

Usage of Financial Planning Advice and Financial Satisfaction: Implications for Financial Planners

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Abstract

The purpose of this study was to examine the association between usage of financial planning advice and financial satisfaction. Financial planning advices included advices on investment, insurance, and tax planning. Financial satisfaction was measured by a 10-point Likert scale. Using data from the 2012 National Financial Capability study, results of t-tests showed that consumers receiving financial advice on investment, insurance, tax, or any combination on these services scored higher on financial satisfaction compared to those who did not receive these services. Multiple regression findings indicated that, controlling for financial condition variables, financial planning advice variables were associated with financial satisfaction. Specifically, investment and tax advices were positively associated with financial satisfaction, while insurance advice was negatively associated with financial satisfaction. Financial planners' primary role is to help their clients build their net worth. This paper finds evidence suggesting that financial planners also have a positive effect on their clients' lives by increasing their financial satisfaction when providing specialized investment or tax advice.