

## FP CANADA RESEARCH FOUNDATION REQUEST FOR PROPOSALS

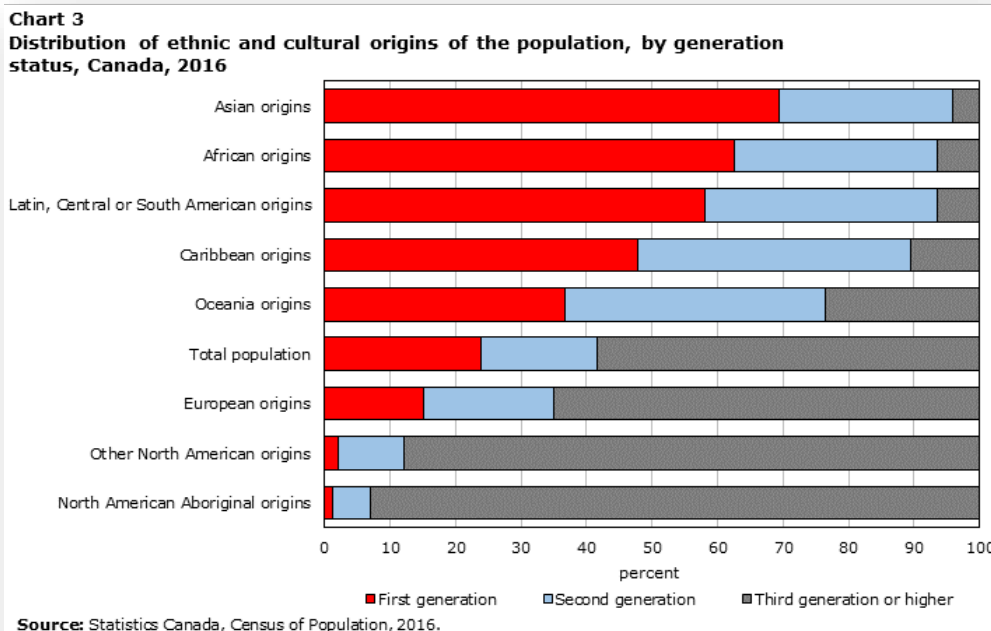
### The Implications of Culture on Financial Planning

The FP Canada Research Foundation invites proposals (“RFPs”) from researchers interested in conducting research into the implications of culture on financial planning. To the extent a proponent submits a response to this RFP, such proponent agrees to the terms and conditions of this RFP.

#### BACKGROUND

According to the most recent National Household Survey (in 2011), Canada has a foreign-born population of close to 7 million people (representing 20.6% of the total population). In that survey, Chinese ancestry (approximately 1.8 million people), East Indian ancestry (approximately 1.4 million people) and Filipino ancestry (approximately 837,000 people) were among the 20 most common ancestries reported. Further, Asia (including the Middle East) was Canada's largest source of immigrants during the five years from 2006 to 2011 and the Philippines was the leading country of birth among people who immigrated to Canada between 2006 and 2011 (at 13% of all newcomers).

In 2016, the Canadian Census data provided a fulsome view of the minority populations in Canada (see table below):



The above table shows that:

- People of Asian origin (Chinese, East Indian and Filipino) were among the 20 most common ancestries reported by the Canadian population and close to 70% of individuals who reported Asian origins were foreign-born, compared with 15% of individuals who reported European origins.
- The majority of people who reported African origin or Latin, Central or South American origins were part of the first generation to arrive in Canada. The most common ancestries among first-generation individuals from these two regions are Mexican, Colombian, Egyptian and Moroccan.

## PROBLEM

Material disparities between people of different ethnic backgrounds can impact approaches to engaging clients in financial planning and to client discovery designed to effect positive client outcomes.

Thriving as a professional financial planner in today's world demands a broad range of skills. Technical expertise is essential as a basis for providing financial planning advice to clients. Effective practice as a financial planner also requires an understanding of how to apply that technical expertise holistically to real-life client situations.

Indeed, there may be a tendency to prioritize financial health/values above cultural values. However, understanding cultural and religious beliefs about finances and financial priorities are paramount when providing financial planning advice. As an example, Canadian Muslims often have unique constraints when looking for investment options that fit their religious beliefs, while traditional or mainstream options may be unsuitable for these clients. Many immigrants come to Canada for a better life for their children and will prioritize savings and support for their children above all else. Some cultures prioritize providing care for extended family and multiple generations of family and may not consider long-term care insurance. It's well understood that financial planning depends on trust. Understanding some of the predominant values and beliefs that may impact client decision-making is critical for financial planners in understanding diverse clients and in building trust.

In addition to the money mindset of clients with different cultural backgrounds, it's also critical to understand cultural norms and customs of individuals with different cultural backgrounds, including, who clients may rely on for advice, the role of gender in financial conversations and decision making, topics that may be more sensitive or even taboo to discuss with a stranger, and even the range of acceptable gestures, such as handshaking.

While cultural competence is as important for financial planners as technical competence, one of the greatest sticking points is understanding how culture affects planners' ability to attract clients of different cultures, interview them and present recommendations in a way that resonates. Planners may see their immigrant clients shut down during the discovery process by simply replying, "I don't know." It may not be that the client "doesn't know" but rather they are not comfortable sharing information because of a difference in value systems. It may be more of



a stalling tactic. To build trust, planners must understand their clients' cultural values, money-management mindset and interpretation of financial freedom.

## PURPOSE OF RESEARCH

This research should address the following questions:

- a) What are the key cultural values, priorities and religious beliefs of the larger minority ethnic groups in Canada, including beliefs related to money management, credit, education, retirement, investment, insurance and estate planning?
- b) What is the current level of awareness and understanding by the larger minority ethnic groups of Financial Planning (i.e., what does it mean to them? what do they perceive its value to be?) and what is their perception of financial planners?
- c) What are the key customs and norms of the larger minority ethnic groups in Canada, including where they tend to go for advice, the role of gender or family in financial decision making and information not readily shared or typical approaches to greeting or engaging with professionals?
- d) What are the implications of these cultural values, customs and norms on:
  - i. Approaches financial planners should consider for better client and community engagement?
  - ii. Delivery of financial planning advice for optimum client outcomes across the various phases of financial planning (including engagement, discovery, financial plan development and delivery) and financial planning areas (including money management, credit, education, retirement, investment, insurance or estate planning)?

It is important to note that this research is not intended to create or reinforce stereotypes, but rather to build planner awareness and sensitivity, as well as client trust by providing financial planners with a better understanding of diverse clients, many of whom may have different cultural backgrounds from their own.

## APPLICATION PROCESS & DEADLINE

This Request for Proposal does not constitute an agreement with the FP Canada Research Foundation to conduct research or eligibility for a research grant. The FP Canada Research Foundation reserves the right to approve or decline any requested research proposals. The FP Canada Research Foundation also reserves the right to ask any applicant for additional information regarding their research proposal or for relevant references.

Please email your completed [FP Foundation Research Grant Application](#) in PDF format to the Executive Director, FP Canada Research Foundation at [researchfoundation@fpcanada.ca](mailto:researchfoundation@fpcanada.ca).

**For consideration, your proposal must be received by October 18, 2021, at 4:00 p.m. ET**



This is an invitation for RFPs and not a tender call. FP Canada Research Foundation does not intend to and does not assume or owe any contractual or other duties or obligations as a result of the issuance of this RFP, the preparation or submission of a proposal by a proponent, the receipt, opening and consideration of a proposal, the evaluation of proposals, provision of additional information or conduct of presentations, the proponent's participation in any discussions or negotiations, or on any other basis whatsoever arising out of this RFP. Without limiting the generality of the foregoing and for certainty, no contract is formed by the submission of a proposal in response to this RFP.

### **About the FP Canada Research Foundation**

The FP Canada Research Foundation is an independent registered charity dedicated to funding financial planning research for the benefit of the public. The FP Canada Research Foundation is committed to technical research that examines and challenges current practices in financial planning decision-making, behavioural research that examines the impact of human behaviour on effective financial planning and societal research that examines the benefits of financial planning on society as a whole. This research helps professional financial planners meet the increasingly complex needs of today's clients. More information is available at [FPcanadaresearchfoundation.ca](http://FPcanadaresearchfoundation.ca).