separate: property and casualty, banking, stock brokerages and life and disability insurance. By the early 1990s, the barriers between these pillars were removed and it became easier to access financial products through one individual or independent advisor – life insurance Agents offering investments through mutual or Segregated funds, banking products, mortgages, GICs and so on.

As a result of this change, doors were opened for large banks to buy up competitors (credit unions, mortgage companies and travel insurance companies) creating life insurance divisions, property and casualty divisions. The banks want to control as much of the financial industry as possible in order to capture more of the revenue needed to meet their Return on Equity (ROE) goals.

While we are not quite at the point where you can buy any product from any distributor at any time or by any means, the reality is that today, it is easier than ever for Canadians to access financial products.

Life insurance Agents, for example, used to offer two basic forms of protection – permanent or temporary insurance. As they entered the 1980s, Agents started offering packaged insurance solutions and "programmed" sales strategies such as using cash value life insurance to, for example, more quickly pay off a standard 25-year mortgage.

By the early 1990s, the cutting edge advice trend was to offer strategic or holistic financial advice through formal financial plans using the new software and technology tools that became available. Financial planning has since evolved into today's "life planning" where your life vision and personal values are paramount in the provision of advice and ultimately selecting products and strategies to assist you as a consumer, to achieve your goals.

In more recent times, real world events such as the Great Financial Crisis of 2008 impacted the financial industry. The popular story line in the media at that time, was to blame independent financial planners for the impact on their client's investments and net worth. This resulted in advisors being required to adjust their business processes in the face of a tsunami of extra paperwork and extra costs.

Today, many Advisors continue to offer assistance to all Canadians no matter what their financial circumstances. However, in the future, it is very likely that more and more advisors will be forced to evaluate each client situation independently to assess profitability on an ongoing basis.

No matter what changes are coming, our goal is to help you build a better tomorrow today!

Call us for an appointment to [discuss how we will continue to provide the best advice and service possible to you](#) [1], our most valued clients.

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