NORTHCENTRAL UNIVERSITY

THE IMPACT OF INTERNET-BASED FINANCIAL PLANNING TOOLS ON FINANCIAL PLANNERS

A Dissertation submitted to

The graduate faculty of the Department of Business & Technology Management

In candidacy for the degree of

DOCTOR OF PHILOSOPHY

By

MARTIN E. REYNOLDS

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APPROVAL

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Candidate: Martin E. Reynolds

Title of Dissertation: The Impact of Internet-Based Financial Planning Tools on Financial Planners

Dissertation Committee:

Daljit Singh 4/30/2007

Chair: Daljit Singh, Ph.D. Date

Member: Alan Crake, Ph.D.

Member: James Neiman, Ph.D.

Member: Alex Koohang, Ph.D.

ABSTRACT

The Impact of Internet-Based

Financial Planning Tools on Financial Planners

By

Martin E. Reynolds

Northcentral University

The purpose of this quantitative study was to examine how easily accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have, if at all, affected the client base of financial planners. At year-end 2005 the U.S. retirement market totaled $3.7 trillion in assets. Individual Retirement Account (IRAs) accounted for 26% of those assets. The literature review was based upon previous literature significant with respect to the attitudes of individuals and the effects of Internet technology on the practice of financial planners. The methodological research portion of the study was based upon data collected from questions developed from previous studies and validated as having construct relevance. Findings are reported in terms of raw data, as are the results of the statistical analysis. The results of this inquiry might benefit students of finance and practicing financial planners because it seeks to clarify some of the motives consumers have for using these Internet sites in lieu of contacting professional financial planners for advice in financial, tax, estate, and retirement planning. In addition, the research model provides information as to the levels of financial planning, Internet participation, resource usage, and why consumers may stay with traditional planners. Data from the study did not suggest any adverse effects upon the client base of financial planners. However, the level of Internet usage discussed in the literature suggests that consumers do seek alternatives. Suggestions on what financial planners can do to secure their client base include accepting that (a) Internet usage is growing at a tremendous rate, (b) consumers who are being drawn to it for planning purposes may be going there because online planning tools are easy to use and less expensive than traditional planning practices, (c) the use of the Internet by different groups has legitimized the presence of that medium in the financial planning process. They should also (d) consider increasing their use of the Internet to accommodate existing clients and to attract potential clients by promoting their practice, their experience, and their people skills, and (e) consider establishing a link between their own website and financial and retirement related issues discussed on the Internet.

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Chapter 1: Introduction

The arrival of the Internet has produced opportunities for individuals to take personal control of their finances by utilizing financial planning tools that are easily accessible from their own personal computers. Although the more comprehensive web site programs may charge a fee for this service, there are many sites offering basic financial planning computations free of charge. These services are offered outside the traditional environment where clients meet in person with a qualified financial planning professional.

Statement of the Problem

The purpose of this quantitative study is to examine the extent to which, if any, accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners. There are no statistics available to indicate the number of people who utilize the Internet as a financial planning tool. Therefore, there is an opportunity gap to determine if financial planners should consider Internet tools as a threat, and perhaps how to address any current and/or potential threat.

The study addressed the following questions:

1. Is there empirical evidence to indicate that Internet-based financial planning tools have an adverse effect upon the client base of financial planning professionals?
2. Are the financial planning tools available on the Internet comparable to the services offered by planners charging fees or commissions?

3. Are financial planners utilizing the Internet as a means of protecting their client base and encouraging new business?

Significance of the Problem

This inquiry has significance because, with the ever-increasing influence and usage of the Internet, more individuals will become exposed to online advertising claiming to make available easy to use financial planning tools. Its wide acceptance as an information delivery system makes the Internet an easy and convenient choice for consumers seeking financial planning advice. This option creates a potentially adverse business environment for financial planners "who do not understand how to do business via the Internet and how to properly evaluate the choices those existing and potential clients have in using this medium" (Anonymous, 2001, p. 21).

Students of finance and practicing financial planners might benefit from this research because it seeks to clarify whether consumers are using these Internet sites in lieu of contacting professional financial planners for advice in financial, tax, estate, and retirement planning. The focuses of the questions were to solicit information as to the level of Internet participation and why consumers have chosen this path. The study may also reveal the extent of awareness of what is being made available to the public as well as what steps financial planners should take in using the Internet to attract new clients.

Lastly, it may offer an indication of any serious lapses in training and education on the part of currently practicing professional financial planners.

Definition of Key Terms

For purposes of clarity, definitions of the following terms used in this study are presented. The researcher developed definitions for terms not documented.

401(k): A retirement plan offered by private sector employers that allows employees to make tax-deferred salary contributions. This lowers their taxable income in the near term and allows those contributions to grow, tax-deferred, over the long term Dolan, 2000).

403(b): A retirement plan similar to a 401(k) plan but offered by public-sector employers, agencies, and nonprofit organizations (Dolan & Dolan, 2000).

Annuity: Periodic payment to an individual than continues for a fixed period or for the duration of a designated life or lives (Rejda, 2001).

Certified Financial Planner (CFP®): A professional mark owned by the Certified Financial Planner Board of Standards. It certifies that the holder has completed specific education, examination, and experience requirements (Dalton, Dalton, Cangelosi, Guttery, & Wasserman, 2001).

Certified Public Accountant (CPA): Professional designation certifying licensee has met standards established by the American Institute of CPAs.

Chartered Financial Consultant (ChFC®): An individual who has attained a high degree of technical competency in the fields of financial planning, investments, and life and health insurance and has passed ten professional examinations administered by The American College (Rejda, 2001)

Chartered Financial Analyst (CFA®): A designation awarded to investment specialists who pass three sequential examinations over a minimum of three years in investment topics.

Chartered Life Underwriter (CLU®): An individual who has attained a high degree of competency in the life and health insurance fields, has at least three years

experience in insurance sales, and has passed ten professional examinations administered by The American College (Rejda, 2001).

Community Site: A Web site that is directed toward users with a common interest or goal. Community sites are typically centered on message boards, chat rooms, news, and information (Dolan et al, 2000).

Compensation Methods for Financial Planners:

Fee-Only – Typically an hourly rate or fixed fee for service.

Fee-Based – Compensation by both fees and commissions contingent upon purchase or sale of financial products.

Commission-Based – Compensation solely by means of commissions contingent on sale or purchase of financial products used in implementing a financial plan.

Fees for Assets under Management – Fees based on a percentage of the assets managed. Usually in addition to a fee-only arrangement for advice.

Defined Benefit Plan: An employer or government sponsored retirement plan that promises to provide a specific benefit, typically in the form of a monthly retirement pension based on the level of compensation and years of service (Martin, 1999).

Defined Contribution Plan: An employer or government sponsored retirement savings plan, sometimes referred to as a 401(k), 403(b), or 457 plans. Typically, employees must choose to participate by electing to contribute a portion of their wages. The employer may or may not match their contributions (Martin, 1999).

DIY Investor: Individual who prefers to make investment decisions without seeking professional assistance (Srinivas, 2000).

Enrolled Agent (EA): A tax practitioner who has gained admission to practice before the Internal Revenue Service (IRS) by passing an IRS examination (Willis, Hoffman, Maloney & Raabe, 2003).

ERISA: Employee Income Security Act of 1974 protects the interests of retirement plan participants and their beneficiaries. It supplies various qualification standards, fiduciary responsibilities, and enforcement procedures (Krass, 2002).

Estate Planning: An overall plan that organizes the disposition of your assets, including real estate, investments, and life insurance (Dolan et al, 2000).

Fiduciary: An individual or institution charged with the duty to act exclusively for the benefit of another party as to matters within the scope of the relationship between them (Fontaine, 2003).

Financial Plan: A strategy by which an individual can fulfill specific financial goals through implementation of a specific course of action (Mayo, 2003). Also, see reference to Personal Financial Planning Process.

Financial Planner/Financial Planning Practitioner: Individuals who are capable and qualified to offer objective, integrated, and comprehensive financial advice to or for the benefit of clients to help them achieve their financial objectives and who engage in [comprehensive] financial planning using the financial planning process in working with clients (Dalton et al. 2001).

Financial Planning Calculator: An online tool that calculates and evaluates how a particular financial decision, situation, investment, or other scenario might affect your finances. Tools may include templates for asset allocation, tax calculators, life insurance

need calculators, mortgage calculators or tools for estimating future value of retirement savings.

Individual Retirement Account (IRA): A retirement plan that can be established by a person with earned income. An IRA enjoys favorable tax income tax advantages (Rejda, 2001).

Million Dollar Round Table (MDRT): An international, independent association of approximately 30,000 life insurance and financial services advisors.

Modern Portfolio Theory: Comprised of several theories including the Markowitz model, which is a theory of portfolio construction employing returns and risk as measured by a portfolio's standard deviation. The capital asset pricing model (CAPM) which adds the possibility of earning a risk-free return, and the arbitrage pricing theory (APT) which reduces the explanation of a stock's return to two variables: (1) the market return and (2) the volatility of the stock in response to movements in the market (Mayo, 2003).

Monte Carlo Simulation: A mathematical model for computing the odds or probability of an outcome, such as the value of a person's retirement portfolio at the time of retirement. Using computer software or a Web-based program, the model tests thousands of possible scenarios.

Mutual Fund: An investment company that pools its shareholders' money and invests it in a portfolio of stocks, bonds, and other securities (Dolan et al, 2000).

National Association of Securities Dealers (NASD): The world's leading private-sector provider of financial regulatory services.

Perceived Risk in Depending on Oneself (PRDO): The degree of financial and psychological risk associated with doing all the financial planning activities yourself (Srinivas, 2000).

Personal Financial Planning Process: Determining an individual's or family's total financial objectives, considering alternative plans or methods for meeting those objectives, selecting the plans and methods that are best suited for the person's circumstances, implementing those plans, and then periodically reviewing the plans and making necessary adjustments (Zhou, 2003). Also, see reference to *Financial Plan.*

Personal Finance Portals: See Portal.

Portal: A Web site that acts as a gateway to topics and typically offers many links to other Web sites. Many portals act as authorities on particular topics, presenting news, commentary, analysis, calculators, statistics, and other resources (Dolan et al, 2000).

Retirement Planning: Comprehensive financial planning steps taken by financial planning practitioners to ensure their clients' secure retirement. Steps include a needs assessment, retirement income modeling, benefits analysis, and asset allocation strategies. It also includes a review of the distribution options of available retirement plans to help achieve maximum income and safety and minimize shrinkage through taxes.

Return on Equity (ROE): The earnings of a firm divided by the firm's book value (Sharpe, Alexander, and Bailey, 1999).

Risk Tolerance: The tradeoff between risk and expected return demanded by a particular investor (Sharpe, et al, 1999).

Roth IRA: An Individual Retirement Account in which the contributions are not tax deductible but the distributions are received free of income tax if certain conditions are met (Rejda, 2001).

Safe Harbor Rule: SEC provisions that protect issuers from legal action if specified requirements have been satisfied or, in certain cases, if a good-faith effort has been made to comply with requirements (Angel Investor, n.d.).

Securities: Financial instruments such as stocks, bonds, or mutual funds that denote either an ownership role or a creditor role (Dolan et al, 2000).

University Site: A Web site that offers a wide range of virtual courses on a particular topic, such as investing or taxes (Dolan et al, 2000).

Transaction Site: A Web site that allows its users to conduct financial transactions, such as trading stocks or paying bills (Dolan et al, 2000).

Variable Annuity: Annuity whose periodic lifetime payments vary depending on the level of common stock prices (or other investments), based on the assumption that cost of living and common stock prices are correlated in the long run. Its purpose is to provide an inflation hedge (Rejda, 2001)

Vendor Site: A Web site that is run by a vendor of commercial products, such as insurance, securities, or mortgages. A vendor site's primary purpose is to actively sell its product (Dolan et al, 2000).

Highlights and Limitations of Methodology Overview

Highlights. The topic of this dissertation, *The Impact of Internet-Based Financial Planning Tools on Financial Planners,* examined whether the client base of professional

financial planners has been affected by the public's use of available financial planning tools on the Internet.

An original research instrument was developed (and tested) to analyze relevant client data obtained from a sampling of practicing financial planners. Currently, there is no statistical information available indicating how many people consult financial planning professionals just as there is no data available to indicate the number of people who utilize the Internet as a financial planning tool.

The questions in the survey instrument were constructed to examine if financial planners have observed an increase in the number of clients opting out of their current personal relationship in favor of self-planning activities available on the Internet.

Limitations.

The results of this study were limited by the following conditions:

1. The population for this study was confined to Certified Financial Planners.
2. The Certified Financial Planner population for this study was confined to those planners currently holding membership in the Financial Planning Association.
3. Although the research instrument was developed for financial planning professionals with the CFP® mark, the instrument developed may be applied to other professionals in the financial planning field who do not hold the CFP® mark. These include those qualified by virtue of their designations as one or more of the following: Chartered Financial Consultant, Certified Financial Analyst, Certified Public Accountant, or Attorney at Law.
4. Data on clients and potential clients was obtained from information supplied by Certified Financial Planners who completed and returned the survey instrument.

Research Expectations

The purpose of this dissertation is to examine whether the client base of professional financial planners has been affected adversely by the public's use of available financial planning tools on the Internet. To determine the presence and extent of such influences, the study has gathered data from currently available literature on the business practices used by financial planning professionals, financial planning tools currently available via the Internet, and the consumers expectations of their ability to utilize these tools. The data obtained was supplied by the writers and researchers of the published literature, the publishers of professional journals, and the individuals and businesses creating and maintaining Internet web-sites. This information was correlated with data obtained from the research instrument developed to analyze relevant client data provided from a sampling of practicing financial planners.

It was anticipated that the inquiry would be significant in determining the level of awareness concerning a potentially adverse business environment facing Certified Financial Planners. Practicing financial planners could benefit from research clarifying whether consumers were using these Internet sites in lieu of contacting professional financial planners for advice in financial, tax, estate, and retirement planning.

In addition, it was projected that the questions would provide information as to the level of Internet participation and why consumers have chosen this path. The study would also reveal the extent of awareness of what is being made available to the public as well as what steps financial planners should take in using the Internet to attract new clients. Lastly, the study would offer an indication or the presence of any serious lapses

in training and education on the part of currently practicing professional financial planners. These factors were reflected in the development of the Research Questions.

Chapter 2: Review of Related Literature

In general, what has been written mainly concerns easily accessible Internet financial planning tools, the motivations of consumers in seeking professional advice, the cost of professional services versus individual efforts, and the expectations of retirees. There are, however, journal articles and dissertations that have significance with respect to the attitudes of individuals, consumer risk avoidance, how the financial planning industry views certain groups, and evidence that Internet technology is being used at an increasing rate by the financial services industry. These journals include the *Journal of Financial Planning and the Journal of Accountancy.* In addition, there is some research available on other factors having some bearing on the ability or desire of planners to enter the Internet market.

What is evident from the literature is that "the market for personal financial advice is booming" to the point where "the increasing demand for advice is transforming the competitive market structure of the consumer financial services industry" (Srinivas, 2000, p. 25). According to him, "consumers annually spend billions of dollars on financial advice" (p. 25). In response to the demand "many firms that traditionally did not offer advice . . . have begun to do so. The market for financial advice is changing rather dramatically with new entrants into the industry" (p. 25).

This literature review examines nine separate, but interrelated areas and illustrated how the integration of these areas contributed significantly to this discussion. The first section looks at the role of financial planning in the financial affairs of individuals. The second section looks at whether certain groups or events influence the practice of

financial planning. The third section explores consumer attitudes and expectations about financial planning and their own abilities concerning handling their own financial investments. The fourth section discusses investment risk, risk avoidance, investment misconceptions, and the issue of trust. The fifth section explores the various options consumers have in the management of their finances: self-management, financial planning sites on the Internet, and retaining the services of a professional planner. The sixth section identifies the difference between information and advice in financial matters. The seventh section discusses how employers make financial planning options available to their employees. The eighth section addresses some of the options available to financial planners contemplating an online presence. In addition, it will recount some observations and opinions on the topic of face-to-face relationships compared to the online association with clients. The last section reviews financial planning tools currently available to consumers on the Internet.

The Role and Practice of Financial Planning

"Professionals who give financial advice are called by different names: financial advisors, financial consultants, [financial planners] brokers, independent brokers, financial analysts, financial partners, investment representative, [and] money managers (Srinivas, 2000, p. 27). With respect to credentials and professional designations, financial planning services:

> May be performed by a number of professionals holding a number of different designations, including licensed attorneys, Certified Public Accountants (including those holding the Personal Financial Specialist designation), Certified Financial Planners (administered by the CFP Board), Chartered Financial Consultants and Chartered Life Underwriters (administered by the American College), Chartered Financial Analysts (administered by the Association for Investment Management Research),

> individuals holding a Ph.D. in finance, economics, or related disciplines, and others. (Ligon, 2003, p. 275)

In the scope of this research, source material taken from appropriate books, periodicals, dissertations, and newspaper articles has referred to financial planning professionals in any of these terms. The inclusive use of these various terms was not an attempt to over generalize or over qualify any particular designation or professional specialty. The purpose was to bring in material that is germane to the subject area under study.

By its very nature, "financial advice can embrace a variety of domains, including investments, tax estate planning, insurance, retirement planning, etc. And more often than not, financial advice complements such other services as account services, research information, brokerage services, etc." (Srinivas, 2000, p. 26). In practice, "the role of the financial advisor extends beyond one-time financial planning. It is an ongoing relationship—where the advisor provides guidance as and when required" (p. 26).

The actual process of financial planning in any area is comprehensive in nature involving data gathering, analysis, planning, and implementation procedures. Through a systematic process:

> Practitioners believe they accomplish two main goals. First, they produce a sounder plan then through a piecemeal approach. Second, since they cover a range of substantive topics and process issues, they eliminate the need for clients to deal with several different specialists. (Cohen, 1996, p. 64)

It was his belief that "the main goal of the practitioners . . . is to connect increasingly complex individual needs and desires to societal markets and institutions" (p. 119).

Whether financial planning has or has not adapted to changes in the financial landscape, most researchers should agree that consumers would look to this industry as one offering professional services in a complex environment. Srinivas (2000) believed that:

> [One] aspect of professional services is that the delivered product that is designed and implemented . . .typically results from specialized knowledge and training. Consumers, essentially, solicit the services of a professional for this very reason. In many situations, the need to engage a professional originates from the lack of adequate knowledge and skills to perform the desired tasks. (e.g. financial planning. (p. 14)

Accordingly, the financial planner comes to occupy the role of an *expert* in his or her area and the service delivered by the practice serves an identifiable need. Consumers, then, look to what Srinivas (2000) termed "*expertise as a core resource*" as a reason to seek out a financial planner (p. 14).

Notwithstanding the degree of expertise planners have in several areas, a distinguishing characteristic of financial planning services is "the degree of non-standardization" that is present because the services "are often designed and delivered according to the unique demands of each individual customer" (Srinivas, 2000, p. 14). The personal nature of the financial plan is also enhanced because these services, "by their vary nature, require that the consumer be an active participant" (p. 15). In this relationship, "the financial professional relies on the input from the consumer to recommend the most appropriate strategy. And without some degree of customer participation, the financial advisor may not be able to offer meaningful and relevant solutions to the customer's problems" (p. 16). Finally, because of the significance of the customer's participation and involvement, the dynamics of this process become more complex than many other financial service settings.

Influences

Certain segments in the population significantly influence the services that are offered. In recent years, there is evidence that the senior sector--retirees and those nearing retirement--in particular is having an effect on this industry. Not only because it is a rapidly growing segment of society and there is a goodly amount of disposable capital, but because seniors have embraced computer technology. "Modern Maturity magazine reported that, of its readership, 85% of those surveyed own a computer. Of those that have a computer, 75% use it every day and 71% use it for budgets and keeping financial information" (Andrews, 2002, p.49). Information seems to substantiate that being able to "access their account information at any time is another example of the 'staying connected' philosophy that so much permeates the thinking process of the elderly" (p. 50).

Andrews (2002) offered a valid observation that "with the aging of the American population . . . considerably more resources of capital and effort must be expended to analyze and understand the needs, wants and required services of its most mature members" (p. 5). His study also has relevance to this dissertation, because his research focused "on the strategic reasoning process that senior individuals utilize when making purchasing judgments, principally in the financial services marketplace" (p. 6). What is their attitude concerning the relevance and adaptability of Internet-based financial planning applications? This is important as "those over the age of 65 hold greater than 65% of all bank deposits, more than half of all corporate stocks and control more than 40% of all disposable wealth in this country" (p. 7). This leaves little doubt that "Aging

and wealth . . . has recently begun to receive more media attention, primarily through the expansion of electronic commerce outlets associated with the Internet" (p. 11).

The "entrance into retirement often means a significant change in the lifestyle of the retiree along with associated changes in cash flow, income and spending requirements. This produces an expanded opportunity for the financial professional to offer their services to a younger class of retirees and provide real value to their investment clients" (Andrews, 2002, p. 47). Accommodating this trend "is the realization by many financial investment companies that their better, and often their most affluent, clients, are not transacting the buying and selling of securities like they have traditionally done in the past" (p. 48). Attuned to this change, large investment companies "are now soliciting business over the Internet, something they should have done only a few years ago" (p. 48).

Another factor influencing financial planning is the degree of change taking place within the industry. Recognizing the variance in what constitutes the tasks of financial planning, Cohen (1996) strived to:

> [I]dentify the practitioner groups emerging in financial planning, understand their efforts to define and control personal financial planning over a twenty-five year period, and to consider the implications of the groups' efforts in the development of the industry, particularly for the practitioners and ultimately for the recipients of the service. (p. 2)

Cohen's (1996) research data was derived from records of legislative bodies, associations and consulting firms, observations of industry events, trade association conferences, and complimentary planning sessions from American Express Financial Services, and interviews conducted with a range of industry practitioners and affiliates. The research did not include debt counselors or wealth specialists (p. 26). This particular

study had sociological overtones as it recognized the role of financial planners in attempting to connect individual clients to the social changes taking place in the field of personal finance. However, this role has suffered from the task of accommodating a variety of perspectives and styles of work in a turbulent environment. The researcher concluded that "we can observe no lasting equilibrium in the social construction of financial planning as new competitors enter the field" (p. iv).

What did emerge in the study was a better understanding of how several different professional fields have begun to overlap in response to changes in the economic landscape, laws governing the taxability of retirement vehicles, the rise in defined contribution plans, and the consumer's need to make sense of rapidly changing technology. Insurance, estate and tax planning, investments, budget counseling, retirement, education, and health care planning have merged into a central area once the province of mostly segregated services in insurance, brokerage, law, and accounting.

The Internet has had a substantial influence in the financial lives of consumers. The proliferation of low-cost electronic planning tools, according to Walker (2000), "are scaring professional advisers" (p. E-01). Walker concluded that:

> While most are still too time-consuming and complicated for the average person, they are improving to the point where more than 20 million households likely will be using them within five years. As they get better . . . they will demystify the advice process, slash advice fees and force advisers to concentrate on becoming financial therapists. (p. E-01)

An interesting observation Walker made was that "their main job won't be to dispense advice . . . but to help consumers deal with the psychological and emotional aspects of economic scenarios analyzed by computers" (p. E-01).

With respect to the Internet's influence on financial planning and the growth of technology, Kess (2002) declared:

> [That] the future of online or Internet personal financial planning is one of enormous growth, change, and opportunity. Access to the Internet among Americans has steadily increased, with an estimated 175 million individuals in the United States able currently to go online. It is . . . affecting the availability and delivery of personal financial planning services, as well as consumer access to the services of financial planning practitioners and financial service firms. (p. 9)

Data contained in his study *Financial and Estate Planning Trends* brought to light several things:

> First, the early focus of online financial planning efforts was on the consumer. The efforts of large and small financial services companies . . . were directed at making simple calculators available online to help determine retirement assets needed, the amount of college funding necessary, or the amount of mortgage payments. These appealed to middle-income individuals. (p. 9)

However, the "slow pace of online acceptance has led financial services firms, portals, and financial planning technology providers . . . [to work] together to improve Web offerings" (p. 9). Moreover, "financial service firms and independent financial advisors who have used desktop financial planning software for years are beginning to more completely realize the advantages of online financial planning software" (p. 10). In summary, Kess stated:

> This trend, coupled with the advances being made in data aggregation and other associated technologies, will make online financial planning applications more attractive to clients and professional advisors. Financial planners and advisors . . . in the next few years will increasingly use Internet software to collaborate with both clients and peers while enhancing their effectiveness in melding the needed human and quantitative skills in personal financial planning. (p. 11)

One final influence should be considered—the time element involved in financial planning. Research conducted by Dundee (2000) hypothesized that:

> The lack of quality free time has become a major problem for most Americans; with both spouses working, family commitments and numerous other obligations, it is difficult for Americans to devote numerous hours to financial planning and preparation for the future. (p. 134)

Consumer Attitudes and Expectations

There are powerful forces driving today's financial planning and investment market: "an evolving consumer, intensified competition, changing technology, and the increasingly important role played by the media" (Richards, 2000, p. 13). In addition, a fifth and most critical factor is becoming more apparent. That is "the dramatically more knowledgeable, dramatically more demanding, dramatically more assertive, and dramatically more value-conscious consumer" (p. 13).

Looking at older consumers, Dan (2004) studied the expectations of non-retirees and their plans for retirement compared to those of current retirees. Dan used "a model of financial planning [that] was tested from a life-course framework, which outlined how social structural, work, family, personal, and income variables predict the expectation and planning outcomes" (p. 9). Dan's study is especially relevant today due to the increase in the number of senior consumers and because the changes in Social Security and private pension plans make it critical for people to plan for their own retirement needs.

Data for Dan's (2004) project were collected from mailed surveys sent to randomly selected individuals between the ages of 19 and 96 with wide-ranging labor force experiences, financial resources, and retirement plans (p. 9). The findings indicated that, "while many young people expressed less confidence in the future viability of Social Security, a majority of all age groups anticipate they will rely heavily on Social Security income for retirement. The youngest cohorts, however, are more likely than Baby

Boomers and current retirees to expect to rely largely on their own assets in retirement" (Dan, 2004, p. 9). A key contribution of this study was the determination that three-quarters of the respondents had begun making financial preparations for retirement. This does suggest that retirement planning is a long-term process. It also suggested there is a need to improve people's financial knowledge. The fact that all the respondents lived in the Cleveland, Ohio area could be a limiting factor for external validity.

Research conducted by Srinivas (2000) was directed at discovering what lies behind a consumer's decision to seek financial planning advice and whether the financial planning community recognized these motivations. To "identify and assess the factors that have an influence on consumers' inclination to seek professional guidance" Srinivas looked at such determinants as skill, motivation, and time (p. 3). Another factor having an influence on the decision to seek assistance is the do-it-yourself phenomenon. "Despite the fact that consumers . . . have the option of purchasing advisory services from professionals, there are some consumers who depend on their own resources to perform activities that may be contracted out to external agents" (pp. 3-4). In the financial services area "where a majority of individuals rely on guidance from financial advisors, there is a segment of consumers--commonly termed as do-it-yourself (DIY) investors--who, for a variety of reasons, prefer to operate on their own without seeking expert assistance" (p. 4). One "plausible explanation for the DIY phenomenon is that DIY consumers attain a positive utility from self-engagement that exceeds the utility derived from depending on . . . professionals" (p. 4). This is virtually the same positive utility that many consumers attach to professional advice (p. 7).

Srinivas' research determined that "there was unequivocal evidence . . . that advice-seeking disposition is affected positively by perceived risk in depending on oneself and negatively by desire for control" (Srinivas, 2000, p. 167). The relationships between these variables explained "why . . . some consumers seek professional guidance while others prefer to rely on their own judgment" (p. 5). His results demonstrated that:

> There are two main antecedents of advice-seeking behavior in the financial planning context: (a) perceptions of financial and psychological risks associated with handling the financial planning activities oneself and (b) individuals' desire to control the financial planning process. These variables act as opposite forces in influencing the inclination to seek advice. As the degree of perceived risk in self-management increases, so does the proclivity to seek professional guidance. (pp. 167-168)

Srinivas also determined that "those investors who find financial planning activities to be enjoyable are more inclined to go to financial advisors because they derive additional gratification from interacting with professionals (i.e., [the] effect is not mediated by desire for control" (Srinivas, 2000, p. 171). According to the researcher, the data demonstrated "that a higher level of trust leads to a greater willingness to transfer control to financial advisors" (p. 171).

Although many may propose that global financial uncertainty is increasing, the individual investor does not appear to be in any danger of disappearing. In fact, "the number of such do-it-yourself (DIY) investors seems to be increasing" (Srinivas, 2000, pp. 28-29). This is likely due to:

> (a) Easy access to information--the explosive growth in information available on the Internet . . ., (b) the expansion of computerized, on-line trading, (c) increasing sophistication among individual investors, (d) the evolution of alternative distribution channels (e.g. mutual fund supermarkets), (e) the growth in the influence of such organizations as the American Association of Individuals Investors and National Council of Individual Investors, and (f) the proliferation of private investment clubs. (p. 29)

Significantly, a sizeable percentage of the financial information appearing on the Internet is directly tied to advertising directed at these very investors. But, do these investors stay the course?

Information contributed by Pethokoukis (2001) after the tech stock meltdown in late 2000 and early 2001 suggested they are not. Consumers who tried and failed to weather this bear market "return[ed] to the counsel of professional money managers . . . fleeing online personal-finance sites" (p. 56). Consumers are not only being offered "advisory and hand-holding services . . . but a broader menu of options designed to entice the Web-savvy investor who wants both personalized help and direct involvement" (p. 56). Whether they remained with a broker or advisor cannot be determined, but what may be inferred by such "flights to advice" is that even so-called diehard DIY investors may not be that secure in their own qualifications. When consumers take on the responsibility of financial planning themselves, their focus is the attainment of financial goals. "However, the potential negative consequences of failing to achieve one's financial goals are not restricted to financial losses only. It is reasonable to assume that there will be some psychological distress or anxiety when consumers do not realize their financial goals" (Srinivas, 2000, p. 37).

Belsky and Gilovich (1999) wrote about the psychological causes of people's financial decisions. They used *behavioral economics* "which combines . . . psychology and economics to explain why and how people make seemingly irrational or illogical decisions when they spend, invest, save, and borrow money" (p. 14). Because they are being overwhelmed and confused by all of the financial information available, people fall

prey to what "behavioral economists call the *endowment effect* [italics added]" (p. 94). This effect causes people:

> To overvalue what belongs to them relative to the value they would place on the same possession or circumstance if it belonged to someone else. Because people place an inordinately high value on what they have, decisions to change become all the more difficult. (pp. 94-95)

For financial planning purposes, this condition would push the consumer away from options that are beneficial.

> In essence, the *endowment effect* [italics added] is really just another manifestation of loss aversion: people place too much emphasis on their out-of-pocket expenses (what they have to pay now) and too little value on opportunity costs (what they miss by not taking action). (p. 95)

Another problem related to financial decision making cited by Belsky et al. (1999) is "preferential" or "confirmation bias" (p. 132). Once consumers "develop preferences--even small ones--they tend to view new information in such a way that it supports those preferences. Or, barring that, they tend to discount any new information that doesn't fit their preconceived opinions and feelings" (p. 132). The bias that results with such feelings "can work in favor or against a particular person, product, or investment" (pp. 132-133). First impressions originating from this bias can be dangerous because they distort the reasoning process and the consumer's ability to "view choices objectively" (p. 133). The financial planner is retained to view investments objectively; forming recommendations from information that is viewed objectively. There is much less probability that planners will look "to confirm what they already "know" or think they know" and much less probability they will "try to prove a rule by looking for facts that would support is rather than looking for information that might contradict" (p. 145).

Zhou (2003) addressed the importance of financial planning now that there are more people reaching retirement age "due to increased longevity and earlier retirements" (p. 3). Zhou echoed similar conclusions offered by Dan (2004) stating that "future retirees will bear a larger responsibility for ensuring their own well being in retirement" (p. 4). Zhou recognized the expanding availability of retirement and financial planning software and Internet sites available to the public, but believed they suffer from limitations. Specifically, they "do not recognize many uncertainties facing households and they deal with risk in a deterministic way" (p. 7). In fact, "they focus on saving for retirement rather than planning at retirement" (p. 7).

When consumers do purchase financial advice, "they expect that the advice given is objective and unbiased" (Srinivas, 2000, p. 30). If the advisor or planner recommends the purchase of products "that are also the advisor's own selling responsibility" the consumer may feel as though the advice is biased "as in the case of commission-based stock brokers" (p. 30). In such situations, the consumer may feel "there is a definite conflict of interest between the advisory role and the salesperson role" (p. 30). This perception has contributed to a reputability problem. A fee-only planner can help solve this problem "because the fee-only planner gets paid only for developing and implementing a client's plan, there is little or no chance for a conflict of interest . . ." (Sestina, 2001, p. 5).

Credibility is also problematic for consumers. Sestina (2001) believed "the credibility gap will begin to close when universities offer degrees in financial planning and professional associations offer designated credentials based on a certain level of financial planning expertise" (p. 5). This, in effect, results in the licensing of financial

planners. There is also some confusion "about who [*sic*] financial planners are because various types of planners portray themselves in contradictory ways" (p. 6). This has occurred primarily with large banks, insurance companies, CPAs, attorneys, and brokers who posture themselves "as capable of providing complete financial profiles" for their depositors, policyholders, and clients (p. 6).

For those consumers working online with a financial advisor, other unforeseen situations may ensue. "Roughly half of online advisory clients expect their firm to offer online financial planning tools, but only half of them are satisfied with those tools, according to a new study by Gomez Inc, an Internet measurement firm" (Anonymous, 2001, p. 21). Instead of taking business away from planners "Internet planning tools . . . will actually fortify existing client relationships by promoting advisor/client interaction. For instance, a client might go online to review his or her account, [and] then call the advisor with a question" (p. 21).

If consumers did not feel comfortable seeking out a financial planner or logging onto one of the many Internet sites offering financial services, what would they do? One option could be their local bank. This would not necessarily be a rare occurrence because "investment-related services top the list of things consumers said they would like to get from their bank. Financial planning, investment education and advisory services were seen as the most valuable services that banks could offer" (Potter, 2001, p. 44). Without knowing it, the comfortable relationship drawing customers back to their own bank has, in reality, led them to an institutional version of the financial planner. However, despite these offerings, "there has been a significant migration . . . from financial institutions to

independent financial advisers, driven to a large extent by low interest rates" (Richards, 2000, p. 48).

Investment Risk: Whom Do You Trust?

A report published by The International Association of Financial Planning on the value of advice of financial professionals, "refuted the popular premise that the worth of a financial professional lies in his, or her, ability to pick the right financial vehicle for the client" (Andrews, 2002, pp. 57-58). According to this report, "the most important considerations for consumers were the avoidance of tragic failure and the participation in opportunities" (p. 58). That is why they "pay financial professionals for services they could perform themselves" (p. 58).

Avoiding failure or risk avoidance is not limited to one income or age segment. Rather, it appears to be a concern of all investors in varying degrees and changes as people age. The uncertainty surrounding investment planning is at its highest in those who have retired or who are about to retire. Much of this has to do with "the long-term viability of the most relied upon source of retirement income—the State supported Social Security system" (Dan, 2004, p. 11). Uncertainty leads to an increase in risk avoidance when consumers read about the "escalating cost from the influx of retirees and the growing number of years [that] people, on average, are spending in retirement" (p. 11). When this is combined with the changes occurring in the structure of many private-sector company pensions, the need for people to plan for their own financial retirement needs becomes critical. (p. 11) But, making the right choices is just as critical. Meeting with a financial professional is one choice that is available to consumers.

Because, in many cases, "the relationship between the consumer and the professional service provider is characterized by [a] long-term commitment" (Srinivas, 2000, p. 13), "consumers may evaluate the quality of the professional service not merely on objective criteria . . . but also on such subjective aspects as trust" (pp. 13-14). "The importance of 'trust' in personal financial advisory relationships cannot be overstated" (p. 73). This is supported as a dominant concern by the fact that "one in four investors does not trust financial professionals; and some consumers became do-it-yourself investors because they failed to trust their financial advisors" (p. 73). Furthermore, "this concern with trust and financial advice is probably a reflection of the fact that anyone can call himself a financial planner, advisor, or consultant with no training or credentials whatsoever" (p. 73).

Srinivas (2000) observed that:

> The significance of trust in the consumer-financial advisor relationship can be easily appreciated when one recognizes what is at stake: "money", which in some cases may have been accrued after years of sacrifice. Voluntarily relinquishing control over financial matters requires considerable faith in the . . . advisor's intentions and abilities. (p. 73)

Trusting a financial planner in money matters does not necessarily suggest that the consumer has given this person carte blanche in the decision making process. In this type of relationship the level of trust is more context-specific. According to Srinivas (2000):

> Trust is a matter of degree: it is not so much whether one trusts or does not trust others. But, how trustworthy one believes the other person to be. In the case of financial planning, it is the extent to which consumers believe financial advisors can be trusted in handling money matters. (pp. 78-79)

Above all else, consumers "expect that the advisors will not take advantage of their position or exploit the vulnerabilities of the consumers for [the] advisors' own good" (p. 79).

Sestina (2001) suggested that:

> Planners have a difficult time creating the need or want for their services in potential clients. Many people need help but are afraid to seek it for a variety of reasons. Planners are hired to plan positive action for profit, not to react negatively. However, people are both reactionary and negative much of the time. They fear both failure and success, and they are impulsive. (p. 19)

By identifying various risks at retirement, Zhou (2003) developed a model that focused on seeking the best asset allocation strategy for the post-retirement financial planning problem. Zhou concluded that "the model could be used in evaluating the outcome of an allocation strategy by quantifying the risk and return. More importantly, it will be able to identify the optimal strategies for retirees" (p. 94). Zhou also posited that "a life annuity is always an important component in optimal strategies" (p. 93). This analysis suffers because it places undue importance on the part of a portfolio that contains insurance products.

There has not been as much planning research accomplished in regard to risk tolerance with the younger generations. Generation X--those born from 1964 through 1980--number about 45 million, and this fact alone will become significant when their investing strategies are fully determined. Schooley and Worden (2003) evaluated "their propensity for risk-taking, a well as their attitude toward risk, their capacity for risk and their knowledge of risk" (p. 58). Their research indicated that "Gen Xers generally have a low propensity for risk-taking, have an attitude of risk avoidance and a low capacity for

risk" (p. 58). This age group--roughly 26 to 42--contains a very large percentage of today's computer users.

Despite their outwardly extensive awareness of computers, Gen Xers "have been largely ignored by the financial services industry because of their lower income and limited assets" (Schooley et al, 2003, p. 58). This, despite the fact that "the growth in online brokerage firms has made it easy and accessible for individuals to begin investing" (p. 58). Results of the study were also noteworthy for the reasons:

> When asked to rate the retirement income they expect to receive from Social Security and job pensions, 62 percent of Generation X respondents state that it will be inadequate to maintain their standard of living. Yet this skepticism has not led to the recognition of the need for long-term financial planning and investing for retirement. (p. 61)

The researchers concluded:

> This generation wants to be informed and educated about financial matters, but they have a low level of trust and a great deal of skepticism. Furthermore, they want to be in control and make decisions for themselves. When asked for their main source of information for saving and investment decisions, 48 percent claim to rely on their own research, 28 percent rely on . . . friends or relatives, and just 25 percent rely on financial professionals. (p. 62)

The research conducted by Schooley et al. (2003) reaffirmed the traditional view that

> It was the job of financial planners to help individuals determine the level of risk-taking with which they were comfortable, and to increase their risk knowledge. Also, many investors did not require an understanding because the government and their employers made the investment decisions for their retirement. (p. 59)

Today, these traditional conceptions are invalid because, "with the opportunity for online trading and the increase in self-managed plans, investors are taking on more responsibility for their own investments and may not be

getting as much guidance as they need" (p. 59). This is very significant for younger generations because they "may harbor misconceptions about risk and yet be the least likely group of investors to seek counseling" (p. 59).

Further misconceptions about risk were noted by Kirby (2005) in his study, "Investment Risk from the Client's Perspective." Kirby wrote "once clients become investors, perspectives change from lofty, distant objectives to the near-term fear of simply losing money" (p. 42). This fear leads to two forms of "imprudent investor behavior: fear--the size of the loss--and impatience--the length of time over which the losses occur" (p. 42). In everyday life there has been an inclination for most people to make risk and loss synonymous. In the investment milieu, "loss becomes market risk" and "depending on the sophistication of its user . . . risk can take on a variety of meanings" (p. 43). Because "risk-takers are often rewarded" in our society, it is difficult for consumers to see a reward if "loss is substituted for risk" (p. 43). In fact, "the supposedly interchangeable words take on an entirely different connotation. A risk-take becomes a loss-taker, or loser—not nearly as adventuresome and certainly not as desirable" (p. 43). The implications of this analysis "suggest that clients will stay with an investment plan and planner only when losses are tolerable and fall within an expected range" (p. 49).

The imprudent behavior of investors has been well noted. "Researchers site (sic) numerous examples of individuals displaying irrational behavior, being inconsistent and making errors in judgment and incompetent decisions when faced with uncertainty" (Carty, 2005, p. 144). Advisors believe that behavioral finance implies "that individual

investors need professional guidance to avoid the mistakes their natural tendencies will cause them to make" (p. 144). A professional will:

> Follow a series of steps in designing [an] investment program, which typically include[s] defining a client's financial goals, assessing their risk tolerance, doing a complete audit of their assets and allocation, estimating their current and future income, and number of working years left, their annual savings and the length of their retirement. (p. 144)

Based on his or her training, education, and experience, the financial planner will be much less likely to succumb to the overconfidence that many consumers have in their own abilities. "Signs of overconfidence are rampant in all walks of life, particularly when it comes to money" (Belsky et al, 1999, p. 154). "Research psychologists have discovered . . . that most people . . . consistently overrate their abilities, knowledge, and skills at whatever level they might place them" (p. 155). There is "one financial consequence of overconfidence: under preparedness. Another is the willingness with which most people spend large amounts of money for products and services about which they know very little" (p. 159).

Belsky et al. (1999) came to the following conclusion with respect to overconfidence and investing:

> Any individual who is not professionally occupied in the financial services industry . . . and who . . . attempts to actively manage an investment portfolio is probably suffering from overconfidence. Anyone who has confidence enough . . . to invest in a particular stock or bond . . . or managed mutual fund or real estate investment trust . . . is most likely fooling himself. Most such people . . . have no business at all trying to pick investments, except perhaps as a sport. (p. 162)

One last point regarding investment risk and the consumer's placement of trust:

> On Wall Street they have a phrase--a rising tide lifts all boats--that means even some bad stocks go up in price when the market in general is rising. We might just as easily coin another phrase--a rising market lifts all egos--that means that many people inflate the effect of their own decisions and

> underestimate how much of their recent investment performance is due simply to the fact that the U.S. economy and stock market have been on a roll and that they're just along for the ride. (p. 165)

Whatever the challenges, a consumer's level of confidence and risk tolerance will most certainly influence the direction taken and who makes the call.

Consumer Options

What options do consumers have? Retirement planning has long occupied a central role in the financial planning process. Martin's (1999) research made frequent reference to the inadequacy of the traditional retirement planning model that has been used in the United States since the 1930s. It "has been referred to as the three legged stool which is comprised of (1) Social Security; (2) employer provided pensions; and (3) personal savings" (p. 6). As more and more traditional employer or government sponsored defined benefit plans are replaced with defined contribution plans, individuals have been forced into a greater, more responsible role for their financial future. Equally important is the continuous debate over Social Security benefits. Because the first two elements are seen as problematic, "the third element, personal savings, takes great personal discipline and can be a financial hardship" based on current spending habits, financial knowledge, and increasing debt. (p. 7)

It is not surprising that with the issues in Social Security and the decline in company sponsored defined benefit plans, the "personal savings component of the 'three-legged stool' [has become] . . . the most critical component of retirement planning for American workers" (Martin, 1999, p. 70). As a result, "in nearly all the studies reviewed dating back to the 1980s, the most frequently cited area of concern among all retirement plan issues mentioned was financial planning and its related components" (Martin, 1999,

p. 69). Further research established that although consumers "were increasingly accepting of and responding to the challenge of providing for their own retirement needs . . . they did not feel entirely capable of making informed investment decisions" (p. 77). However, "findings . . . indicated that individuals who had financial plans, written either by themselves or be a professional, felt more confident in making investment decisions than those who did not have a plan" (p. 79).

It is significant to the practice of financial planners that three-quarters of the youngest respondents in the Dan (2004) study of non-retirees and current retirees "have begun making financial preparations for retirement, including over half of the respondents in their twenties" (p. 9). However, despite this encouraging statistic, Dan's research revealed that "among a sample of 29-47 year olds, the most common sources of financial knowledge and advice were family members and personal judgment" (p. 73). Further, of that same group, "only one-tenth [relied] on financial professionals" (p. 73). At least among this group, it appears more needs to be done before individuals can begin to take a reasonable degree of control over their financial future. Competence in financial matters "has long-term cumulative effects over the life course, so that people who make 'good' decisions early in life are likely to be more successful throughout life because advantages cumulate over time" (p. 50).

It has been "a common misconception . . . that only the very wealthy could afford the best in objective and comprehensive advice" (Sestina, 2001, p. xv). Today, "consumers are both more affluent and more educated. Thanks also to the technology revolution; they can become much more personally engaged in the planning process" (p. xv).

Individuals taking an active role in planning their financial future may not be successful for several reasons. Addressing the individual's inability to proceed properly in this endeavor, Belsky (1999) used behavioral economics in explaining why consumers make financial decisions that are irrational and inconsistent in his article for *America's Community Banker* (p. 23). "Behavioral economics combines psychology and economics to explain how people make decisions about money. Specifically, behavioral economics asks why people--even those with expertise and experience--make financial choices that are inconsistent, irrational and often costly" (p. 23).

Costly behavior can be the result of what Belsky and Gilovich (2000) described as mental accounting. This is "the tendency to value some dollars less than others and thus to waste them. More formally, mental accounting refers to the inclination to categorize and treat money differently depending on where it comes from, where it is kept, or how it is spent" (p. 33).

As a group, the financial prospects of older Americans are cause for concern according to a forecast by Pentegra Group. In an article for Community Banker, Hage (2002) put forth the notion that, despite technological advances, general prosperity, and increased media coverage of financial news, "too many Americans are economically illiterate" (p. 46). Further, "there is an enormous gap in what individuals and families need to know about saving, credit and debt management, and about the ravages of even moderate inflation over a long retirement period" (p. 46).

If consumers are seeking help with their finances, it would seem that the financial services industry would offer options. There is no question that this industry has experienced dramatic growth. However, despite an increase in "advertising and options

available to facilitate financial planning" many consumers have not taken advantage of these increased resources (Dan, 2004, p. 72). One reason may be that the "messages are geared toward wealthy employed older white males. This suggests men, higher educated and higher income individuals may be more likely to seek the services of financial planners or that they are the targeted groups" (pp. 72-73). In addition, "the financial industry uses very technical language, perhaps to either appeal to a higher educated population or to enforce the need for their expert services" (p. 73).

Even if this view is rejected, personal differences in financial knowledge and the presence--or absence--of future orientation will be another determinant of planning behavior. Dan (2004) found that "people with a future orientation are more likely to anticipate events like retirement, and in turn are more likely to think about and make preparations for these events to achieve successful outcomes" (p. 95). With respect to financial knowledge, Dan posits that "financial knowledge has two components: objective knowledge about finances and subjective evaluations of one's financial knowledge" (p. 95). "In addition to actual knowledge, how confident a person is in her or his financial knowledge and ability to make financial decisions is expected to influence planning" (p. 96). It is logical then that "higher levels of financial information-seeking will relate to greater levels of financial knowledge" (p. 97). In other words, "financial knowledge is likely to be greater when individuals seek financial information, discuss financial planning with others, and meet with a financial planner" (p. 97).

It is not surprising that "people with more income tend to: have a longer future financial orientation, more objective and subjective financial knowledge, and a greater internal sense of control over finances; more frequently organize their finances, meet

with financial planners, and save for retirement; expect to retire younger; and begin planning at a younger age" (Dan, 2004, p. 238).

Before they can realistically comprehend the risks of investing and the most prudent course of action, consumers need to take the critical first step of becoming financially educated. This may take some doing, as "at least a small proportion of the population does not believe financial planning is valuable. Sixteen percent of [Dan's] sample does not believe planning can help avoid financial problems, 15% agree that it is not wise to save because things are a matter of fate, and 27% live financially one day at a time" (Dan, 2004, pp. 253-254).

Dan's (2004) research into people's preparation for retirement was very relevant to this study because, retirement planning is not only a significant part of the financial planning process, it is one of the main reasons people seek financial planning assistance.

Whether consumers use the Internet or employ a financial planner, Dan's research showed that "with life expectancy rising, the number of years spent in education expanding, and average retirement age remaining in the early to mid sixties, people are and will continue to spend a large portion of their lives retired. People will therefore need a substantial amount of money to be able to retire comfortably but are spending a smaller portion of their lives accumulating retirement income. Retirement planning is thus critical and should be initiated as early in life as possible" (p. 229).

Despite the logic of these statements, it has already been shown that many people choose to dismiss planning. Because they lack financial knowledge, simply offering financial information may not be enough. In fact, it has been found that when survey respondents "were given a wide range of relevant financial information, they tended to

use little of the information provided in making financial decisions" (Dan, 2004, p. 255). The study also found that there are numerous options available to assist consumers with financial planning, In addition to financial planners, "many websites exist with retirement financial investing information and assessment tools . . . which are accessible to everyone . . . but a typical Internet consumer may not be able to determine 'good' websites from bad ones" (p. 256).

Despite advances in technology:

> Government and employers alike both have been expressing a growing concern that American workers do not understand the financial aspects and investment strategies needed for retirement planning. . . Financial literacy and investment knowledge on the part of American workers have been causing extreme anxiety. (Martin, 1999, p. 82)

If consumers take the initiative to test their financial skills using the Internet, they essentially have four choices: (a) they can ask for suggestions from someone already involved in personal financial planning using the Internet, (b) they can ask a financial services professional for recommendations, (c) they can search for self-help books on managing money online, or (d) they can plunge into any one of thousands of financial web sites appearing on various Internet search engines and hope for the best.

In *e-Personal Finance*, Dolan and Dolan (2000) maintained:

> The Internet and personal finance are made for each other. With its interactive capabilities, tons and tons of information, ability to offer material for downloading directly to your home computer's hard drive, and sense of community, the Internet is a natural tool for anyone seeking to make the most of his or her money. (p. 13)

Further, "you can do your own research--much of it for free--and thus avoid paying a high-priced professional, such as a broker, accountant, or attorney to do it for you" (p. 13).

In all likelihood, *self-help* publications such as *e-Personal Finance* will be necessary for those consumers not familiar with the diversity of financial websites. They range from personal finance portals, to community sites, university sites, transaction sites, to vendor sites. Calculators can show up anywhere in this mix. For an example of a transaction site see https://us.etrade.com/e/t/home, for an example of a community site see http://www.choosetosave.org/asec/, for an example of a vendor site see http://www.metlife.com/Applications/Corporate/WPS/CDA/PageGenerator, for an example of a university site see http://www.smartmoney.com/university/, for a personal finance portal see http://moneycentral.msn.com/banking/moneyplushome.asp.

Even with the help of technology, consumers should not rely on personal knowledge in planning their financial future:

> The central question is: can consumers take aim at and achieve a comfortable retirement on their own without the help of a professional advisor? Are they able to make critically important decisions just by reading consumer financial publications, visiting a few websites on the Internet or listening to the advice of a friend or two? For most the answer is clearly "no." The stakes are just too high to risk going it alone. (Ruth, 2002, p. 20)

As an option to the Internet, "advisors have two ingredients not available in a computer program—experience and judgment" (Ruth, 2003, p. 22). Moreover, stated Kinder (1999):

> An investment advisor is like a . . . best friend, or a counselor. He or she is someone who identifies with us, understands and empathizes with your life mission, and is willing to work with you to help you go as deep and as far as you can. (p. 355)

With an advisor, the consumer has far less chance of *investing with the herd*; an approach to managing money based on what everyone else is doing. "This approach to managing money is expressed in . . .[the] securities industry aphorism, *the trend is your*

friend" [italics added] (Belsky and Gilovich, 2000, p. 176). The result is a *lemming like* behavior has its roots in "overconfidence [that] allows them to overestimate their ability to identify what "the smart money" thinks about a particular investment or company and to make investment decisions accordingly" (p. 176). In essence, consumers are conforming by allowing "other people to determine the value of things" for them (p. 177). "The fact that other people seem to have a plan is a very compelling reason for mimicking them" (pp. 185-186). The Internet is fertile ground for such information.

Information versus Advice

Despite the wide variety in choices--or because of it--there may be some confusion on the part of consumers seeking help. The first hurdle would be determining if the situation warranted advice, or merely additional information about financial products or options. The Internet sites reviewed for this study contained more information content than advisory options. Conversely, the concept of financial planning involves some degree of choice thereby suggesting an advisory role. According to Srinivas (2000):

> Advice as offered by professionals can be manifest in an opinion, recommendation, or a solution to mitigate the consumer's problem. Advice may be tendered in the form of specific suggestions or guidelines, requiring that the consumer or the advisor follow a set of actions consistent with the given recommendation. Also, advice is subjective. [Lastly] advice is a product (output) that requires information as a necessary input. (p. 19)

On the other hand, information can have "value in any decision making context—depending on the situation, any aspect of the environment can be deemed as information that is of value to the decision makers" (Srinivas, 2000, p. 20). The differences, then, between information and advice are that:

> Advice should contain some form of recommendation or solution to the problem. Advising implies the act of providing counsel and suggesting a

> specific course of action. Information, in contrast . . . does not contain any explicit prescription to resolve the problem. It is the lack of prescriptive or consultative element in the definition of information that distinguishes it from advice. The mere presence of information does not imply what to do—it is only advice that spells out the course of action to take. (Srinivas, 2000, p. 21)

The best course of action may not be easily discernable to the consumer as it is to the financial service professional. The Internet may well provide the answers if the consumer knows where to look. If they do not, the search for answers to their particular situation may be illusive. In the words of Kristof (2002) "using the Internet to get advice on managing your personal finances can be convenient, cost-effective—and confusing" (p. C3). Confusion is what a 45-year old pharmacist "discovered when he signed up for three Web-based services that offer financial planning advice: Morningstar, Financial Engines and Motley Fool" (p. C3). These three sites are among the oldest and most popular. Despite the fact that "he was able to do his research in the comfort of his own home for a fraction of what a financial planner would have charged," he was not prepared for the reality "that each of these services would give him different--and often conflicting--advice" (p. C3). This example illustrated that "faced with an explosion of financial information on the Web, consumers must be prepared to do some homework to make sure they're getting accurate advice that's suited to their needs" (p. C3).

Consumers may want to test the information offered by these sites by seeking out a financial planner. For example, "financial professionals know that the risk of investing in a single stock is substantially greater than investing in a diversified mutual fund. But many online advice services act as though there is no difference between the two investments" (Kristof, 2002, p. C3). Moreover, advisory services also can come up short when comparing mutual funds, ignoring differences in management fees, investment

strategies and turnover rates" (p. C3). In a related article published the same day in the same section entitled *Sometimes Only a Human Will Do, but It's Good to Get a 2nd Opinion*, Kristof continued the study of online personal finance sites. In it, Kristof stated that "using the Internet to manage finances isn't for everybody. Even the people who provide online financial advice concede as much" (p. C3).

Advice seems to be warranted when more than a one-time transaction is contemplated. "Advising is a sequential process consisting of distinct stages, namely: diagnosis, strategy formulation, recommendation, implementation, monitoring and evaluation, and review, and adjustment" (Srinivas, 2000, p. 22). Quoting Morningstar's president of online advice Kristof (2002) wrote:

> If you have a complicated life, an online investment program should not be your solution . . . Online advice programs are sophisticated, quantitative calculation programs. They're not psychologists. They don't know how to probe and get to the root of issues. They have to take you at face value. (p. C3)

Weber (2002) discussed the value of advice from an ethical point of view. Weber recognized the value of technology, but believed the sheer volume of facts besieged the consumer. Weber stressed the importance of having an adviser to interpret "tons and tons of facts . .. .[to determine] which ones provide the appropriate amount of knowledge and information without [it] becoming overwhelming" (p. 39). Weber concluded that "there are at least five essential processes that advisers facilitate so clients can make good decisions about financial matters" (p. 39). These processes are (a) an awareness or appreciation that there's a problem to be solved, (b) fact and attitude gathering, (c) the assessment process, including what if scenarios, (d) envisioning--help clients clarify and manifest their vision, and (e) the decision process (pp. 39-40). However, Weber also

concluded that "a combination of an adviser Web site and specific links to the content of that site can vastly improve the chance that clients will get the information they need and want" (p. 39). When taken together, these processes constitute advice, not just information.

Working with a financial professional will ease the "choice conflict brought on by the plethora of investment options available to Americans today" (Belsky & Gilovich, 1999, p. 85). This conflict has produced a decision paralysis among consumers. It's ironic that:

> One of the most significant developments in the "democratization" of wealth in this country--the explosive growth of mutual funds and the increasing prevalence of defined contribution retirement plans--is also a cause of tremendous money anguish. This is certainly one of the culprits responsible for the $1.2 trillion that Americans have stashed in bank passbook savings and money market accounts. [And] why so many people fail to make appropriate investment decisions in employee-directed retirement plans. (p. 86)

Also somewhat ironic, is the means by which this great store of information has created a greater need for advice.

The Employer's Role

Another entrée to investment knowledge via the computer may be as near as your employer. The popularity of 401(k) plans has increased the use of the Internet by employers seeking to disseminate investment education to employees. In an article for *Business Week*, Barker (1999) discussed how more employers are offering interactive financial planning services via company intranet or the Internet (p. 182). A survey by benefit consultant Hewitt Associates L.L.C. determined that "nearly two-thirds, or 62% of employers surveyed . . .used the Internet for 401(k) plan employee investment education in 1999" (Geisel, 2000, p. 6). This trend appears to be increasing every year.

The employers also stated that "the Internet's effectiveness ranked higher than financial help lines" (p. 6).

Does this mean employers are eliminating the human element? According to Fletcher (2001) "most companies are using (the Web) as one delivery channel, but they are using a lot of other media as well—for example, face-to-face meetings or call centers" (p. 14). Demographics play a role in the employees' communication preferences.

"When we talk with some younger employees, we find that they love the Web and they want everything online . . .Older employees respond best to face-to-face meetings" (p. 14). Other benefit managers and investment counselors have a different view:

> Ten years ago . . . we were speaking in much simpler terms than we are today. Yet there's [sic] still a lot of people out there--generally, it's going to be the younger, perhaps less-educated--who don't have a high level of investment sophistication. (p. 15)

Employee unions offer yet another opportunity for consumers to get acquainted with computer based financial planning. Union retirement plans have taken the next step by instituting classroom instruction to first year apprentices to familiarize members with the interactive technology that will enable them to participate in self-directed retirement plans. Caccholi (2003) hypothesized that as employees "see how their lifestyle and personality parallels their risk tolerance and strategy, their comfort level in managing their own investment choices grows" (p. 20). Also, "having easy access to retirement-modeling software that is fully integrated into the Web site enables them to learn various investment options, their ratings, and historical performance, further enhancing their level of confidence" (p. 20).

Being exposed to this concept in the workplace does not guarantee that consumers will take complete responsibility for their financial well-being. As it turns out "a number

of large corporations are offering their employees the ability to partake of online investment advice, but have found that very few are taking advantage of the services" (Wellman, 2003, p. D.10). In an attempt to explain this lack of interest, "experts have [put forth] various theories about why this would be--technophobia? Lack of investment expertise?--but Melanie Miller, an investment adviser at Hallmark Cards, offered probably the most succinct explanation" (p. D.10). In a response to the New York Times about this phenomenon, Miller stated "about 80 percent of participants would rather not think about their 401(k)" (p. D.10).

This view was sustained in research on education models conducted by *Defined Contribution News.* Executives from Invesmart, Wachovia Retirement Services, Advisor Capital Resources, and ICMA Retirement Corporation were asked: What advice and education models will become prevalent seeing that online advice seems to be ignored? That question was also the title of article. Invesmart "avoids the Web as an advice channel altogether. The failure of the Web is that participants don't have the time or the appetite to sit down at a computer to figure this advice thing out" (Defined, 2005, p. 1). The company uses the RightPath advice model "presenting each participant with a personal investment and savings plan at enrollment. Participants who opt to have their account managed for them get access to . . . fact to face meetings, paper-based quarterly statement and telephone access to an advisor" (p. 1).

Wachovia Retirement Services also saw problems with Web based advice. In their opinion:

> One-on-one assistance as proven to be the most effective way to influence participant behavior . . . [I]t is important for participants to first understand what problems need to be addressed and then given step[s] to address

> them, either on their own or with the aid of a professional. (Defined, 2005, p. 1)

Advisor Capital Resources believed that "education [online] is a failed strategy. Now we're seeing the return to having professionals directing the investments. Participants don't want education or advice and they don't use the tools associated with them. They would rather be playing golf or fishing" (p. 1). Executives at ICMA agreed with the importance of using professionals. Although they still offer advice via the Internet, they draw on "written materials and people on the ground to offer the services people need to make educated decisions. Now we know it's important to offer an array of services so people can enter the education process where they want to" (p. 1). Opinions expressed by these four companies and others cited have illustrated that consumers don't appear to be satisfied or comfortable with a lack of choice when making investment decisions.

On-line or In-office?

Practice options. Articles reviewed from professional journals, e.g. the Journal of Financial Planning, the Journal of Accountancy, and the *Journal of Financial Service Professionals*, revealed information having a direct bearing on the attitudes of consumers, technical tools available via the Internet, and the current state of the financial planning industry. In an Anonymous (2001) article for the *Journal of Financial Planning*, the author pointed out that financial advisors lag behind their own clients in adopting online financial planning tools (p. 21).

Planners considering the option of a financial planning related web-site have options when it comes to design and administration. They can use an off the shelf web

design program and purchase financial calculators, or they can employ a commercial development company to design, build, and trouble shoot the web-site.

Companies such as Financial Visions, Inc. offer a comprehensive package that includes professional design layout, pre-built links pages, on-line calculators, portfolio tracking, and hosting. They advertise that their content is NASD reviewed to meet changing compliance standards. (fvisions.com, website section, ¶ 1) The cost for an entire setup is quite reasonable. According to their web-site the "service includes everything you need to build and maintain a professional website for just $44.95 per month, with no outside design or development expense!" (fvisions.com, lowmonthlycost section, ¶ 1). However, there is a one-time setup fee.

Planners wanting less involvement could choose instead to purchase only the interactive financial calculators. Companies such as KJE Computer Solutions, LLC at http://www.dinkytown.net/ offer "150+ . . . financial calculators! Each with dynamic graphs, customizable page layouts, colors and reports that are ready to put on your website!" (KJE, Homepage, ¶ 1). The selection is extensive, with many choices in the areas of mortgages, retirement savings, personal finance, investment, taxes, and savings.

The company website states that "each calculator is designed to provide instant, graphical results" and that each includes "integrated graphs, automatic recalculation, and robust error handling [to] create a dynamic experience for your user. These financial calculators also generate full reports and amortization schedules, where appropriate" (KJE, Money section, ¶ 1). It will cost purchasers anywhere from $149.95 for one calculator to $9999.95 for all 150+ calculators. (¶ 3-7). "With online software use, there is often no upfront cost for the Internet software, only a periodic license fee that can be

paid for from client revenues" (Kess, 2002, p. 11). In addition, Durrie (2001) found that "nearly every Internet service provider (ISP) provides Web development services" (p. 143).

Financial planners making use of online software as a feature of their own Internet site may have an advantage because:

> Clients can ask, consider, and assess 'what-if' scenarios themselves, if the advisor wants that to happen, so that a separate in-person meeting does not have to be scheduled to discuss the matter. The client and advisor can communicate substantively more quickly with greater ease. Additional experts in the financial planning firm or other outside advisors can be consulted online. (Kess, 2002, p. 11)

The use of technology to communicate a planner's expertise will, in all likelihood, have a favorable impact on clients and potential clients. However, as previously mentioned, studies have established that in order for consumers to relinquish control over financial matters; they must have considerable faith in the . . . advisor's intentions and abilities (Srinivas, 2000, p. 73). "Research repeatedly shows that what attracts clients is trust rather than the adviser's financial expertise. Lack of trust, on the other hand, sends prospects and clients scurrying away" (Richards, 2000, p. 48). In fact, "one in two Americans consider trust the most important element in their relationship with a financial adviser" (p. 63).

Opinions and Observations

The fact that many financial planning professionals have joined the Internet does not reveal that the industry has serious concerns about the future of the traditional face-to-face format. There have been positions taken on both sides of the issue in all industries having an impact on financial planning activities.

Addressing the concept of online financial planning in *Accounting Technology*, McCausland (2002) offered the opinion that:

> One-stop, Web-assisted shopping for financial services has become a competitive advantage, and accountants in public practice are finding they need to look beyond their mainstream tax and audit business if they want to be serious contenders in this evolving marketplace. (p. 25)

According to McCausland, there are "assorted vendors . . . trying to help CPAs position themselves . . . with Web-based tools as diverse as Personal Financial Center (Practitioners Publishing Company), WebPortfolio and CompassGold retirement planning (available through 1st Global), AdvisorMart.com (Techfi), ProAdvisors Financial Services in conjunction with Accountant's Office Online (Micro Vision Software), and MyHDVEST.com" (p. 25).

Following the theory that financial planners need to use the Internet to supplement their practice, Phelan (2001) wrote that:

> The Internet makes it possible for CPA/financial planners and money managers . . . to use e-based variants of time-honored data-gathering and financial-projection tools. On the Web, planners can follow a stock by watching its price and trading volume and studying its P/E ratio and volatility rating compared against the overall markets. Best of all they can do it easily, cheaply, accurately, at any time of day-and without consulting a broker. (p. 27)

Writing in the *Journal of Financial Service Professionals*, Weber (2002) echoed the importance of the Internet in financial planning services, concluding that planners must utilize email, the Internet, and video conferencing as tools in maintaining effective communication with their clients (p. 27). In a very appropriate article for *The CPA Journal*, Yunich (2003 also agreed stating that "creating a website can be an effective means to promote a PFP financial planning practice and attract new clients" (p. 64).

Veres (2002) also acknowledged the importance of the Internet in "making it possible for specialist practitioners to market their services to a broad array of professionals and for professionals to access their services in real time. This further levels the playing field" (p. 35).

This is not a case of keeping the client at arms length or avoiding personal contact in the relationship. McCausland (2002) reported that H.D. Vest president Roger Ochs believes that "the Internet allows us to leverage that relationship [of trust] the advisor has with the client, and grow that relationship" And, "the more financial services accountants offer, the less they have to refer clients to outside professionals" (p. 25). In short, said Ochs, "they can still control the client relationship, which is very important" (p. 25).

This has been beneficial to accountants who want to do more financial planning or those who risk losing clients to sites that offer financial planning options. "Dallas-based 1st Global helps tax and accounting professionals build up a financial planning practice by giving them access to a range of brokerage, fee-based management, insurance, and estate planning services. Recent product additions have included WebPortfolio, an account aggregation and portfolio management tool, and CompassGold, a retirement planning solution" (McCausland, 2002, p. 26).

The Internet may offer financial professionals the ability to keep in immediate contact with their clients even though they are moving into new territory. As part of its financial planning linkup, the H.D. Vest company "is expanding its OnVest Web teleconferencing program, which allows the advisor and client to interact via monitors with a Vest professional to get the best advice" (McCausland, 2002, p. 26). The expansion includes "portfolio management and high-end estate planning" (p. 26).

Practitioners Publishing Company, headquartered in Fort Worth, Texas, recently launched its online Personal Financial Center, a *total life cycle* planning site. The service operates with a link from the advisor's Web site to a hosted site branded for the advisor" (p. 27). The cost of this service is "$590 for the first advisor and ten clients. For advisors two through five within the same firm, the price is $425 per seat. There's an additional charge for account aggregation" (p. 28). A brief list of financial planning calculators--some of which can reside on and be fully integrated with a financial planning website--has been placed in Appendix A.

Even though "there's a lot of desire for outsourced solutions, . . . because of the low overhead from the advisor's perspective, and the 24x7 convenience for both the advisor and clients,"(McCausland, 2002, p. 29) is that an indication that these advantages mitigate the need for personal contact? In the opinion of the sales and marketing director of Denver-based Techfi, the company that hosts AdvisorMart.com, these outsourced solutions do not mean that "face-to-face consultations are becoming obsolete" (p. 29). McCausland states that "many of our advisors still meet with clients on a quarterly basis in person to review their holdings and suggest adjustments. Moreover, many clients still look for those paper based reports" (p. 29).

However, in order to keep this *in person* quality, advisors and planners may be forced to make some additional modifications. "For an advisor whose client has $100,000 to manage, you've got to find some efficiencies," states the chief executive officer of DirectAdvice (McCausland, 2002, p. 30). "Unless you use technology, you're going to end up spending a lot of money with each human contact, and cut into your profit margin" (p. 30).

To address this, the DirectAdvice company, "which functions as a hosted financial planning and advice platform utilizing Monte Carlo simulation" is attempting "to replicate, using an ASP platform, the conversational manner of sitting face-to-face with an advisor" (McCausland, 2002, p. 30). According to their CEO, "the value proposition in this type of approach will become more readily apparent as the generation of baby boomers, with accumulated wealth in the hundreds of thousands of dollars rather than millions, look to get their financial affairs in order" (p. 30).

Affluent professionals make up a sizable portion of baby boomers, and the importance of face-to-face contact in their relationship with planners is stressed in the results of a study by Nationwide Financial Services, Inc. This study indicated that "when it comes to financial planning, face-to-face advice is more credible and still beats the online options—even though affluent professionals often go online to research their investment professionals' advice" (Nationwide Financial Services, Inc, 2002, p. 1). Just how credible is reinforced by the findings that "while half of affluent professionals use the Internet for some type of financial planning activities, only 7 percent report they prefer to use the Internet for financial planning advice and 17 percent report currently using it for that purpose. More than 80 percent prefer face-to-face options for financial advice" (p. 1).

Staples (2001) quoted the same Nationwide Financial data in his article on professionals and their preferences in financial planning. Staples viewed the study data as evidence that:

> Since so many affluent professionals are using the Web for financial information when so few prefer it, it is obvious . . . that these professionals want to have a face-to-face relationship with professionals supplemented by Web advice and information. . . Advisors who provide Web advice and

> information are more likely to attract those professionals who use the Web as an information-gathering tool. (p. 33)

In the words of the senior vice president of Nationwide Financial Services, Inc--a leading provider of annuities, life insurance, retirement plans, mutual funds, and other financial services--the industry believes that "in today's world, the Internet is an important supplement to face-to-face advice, but not a replacement" Nationwide, 2002, p. 1). Furthermore, "investment professionals continue to be trusted resources for affluent individuals looking for comprehensive financial plans, estate planning guidance and help planning for income management in retirement" (p. 1).

Investment professionals are needed by every investor says Phelan (2001) because:

> The Web won't ever be able to substitute for experience and judgment when trading stocks or other assets. Nor can it shield users from scams. It can't evaluate in a dependable way-important client questions such as "Can I afford to retire here?" Nor can the Web shake hands, wish someone good morning, remember that a client's spouse has been sick or an investment in a nephew's startup just tanked. Nor can the Web take the client out to lunch. That's still the trusted adviser's job. (p. 30)

While there is much research to support the value of the professional planner, there is also much to support the significant reality that if you are a financial planner: "your client probably has or shortly will have a computer, your client is probably online or will be shortly, [and] your client probably has or will have an online brokerage account" (Durrie, 2001, p. xii). Equally important is the fact that "investors now have the tools to take a more active role" (p. xii).

What Does Your Money Buy?

As a frame of reference, this researcher felt readers should be given actual examples of financial plans purchased over the Internet from different vendors as well as

one purchased from a certified financial planner. Consumer Reports magazine published an illustration of two comprehensive plans and nine retirement plans that were very well suited for this purpose.

The cost of the plans ranged from $3,000 for an independent, fee-only planner to no cost plans from banks and brokerages. The results of these consultations have been grouped in order of highest to lowest cost in Appendices B through E respectively as follows: Comprehensive Plans, Retirement Plans $500-$650, Retirement Plans $100-$250, and no cost Retirement Plans. The criteria established for the study anticipated:

> For the comprehensive plans . . .help in all major areas of personal finance, including analysis of net worth and cash flow before and after retirement; investments; insurance; and education, estate, and tax planning. For the retirement plans, they told planners they were seeking to accumulate enough money to retire comfortably and ensure that the money lasts through their lifetimes. Whenever possible, they chose fee-only advisers with at least five years' experience and at least one professional certification. (Bargain, 2006, p. 30)

The advisers "were not told they were preparing plans for this report" (p. 30). Consumers "masked copies of the plans to eliminate names, logos, and other identifying signs, and sent them to an expert Certified Financial Planner for review" (p. 30). The plans were "vetted by Robert J. Glovsky, who is director of Boston University's program for financial planners" (p. 29).

The research concluded that consumers could trust their money "with a bargain-priced adviser or with a service that's free . . . but don't expect a highly personalized, comprehensive plan with lots of hand-holding and follow-up" (Bargain, 2006, p. 29). Also, as a consumer "you're usually on your own when it comes to picking individual stocks or mutual funds, which can make it tougher to put a financial plan into action" (p. 29). In addition, they concluded that "paying thousands of dollars to an independent

financial professional doesn't guarantee perfection. . . After you get your plan, you must question its assumptions--from inflation predictions to life expectancies--and make sure all the numbers add up . . . (p. 29).

Financial Planning Tools Available on the Internet

The financial planning tools available on the Internet today vary considerably in what they offer and how much the consumer must pay for the advice that is given. They range from fairly simple financial calculators to stock and mutual fund screeners, asset allocators, risk analyzers, and bond calculators. Some offer advice columns on different planning related categories such as retirement, investing, stock options. The more sophisticated advice engines use modern portfolio theory to produce their recommendations.

One of the earliest online investment advice engines was Financial Engines founded by Economics Nobel Laureate William Sharpe. Operating through employers and financial institutions at http://financialengines.com/FeContent?act=welcome, the site "analyzes your existing portfolio's possible performance under hundreds of different economic scenarios" (Longman, 2000, p. 1). It "builds, analyzes, and models investment portfolio options at the mutual fund level . . . Using a wide range of economic variables . . . , Financial Engines performs a Monte Carlo analysis to predict how funds might perform in the future" (Schwarz, 2000, p. 52). This analysis is directed toward achieving two goals: "forecasting retirement income and providing investment advice for achieving retirement objectives" (Fortune, 2000, p. 26). Consultation type services such as "personal asset manager" and "personal online advisor" can be accessed online, on paper,

or by telephone (Financial Engines, Advisory Services section, ¶ 1). The cost of this service is "$300 direct, but many employers offer it free" (Carnahan, 2005, p. 94).

ESPlanner offers services to individuals, employers, and planners through sale of a proprietary software financial planning program. Like Financial Engines, ESPlanner was designed by economists. "Whereas with financialengines.com, saving is a detail that must be provided by the user, ESPlanner's goal is to calculate the 'optimal' level of consumption and savings over the course of a lifetime" (Fortune, 2000, p. 27). "The [$149] program, which requires a fair amount of data entry, is available through http://esplanner.com/" (Coy, 2002, p. 126). ESPlannerPlus can be downloaded for $199. Consumers who need the assistance of a financial planner are given an option to contact one of thirteen CFP®s who are advertised by geographical region. Financial planners can purchase the planner version of ESPlannerPlus for $1499.

Founded in 1995 as 401kForum, mPower.com was also an early entry to Internet financial planning. It was acquired by Morningstar Inc. in 2003 and can now be accessed at http://www.morningstar.com/Cover/PersonalFinance.html?topnav=finance. Because Morningstar is such a big presence in the investing world, the personal finance and investing section is comprehensive. Informational categories include 401(k)s, 403(b)s, 529 data, annuities, asset allocation, bonds and bond funds, college savings, estate planning, exchange-traded funds, insurance, IRAs, mortgages, tax planning, and wealth management. Their investing tools and calculators include stock and mutual fund screeners, research tools, an asset allocator, a risk analyzer, trade analyzer, and a bond calculator. Advice columns on investing, stock options, and retirement are offered.

Membership at Morningstart.com is free, but there are charges for what Morningstar calls Premium Content. Monthly rates are $14.95. They do not offer direct contact with a financial planner.

DirectAdvice at http://www.directadvice.com/ is a specialized online financial planning and advice website enabling banks, brokerage firms, and other financial institutions to deliver personalized financial planning to their customers (DirectAdvice, Welcome section, ¶ 1). It is worth mentioning because so many consumers are affected by its projections and recommendations.

The Motley Fool (TMF) is a multimedia financial education company with Internet access at www.fool.com. In keeping with its mission "to educate, enrich, and amuse individual investors around the world" (Motley Fool, company history, ¶ 2) the organization has adopted an approach that is different from most other sites offering personal financial help to individuals. The information, however, is serious and there is so much of it that only a cursory look is workable for this study.

The Personal Finance section of TMF offers information on 401ks, credit, home buying, insurance, taxes, and a staggering number of calculators. Like all sections of the Fool.com, their personal finance offerings are quite extensive. The Advisor Center is one of the choices available in Personal Finance and it directs users to Advice For Sale, When To Get Advice, Whom To Hire, How Advisors Get Paid, Five Red Flags, and a Comparison Table. At the top of the page it asks the user "are you looking for a financial advisor?" (Fool, Advisor Center Introduction, ¶ 1). Answering yes to this question opens another page headed "Financial Advice Comparison Table" which states it "is specially designed to help you compare financial advisory services that The Motley Fool offer our

members" (Fool, Advisor Center Introduction, ¶ 1). This section of their Advisor Center presents typical fees for many of the services offered by fee-only advisors, fee-based financial advisors, and commission-based financial advisors. The link to find an advisor has been disabled. Annual subscription fees for TMF Money Advisor are $199.00 or $329.00 for two years (Fool, Money Advisor section, ¶ 14, 15).

The Personal Financial Planning Café, accessed at http://www.personal-financial-planning.org/, provides everything from free financial advice given via an on-line forum of participating financial planners to financial calculators to comprehensive financial planning and investment advice that can be obtained through a CFP® for a fee. The site offers a registry of Certified Financial Planners for this purpose and also provides access to a number of financial planning articles.

The website brings the company's "online financial planning community . . . [of] CERTIFIED FINANCIAL PLANNER™ (CFP®) professionals, accountants, mortgage brokers, and other financial planning advisors together in a casual environment to answer . . . [the consumer's] questions" (Café, 2005, ¶ 2). Additionally, they want to "share and exchange personal financial planning information and ideas through . . . [the] Financial Advice Forum" (¶ 2). Currently, membership in the Personal Financial Planning Café is free, but consumers must be a registered member to obtain information.

As one of the world's largest investment management companies, The Vanguard Group offerings in personal financial planning are a good representation of what is offered by this sector. Individual investors can access a wide variety of personal finance tools from the company's main web page. By clicking on "Personal Investors" visitors will be linked to https://flagship5.vanguard.com/VGApp/hnw/HomepageOverview. The

company's "Plain Talk® investor education and online planning tools" (Vanguard, Planning & Education section, ¶ 1) offers planning and education on retirement, college savings plans, taxes, and estate matters. Their "Plain Talk® on general investment planning" offers consumers a way to "plan and build a portfolio that meets your needs with help from Vanguard" (Vanguard, General investment planning section, ¶ 1). Their Planning tools section includes a questionnaire so consumers can "discover [their] risk tolerance and get suggestions for allocating [their] investments" (¶ 1). A free retirement calculator is available at http://flagshipp.vanguard.com/VGApp/hnw/RetirementSavings.. As with other companies such as Fidelity and T. Rowe Price, their website advertising is geared toward keeping the investor in the Vanguard family.

The same can be said for TIAA-CREF. The financial planning resources at http://tiaa-cref.org fall primarily into the same investment offerings as other investment management companies. In addition to their mutual fund offerings, the TIAA-CREF Web Center lists retirement plans, individual investing, and life insurance, and trust services. The site also has a comprehensive list of calculators and planning tools for variable annuity comparisons, asset allocation, retirement distributions, tax deferral, insurance, IRA conversion, a financial organizer etc (TIAA-CREF, Calculators and Planning Tools section, ¶ 1-20). As with most mutual fund investment companies, individual investors are offered free publications and online tutorials. In addition, the company makes telephone counseling available for retirement income planning, IRAs, and income options. Financial information seminars are also available through participating employers or at various locations your local area. Investors can also sign up and meet with a company investment professional (TIAA-CREF, Meetings section, ¶ 1).

Sound Mind Investing is one of many Internet sites taking aim at a specific group of investors. In this case, to those who seek to include Christian motivation as part of their investing strategy. At http://soundmindinvesting.com/ investors are urged to use "The Web Home of America's Best-Selling Financial Newsletter Written from a Biblical Perspective" (Sound Mind, Introduction section, ¶ 1) to create a successful investment program. The site does not offer mathematical calculators, risk assessments, or what-if strategies. It is primarily a conduit for the publisher's monthly newsletter detailing investment strategies and highlighting recommended funds.

Professional women make up an increasingly large segment of the investing public. One of several sites addressing this statistic is *Womens*WallStreet.com. Logging on to www.womenswallstreet.com will tell you that this Internet site's mission is "empowering women with the tools, knowledge, and confidence they need to make smart financial decisions" (WWS, Mission Statement, ¶ 1). In addition to many articles relating to issues particular to women, the site offers mortgage, investment, lease, and retirement calculators which contain many different options. Among the calculators offered are: how much can I afford to spend on a house, should I refinance my home mortgage, what rate of return is my investment earning, and how much money could I save. Calculators also include: how much do I need to deposit in my traditional IRA to achieve my goal, how long will my savings last, and can you calculate my simple lease payments? *Womens*WallStreet.com also includes at least eighteen editorial columns, stock news, and job listings.

Bank of America offers a Financial Education and Tools option selection from its main Internet site. Clicking on this link at http://www.bankofamerica.com/index.cfm

will bring up an index of planning tools which includes savings and budgeting, home purchase, car purchase, investing, loans and credit cards, education, retirement, on-line tax preparation, estates, and credit management. Each of these categories is expandable into many sub-choices, including mathematical calculators. There are many more choices than that offered by some other banks and investment firms. Investors could be overwhelmed by the sheer number of options presented. Contacting a CFP® or financial planning professional for more in depth financial planning or assistance is not listed as an option.

Charles Schwab & Co. advertises Brokerage Accounts, Retirement Accounts, Business Retirement Accounts, College and Custodial Accounts, and accounts for Estate Planning & Charitable Giving (Schwab, Account Types, ¶ 1) at http://www.schwab.com/

Advice and consultation services are available by clicking on Advice & Consultations, but Schwab advises that "accounts enrolled in this service are brokerage accounts and not advisory accounts. Our interests may not always be the same as yours." They further advise that the client should "ask us questions to make sure you understand your rights and our obligations to you . . ." In the same paragraph, they indicate that "we are paid both by you and, sometimes, by people who compensate us based on what you buy" (Schwab, Advice & Consultations, ¶ 3).

Although the company does claim a *collaborative partnership* and does offer an interview with an investment consultant, Schwab is primarily a brokerage investment style firm and their consultants are invariably financial advisors or CFAs. As such, their research and strategies are geared toward investment vehicles and not planning per se.

Amerivest, another online investment service, advertises itself as "an online advisory service that recommends a tailored investment plan based on your goal, risk tolerance, time frame, and budget" (Amerivest, Introduction, ¶ 1). The web-site is located at http://www.amerivest.com/. Without offering personal contact with a financial planner, the company states that it "lets you easily and affordably create a diversified portfolio that's tailored to your needs." And, "with Amerivest acting as your co-pilot, you'll also be able to easily manage and rebalance your portfolio over time. This will help you gain confidence in your financial plan and have more influence over your portfolio" (Amerivest, Why Amerivest, ¶ 2). Instead of a commission, the company requires a minimum funding amount of $2,000.

Internet web-sites such as Amerivest are based on computer modeling. Some have experienced planners available for consultation, but that is not the main focus.

The prevailing philosophy is that, as a user of these web-sites, "you benefit from computer modeling that helps ensure objectivity and precision. Financial decisions shouldn't be clouded by emotions or bias. Guided by computer analysis, [they'll] help you evaluate your current situation, pinpoint goals, and provide appropriate recommendations" (Prudential, Financial Solutions section, ¶ 5).

Online stock and fund screening modeling programs can be accessed through ISPs as well. Microsoft's MSN offers a sophisticated and easy to use tool for investors at http://moneycentral.msn.com. The software can be configured for almost any screening parameter that users wish for. The site also offers news, articles, bill paying, and budget creation etc (Moneycentral, My Money Home, ¶ 1).

Another site offering technical and fundamentals analysis is ClearStation at http://clearstation.etrade.com. Like the others, it is free. It combines "portfolio management with investor education and the essentials of technical analysis, fundamental analysis, and community discussion" (Durrie,2001,p.xiii). Investment research can also be performed by visiting the Multex Investor Network at http://multex.investor. reuters.com The information available is the same that is provided at the company's institutional site, but with a 14-day delay. For consumers looking for IPO information, ipo.com at http://ipo.com provides free information about initial public offerings as well as market research from companies like www.Investors.com and access to direct stock purchase sites as www.ShareBuilder.com.

Prudential Financial, Inc. at http://www.prudential.com/index/ is representative of the insurance industry's presence in web-based financial tools. Their web-site offers a wide range of products including money management services, mutual funds, annuities, insurance, real estate, credit cards, and a range of business products and services (Prudential, Products & Services Overview, ¶ 1-5). In the financial planning area they offer the obligatory calculators and guides for retirement, estate planning, life insurance, and education funding (Prudential, Calculators & Guides section, ¶ 1-4).

In addition to the computer generated calculators and canned programs, Prudential offers the choice of three professional money management programs. According to the company "investing with managed money differs from traditional 'stock picking' . . . . Managed money programs also consider larger issues, such as your long-term goals, risk tolerance, and total portfolio strategy" (Professional Money Management section, ¶ 3). As a user of Prudential Financial services, "you pay only for the scope of

your plan and the work we do. Our fee adjusts based on how detailed you require your plan to be. You pay only for what you need at each step" (Prudential, Financial Solutions section, ¶ 7).

If consumers want to take a more basic approach to money management, they can visit Mvelopes Personal at http://www.mvelopes.com/index.php. At this web-site,

In2M Corporation, a financial software and services company, offers a personal monthly service that is an "online budget tracking and spending management tool" (Mvelopes, Online Budget Tracking section, ¶ 2). There is "personalized coaching and support" available and a "member newsletter with tips and tricks as well as useful financial management information" (Mvelopes, product overview section, ¶ 8). Professional financial management on an individual basis is not available. For the services offered, the company requires a monthly membership paid on a quarterly, one year or two year plan.

Soundfinancialplan.com is typical of the many web-sites offering even more bare bones financial calculators. At http://www.soundfinancialplan.com/tools/ consumers are offered a choice of calculators designed for personal planning, personal finance, leasing, investment, retirement and home finance (Soundfinancialplan, Home section, ¶ 1-5). The 66 calculators listed are common in nature to many other web-sites offering the same tools; tools such as an IRA calculator, investment yield calculator, and how much must I save for a major purchase. Soundfinancialplan.com advises that "the calculators are for limited informational purposes only. Financial decisions should not be made based solely on the results . . . . Always consult with your accountant or other professional advisors when making such decisions" (Soundfinancialplan, Home ¶ 1).

The web-site provides access to a list of advisors who are MDRT members for people who feel they need the assistance of a professional. These members must have signed up with Soundfinancialplan.com in order to be included in this list (Soundfinancialplan, Find an Advisor section, ¶ 8).

Individual financial planning professionals have also created direct access web-sites. Logging onto http://www.wealthcarelaw.com/wealthcarelaw.htm reaches the practice of Kendall W. Maddox, JD, LL.M, CFP®. Although specializing in "financial planning that coordinates . . . financial objectives with . . . estate planning needs and goals," (Maddox, About our firm, ¶ 2) the web-site is illustrative of the comprehensive individual, partnership, and corporate sites on the Internet offering financial, tax, and estate planning, portfolio management, and insurance products. Fees and/or commissions will depend upon the type of service provided.

As an alternative to searching the thousands of financial planning related sites on the Internet, consumers can log on to a web-site with listings of financial planners such as the one hosted by the Financial Planning Association at http://www.fpanet.org/ to locate a nearby CFP®. The Financial Planners Index at http://www.plannersindex.com/index.php assists consumers in locating planners, but also offers financial calculators and free downloads of financial related materials. Many of those who have registered with these associations also have their own web-sites.

Consumers looking to work with a financial advisor may contact the National Association of Personal Financial Advisors (NAPFA) at http://www.napfa.org/. This organization provides consumers with "Fee-Only comprehensive, financial advice" (NAPFA, Consumer section, ¶ 4). "As long as you agree to provide your name and

contact information first, NAPFA will give you a list of members around the state, along with a brochure on what to ask in an interview" (Nelson, 2000, p. F.7).

While not exhaustive, the foregoing information on Internet-based financial planning sites is representative of what is available to consumers seeking to either supplement or avoid working through a financial planning professional in the traditional setting. Those consumers starting from scratch looking to the Internet for financial planning assistance will be faced with a daunting task. The total number of websites in the general subject area number in the millions. Attempts at narrowing the search to personal financial planning using different Internet search engines will produce dramatically different results. A search on March 19, 2006, at 9:00PM PST under the parameters "help with personal financial planning" generated 200,000,000 hits on Google, 47,800,000 on Yahoo, 5,411,000 on Ask Jeeves, and 2,021,920 using MSN. On the same day, another search using the parameters "personal financial planning websites" using the same search engines generated 95,100,000 hits on Google, 4,670,000 on Yahoo, 1,006,000 on Ask Jeeves, and 786,562 using MSN.

Literature thus far reviewed has revealed both support for and reservations about financial planning activities conducted via the internet. Using the themes presented in this review as an outline, I would like to present the following summary facts, clarifications, and observations. In this researcher's opinion, they are relevant in suggesting the direction for further research.

Notwithstanding the considerable effort undertaken by Andrews (2002 confirming that specific classes of individuals have a disproportionately affirmative influence on financial planning industry and financial advisors, the study does have limitations. His

quantitative data was compiled from a questionnaire submitted to a random selection of investment professionals in only three, southern Florida counties. It also "did not separate respondents by firm size or orientation of services" (p. 115). Andrews recognized this as important because some companies offered "full service financial planning while others lean more toward equity or discount trading" (p. 115). However, even with this small area, relevant information had been obtained. Most helpful was the literature review that concentrated on the concepts of traditional marketing thought, changes in generational lifestyles and products, and new financial marketing trends and positioning techniques designed to produce business advantages in the emerging affluent *senior* market (p. ii). Finally, based upon the data that was collected, Andrews concluded that "financial planners and investment professionals must make the correct decision for their clients the first time or they may not be given a second chance" (p. 55).

Walker's (2000) article regarding the change in approach forced upon financial advisers by low-cost Internet sites does, wisely, offer the qualifier that although "computerized advice services can offer lower prices because their recommendations are automatically generated, nobody expects people to switch their investments based solely on a computer printout. They still need the hand-holding" (p. E-01).

Data for the Srinivas (2000) study cited in *Consumer Attitudes and Expectations* was collected through a mail survey of sample individual investors to develop and test a structural equation model. The limitations if any arise from the focus being primarily on the marketing aspect of the relationship between consumers of professional financial advice and those who provide it. However, despite this focus, the study is very relevant in whether there has been is a failure on the part of marketing academics to create consumer

purchase models that address a consumer's decision to seek professional guidance in personal finance. This is critical to consumers because, "judging by the articles and reports in different media, from the consumer's perspective, the area of financial planning is of significant concern to a vast majority of individuals in the United States" (Srinivas, 2000, p.181). Sestina's (2001) licensing issues have been reduced with such programs as the ChFC and CLU certifications offered by the American College and an increasing number of colleges offering certificates in financial planning.

In the area of *Investment Risk*, additional comments from Srinivas (2000) are warranted. His research pointed out several themes as relevant to the use of the Internet option in financial planning. First, the desire to exercise control combined with a high risk tolerance, may predispose certain individuals to forego the services of a professional financial planner. Conversely, relinquishing control will be easier for those who perceive risk in depending on their own knowledge and experience. Second, a consumer's prior knowledge of financial matters and the degree of perceived risk will have an impact on the information that is sought.

Third, although the Internet has dramatically increased the level and amount of available financial information, consumers cannot really compete with financial planners because, in his words:

> Financial professionals . . . because . . . they can spread the costs of information across their customers, can afford to buy information that may be cost prohibitive to the individual investor. As such it is not surprise that financial advisors are privy to more information than are ordinary consumers. This lack of access to valuable information puts the consumers at a clear disadvantage, often impacting the quality of their financial decisions. (Srinivas, 2000, p. 58)

Fourth, "the area of financial planning is of significant concern to a vast majority of individuals in the United States" (Srinivas, 2000, p. 181).

Schooley and Worden's (2003) research into Generation X and their risk tolerance and investing brought out an interesting conundrum. Their study presented the conclusion that, although Generation Xers offered a "natural education and marketing opportunity for planners" (p. 59), they really want to do it all themselves. This presents a good argument in favor of financial planners taking their practices online.

In *Consumer Options* section, the Belsky et al. (1999) material on overconfidence and overrated personal investing skills was included because those traits seem to be in evidence with many consumers visiting Internet planning sites. Just as relevant are the observations on herd investing and following in footsteps of others. A lot of lemming like financial decision making is the result of information available on the Internet. The consequences of this type of influence reinforce the value of having a financial plan—even if that plan is of your own making.

One thing should be said in reference to the Richards (2000) contribution to the *On-line or In-office* section. Richards seemed to come to a valid conclusion that clients and prospective clients are looking for a relationship--not a transaction--when they seek professional planning advice. Instead of viewing the Internet as a competitive force, some people see it as an ally for financial planning practitioners. In fact, stated Nelson (2000), "money pros have weathered the Internet storm particularly well, despite a handful of attempts at Web-based financial planning. These days, in-the-flesh planners are more in demand than ever" (p. F.7). This article also asserted that "a handful of Web sites have

shown promise in one area: Helping consumers find a financial adviser to begin with" (p. F.7).

Some additional information is needed with reference to the section on *Financial Planning Tools Available on the Internet.* In Longman's (2000) article it is stated that Financial Engines uses "current life tables and automatically projects how long you'll live in retirement, based on your date of birth and planned retirement" (p. 1). It does this so it can "demonstrate the trade-offs between risk and reward" (p. 1). But, depending on a person's current health status, that may not be ideal. Longman does offer an additional observation regarding those sites offering an online advisor. Even if an Internet site offers online financial advisers, stated Longman (2000) "they can be nosy, asking questions like, 'have you used a stockbroker in the last year?' Planners don't need these data; the sales staff does" (p. 1). Sales pressure aside, it should be noted that "many of the . . . on-line investment service engines promise to stay within the ERISA 'safe harbor' provisions relating to investment education or directly accept the fiduciary responsibility for the advice they give" (Schwarz, 2000, p. 51).

Regarding the *human factor*, consumers should know that one thing Internet sites will not do is "relate to you somewhat as a personal therapist would —bucking you up, helping you overcome bad financial habits" (Longman, 2000, p. 1). The personal touch is missing. The computer "does the math and chooses the investments" (p. 1).

Online investment advice engines in the vein of Financial Engines, Morningstar, and mPower use different methodologies but there are similarities:

> They [all] provide individualized information; they administer a quiz or series of questions to obtain information about the individual's background and risk tolerance; they provide users with an asset allocation that will optimize investment in their employer's retirement plan; and they

> take into consideration . . . Social Security when projecting users' retirement income. (Schwarz, 2000, p. 51)

Because retirement planning is such a large part of the financial process, it is advisable to mention some valid points about retirement calculators; especially the free retirement calculators superabundant across the Internet.

The one offered by Vanguard is simple for consumers to use, but hard to find. The calculator uses average investment returns, not Monte Carlo simulation, and it will not save your data. The T. Rowe Price calculator uses Monte Carlo simulation, but assumes all savings are tax deferred. ESPlannerPlus gives super-detailed projections and saves the data. However, it is complicated and has an 81-page user manual. Financial Engines is sophisticate, but user friendly. But, even the best actively managed funds can be subject to a skeptical review (Carnahan, 2005, p. 94).

Information provided by Elger (2002) concerning asset allocation should be the concern of any online investor. First, "the most important of investment planning decisions, particularly for the long-term investor, is generally agreed to be the allocation of assets across available investment options" (p. 43). Second, "three potentially useful kinds of asset allocation resources available on the Internet are educational and research resources, e-commerce sites dealing in asset allocation-related products, and asset allocation calculators" (p. 43). Lastly:

> Of the six areas of financial planning--Roth conversion, life insurance need determination, retirement savings planning, disability insurance need determination, asset allocation, and estate tax calculation--online asset allocation calculators were much less consistent in their recommendations as compared to the consistency of live advice than any of the other five types of online calculators tested. (p. 44)

Consumers should be careful when it comes to the quality and accuracy of calculations performed by Internet financial planning sites. One of their concerns should be whether the information obtained from one of these sites is accurate. Is there one measure that consumer's can rely on? According to Hammen, Beneda, and Wilde (2004), it is the return on equity (ROE) measure. They stated:

> Financial advice has become a critical factor in the construction of a successful retirement investment portfolio by the average worker-investor. Many investment advisors have constructed financial websites that purport to offer analytical and objective advice. The Internet also offers an array of information on fundamentals, historic market trends, and financial planning. By focusing on a single measure of financial importance, such as ROE, it is possible to assess whether the Internet provides information helpful to the average investor. (p. 66)

ROE is a desirable measure because it is "a key managerial assessment tool often used as a basis for evaluating and rewarding management, as primary accounting ratio . . . and it is relatively easy to calculate and understand" (p. 66). This is made especially relevant by "the entrance of many unsophisticated investors into the marketplace . . ." (p. 66).

It should be noted that one problem in measuring ROE occurs due to variations in the assumptions and techniques used by different financial websites. This can result in different computations. Another problem in measuring ROE is that "a distinction should be made between current ROE and forecasted ROE" (Hammen et al, 2004, p. 67). When Hammen et al. (2004) "examined the ROE as reported on four popular financial websites--Yahoo, Morningstar, Bloomberg, and SmartMoney--for the 30 companies in the Dow Jones Industrial Average (DJIA). . .no two websites reported the same ROE for the same company" (p. 67). Unless consumers can be assured that the ROE on different companies

at different sites is computed using the same variations, how can they feel secure using this information as a basis for investments?

Zhou's (2003) research on consumers accessing their retirement plans using the Internet describes two salient, but divergent situations. The increase in defined contribution plans with Internet access "allow[s] for self-direction in the investment of contributions, [accessing] necessitating education, guidance, and advice on asset allocation" (p. 6). [Further] . . . "Internet sites are practical and economical media for providing this information to masses of people" (p. 6). However, these sites "typically . . take an actuarial approach to saving for retirement" (p. 6). Despite the fact "there is no shortage of sophisticated financial planning models, . . . financial planning software programs in general suffer from limitations" because most of them "do not recognize many uncertainties facing households, including . . . health status, future life time, and returns on financial and human capital assets" (p. 6-7). In addition, "insurance products are not [usually] offered as investment options" (p. 7).

Although the information presented in the review of literature is relevant, it was incomplete for the purposes of this study. Further research and data from practicing financial planners was needed to establish whether the availability of Internet-based financial planning tools has had any impact on their client base. So far, it is not clear whether these options have created an adverse business environment for financial planners or simply heralded a transformation in what will become part of their new operating environment. In addition, more information was needed to determine whether a significant number of financial planners are currently using the Internet in their business

operations, and whether they can reasonably evaluate the choices that existing and potential clients have in using this medium.

What is known up to this point from the literature is that there can be no definitive answers in regard to any of the three questions posed. With respect to the null and alternate hypotheses stated, the literature does point in the direction of some early trends in two areas: (a) consumers are being drawn to the Internet because online planning tools are easy to use and less expensive, and (b) the literature also points toward an understanding that, in most cases, financial planning tools available on the Internet are not designed to provide the consumer with a comprehensive plan. In addition, although it has not been established as a trend, there does appear to be a large presence in financial planners utilizing the Internet as a marketing tool for their practice. At this stage in the research, no other suppositions should be made.

At this juncture, pertinent information on the variables to be measured has suggested that (a) there *is* a desire on the part of consumers for professional financial planning assistance; (b) consumers *appear* to have accepted the Internet as a financial planning mechanism; (c) there *is* a willingness on the part of financial planners to recognize the Internet as a means of doing business. Beyond that, further conclusions must wait.

Any trends or suppositions up to this point have been based on the following substantive information and industry observations. Internet usage has been growing at a phenomenal rate, and consumers are more computer and Internet savvy than they were just a few years ago. Retirement planning activities have shifted away from employers and the government onto individuals. With this shift, consumers have become more

concerned about their ability to provide for a secure retirement. Despite the fact consumers appear to be more educated, the volume of financial information being disseminated has been *paralyzing* to many of them. Some consumers have found they enjoy financial planning activities and the DIY independence may have some bearing on that enjoyment. However, this DIY confidence erodes quickly in down or weak financial market. When consumers do take on their own investments, they have a tendency to be overconfident in their abilities; they make irrational decisions and fail to view financial information objectively. The decision to seek a financial planning professional occurs when the utility of *self-engagement* is overcome by the consumer's low tolerance for risk. Credibility is a major concern when a financial planner or advisor is sought after. The most important quality in a planner is thought to be trust. It is easy to see that the presence of financial service professionals operating on the Internet has not decreased. In addition, the availability of interactive tools has made it easier for planners to practice online and communicate with their clients.

More intelligent and encompassing conclusions regarding the impact on financial planners must take into account the data obtained from the survey of Certified Financial Planners. This data is also significant with respect to any rational recommendations or justifications for further research.

Chapter 3: Methodology

This chapter describes the methods and procedures used to collect and analyze data in the study. The descriptions are related to Description of Research Design, Operational Definition of Constructs and Key Variables, Description of Materials and Instruments, Selection of Subjects, Procedures, Discussion of Data Processing, Methodological Assumptions and Limitations, and Ethical Assurances.

Restatement of the Problem

The purpose of this inquiry is to examine the extent to which, if any, accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners. There are no statistics available to indicate the number of people who utilize the Internet as a financial planning tool. Therefore, there is an opportunity gap to determine if financial planners should consider Internet tools as a threat, and perhaps how to address any current or potential threats.

Research Questions

1. Is there empirical evidence to indicate that Internet-based financial planning tools have an adverse effect upon the client base of financial planning professionals?
2. Are the financial planning tools available on the Internet comparable to the services offered by planners charging fees or commissions?
3. Are financial planners utilizing the Internet as a means of protecting their client base and encouraging new business?

Statement of Hypotheses

For the stated research questions, the following null and alternate hypotheses were developed:

H_{1O}: There is no empirical evidence to indicate that Internet-based financial planning tools have had an adverse effect upon the client base of financial planning professionals.

H_{1A}: Financial planners have observed a significant increase in the number of clients opting out of their current personal relationship with the planner in favor of self-planning activities available on the Internet.

H_{2O}: Financial planning tools available on the Internet are not designed to provide the consumer with a comprehensive financial plan.

H_{2A}: There is some evidence that consumers are being drawn to the Internet because online planning tools are easy to use and less expensive.

H_{3O}: Financial planners are not utilizing the Internet as a marketing tool.

H_{3A}: There has been an increase in the number of financial planners utilizing the Internet as a marketing tool in their practice.

To gather the necessary information, the following variables needed to be measured in the study:

Y_d: *Dependent Variable* – The desire of consumers for professional financial planning assistance.

Y_i: *Dependent Variable* – Consumer acceptance of the Internet as a mechanism to obtain financial advice and create a financial plan.

Y_W: *Dependent Variable* – The willingness of financial planners to recognize the Internet as a viable business platform.

X_I: *Independent Variable* – The level of consumer knowledge and experience in investing.

X_C: *Independent Variable* – Changes in computer technology and communications creating increased user friendly applications.

X_G: *Independent Variable* – Governmental policy influencing the transfer, security, or penalties for financial and personal information transmitted over the Internet.

X_S: *Independent Variable* – The availability of computer security programs.

As a dependent variable, the desire of consumers to seek out financial planning assistance is central to their decision making process. Before consumers will venture into online activities, they must accept that Internet-based financial planning tools are workable. Similarly, the willingness of financial planners to consider the Internet as a viable business enhancement has an impact on the type of financial services that are offered via the Internet as well as the level of services offered in the traditional face-to-face relationship.

As an independent variable, the knowledge and investing experience of consumers may be a factor in what type of financial services they pursue. Having a direct relationship to both consumers and financial planners is the continuous evolution of computer systems and communications media. Additionally, the government has begun to take a bigger part in the management, transmission, and penalties abuse of privileged information. An increase in government presence may also affect the type of clients

planners will agree to counsel. Finally, secure on-line communications will require some form of computer security programming.

Data was obtained from a questionnaire mailed to a random sampling of Certified Financial Planners who are members of the Financial Planning Association. This data was evaluated in conjunction with a review of current literature to reach a balanced conclusion.

Description of Research Design

It was determined that the descriptive correlation design was best suited for this research as this type of design works well for studies seeking to describe what is happening or what exists in a particular situation or set of circumstances. Responses to items on a survey questionnaire that was developed were measured using a Likert scale measuring five degrees of agreement. The statistical information obtained was quantitative in nature indicating to the researcher what percent of the CFP®s surveyed subscribed to the null hypotheses.

The topic of the dissertation, *The Impact of Internet-Based Financial Planning Tools on Financial Planners,* examined whether the client base of professional financial planners has been affected by the public's use of available financial planning tools on the Internet. To determine the presence and extent of such influences, the study gathered data from currently available literature on the business practices used by financial planning professionals, financial planning tools currently available via the Internet, and the consumers expectations of their ability to utilize these tools.

Currently, there is no statistical information available indicating how many people consult financial planning professionals just as there is no data available to indicate the

number of people who utilize the Internet as a financial planning tool. The expectations of consumers seeking financial assistance should be evident in the data submitted via a survey of member planners in the Financial Planning Association. The data should also reveal the attitudes of these planners with respect to the viability of the Internet as a financial planning tool as well as any threats the Internet may pose to their practice. The descriptive correlation design was chosen as the most appropriate design for research into the possible relationships among the variables being measured.

Descriptive correlation designs do not attempt "to change behavior or conditions—you measure things as they are" (Hopkins, 2000, ¶ 3). Descriptive studies "are also called observational, because you observe subjects without otherwise intervening" (¶ 4). In this type of study, the researcher explored causal relationships between variables. The strength of this design was in its application to quantitative data. Descriptive statistics "provide simple summaries about the sample and the measures" (Trochim, 2001, p. 268). The survey instrument was developed to provide the necessary data information.

To determine the appropriate survey sample size the following equation was used: $(Py)(Pn)/Std\ Error^2 = N$ where Py is being used to represent people responding and Pn is used for those not responding. Because it will be difficult to determine the distribution of responses and the missing items will vary by question, a conservative split of 50/50 should be assumed across the questions. Therefore, the computation of (Py)(Pn) will be (.5)(.5), or .25. An acceptable sampling error for the results of the survey would be within a range of plus or minus 5 percent. Based upon this, the confidence interval will be 95 percent. For a confidence interval of 95 percent, the standard error multiplied by 1.96 is

the sampling error. Therefore, the sampling error chosen must be divided by 1.96 to arrive at the standard error. Then, the result will be squared to arrive at the denominator of the equation.

(SPSS Inc., Keywords section, ¶ 11-12) The results of the computations are as follows:

a. .05/1.96 = .0255102

b. (.0255102)2 = .0006507

c. .25/.0006507 = N

d. N = 384

Prior to mailing the 384 survey questionnaires determined by a random sampling of the 6,500 members of the Financial Planning Association, the survey was pre-tested using a random sampling of 10% or 38 members. Participants in the pre-test review of the instrument's instructions and format did not indicate any problems with the clarity or validity of the survey, nor did they experience any complications understanding or answering the questions. Both the sample and the pre-test respondents were chosen using a sample size calculator from Raosoft, Inc. (Raosoft, Sample Size Calculator, ¶ 1-5) A copy of the pre-test survey cover letter and a copy of the survey instrument have been placed in Appendices E, and F respectively.

It was hypothesized that this study would establish relationships among the following variables:

Y_d = Dependent variable of desire of consumers for professional financial planning assistance.

Y_i = Dependent variable of consumer acceptance of the Internet as a mechanism to create and discharge a financial plan

Y_w = Dependent variable of the willingness of financial planners to recognize the Internet as a viable business platform.

X_l = Independent variable for level of consumer knowledge and experience in investing.

X_c = Independent variable for changes in computer technology and communications creating increased user friendly applications.

X_g = Independent variable for governmental policy influencing the transfer, security or penalties for financial and personal information over the Internet.

X_s = Independent variable for availability of computer security programs. As a dependent variable, (Y_d) the desire of consumers for professional financial services, will be affected by the independent or predictor variables of (X_l) financial knowledge and investing experience, (X_c) the accessibility of user-friendly technology, and (X_s) the availability of computer security programs. As a dependent, (Y_w) the willingness of financial planners to include the Internet in their business plan, will be affected if they perceive that consumers feel comfortable using the Internet for their services. In this relationship, consumer acceptance (Y_i) would act as a mediating variable. Additionally, planners will be influenced by (X_c) computer technology and (X_s) Internet security. There should be a relationship between consumer acceptance of the Internet (Y_i) and the independent variables of (X_l) level of consumer knowledge and (X_s) availability of computer security programs.

Values for the variables will be represented as one of five attributes:

-1.00	-.50	0	+.50	+1.00

Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Operational Definition of Constructs and Key Variables

The units of analysis in this study are Certified Financial Planners in all 50 states who are active members of the Financial Planning Association. The Financial Planning Association is a membership organization for the financial planning community. Individual members include financial planners, accountants, attorneys, bankers, charitable giving specialists, insurance agents, stockbrokers, money managers, investment consultants, as well as broker-dealers and corporate executives. A financial plan is a strategy by which an individual can fulfill specific financial goals through implementation of a specific course of action. Individuals may also be referred to as clients, consumers, or investors depending upon the frame of reference.

Internet-based financial planning tools are defined as Java™ applets or equivalents created by independent software companies or in house programmers to be compatible with all major Internet browsers. They are designed to be flexible and customizable so that financial planners and institutions can change the colors, fonts, page content, report content and add company logos. Most of these take the form of Financial Planning Calculator designed for determining savings and investment options through tips, tools, and calculators. Tools may include templates for asset allocation, tax calculators, life insurance need calculators, mortgage calculators, plus tools for estimating future value of retirement savings.

Financial planners are individuals capable and qualified to offer objective, integrated, and comprehensive financial advice to or for the benefit of clients to help them achieve their financial objectives. They may or may not hold designations such as

CFP®, ChFC®, CLU®, CFA®, CPA, and Attorney at Law. Professional financial planning assistance is that consultation or advice provided by individuals, organizations, or Internet sites for the benefit of clients to help them achieve their financial objectives.

Any reference to compensation will be speaking only to one of the four methods of financial planner compensation defined in Chapter I, Definition of Key Terms.

Governmental regulations affecting data transfer over the Internet are those laws, acts, or regulations addressing the practices of any entity choosing to conduct financial related transactions over the Internet. Permissions and/or prohibitions can originate from any number of Federal agencies, departments, or commissions.

For the purposes of this study, computer security refers to those programs designed and marketed to consumers as encryption devices, password protection, data security, anti-virus, or spy ware protection. The security of Internet sites hosting financial planning tools is not addressed as the Java™ applets used in the programs are not designed to access remote servers other than the ones the applet was launched from. The consumer's security is protected because their sensitive data sent is not transmitted over the internet. Instead, information entered into one of the Financial Calculator Applets is processed by the consumer's web browser.

Description of Materials and Instruments

To measure the construct variables, a mail survey was developed to analyze relevant client data obtained from a sample of practicing financial planners. The sample was randomly chosen from a list of Certified Financial Planners registered with the Financial Planning Association. There were a total of 22 item statements. The first four were closed-end requiring a nominal response. These were included to obtain non-

parametric information on the extent of the respondents' education, level of experience, and relative scope of operation. The remaining 18 item statements were constructed with a five point Likert scale measuring five degrees of agreement to ensure accurate statistical compilation. Each item was followed with a section allowing ample space for additional participant comments.

When the responses from the surveys were grouped, they generated numerical representations of the survey participant's status on the variables. There were two measurement scales used in conjunction with survey data. Questions 1-4 were closed-end and informational in nature. The nominal responses were grouped by selection to achieve a numerical representation of status in a particular category. Categories used included how many of the planners responding operate a fee-only practice and how many planners responding hold licenses or designations in addition to the CFP®." Data from questions 5-22 were processed using an interval-level response format Likert scale to produce numerical representations of the variables. There are no potentially influential demographic variables present in this study. Certified Financial Planners are being addressed by virtue of their profession, and no reference to age, gender, socioeconomic status, or ethnicity is suggested, measured, or considered.

The responses were tabulated to determine if a correlation existed between the variables being measured. The measurements and the results are quantitative in nature. It was theorized that, due to the design and structure of the questions, the answers would provide a reliable measure of the hypotheses being tested.

Each participant was provided with a postage-paid return envelope. To increase the response rate, a follow-up letter was sent 30 days after the original mailing. A small

sample of respondents was chosen for a pre-test of the instrument prior to implementation. A copy of the pre-test survey cover letter and a copy of the survey instrument have been placed in Appendices F and G respectively.

Selection of Subjects

Based on a consistent level of education and direct experience in the field of financial planning, Certified Financial Planners were the most prudent choice for subjects. The population for this study consisted of the 6,500 Certified Financial Planners currently registered as members of the Financial Planning Association. These members were listed on the association's website by the state in which they practiced. Members reside in all 50 states. In addition to providing business address and telephone numbers, the listing identified some additional relevant professional qualifications. Both the sample and the pre-test respondents were chosen randomly using a sample size calculator.

Procedures

The data collection process forming the foundation of the research involved contacting Certified Financial Planners to determine if there is evidence indicating that Internet-based financial planning tools have an adverse effect upon the client base of financial planning professionals. The research also attempted to establish if financial planning tools available on the Internet are comparable to the services offered by planners. Lastly, it tried to determine if financial planners are utilizing the Internet as a means of protecting their client base and encouraging new business.

The research was conducted using a survey questionnaire developed to address the relationships under study. Each item statement in the survey has a specific purpose. The data provided will allow categorization of the relationships hypothesized. The survey

was mailed to the randomly selected participant's business address with a self addressed, stamped envelope for returning the completed survey. Participants were advised in the survey cover letter (Appendix H) that a summary of the survey results would be available upon completion of the study if they checked the request box included at the end of the survey. A follow-up reminder letter was sent 30 days after the original instrument mailing. There was a pre-test procedure prior to the main research. The pre-test sample was chosen randomly from the same population of Certified Financial Planners.

Additional practice related information was collected during the study consisting of licenses and professionals designations, number of years in practice, fee structure, and dollar value of assets under management. This data was collected from responses to questions 1-4 on the survey questionnaire.

Discussion of Data Processing

Data from returned surveys was collected by means of a Microsoft Excel spreadsheet developed for that purpose. SPSS® (Statistical Package for the Social Sciences) statistical software templates were employed to analyze data entered on the data collection form. All data from items 5 through 22 of the survey (listed in Appendix B) has been summarized via descriptive statistics testing. The results are described in terms of an arithmetic mean as a measure of central tendency, standard deviation as a measure of variability, and in terms of correlation using the Pearson product-moment correlation coefficient (Pearson *r*).

Multiple correlation were employed to determine the extent (if any) to which Internet-based financial planning tools had an adverse effect upon the client base of the CFP®s surveyed. The testing also tried to determine whether professional planners

believed they offered individuals a more comprehensive and thorough level of financial planning than that which is available via the Internet. And, if so, whether these services produced better results than those available online. Lastly, were financial planners utilizing the marketing potential of the Internet? This required the inclusion of Multiple Regression Analysis procedures. Analysis of Variance/ANOVA was not appropriate in this instance as all questionnaire items addressing variables were formatted on an interval scale, and Regression Analysis would include Beta relationships. Simple linear regression was employed for those relationships involving only one independent variable.

In addition, practice related data as measured by responses to survey items 1 through 4--the types of licenses held, the level of experience, the manner of reimbursement, and the value of portfolios under management--was evaluated for significance. Although the design of these four items called for a closed-end nominal response, the structure was not conducive to nominal data analysis by chi-square, binomial, or other conventional nonparametric tests. Because two of the four items allowed for more than one entry, the qualitative data was viewed from an informational standpoint only. It was not expected that this data would provide background as to how small, medium, and large practices viewed the needs and general financial awareness of their clients.

It was postulated that data from items 5-22 of the survey would validate the following null hypotheses:

H_{1O}: There is no empirical evidence to indicate that Internet-based financial planning tools have had an adverse effect upon the client base of financial planning professionals.

H_{2O}: Financial planning tools available on the Internet are not designed to provide the consumer with a comprehensive financial plan.

H_{3O}: Financial planners are not utilizing the Internet as a marketing tool.

Methodological Assumptions and Limitations

The results of this study are limited because the population was confined to Certified Financial Planners. In addition, it was further limited since the Certified Financial Planner population for this study was confined to those planners currently holding membership in the Financial Planning Association. Also, data on clients and potential clients was obtained from information supplied by only those Certified Financial Planners who completed and returned the survey instrument.

This raised the question of whether or not similar findings could be expected in a sampling of planners without regard to whether they possessed this professional designation. To answer this, the research instrument could be modified so as to apply to other professionals in the financial planning field who do not hold the CFP® mark. These include those qualified by virtue of their designations as one or more of the following: Chartered Financial Consultant, Certified Financial Analyst, Certified Public Accountant, or Attorney at Law.

Ethical Assurances

An informed consent form (Appendix I) was included with every survey instrument mailed to a participant. It clearly stated the title and subject of the study, the purpose of the study, the fact that it was voluntary, and the fact that there was no penalty for not participating

Privacy and confidentiality was preserved by maintaining anonymity whenever feasible. The researcher did not ask for any information that would identify the participants. Phone numbers, names, social security numbers, and addresses were not requested. A written statement was included informing participants that any identifying information would not be accessible to anyone not directly involved in the research study.

The research instruments were returned in pre-addressed envelopes without the name and address of the person completing the survey. If participants stated they would like to be advised of the survey results, a space was provided for them to enter their name and mailing address. The methodology was used with prior approval from the Ethics Committee of Northcentral University.

Chapter 4: Findings

In this chapter, the results of the data collection survey that was conducted are summarized. The research attempted to examine the impact of Internet-based financial planning tools on financial planners by means of questionnaires mailed to randomly selected Certified Financial Planners. The instrument used comprised twenty-two questions.

Data are reported in two sections. The first section deals with survey questions 5 through 22, which were constructed to obtain data related to the respondents' perceived and actual knowledge in reference to the three research questions. Data from these questions were summarized via descriptive statistics testing. The results are described in terms of an arithmetic mean as a measure of central tendency, standard deviation as a measure of variability, and in terms of correlation using the Pearson product-moment correlation coefficient (Pearson *r*).

The testing attempted to determine the extent (if any) to which Internet-based financial planning tools have had adverse effects upon the client base of the CFP®s surveyed. Secondly, the testing tried to determine whether professional planners believe they offer individuals a more comprehensive and thorough level of financial planning than that which is available via the Internet. And, if they do, whether these services produce better results than those available online. Lastly, to determine whether financial planners are utilizing the Internet as a marketing tool. Due to the number of variables involved, multiple correlation analysis was employed. This required the inclusion of Multiple Regression Analysis procedures. Simple linear regression was be employed for those relationships involving only one independent variable.

The second section addressed practice related data as measured by responses to questions 1 through 4. These four were constructed to expand the scope of the questionnaire by obtaining general practice related information from the respondents focusing on the level of financial planning experience, the types of licenses and designations held, compensation structure, and the dollar value of portfolio assets under management. Because the data were intended only for informational purposes, and two of the four items allow for more than one entry, conventional nonparametric testing was not feasible. The qualitative data provided was evaluated only in terms of significant numbers in each category.

Findings

Responses to questionnaires. The 384 questionnaires were mailed asking respondents to indicate their degree of agreement to each statement in questions 5 through 22 on a five-point Likert rating scale as follows:

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

For questions 1 through 4, they were asked to place a checkmark next to any classification or situation that applied to their particular financial planning practice. The mailing produced 175 responses; a response rate of 45.57%. Ninety-one or 52% of the responding planners included additional written comments. Data groupings generating the highest responses indicate particular significance to practicing planners, so this information has been included. Especially cogent comments reflecting the observations of many others are quoted verbatim; but may be edited for length and obvious errors in syntax to enhance readability.

Questionnaire item 5. I have clients who have expressed dissatisfaction with using the Internet for financial and/or retirement planning.

The largest percentage (40.1%) indicated a neutral response in this area; 28.7% agreed that their clients had expressed some dissatisfaction using the Internet; 16.8% indicated their clients had not; 7.2% of those responding strongly agreed while the same percentage strongly disagreed. According to Table 1, item 5 had a mean of 3.12 with a standard deviation of 1.01.

Fifty-seven percent of those offering opinions included a comment here—more than any other item. Slightly more that one-third stated this issue has not come up at all. Ten percent said they have had only one or a *few* in last 24 months. In disagreeing with this statement, 12% classified their clients as retirees or typically older clients. Eleven percent who agreed with the statement said their clients were dissatisfied with the Internet because they were not comfortable with the results, they were concerned about security of information, they don't trust or understand it, or that the transmissions were generally insecure. Another 17% of clients do not use the Internet because they are not comfortable doing things on their own, the tools seem too generic, superficial or esoteric, they don't understand the assumptions, they find it cumbersome, or they have no interest in managing their own finances.

Table 1

Descriptive Statistics - Survey Items 5-7

	Dissatisfaction with Internet	Face-to-Face Relationship	Planner vs. Internet Level of Service
N	167	170	72
Missing	8	5	3
M	3.12	4.58	4.73
SD	1.011	.694	.528

Questionnaire item (5) - Dissatisfaction with Internet

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	12	6.9	7.2	7.2
Disagree	28	16.0	16.8	24.0
Neutral	67	38.3	40.1	64.1
Agree	48	27.4	28.7	92.8
Strongly Agree	12	6.9	7.2	100.0
Total	167	95.4	100.0	
Missing	8	4.6		
	175	100.0		

Questionnaire item (6) - Face-to-Face Relationship

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	3	1.7	1.8	1.8
Disagree	0	0	0	0
Neutral	2	1.1	1.2	2.9
Agree	55	31.4	32.4	35.3
Strongly Agree	110	62.9	64.7	100.0
Total	170	97.1	100.0	
Missing	5	2.9		
Total	175	100.0		

Questionnaire item (7) - Planner vs. Internet Level of Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0	0	0
Disagree	1	.6	.6	.6
Neutral	4	2.3	2.3	2.9
Agree	35	20.0	20.3	23.3
Strongly Agree	132	75.4	76.7	100.0
Total	172	98.3	100.0	
Missing	3	1.7		
	Total	100.0		

Questionnaire item 6. My clients indicate that they feel more comfortable with a relationship that offers the option of face-to-face meetings.

Face-to-face interaction was preferred by a combined 97.1% of the clients of planners responding. Two-thirds of those indicated a strong agreement. Only 1.8%

strongly disagreed with this statement, while 1.2% remained neutral. According to Table 1, item 6 had a mean of 4.58 with a standard deviation of .69.

Although three respondents stated they strongly disagree, no one disagreed with this statement. While many mention the frequent use of telephone and e-mail in client contacts, the importance of face-to-face meetings in the relationship was mentioned in nearly all of the responses. The regular use of e-mail is also common in responses to other items. Thirty-one percent specifically stated that face-to-face meetings were the reason why clients used them. Twenty-nine percent of those making comments had an opinion on this item.

Questionnaire item 7. I offer individuals a more comprehensive and thorough level of financial planning than that which is obtainable via the Internet.

A very significant combined percentage of planners (97.0%) indicated their belief that they offered their clients a more comprehensive and thorough level of planning than what they could obtain via the Internet. Slightly more than three-quarters of those were in strong agreement. Just .6% disagreed with this statement with the remaining 2.3% remaining neutral. Data from Table 1 indicates item 7 had a mean of 4.73 with a standard deviation of .53.

Thirty percent made some comment here. No one disagreed. References to specific inherent differences were common in 67% of the responses. Planners thought the Internet tools were simplistic, only offered a thumbnail sketch of the situation, lacked a personal touch, was very broad, and utilized average returns. Planners, on the other hand, felt they offer a long-term relationship, coordinate all areas of the client's financial life, provide planning and advice, as well as making sure clients have a personal touch. Two

particular comments capture the sentiment very well. According to Yager, "what [she does] ... isn't deliverable via the Internet" (personal communication, November 30, 2005). Yager further states that her experience with developing online sites (that ultimately failed) indicated people wanted human confirmation or guidance regarding the output from these sites because they did not trust the results they obtained on their own. E. Casper believes that, because her foundation is financial life planning, she "[establishes] [the client's] values, personal transitions, goals, and history before deciding on appropriate actions for investments, estate strategies, tax strategies, cash flows etc." (personal communication, October 21, 2005).

Questionnaire item 8. I have observed an increase in the number of my clients opting out of our personal relationship in favor of self-planning activities available on the Internet.

The majority of planners (91.4%) disagreed with this statement; over one-half of those strongly disagreed. Signaling an apparent satisfaction with the status quo, just 3.4% have witnessed a loss of clients to the Internet. Only about 5% remained neutral. Table 2 indicates item 8 had a mean of 1.59 with a standard deviation of .79.

Forty-three percent (the fifth highest) had comments on this statement. Very few agreed. Seventy percent of those disagreeing said they knew of no one opting out. Another 23% indicated one client, very few clients, or between 1% and 5% of their clients.

Questionnaire item 9. My clients are increasingly concerned about the cost of retaining a professional financial planner.

The cost of retaining a financial planning professional does not appear to be a concern voiced by a combined 57.7% of responding planners. Fewer than 17% felt this was an issue with their clients. However, a significant number of planners (25.7%) remained neutral. Table 2 reports item 9 had a mean of 2.50 with a standard deviation of .90.

Table 2

Descriptive Statistics – Survey Items 8-10

	Clients Opting for Internet	Concern Over Cost	Awareness of Internet Options
N	175	175	173
Missing	0	0	2
M	1.59	2.50	3.05
SD	789	.896	942

Questionnaire Item (8) - Clients Opting for Internet

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	94	53.7	53.7	53.7
Disagree	66	37.7	37.7	91.4
Neutral	9	5.1	5.1	96.6
Agree	4	2.3	2.3	98.9
Strongly Agree	2	1.1	1.1	100.0
Missing	175	100.0	100.0	
Total	94	53.7	53.7	53.7

Questionnaire Item (9) - Concern over Cost

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	17	9.7	9.7	9.7
Disagree	84	48.0	48.0	57.7
Neutral	45	25.7	25.7	83.4
Agree	28	16.0	16.0	99.4
Strongly Agree	1	.6	.6	100.0
Missing	175	100.0	100.0	
Total	17	9.7	9.7	9.7

Questionnaire item (10) - Awareness of Internet Options

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	6	3.4	3.5	3.5
Disagree	49	28.0	28.3	31.8
Neutral	53	30.3	30.6	62.4
Agree	60	34.3	34.7	97.1
Strongly Agree	5	2.9	2.9	100.0
Missing	173	98.9	100.0	
Total	2	1.1		

Thirty-seven percent of those commenting agreed with this statement. The majority felt that existing clients are aware of the value added in their services—the word *value* or the term *value added* was used frequently. The reasons clients do not object to the fees is because of strong client loyalty, a highly educated clientele, a willingness to pay for unbiased comprehensive planning, and a desire to compensate fairly. The reasoning among the eight who did report client complaints in this area was very accommodating, stating that: the cost of professional services is usually a concern, clients are becoming more fee conscious, everyone is cost conscious, or it is okay as long as they clients perceive value. There was some distinction between current and prospective or potential clients.

Questionnaire item 10. My clients appear to be well aware of other financial planning options available via the Internet.

With respect to their client's awareness of Internet planning possibilities, planners were not so much in agreement. A total of 31.8% did not feel their clients were aware, 37.6% thought they were, and 30.6% remained neutral. Data from Table 2 indicates item 10 had a mean of 3.05 with a standard deviation of 94.

This statement received as many comments as item 7. Sixty-three percent of those stated, in different expressions, that these Internet options are not a factor in the financial

planning requirements of their clients. The reasons given centered on several themes. Almost 33% cited their client's lack of interest in self-planning activities, 19% stated their clients did not have the time or chose to spend it elsewhere, 11% felt their clients either did not use a computer or got confused trying to make use of these options, and the balance cited the sophistication of their clients, the lack of clients with a DIY mentality, and a neutral answer with the notation "not sure."

Questionnaire item 11. Part of maintaining a solid personal relationship with my clients is making information available to them through my own website.

Another area where responses were divided had to do with information supplied through planner websites. While a combined 42.6% agreed with this statement, a combined 29.6% did not. A significant percentage (27.8%) remained neutral. According to Table 3, the data indicates item 11 had a mean of 3.14 with a standard deviation of 1.11.

This statement received the second highest number of opinion entries at 54% of those participating. Of those planners, 43% indicated they now have a website. The other 57% stated they did not, or it could not be determined from the responses that they did. Forty-three percent of those currently maintaining a website reported that only a few of their clients use it. Another 12% have a website in development. A small percentage (4%) stated their websites need improvement. Six percent of those without websites reported the use of such options as newsletters and quarterly summaries.

Table 3

Descriptive Statistics – Survey Items 11-13

	Planner Websites	Vehicle For Major Decisions	Necessity of Planner Website
N	169	147	173
Missing	6	28	2
M	3.14	4.18	3.20
SD	1.114	.951	1.150

Questionnaire item (11) - Planner Websites

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	14	8.0	8.3	8.3
Disagree	36	20.6	21.3	29.6
Neutral	47	26.9	27.8	57.4
Agree	56	32.0	33.1	90.5
Strongly Agree	16	9.1	9.5	100.0
Missing	169	96.6	100.0	
Total	6	3.4		

Questionnaire item (12) - Vehicle for Major Decisions

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	4	2.3	2.7	2.7
Disagree	3	1.7	2.0	4.8
Neutral	22	12.6	15.0	19.7
Agree	51	29.1	34.7	54.4
Strongly Agree	67	38.3	45.6	100.0
Total	147	84.0	100.0	
Missing	28	16.0		
Total	175	100.0		

Questionnaire item (13) - Necessity of Planner Website

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	10	5.7	5.8	5.8
Disagree	51	29.1	29.5	35.3
Neutral	26	14.9	15.0	50.3
Agree	67	38.3	38.7	89.0
Strongly Agree	19	10.9	11.0	100.0
Total	173	98.9	100.0	
Missing	2	1.1		
Total	175	100.0		

Questionnaire item 12. Although I have my own website where my clients can access their accounts and communicate concerns, they prefer to make major decisions in person or by phone.

A considerable number of planners (16%) completing the survey did not respond to this item. Of those that did respond, a combined 80.3% agreed or strongly agreed with the statement. The 15% remaining neutral may take on more significance if there is any relation established between this number and those not responding in any form. Data from Table 3 indicates item 12 had a mean of 4.18 with a standard deviation of .95.

Thirty-six percent of those offering comments stated they do not have a website. Forty-three percent addressed the second part of the statement confirming the importance of personal, face-to-face communication. Two of those were also included in the "no website" group. Eighteen percent stated their clients do not have account access through their websites. As part of their comments, 14% indicated clients must go through product vendors or custodian websites to obtain account information. E-mail was mentioned in the comments of 18% of the planners as one of the primary forms of communication.

Questionnaire item 13. An Internet website is not necessary to reach clients effectively.

In comparison to the 28 planners who did not complete item 12, only two failed to respond to item 13. A combined 49.7% of those responding felt the Internet was not necessary in effective financial planning. Of the remaining respondents, a combined 35.3% believed it is necessary. As with item 12, 15% remained neutral. Table 3 indicates item 13 had a mean of 3.20 with a standard deviation of 1.15.

This statement generated comments from 33% Of those, 38% agreed a web site is not necessary reasoning that they have been effective without one, they have received clients solely or primarily through referrals, they have a small practice, or their clients are older or not computer oriented. However, even some of those admitted that increasing computer usage may require this in the future. Several respondents mentioned the importance of e-mail. Fifty-seven percent disagreed with the statement, but not necessarily because of the importance of accessing accounts. The reasons given were primarily that it should be there for those clients that choose to use it, it is important to reach "boomer" clients, or that it is a valuable marketing tool—giving prospective clients a chance to get practice related information anonymously.

Questionnaire item 14. Using the Internet is an effective way for financial planners to reach new clients.

On whether the Internet is an effective method to reach clients, a combined 393% indicated a positive response. A large percentage (33.5%) remained neutral while a combined 27.2% stated it was not an effective means. Table 4 statistics indicate a mean of 3.14 for item 14 with a standard deviation of 1.04.

Thirty-eight percent of the comments addressed this statement. Thirty-one percent of those said that referrals, not the Internet, were responsible for their new clients. However, several planners did report that some of their referrals did come from organizations like the FPA (Financial Planning Association), NAPFA (National Association of Personal Financial Advisors), and the CFP (Certified Financial Planner Board of Standards) who maintain websites available to prospective clients. Another 26% stated they did not have a website, do not know if the Internet is a valuable tool, or have

not used this avenue. Thirty-four percent agreed with this statement; a majority of those felt the Internet was especially helpful in making contact

Questionnaire item 15. The Internet has increased my client base.

When it comes to whether the Internet has been a factor in increasing business, a combined 50.6% felt it had not. Possibly related to item 14 is the 24.4% giving a neutral response. The remaining 25% combined to state the Internet has been a factor. Data from Table 4 indicates item 15 had a mean of 2.60 with a standard deviation of 1.12.

Fifty-two percent of those providing comments did not agree with this statement. The most common reasons given were not having a website, gained very few clients as result of website, the website has not produced any sizeable accounts, and it only confused and frustrated potential clients. Thirty-eight percent believe it has either increased business to some degree or will increase business in the future. The remaining 10% felt the Internet had actually driven clients to seek help.

Table 4

Descriptive Statistics – Survey Items 14-16

	Using Internet to Reach Clients	Internet has Increased Client Base	Planner Understanding of Internet
N	173	172	174
Missing	2	3	1
M	3.14	2.60	3.11
SD	1.042	1.117	.892

Questionnaire item (14) - Using Internet to Reach Clients

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	11	6.3	6.4	6.4
Disagree	36	20.6	20.8	27.2
Neutral	58	33.1	33.5	60.7
Agree	54	30.9	31.2	91.9
Strongly Agree	14	8.0	8.1	100.0
Total	173	98.9	100.0	
Missing	2	1.1		
Total	175	100.0		

Questionnaire item (15) - Internet has Increased Client Base

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	31	17.7	18.0	18.0
Disagree	56	32.0	32.6	50.6
Neutral	42	24.0	24.4	75.0
Agree	37	21.1	21.5	96.5
Strongly Agree	6	3.4	3.5	100.0
Total	172	98.3	100.0	
Missing	3	1.7		
Total	175	100.0		

Questionnaire item (16) - Planner Understanding of Internet

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	4	2.3	2.3	2.3
Disagree	44	25.1	25.3	27.6
Neutral	58	33.1	33.3	60.9
Agree	64	36.6	36.8	97.7
Strongly Agree	4	2.3	2.3	100.0
Total	174	99.4	100.0	
Missing	1	.6		
Total	175	100.0		

Questionnaire item 16. In my opinion, financial planners do not understand the nature of competing Internet services.

Another item where the large number of neutral responses may be a significant factor is this one concerning how well planners understand the nature of competing financial services on the Internet. Fully one-third (33.3%) remained neutral. The rest of

the respondents were divided between the 39.1% who feel planners do not understand and the 27.6% who think they do. Data from Table 4 indicates item 16 had a mean of 3.11 with a standard deviation of .89.

Just 23% of those commenting agreed with this statement. Fourteen percent claimed to not know what the competing services were. A significant number (41%) disagreed with the statement because they did not feel that the Internet provides an alternative to comprehensive financial planning, because it does not provide the human wisdom and guidance that clients seek, it is not as personable or adaptable as a financial planning firm, and it is more suited to the DIY investor. Another 14% disagreed, saying planners do understand the nature of the Internet and feel the industry cannot ignore its appeal, especially to younger, more tech savvy investors.

Questionnaire item 17. I feel confident I can explain to prospective clients the benefits of retaining the services of a financial planning professional.

There were no disagreements with this statement. A combined 97.7% agreed with just 2.3% remaining neutral. Table 5 indicates item17 had a mean of 4.64 with a standard deviation of .53. This item had the fewest comments with just 11% adding remarks. Not surprisingly, they all agreed. Several mentioned the importance of relationship with client.

Table 5

Descriptive Statistics – Survey Items 17-19

	Benefits of Retaining Planner	Perceived Risk as Motivation	Need for Adjustments
N	175	173	175
Missing	0	2	0
M	4.64	3.89	2.65
SD	527	.879	.946

Questionnaire item (17) - Benefits of Retaining Planner

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0	0	0
Disagree	0	0	0	0
Neutral	4	2.3	2.3	2.3
Agree	55	31.4	31.4	33.7
Strongly Agree	116	66.3	66.3	100.0
Total	175	100.0	100.0	
Missing	4	2.3	2.3	2.3
Total	55	31.4	31.4	33.7

Questionnaire item (18) - Perceived Risk as Motivation

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	.6	.6	.6
Disagree	18	10.3	10.4	11.0
Neutral	17	9.7	9.8	20.8
Agree	100	57.1	57.8	78.6
Strongly Agree	37	21.1	21.4	100.0
Total	173	98.9	100.0	
Missing	2	1.1		
Total	175	100.0		

Questionnaire item (19) - Need for Adjustments

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	8	4.6	4.6	4.6
Disagree	87	49.7	49.7	54.3
Neutral	46	26.3	26.3	80.6
Agree	26	14.9	14.9	95.4
Strongly Agree	8	4.6	4.6	100.0
Total	175	100.0	100.0	
Missing	8	4.6	4.6	4.6
Total	87	49.7	49.7	54.3

Questionnaire item 18. Perceived risk is a major motivation in a person's decision to seek the advice of a financial planning professional.

The element of risk in making financial decisions is a major factor in retaining a financial planner according to a combined 79.2% of planners in this survey. The remaining respondents were split; 11% did not believe risk was a major motivation while

9.8% remained neutral. Data from Table 5 indicates item 18 had a mean of 3.89. The standard deviation was .88.

This item received more than twice as many responses as #17. A few (9%) did not understand the statement, but 52% did and offered a number of different situations where clients may feel they are in an *at risk* position—fear of a market crash or lack of confidence in their investment decisions. A distinction between perceived and actual risk was also offered. Thirty percent disagreed with this statement. In their view, clients come to them because they need a plan, they have a major life change, they have questions about their taxes, or they want to retire financially secure.

Questionnaire item 19. Financial planning practitioners do not need to make any major adjustments in response to Internet based financial planning tools.

Less than 1 in 5 (19.5%) respondents thought the industry is not in need of major changes in response to the Internet. Almost three times as many (a combined 54.3%) were in disagreement. Slightly more than 1 in 4 (26.3%) did not take a position and remained neutral. Data from Table 5 indicates item 19 had a mean of 2.65 with a standard deviation of .95.

At 47%, this statement received the third highest number of comments. Of those responding, 47% disagreed presenting various reasons why planners need to incorporate any available improvement including what is happening on the Internet. The term *value added* was used my many of these planners. Also, some planners again alluded to how important the Internet is to younger generations. Sixteen percent remained neutral, generally believing the Internet offered no competition or size of the practice, or the target market would indicate whether adjustments were necessary. A clear minority

(28%) agreed with the statement. The reasons given varied from not seeing any reason to adjust to having a high percentage of clients with a high net worth or not wanting to take on DIY investors.

Questionnaire item 20. One of the major differences in face-to-face financial planning vs. self-advice via the Internet is the ability of the planner to recognize and adapt to risk taking personalities.

There was a visible consensus with this statement. A combined 88.6% agreed or strongly agreed that planners have ability not available to consumers using the Internet for financial planning. Just 3.5% did not agree and only 8.0% remained neutral. Table 6 statistics show item 20 had a mean of 4.19 with a standard deviation of .75.

Not surprisingly, 77% commenting agreed with this statement because a face-to-face relationship is necessary to understanding the whole picture and the entirety of the client. In the words of M.P.Yager, "people need and want to connect with other people, and not simply obtain facts, especially in such deeply revealing area as money is" (personal communication, November 30, 2005). Among the subjective criteria offered in support were many references to body language or non-verbal cues. In remaining neutral, 19% still appeared to agree with the importance of personal contact.

Table 6

Descriptive Statistics – Survey Items 20-22

	Adaptation to Personalities	Majority not Equipped	Fiduciary Responsibility
N	175	175	169
Missing	0	0	6
M	4.19	4.14	3.46
SD	748	.768	838

Questionnaire item (20) - Adaptation to Personalities

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	.6	.6	.6
Disagree	5	2.9	2.9	3.4
Neutral	14	8.0	8.0	11.4
Agree	94	53.7	53.7	65.1
Strongly Agree	61	34.9	34.9	100.0
Total	175	100.0	100.0	
Missing	0	0	0	
Total	175	100.0	100.0	

Questionnaire item (21) - Majority Not Equipped

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0	0	0
Disagree	7	4.0	4.0	4.0
Neutral	20	11.4	11.4	15.4
Agree	90	51.4	51.4	66.9
Strongly Agree	58	33.1	33.1	100.0
Total	175	100.0	100.0	
Missing	0	0		
Total	175	100.0	100.0	

Questionnaire item (22) - Fiduciary Responsibility

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	.6	.6	.6
Disagree	20	11.4	11.8	12.4
Neutral	63	36.0	37.3	49.7
Agree	70	40.0	41.4	91.1
Strongly Agree	15	8.6	8.9	100.0
Total	169	96.6	100.0	
Missing	6	3.4		
Total	175	100.0		

Questionnaire item 21. The majority of individuals are not equipped to manage their own financial future.

A combined 84.5% of the respondents did not feel that individuals are equipped to manage their finances. A mere 4% disagreed with this statement and 11.4% remained

neutral. Data from Table 6 show item 21 had a mean of 4.14 with a standard deviation of .77.

At 45%, this item was the fourth highest in number of comments. Many reasons caused 63% of those to agree with this statement. These included time (most often mentioned), complexity of issues, information overload, lack of desire, indecisiveness, unrealistic expectations, and media inspired panic. The balance of the comments from those remaining neutral and a few who disagreed stated in the majority that people had the potential or mental capability, but were unable to do so because other life activities were more important to them. A couple of planners said that although they could do it, they could do it much better with an advisor to guide them.

Questionnaire item 22. Clients of financial planning practitioners feel they have more recourse in the event of a lapse in fiduciary responsibility.

This statement produced a considerable neutral response of 37.3%. Slightly more than half of the respondents (50.3%) indicated they believe their clients like the fact that they have legal recourse in the event their planner does not meet his or her fiduciary responsibilities. Those disagreeing totaled 12.4%. Table 6 data for item 22 indicates a mean of 3.46 with a standard deviation of .84.

Just under one-third had comments in this area. A large percentage of those (41%) also marked a neutral response. Those agreeing with the statement totaled only 24%, and those disagreeing were just 21%. The remaining 14% made no scoring entry. Just over 41% of comments in all categories stated either that the subject had never been discussed or that clients did not understand or even think about the concept of fiduciary responsibility. The variety of the remaining comments precluded any meaningful

categorization. It should be noted that 10% of the planners stated they did not understand the question.

A detailed listing of interval level response data is provided in Appendix J.

The correlation coefficient (Pearson *r*) was computed to explore the strength of the relationship between all variables measured in items 5-22 of the survey questionnaire. A summary listing of the correlations is presented Table 7, and in detail in Appendix K.

The relationship between the dependent variable (Y_d) the desire for professional financial planning assistance (survey items 6,7,12, and 18) was measured by independent variables (X_l) the level of consumer knowledge and investing experience, changes in computer technology and communications (X_c), and the availability of computer security programs (X_s) from items 5, 10,15,17,20, and 21. The correlations occurring between (Y_d) (item 6) and (X_l) (items 5, 17, 20, and 21) were .07, .30, .22, and .06 respectively. For (Y_d) (item 7) they were .04, .23, .10, and .09. For (Y_d) (item 12) they measured -.04, .16,.05, and .01 and for (Y_d) (item 18) they were .04, .11, .19, and .14.

For (Y_d) (item 6) and (X_c) (items 10 and 15) the correlations were -.00 and -.05. For (Y_d) (item 7) they measured -.03 and .15. For (Y_d) (item 12) they were -.04 and -.02 and for (Y_d) (item 18) they measured .13 and .03. Against independent variable (X_s) (item 22), (Y_d) (item 6) was .14, against (item 7) it was .12, for (item 12) it was .05 and for (item 18) it was .26.

The dependent variable (Y_w) the willingness of planners to recognize the Internet as a viable business platform (survey items 11, 13, 14, 16, and 19) was measured against independent variables (X_c) changes in computer technology and communications, the availability of computer security programs (X_s), and from the dependent variable (Y_i)

consumers acceptance of the Internet, in the capacity of a mediating variable from items 5, 8, 9, 10, 15, and 22.

Table 7

Correlation Coefficients

Independent Variables	Dependent Variable Yd				Dependent Variable Yi		Dependent Variable Yw			
Item #	6	7	12	18	8	11	13	14	16	19
5 Xl /Xs	.07	.04	-.04	.04		.00	-.04	-.04	-.05	.14
8 Xg /Yi(m)*						-.10	-.06	.20	.03	-.11
9 Xl /Yi(m)*					.29	.04	-.12	.14	.12	-.17
10 Xc/Xl Yi(m)*	.00	-.03	-.04	.13	.13	.14	-.17	.08	.01	-.11
15 Xc	-.05	.15	-.02	.03		.23	-.32	.54	.05	-.20
17 Xl	.30	.23	.16	.11						
20 Xl	.22	.10	.05	.19						
21 Xl	.06	.09	.01	.14						
22 Xs	.14	.12	.05	.26		.12	.06	.13	.10	-.05

For (Y_w) (item 11) and (Y_i) (items 8, 9, and 10) the correlations were -.10, .04, and .14. For (Y_w) (item 13), the measurements were -.06, -.12, and -.17. For (Y_w) (item 14), they were .20, .14, and .08. With (Y_w) (item 16) the numbers were .03, .12, and .01 and for (Y_w) (item 19) they were -.11, -.17, and -.11. Against the independent variable (X_c) (item 15), the correlations for (Y_w) (items 11,13,14,16,and 19) were .23, -.32, .54, .05, and -.20. Against independent variable (X_s) (items 5 and 22), the correlations for (Y_w) (item 11) were .00 and .12, for (Y_w) (item 13) they were -.04 and .06, for (Y_w) (item 14) they were -.04 and .13, for (Y_w) (item 16) the numbers are -.05 and .10 and for (Y_w) (item 19) they are .14 and -.05.

The dependent variable (Y_i) (item 8) consumer acceptance of the Internet to create and discharge a financial plan was measured against the independent variable level of consumer knowledge and experience in investing (X_l) (items 9 and 10). The correlations for this comparison are .29 and .13 respectfully.

Multiple Regression analysis was employed as a multivariate procedure to determine the relationship between each dependent variable and cases involving any number of independent or predictor variables. Simple linear regression was employed for those relationships involving only one independent variable. Summary tables are presented here beginning with Table 8. Data are presented in detail in Appendix L.

Table 8

Regression Analysis - the Desire of Consumers for a Relationship Offering Option of Face-to-Face Meetings

R	R Square	Adjusted R Square	Std. Error of the Estimate
.34(a)	.12	.10	.66

a. Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	5.38	< 001
Residual	162		
Total	166		

a. Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b. Dependent Variable: Face-to-Face Relationship

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.25	.54		< .001
Dissatisfaction with Internet	.03	.05	.04	.62
Benefits of Retaining Planner	.35	.10	.26	< .001
Adaptation to Personalities	.16	.07	.17	.02
Majority not Equipped	-.01	.07	-.01	.87

a. Dependent Variable: Face-to-Face Relationship

Table 9

Regression Analysis - Whether Planners Offer More Comprehensive and Thorough Financial Planning than the Internet

R	R Square	Adjusted R Square	Std. Error of the Estimate
.24(a)	.06	.04	.52

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	2.52	.04 (a)
Residual	162		
Total	166		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Planner vs. Internet Level of Service

Coefficients

	B	*SE B*	*β*	*p*
Constant	3.42	.43		< 001
Dissatisfaction with Internet	.01	.04	.01	.86
Benefits of Retaining Planner	.22	.08	.21	.01
Adaptation to Personalities	.04	.06	.06	.48
Majority not Equipped	.03	.05	04	.58

a. Dependent Variable: Planner vs. Internet Level of Service

Table 10

Regression Analysis - Whether Clients prefer to make Major Decisions in Person or by Telephone

R	R Square	Adjusted R Square	Std. Error of the Estimate
.18(a)	.03	00	.94

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	1.10	.36 (a)
Residual	137		
Total	141		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Vehicle For Major Decisions

Table 11

Regression Analysis for Variables Predicting if Perceived Risk is a Major Motivation in a Person's Decision to Seek Financial Planning Advice

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.22(a)	.05	.03	.88

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	2.12	.08 (a)
Residual	160		
Total	164		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Perceived Risk as Motivation

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.04	.73		.01
Dissatisfaction with Internet	.01	.07	.02	.84
Benefits of Retaining Planner	12	.13	07	.37
Adaptation to Personalities	.19	.09	.16	.05
Majority not Equipped	.11	.09	09	.24

a. Dependent Variable: Perceived Risk as Motivation

Table 12

Regression Analysis – the Desire for Consumers for a Relationship Offering Option of Face-to-Face Meetings

R	R Square	Adjusted R Square	Std. Error of the Estimate
.06(a)	.00	.00	.70

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.26	.78(a)
Residual	164		
Total	166		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

b Dependent Variable: Face-to-Face Relationship

Table 13

Regression Analysis – Whether Planners offer More Comprehensive and Thorough Financial Planning than the Internet

R	R Square	Adjusted R Square	Std. Error of the Estimate
.16(a)	.02	.01	.53

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	2.06	.13(a)

Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Planner vs. Internet Level of Service

Table 14

Regression Analysis – Whether Clients prefer to make Major Decisions in Person or by Telephone

R	R Square	Adjusted R Square	Std. Error of the Estimate
.04(a)	.00	-.01	.95

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.09	.92(a)
Residual	141		
Total	143		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Vehicle For Major Decisions

Table 15

Regression Analysis – Whether Perceived Risk is a Major Motivation in a Person's Decision to Seek Financial Planning Advice

R	R Square	Adjusted R Square	Std. Error of the Estimate
.13(a)	.02	.01	.88

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	1.51	.22(a)
Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Perceived Risk as Motivation

Table 16

Regression Analysis – The Desire of Consumers for a Relationship Offering Option of Face-to-Face Meetings

R	R Square	Adjusted R Square	Std. Error of the Estimate
.16(a)	.02	.01	.70

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	F	P
Regression	2	2.00	.14(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Face-to-Face Relationship

Table 17

Regression Analysis – Whether Planners offer More Comprehensive and Thorough Financial Planning than the Internet

R	R Square	Adjusted R Square	Std. Error of the Estimate
.13(a)	.02	.01	.53

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.41	.25(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner vs. Internet Level of Service

Table 18

Regression Analysis – Whether Clients Prefer to Make Major Decisions in Person or by Telephone

R	R Square	Adjusted R Square	Std. Error of the Estimate
.06(a)	.00	-.01	.95

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

Model		Sum of Squares	df	Mean Square	F	P
1	Regression	.50	2	.25	.28	.76(a)
	Residual	123.90	137	90		
	Total	124.40	139			

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Vehicle For Major Decisions

Table 19

Regression Analysis – If Perceived Risk is a Major Motivation in a Person's Decision to Seek Financial Planning Advice

R	R Square	Adjusted R Square	Std. Error of the Estimate
.27(a)	.07	.06	.88

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	6.19	< .001
Residual	158		
Total	160		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Perceived Risk as Motivation

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.78	.36		< .001
Dissatisfaction with Internet	.04	.07	.05	.56
Fiduciary Responsibility	. 28	.08	.27	< .001

b Dependent Variable: Perceived Risk as Motivation

Table 20

Regression Analysis – If Information on Planners' Website is Necessary in Maintaining a Solid Personal Relationship

R	R Square	Adjusted R Square	Std. Error of the Estimate
.19(a)	.04	.02	1.10

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.07	.11(a)
Residual	164		
Total	167		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Planner Websites

Table 21

Regression Analysis – If an Internet Website is Necessary to Reach Clients Effectively

R	R Square	Adjusted R Square	Std. Error of the Estimate
.20(a)	.04	.02	1.14

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.42	.07(a)
Residual	167		
Total	170		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Necessity of Planner Website

Coefficients

	B	*SE B*	*β*	*p*
Constant	4.18	.37		< 001
Clients Opting for Internet	-.03	.12	-.02	.82
Concern Over Cost	-.13	.10	-.10	.20
Awareness of Internet Options	-20	.09	-16	.04

b Dependent Variable: Necessity of Planner Website

Table 22

Regression Analysis – If Using the Internet is an Effective Way for Planners to Reach New Clients

R	R Square	Adjusted R Square	Std. Error of the Estimate
.23(a)	.05	.03	1.03

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	3.00	.03(a)
Residual	167		
Total	170		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Using Internet to Reach Clients

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.35	.34		< .001
Clients Opting for Internet	.23	.10	.17	.03
Concern Over Cost	.10	.09	.08	.30
Awareness of Internet Options	-.06	.08	.05	. 49

b Dependent Variable: Using Internet to Reach Clients

Table 23

Regression Analysis – If Financial Planners Understand the Nature of Competing Internet Services

R	R Square	Adjusted R Square	Std. Error of the Estimate
.11(a)	.01	< .01	.90

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	.73	.54(a)
Residual	168		
Total	171		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Planner Understanding of Internet

Table 24

Regression Analysis – If Planners Need to Make any Major Adjustments in Response to Internet Based Planning Tools

R	R Square	Adjusted R Square	Std. Error of the Estimate
.21(a)	.05	.03	.92

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.65	.05(a)
Residual	169		
Total	172		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Need for Adjustments

Coefficients

	B	*SE B*	*β*	*p*
Constant	3.42	.30		< 001
Clients Opting for Internet	-.05	09	-.04	.58
Concern Over Cost	-.17	08	-.16	.04
Awareness of Internet Options	-09	08	-09	.23

b Dependent Variable: Need for Adjustments

Table 25

Regression Analysis – If Information on Planner's Website is Necessary in Maintaining a Solid Personal Relationship

R	R Square	Adjusted R Square	Std. Error of the Estimate
.25(a)	.06	05	1.08

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	5.41	01(a)
Residual	164		
Total	166		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Planner Websites

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.16	.33		< 001
Awareness of Internet Options	14	.09	12	.12
Internet has Increased Client Base	21	.08	.21	01

b Dependent Variable: Planner Websites

Table 26

Regression Analysis – If an Internet Website is Necessary to Reach Clients Effectively

R	R Square	Adjusted R Square	Std. Error of the Estimate
.35(a)	.12	11	1.09

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	11.36	< 001
Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Necessity of Planner Website

Coefficients

	B	*SE B*	*β*	*p*
Constant	4.59	.33		< 001
Awareness of Internet Options	-.19	.09	-.15	.04
Internet has Increased Client Base	-.31	.08	-.30	< 01

b Dependent Variable: Necessity of Planner Website

Table 27

Regression Analysis – If Using the Internet is an Effective Way for Planners to Reach New Clients

R	R Square	Adjusted R Square	Std. Error of the Estimate
.54(a)	29	.28	.88

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	33.74	< 001
Residual	167		
Total	169		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Using Internet to Reach Clients

Coefficients

	B	*SE B*	*β*	*p*
Constant	1.71	.27		< 001
Awareness of Internet Options	04	.07	04	.56
Internet has Increased Client Base	50	06	.53	< .01

b Dependent Variable: Using Internet to Reach Clients

Table 28

Regression Analysis – If Financial Planners Understand the Nature of Competing Internet Services

R	R Square	Adjusted R Square	Std. Error of the Estimate
.06(a)	.00	-.01	.90

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.31	74(a)
Residual	168		
Total	170		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Planner Understanding of Internet

Table 29

Regression Analysis – If Planners Need to Make any Major Adjustments in Response to Internet Based Planning Tools

R	R Square	Adjusted R Square	Std. Error of the Estimate
.22(a)	.05	04	.92

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	4.32	.02(a)
Residual	168		
Total	170		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Need for Adjustments

Coefficients

	B	*SE B*	*β*	*p*
Constant	3.35	.28		< 001
Awareness of Internet Options	-.10	.08	-.10	.20
Internet has Increased Client Base	-.16	.06	-.19	01

b Dependent Variable: Need for Adjustments

Table 30

Regression Analysis – If Information on Planner's Website is Necessary in Maintaining a Solid Personal Relationship

R	R Square	Adjusted R Square	Std. Error of the Estimate
.12(a)	.01	00	1.13

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.04	36(a)
Residual	156		
Total	158		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner Websites

Table 31

Regression Analysis - If an Internet Website is Necessary to Reach Clients Effectively

R	R Square	Adjusted R Square	Std. Error of the Estimate
.09(a)	01	-.01	1.16

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	61	55(a)
Residual	158		
Total	160		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Necessity of Planner Website

Table 32

Regression Analysis – If Using the Internet is an Effective Way for Planners to Reach New Clients

R	R Square	Adjusted R Square	Std. Error of the Estimate
.14(a)	.02	01	1.04

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.62	20(a)
Residual	159		
Total	161		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Using Internet to Reach Clients

Table 33

Regression Analysis – If Financial Planners Understand the Nature of Competing Internet Services

R	R Square	Adjusted R Square	Std. Error of the Estimate
.12(a)	.01	00	.90

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.09	.34(a)
Residual	159		
Total	161		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner Understanding of Internet

Table 34

Regression Analysis –If Planners Need to Make any Major Adjustments in Response to Internet Based Planning Tools

R	R Square	Adjusted R Square	Std. Error of the Estimate
.14(a)	02	.01	.96

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.57	.21(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Need for Adjustments

The following tables summarize simple linear regression for relationships involving only one independent variable.

Table 35

Regression Analysis – If Information on Planner's Website is Necessary in Maintaining a Solid Personal Relationship

R	R Square	Adjusted R Square	Std. Error of the Estimate
.10(a)	01	.00	1.11

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	1.58	.21(a)
Residual	167		
Total	168		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Planner Websites

Table 36

Regression Analysis - If an Internet Website is Necessary to Reach Clients Effectively

R	R Square	Adjusted R Square	Std. Error of the Estimate
.06(a)	.01	00	1.15

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	F	P
Regression	1	63	43(a)
Residual	171		
Total	172		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Necessity of Planner Website

Table 37

Regression Analysis – If Using the Internet is an Effective Way for Planners to Reach New Clients

R	R Square	Adjusted R Square	Std. Error of the Estimate
.20(a)	04	.03	1.03

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	F	P
Regression	1	6.79	.01(a)
Residual	171		
Total	172		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Using Internet to Reach Clients

Coefficients

	B	*SE B*	*β*	*p*
Constant	2.73	.18		< 001
Clients Opting for Internet	.26	10	.20	.01

b Dependent Variable: Using Internet to Reach Clients

Table 38

Regression Analysis – If Financial Planners Understand the Nature of Competing Internet Services

R	R Square	Adjusted R Square	Std. Error of the Estimate
.03(a)	.00	-.01	.89

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	11	74(a)
Residual	172		
Total	173		

a Predictors: (Constant), Clients Opting for Internet

b Dependent Variable: Planner Understanding of Internet

Table 39

Regression Analysis – If Planners Need to Make any Major Adjustments in Response to Internet Based Planning Tools

R	R Square	Adjusted R Square	Std. Error of the Estimate
.11(a)	.01	01	.94

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	2.26	.13(a)
Residual	173		
Total	174		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Need for Adjustments

Multiple regression analysis was employed in the remaining table to determine the relationship between a dependent variable and two independent or predictor variables.

Table 40

Regression Analysis – If There has been an Increase in Clients Opting Out of Relationship in Favor of Self-Planning on the Internet

R	R Square	Adjusted R Square	Std. Error of the Estimate
.31(a)	.09	08	.76

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost

ANOVA

	df	*F*	*p*
Regression	2	8.86	< .001
Residual	170		
Total	172		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost
b Dependent Variable: Clients Opting for Internet

Coefficients

	B	*SE B*	*β*	*p*
Constant	72	24		04
Concern Over Cost	.25	06	28	< .001
Awareness of Internet Options	09	06	.11	.15

b Dependent Variable: Clients Opting for Internet

Survey items 1 through 4 were included to expand the scope of the survey instrument by obtaining general practice related information from the respondents focusing on the level of financial planning experience, the types of licenses and designations held, compensation structure, and the dollar value of portfolio assets under management. Data from these items follows.

Questionnaire item 1. I have been offering financial planning advice to clients for: 1-5 years___ 5-10 years___ 10-15 years___ 15-20 years___more than 20 years__

Table 41 data for item 1 indicates the level of experience among respondents spans all five categories with the highest percentage (28%) stating they have over 20 years; the smallest percentage (8.57%) was reported in the 1-5 years category. The other three categories were relatively close in numbers at 19.43%, 20.57%, and 23.43%.

Table 41

Level of Experience

	1–5 Years	5–10 Years	10-15 Years	15-20 Years	> 20 Years
Number in Category	15	34	36	41	49
Percentage	8.57	19.43	20.57	23.43	28.00

Questionnaire item 2. Which of the following designations do you currently hold?

CFP __ ChFC __ CLU __ CFA __ CPA __ EA __ JD __ MBA __ Other ___

The number and category of licenses and designations held by the respondents varied considerably as indicated by the data in Table 42. The CFP® is not listed as all survey participants have that designation.

Table 42

Licenses and Designations Held

	ChFC	CLU	CFA	CPA	EA	JD	MBA
Number in Category	26	21	8	21	15	5	38
Percentage	14.86	12.00	4.57	12.00	8.57	2.86	21.71

At almost 22%, the MBA degree was the most common additional designation held by the CFP® respondents. The second most common designation was the ChFC at near 15%, followed by the CPA and CLU with 12% each. Although 22.29% of the respondents held at least one additional license or designation apart from the eight specifically listed, entries in the *Other* category are too wide-ranging to list individually. Types with more than one mark included the CDFA, CASL, MSFS, Ph.D., LUTC, MST, CLTC, PFS as well as the Series 6 or Series 7. A brief explanation of these licenses and designations follows.

CDFA – Certified Divorce Financial Analyst. A professional who has knowledge and understanding of the financial aspects of divorce.

CASL – Chartered Advisor for Senior Living. Advanced training in issues specific to the elderly and retired.

MSFS – Master of Science in Financial Services. A graduate degree designed explicitly for financial services professionals.

Ph.D. – Doctor of Philosophy. Doctoral degree granted at the completion of extensive academic work in a particular field of study

LUTC – Life Underwriter Training Council Advanced training for insurance professionals in insurance and financial services.

MST – Master of Science in Taxation. Graduate degree in highly specialized tax issues and regulations.

CLTC – Corporation for Long Term Care Certification A specialist in long term care insurance.

PFS – Personal Financial Specialist Can only be acquired by CPAs who are members of the American Institute of Certified Public Accountants.

Series 6 - The National Association of Securities Dealers license for individuals who wish to only sell Mutual Funds and Variable Annuities.

Series 7 - The National Association of Securities Dealers license for general securities representative.

Questionnaire item 3. How do your clients pay for your services?

1. Fee for financial planning (initial, hourly, and/or retainer) ___

2. Fee based on percentage of assets managed ___

3. Commissions, account fees, redemptions etc. ___

4. Other _____

Data from Table 43 indicates that charges to clients for financial planning services typically fall into one or more of three categories, depending upon the structure of the financial planner's business. Only 3.43% of those responding reported using some other form of compensation--in addition to or in lieu of--one or more of the three standard methods. Summary data in Appendix L indicates that 49 or 28.00% of CFP®s responding reported income from two of the three compensation methods. Significantly, sixty-nine respondents or 39.43% reported compensation from all three areas.

Table 43

Planner Compensation

	Fee for Financial Planning	Fee Based on % of Assets Managed	Commissions, Account Fees etc.	Other Forms of Compensation
Number in Category	125	129	106	6
Percentage	71.43	73.71	60.57	3.43

Questionnaire item 4. What is the approximate dollar amount of client assets under management?

1 - 10 million __ 10 - 25 million __ 25 - 40 million __ more than 40 million __

According to data from Table 44, almost 40% of responding planners indicated the value of portfolios in their care exceeded $40 million. The next highest category was $10 to 25 million for almost 25%. Only 5.14% of planners responding did not provide information regarding client assets under management.

Table 44

Client Assets under Management

	1 – 10 Million	10 – 25 Million	25 – 40 Million	More Than 40 Million	Not Reported
Number in Category	35	43	19	69	9
Percentage	20.00	24.57	10.86	39.43	5.14

Nominal response data to these four items are provided in Appendices M and N.

Possibly significant data collected indicates that a majority (59%) of planners in practice for more than 20 years reported managing assets exceeding $40 million. These 49 planners accounted for 71% of those planners managing client assets over $40 million. Significant numbers of the remaining planners in the >20 year indicate: 27% are managing $10-25 million and 12% reported managing $25-40 million in assets. In that category of $25-40 million, 37% of the planners came with >20 years experience, 32% had 10-15 years, and 21% had 15-20 years in the field.

Planners with client portfolios valued at $10-25 million were almost equally split between those with 5-10 years experience, 10-15 years, and 15-20 years. These three groups accounted for 75% of those placing themselves into this category. Of the remaining 25%, the majority (16%) came from those planners with the most reported

experience. Among those managing $1-10 million in assets, the largest group comprised those planners with 1-5 years experience. Although they represented fewer than 9% of the planners completing the survey, they accounted for 67% of those reporting $1-10 million under management. Another 26% of planners in this category came from those with 5-10 experience.

The area of compensation also produced another possibly significant statistic. Thirty-nine percent of the most experienced planners (> 20 years experience) stated their earnings came from all three areas: fees for financial planning, fees based on a percentage of assets managed, and product commissions. The only other significant statistic from this group was the 16% who reported compensation from two areas: fees for planning and fees based on a percentage of assets under management.

Analysis and Evaluation of Findings

Data from the survey questionnaire were measured in terms of the variables that were established to determine the validity of the null and alternate hypotheses. These hypotheses were developed to formulate an answer to the three research questions.

Frequency statistics were evaluated as reported in Tables 1-6, using the mean as a measure of central tendency and the standard deviation as a measure of variability. Next, data from the Pearson product-moment correlation coefficient (Pearson *r*) was used to determine the strength of any existing relationship(s), as well as the direction (positive or negative) of that relationship. Data on the Pearson *r* is presented in detail in Appendix K.

Simple linear and multiple regression analysis were also used to establish if there is a linear relationship between the dependent variable (Y) and any of the independent or predictor variables (X). "If the null hypothesis is true, there is no linear relationship

between Y and any of the independent variables. If, on the other hand, we reject the null hypotheses, there is statistical evidence to conclude there is a regression relationship between Y and at least one of the independent variables proposed in the regression model" (Aczel et al, 2002, p. 507). Regression analysis data are presented in Tables 8 through 40 and in detail in Appendix L.

For ease of reporting, frequency statistics, correlations, and regression analysis data were put into three groupings as they affect the variables for the null and alternate hypotheses under each research question. Consequently, data to ultimately answer the first research question is followed by data to answer the second research question which is followed by data to answer the third research question. Answers to all three questions are based on the totality of research data assembled and, together with suitable conclusions, are presented in Chapter 5.

As a common policy in statistical hypothesis testing, the null hypothesis is rejected when the *p*-value falls below an established significance level. In this study, the appropriate level of significance was determined to be .05. It was hypothesized that this would adequately guard against either a Type I or Type II error. "A Type I error is made when we reject the null hypothesis but the null hypothesis is actually true. A Type II error occurs when the null hypothesis is accepted although in the population the research [alternate] hypothesis is true" (Cozby, 2001, pp. 227-228).

The First Research Question

Is there empirical evidence to indicate that Internet-based financial planning tools have an adverse effect upon the client base of financial planning professionals? Data to address this question were contained--in different combinations--in survey items 6, 7, 8, 9,

10, 12, and 18 measuring the dependent variables Y_d and Y_i from predictor variables X_l, X_c, and X_s present in survey items 5, 10, 15, 17, 20, 21, and 22.

Beginning with the dependent variable Y_d--the desire of consumers for professional financial planning assistance--an evaluation was made on the strength of agreement in the responses to survey items in terms of central tendency and variability. Certain items were used as both dependent and independent variables in a few situations, but descriptive data is reviewed only once.

Frequency statistics on the mean and standard deviation measurements for item 6 indicates that with a mean score of 4.58, planners were in strong agreement that their clients are more comfortable with a relationship offering the option of face-to-face meetings. The centrality of this measurement is clearly supported by the .69 standard deviation. Another strong mean score of 4.73 with a low standard deviation of .53 was obtained from item 7. Planners clearly believe they offer a more comprehensive and thorough level of planning than consumers can obtain via the Internet. In item 12, the mean of 4.18 indicates strong support for the belief that clients prefer to make major decisions in person or by telephone even though they can access their accounts communicate concerns with their planner through his/her website. The standard deviation of .95 should be viewed in light of the fact that one in six completing the survey did not respond to this item and one in seven remained neutral. Taking this into consideration, scores were still dispersed within an acceptable agreement range. Based on a mean of 3.89, responses to item 18 seem to validate planners' belief that the element of risk in making financial decisions is a major factor in retaining a financial planner. A level of variability can be seen in the standard deviation of .88, but with most of the scores

dispersed between 3.01 and 4.77, planners are at worst neutral and at best strongly in agreement. The conclusion here is that survey response data regarding dependent variable Y_d is consistent in terms of central tendency and variability—planners do believe they offer more comprehensive services, that consumers seek professional financial planning assistance because they value a face to face personal relationship, and they are somewhat risk averse.

Response data on dependent variable Y_i--consumer acceptance of the Internet as a mechanism to obtain financial advice and create a financial plan--was also consistent in terms of central tendency and variability. As evidenced by the mean score of 1.59, the respondents in item 8 did not see any increase in clients opting for self-planning activities on the Internet. And, a standard deviation of .79 places the majority of respondents in the disagreement area. Clients are also not too concerned about the cost of retaining a professional planner based on the data from item 9. However, with a mean of 2.50 and a standard deviation score of .90, a level of variability can be seen because the majority of respondents are dispersed between 1.60 and 3.40. Whether clients are aware of planning options available on the Internet was covered in item 10. The mean score of 3.05 and standard deviation of .94 is indicative of the almost even split between those disagreeing, those agreeing, and those remaining neutral. Consequently, most of the dispersion lies between 2.11 and 3.99. Based on these responses, it was concluded that planners see no evidence of an increase in clients leaving their practices for the Internet. However, there is some concern over whether they are satisfied with the cost of retaining a professional planner. There is no clear decision on whether clients are aware of Internet options.

Responses to survey items pertaining to the predictor variables were also evaluated. According to the data, planners are not generally aware of their clients expressing dissatisfaction with using the Internet for financial planning. But, there could be an issue here based on item 5's mean score of 3.12 and a standard deviation of 1.01; which disperses most of the scores between 2.11 and 4.13. This dispersion and the high number of neutral responses indicate a level of variability than cannot be ignored. Data from item 15 also signifies some variability as to whether the Internet has increased their business. But, with a mean score of 2.60 and a standard deviation of 1.12, the most prevalent opinions would err on the side of disagreement based on the majority of respondents being dispersed between clear disagreement at 1.48 and marginally agreeable at 3.72. Their opinions from item 17 on the benefits of retaining a planning professional exhibit no variability. With a mean of 4.64 and a standard deviation of 53, planners overwhelmingly agree with this statement. In item 20, they were asked to respond to whether one of the major differences in face-to-face planning is the ability of planners to recognize and adapt to risk taking personalities. Again, the majority were clearly in the affirmative with a mean score of 4.19 and a standard deviation of 75. A strong majority agreed with the statement in item 21 that the majority of individuals are not equipped to manage their financial future. This produced a mean score of 4.14 with a standard deviation of .77 resulting in a dispersion of the majority between 3.37 and 4.91. Responses to Item 22 produced a good degree of variability as indicated by the mean of 3.46 and a standard deviation of .84. When it comes to a lapse in fiduciary responsibility, planners were divided on whether clients felt more secure dealing with a planner than with the Internet. With the dispersion ranging from 2.62 to 4.30, responses were almost

equally divided between those who agreed and the remainder who responded in disagreement or remained neutral.

From this data it was concluded that planners are not generally aware of their clients expressing dissatisfaction with using the Internet for financial planning. They are overwhelming confident in their ability to explain the benefits of their services to prospective clients, and the majority is also confident they can adapt well to risk taking personalities. They do not believe the majority of individuals are equipped to manage their own finances.

The strength of any relationships existing between the variables as well as the direction (positive or negative) of that relationship was looked at next. Pearson *r* correlation data from Appendix K was reviewed with the following conclusions.

In theory, the desire of consumers for professional financial planning assistance (dependent variable Y_d) would be affected by the level of consumer knowledge and investing experience (independent variable X_l), the changes in computer technology and communications (independent variable X_c), and the availability of computer security programs (independent variable X_s).

With respect to this dependent variable, the strongest relationships reported occur between (Y_d) (item 18) and (X_s) (item 22) the availability of computer security programs at (r = .26) and (Y_d) (item 6) and (X_l) the level of consumer knowledge and experience in investing (item 17) at (r = .30). More moderately correlated are (Y_d) (item 6) and (X_l) (item 20) at (r = .22), and (Y_d) (item 7) and (X_l) (item 17) at (r = .23). Somewhat less correlated are (Y_d) the desire for professional financial planning assistance (item 7) and

(X_c) changes in computer technology and communications (item 15) at (r = .15) and (Y_d) (item 18) and (X_l) (item 21) at (r = .19).

The last variable to be measured was consumer acceptance of the Internet to create and discharge a financial plan (dependent variable Y_i) against the level of consumer knowledge and experience in investing (independent variable X_l). Against the independent variable (X_l), (Y_i) produced one fairly significant positive relationship at (r =. 29) for (Y_i) (item 8) and (X_l) (item 9) and one less significant at (r = .13) for (Y_i) (item 8) and (X_l) (item 10).

Multiple regression analysis data from the models in Tables 8 – 19 and Table 40 were evaluated to determine if there was a linear regression relationship between the dependent variable (Y) and any forecasting, independent variables (X) suggested by the data.

The importance of the face-to-face relationship in a financial planning setting seems fundamental to the desire of consumers for professional planning assistance. This was examined in models from Tables 8, 12, and 16. In Table 8, the independent variable (X_l) was represented in dissatisfaction with the Internet (item 5), benefits of retaining a planner (item 17), adaptation to risk taking personalities (item 20), and individuals not equipped to manage financial future (item 21) were used to predict the client's desire for a relationship offering the option of face-to-face meetings (Y_d) (item 6). Analysis of the data suggests that the weak to moderate correlation is predominately the result of two of the four variables; the planner's ability to explain the benefits of retaining a professional planner and his/her ability to adapt to risk taking personalities.

The multiple regression (R = .34) suggests a weak to moderate correlation between the constant and independent variables. The R^2 is weak at 12%, indicating that only some of the variation in the dependent variable can be attributed to the independent variables. The standard error of the estimate is 66. The F-ratio is significant at 5.38. Partial regression coefficients for two of the predictors were significant: benefits of retaining planner (B = .35, ß = .26, p < .01), and adaptation to personalities (B = .16, ß = 17, p = .02).

In the model from Table 12, the independent variable (X_c) was represented by clients aware of planning options available on the Internet (item 10) and Internet has increased my client base (item 15) to predict the desire of consumers for a relationship offering face-to-face meetings (Y_d) (item 6). The multiple regression (R = .06) suggests a very weak correlation between the constant and independent variables. The R^2 is <1%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of <1%, the error could be high at 70. The F-ratio is not significant at .26.

In the model from Table 16, the independent variable used was (X_s) dissatisfaction with the Internet (item 5) and recourse for lapse in fiduciary responsibility (item 22) to predict (Y_d) (item 6). The multiple regression (R = .16) suggests a weak correlation between the constant and independent variables. The R^2 is 2%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. The error is .70. The F-ratio of 2.00 is not significant in relation to the reported p-values.

Whether planners offer more comprehensive and thorough financial planning than the Internet (Y_d) (item 7) is also central in the consumer's desire for professional planning assistance. This was examined in models from Tables 9, 13, and 17. The same four independent variables used in Table 8 for (X_l) were used in Table 9. The multiple regression (R = .24) in Table 9 again suggests a weak correlation between the constant and independent variables. The R^2 is weak at 6%, indicating that very little of the variation in the dependent variable can be attributed to the independent variables. The error rate is low at .52. The F-ratio is significant at 2.52 in reference to the partial regression coefficient for the predictor benefits of retaining planner at: (B = .25, ß = .28, $p < .01$).

In the model from Table 13, the same two independent variables from Table 12 were used for (X_c) to predict (Y_d) (item 7). The multiple regression (R = .16) suggests a weak correlation between the constant and independent variables. The R^2 is 2%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 2%, the error could be high at 70. The F-ratio of 2.06 is significant based on the partial regression coefficient for the predictor Internet has increased client base: (B = .07, ß = .15, p = .05).

In the model from Table 17, the same two independent variables from Table 16 were used for (X_s) to predict (Y_d) (item 7). A weak correlation between the constant and independent variables is suggested by the multiple regression (R = .13). The R^2 is 2%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. The error is .53. The F-ratio of 1.41 is not significant in relation to the reported p-values.

Another aspect of professional planning assistance is the choice of communication. Data from the models in Tables 10, 14, and 18 was used evaluate if clients prefer to make major decisions in person or by phone even though their planner has a website (Y_d) (item 12). The same four independent variables used in Table 9 were used in Table 10 for (X_I) A weak correlation between the constant and independent variables is suggested by the multiple regression ($R = .18$). The R^2 is 3%, indicating that very little of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 3%, the error is high at .94. The *F*-ratio of 1.10 is not significant in relation to the reported *p*-values.

In the model from Table 14, the same two dependent variables from Table 13 were used for (X_c) to predict (Y_d) (item 12). The multiple regression ($R = .04$) suggests a very weak correlation between the constant and independent variables. The R^2 is < 1%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of < 1%, the error is high at .95. The *F*-ratio is not significant at .09.

In the model from Table 18, the same two independent variables from Table 16 were used for (X_s) as a predictor for (Y_d) (item 12). A weak correlation between the constant and independent variables is suggested by the multiple regression ($R = .06$). The R^2 is < 1%, indicating virtually none of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of < 1%, the error is high at .95. The *F*-ratio is not significant at .28.

Risk avoidance is another reason people seek professional assistance. In the models from Tables 11, 15, and 19, data was evaluated to predict if perceived risk is a

major motivation in seeking professional planning advice (Y_d) (item 18). Using the same four independent variables for (X_i) in Table 11 as used in Table 10 produced a multiple regression of (R = .22), suggesting a weak correlation between the constant and independent variables. The R^2 is 5%, indicating that very little of the variation in the dependent variable can be attributed to the independent variables. The error is .88. The F-ratio is significant at 2.12 based on the partial regression coefficient for the predictor adaptation to personalities: (B = .19, ß = .16, p = .05).

In the model from Table 15, the same two predictor variables from Table 14 for (X_c) were used to predict (Y_d) (item 18). A weak correlation between the constant and independent variables is suggested by the multiple regression (R = .13). The R^2 is 2%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variables. The error is .88. The F-ratio of 1.51 is not significant in relation to the reported p-values.

In Table 19 modeling, the same two predictor variables from Table 18 for (X_s) were used to predict (Y_d) (item 18). A moderately weak correlation between the constant and independent variables is suggested by the multiple regression (R = .27). The R^2 is 7%, indicating only a small of the variation in the dependent variable can be attributed to the independent variables. The error is 7%. The F-ratio is significant at 6.19 because the partial regression coefficient for the predictor fiduciary responsibility is significant: (B = .28, ß = .27, p < .01).

Data from the model in Table 40 was used to determine if consumers have accepted the Internet as a financial planning mechanism by evaluating whether planners have observed an increase in clients opting out of their relationship in favor of self-

planning on the Internet (Y_i) (item 8). The independent variables (X_i) were represented by clients increasingly concerned about cost of retaining a professional planner (item 9) and clients appear well aware of financial planning options on the Internet (item 10). The multiple regression ($R = .31$) suggests a weak to moderate correlation between the dependent and independent variable. The R^2 is 9%, indicating that some of this variation in the dependent variable can be attributed to the independent variables. Based on the variance of 9%, the error rate of .76 is reasonable. The *F*-ratio of 8.85 is significant in reference to the partial regression coefficient for the predictor concern over cost: ($B = .25$, $ß = .28$, $p < .01$). Data from this table was also applied to the second research question.

The Second Research Question

Are the financial planning tools available on the Internet comparable to the services offered by planners charging fees or commissions? Data to address this question were contained in survey item 8 measuring the dependent variable Y_i from predictor variable X_1 present in survey items 9 and 10.

For dependent variable Yi--consumer acceptance of the Internet to create and discharge a financial plan--an evaluation was done on the strength of agreement in the responses to survey items in terms of central tendency and variability. Frequency statistics on the mean and standard deviation measurements for item 8 indicates that, with a mean score of 1.59 and standard deviation of .79, the overwhelming majority of planners did not see any increase in clients opting for self-planning activities on the Internet. In fact, 70% of those disagreeing said they knew of no one opting out. Taking into consideration data related to the dependent variable Y_d, it was concluded that planners clearly believe they offer a more comprehensive and thorough level of planning

than consumers can obtain via the Internet. And, they do not see any increase in clients opting for self-planning activities on the Internet.

Data relating to central tendency and variability for the predictor variable X_i--level of consumer knowledge and experience in investing (items 9 and 10)--is referenced in data for the first research question above.

Pearson *r* correlation data for consumer acceptance of the Internet to create and discharge a financial plan (dependent variable Y_i) in relation to the level of consumer knowledge and experience in investing (independent variable X_i) is the same as in the first research question—against the independent variable (X_i), (Y_i) produced one fairly significant positive relationship at (r =.29) for (Y_i) (item 8) and (X_i) (item 9) and one less significant at (r = .13) for (Y_i) (item 8) and (X_i) (item 10).

Multiple Regression analysis was to determine if there was a linear regression relationship between the dependent variable (Y_i) and the forecasting, independent variable (X_i). Central to whether consumers have accepted the Internet as a financial planning mechanism is the data from the model in Table 40 assessing whether planners have observed an increase in clients opting out of their relationship in favor of self-planning on the Internet (Y_i) (item 8). The independent variables (X_i) were represented by clients increasingly concerned about cost of retaining a professional planner (item 9) and clients appear well aware of financial planning options on the Internet (item 10). The multiple regression (R = .31) suggests a weak to moderate correlation between the dependent and independent variable. The R^2 is 9%, indicating that some of this variation in the dependent variable can be attributed to the independent variables. Based on the variance of 9%, the error rate of .76 is reasonable. The F-ratio of 8.85 is significant in

reference to the partial regression coefficient for the predictor concern over cost: (B = .25, ß = .28, $p < .01$).

The Third Research Question

Are financial planners utilizing the Internet as a means of protecting their client base and encouraging new business? Data to address this question were contained in survey items 11, 13, 14, 16, and 19 measuring the dependent variable Y_w from predictor variables X_c, X_s, and Y_i acting as a mediating variable in items 5, 8, 9, 10, 15, and 22.

The strength of agreement in the responses to survey items in reference to the dependent variable Y_w--willingness of financial planners to recognize the Internet as a viable business platform--was evaluated in terms of central tendency and variability.

Significant variability is evident in the frequency statistics for item 11. With a mean score of 3.14 and a standard deviation of 1.11, planners are indicating no clear agreement on whether having information available on their personal websites is necessary to maintaining a solid personal relationship. Although a little over 41% did agree with this statement, almost 30% disagreed and more than 25% remained neutral. Factoring Y_w, responses to item 13 also displayed considerable variability. With a mean of 3.20 and a standard deviation of 1.15, the majority were dispersed between 2.05 and 4.35, indicating planners could not agree in principle whether an Internet site is necessary to reach clients effectively. Because of the close relationship, the statistics for item 14 displayed a close degree of variability in the mean of 3.14 and standard deviation of 1.04. Whether the Internet is an effective way to reach new clients appears to be a complex issue for planners with no clear focus. Although a little over 39% believed it is an effective means, fully one-third remained neutral. Another issue displaying a lot of

variability is the question in item 16 of whether planners understand the nature of competing Internet services. Although a significant number (41%) disagreed with the statement in their comments because they didn't feel that the Internet provides an alternative to comprehensive financial planning, the actual statistics show a wide range of opinions. With a mean score of 3.11 and a standard deviation of .89, the majority of respondents were dispersed between 2.22 and 4.00. Again, one-third indicated a neutral response.

The statement in item 19 that planners did not need to make major adjustments in response to Internet based planning tools did provide less variability. Although a significant number (26%) remained neutral, the total of those disagreeing or strongly disagreeing amounted to more than one-half of the respondents. This was more than twice as many as agreed with the statement. The percentages are born out by the mean score of 2.65 and the standard deviation of .95; dispersing the majority of respondents between 1.70 and 3.60.

Based on the responses, it was concluded that there is no clear agreement on whether having information available on planners' personal websites is necessary to maintaining a solid personal relationship. Also, planners could not agree in principle whether an Internet site is necessary to reach clients effectively, nor could they decide if the Internet is an effective way to reach new clients. Although planners do feel the need to make major adjustments in response to Internet based planning tools, it is unclear if they understand the nature of competing Internet options.

Responses to survey items addressing the predictor variables were also evaluated. Data on independent variable Xs --the availability of computer security programs (items

5 and 22-- were previously covered in the first research question above. Also covered in that section was independent variable Xc; changes in computer technology and communications (items 10 and 15). Dependent variable Y_i, acting as a mediating variable was measured in items 9 and 10. Data on these two items is not listed here as it was discussed in the two prior sections.

It was theorized that the willingness of planners to recognize the Internet as a viable business platform (dependent variable Y_w) should be influenced by the level of consumer knowledge and investing experience (independent variable X_l), changes in computer technology and communications (independent variable X_c), and the availability of computer security programs (independent variable X_s) items 8, 9, and 10. In addition, there should be some influence exerted by the consumers acceptance of the Internet (Y_i) acting as a mediating variable.

Pearson *r* correlation data indicates that most significant in the relationship between (Y_w) and (Y_i) are two negative linear relationships; (Y_w) (item 13) and (Y_i) (item 10) at (r = - .17) and (Y_w) (item 19) and (Y_i) (item 9) at (r = - .17). The strongest correlations between the willingness of planners (Y_w) and changes in computer technology (X_c) were found in the relationships of (Y_w) (item 11) and (X_c) (item 15) at (r =.23) and between (Y_w) (item 14) and (X_c) (item 15) at (r = .54). A weaker positive relationship of (r = .14) was found between Y_w) (item 11) and (X_c) (item 10). There were also negative linear relationships of some significance found in the following four comparisons: (Y_w) (item 13) and (X_c) (item 10) at (r = - .17), (Y_w) (item 13) and (X_c) (item 15) at (r = - .32), (Y_w) (item 19) and (X_c) (item 10) at (r = - .11), and (Y_w) (item 19) and (X_c) (item 15) at (r = - .20).

It was theorized that the willingness of financial planners to recognize the Internet (dependent variable Y_w) would also be impacted to some degree by the availability of computer security programs (independent variable X_s). The relationship among these variables produced four mildly significant negative correlations ranging from (Y_w) (item 13) and (X_s) (item 5) at (r = - .04) to (Y_w) (item 19 and (X_s) (item 22) at (r = - .05). The remaining correlations were all weakly positive ranging from a low of (r =.00) to a high of (r = .14).

Multiple Regression analysis data from the models in Tables 20 – 34 and simple regression analysis data from models in Tables 35 – 39 were evaluated to determine if there was a linear regression relationship between the dependent variable (Y) and any forecasting, independent variables (X) suggested by the data.

Data from the models in Tables 20, 25, 30, and 35 were examined to predict the willingness of financial planners to recognize the Internet as a viable business platform. One element of this is determining whether part of maintaining a solid personal relationship with clients is making information available through the planner's website. In the model from Table 20, the independent variable was represented by dependent variable (Y_i) acting as a mediating variable for increase in clients opting out of their relationship in favor of self-planning on the Internet (item 8), clients concern over cost of retaining a professional planner (item 9), and client's awareness of financial planning options on the Internet (item 10) to predict the willingness of financial planners to recognize the Internet as a viable business platform (Y_w) (item 11).

The multiple regression (R = .19) suggests a weak correlation between the constant and independent variables. The R^2 is 4%, indicating only a small of the variation

in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 4%, the error is high at 1.10. The *F*-ratio is significant at 2.07 because the partial regression coefficient for the predictor awareness of Internet options is significant: ($B = .18$, ß = .15, $p = .05$).

In Table 25 modeling, the same two predictor variables from Table 15for (X_c) were used to predict (Y_w) (item 11). The multiple regression ($R = .25$ suggests a moderately weak correlation between the constant and independent variables. The R^2 is 6% indicating only a small portion of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 6%, the error of 1.08 is high. The *F*-ratio is significant at 5.41 due to the partial regression coefficient for the predictor Internet has increased client base being reported as:($B = .21$, ß = .21, $p = .01$).

In data from Table 30, the same two predictor variables from Table 19 for (X_s) were used to predict (Y_w) (item 11). The multiple regression ($R = .11$ suggests a weak correlation between the constant and independent variables. The R^2 is 1%, indicating little if any part of the variation in the dependent variable can be attributed to the independent variables. Because of the 1% variance, the error of 1.13 is high. The *F*-ratio of 1.04 is not significant in relation to the reported p-values.

In Table 35, planners have observing an increase in clients opting out of their relationship in favor of self-planning on the Internet (item 8) was used as a predictor for (Y_w) (item 11). The linear regression ($R = .10$) suggests a very weak correlation between the dependent and independent variable. The R^2 is 1%, indicating that very little of the variation in the dependent variable can be attributed to the independent variable. Based

on the 1% variance, the error rate is high at 1.11. The *F*-ratio of 1.58 is not significant in relation to the reported p-value.

The willingness of financial planners to recognize the Internet as a viable business platform is also reflected in whether they believe a website is necessary to reach clients effectively. This was evaluated in the models from Tables 21, 26, 31, and 36. In Table 21, the same three predictor variables--represented by dependent variables (Y_i) acting as a mediating variable--were used to predict the value for (Y_w) (item 11). Once again, the multiple regression ($R = .20$) suggests a weak correlation between the constant and independent variables. The R^2 is 4%, indicating only a small of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 4%, the error is high at 1.14. The *F*-ratio is significant at 2.42 because the partial regression coefficient for the predictor awareness of Internet options is: ($B = -.20$, ß = -.16, $p = 04$).

In the model from Table 26, the same two predictor variables from Table 25 were used for (X_c) to predict (Y_w) (item 13). The multiple regression ($R = .35$ suggests a weak to moderate correlation between the constant and independent variables. The R^2 is 12%, indicating a portion of the variation in the dependent variable can be attributed to the independent variables. The error is 1.08. The *F*-ratio is significant at 11.36 because the regression coefficient for both predictors were significant: ($B = -.19$, ß = -.15, $p = .04$) and Internet ($B = -.31$, ß = -.30, $p < .01$).

In Table 31 modeling, the same two predictor variables from Table 30 were used for (X_s) to predict (Y_w) (item 13). The multiple regression ($R = .09$ suggests a weak correlation between the constant and independent variables. The R^2 is 1%, indicating little

if any part of the variation in the dependent variable can be attributed to the independent variables. Because of the 1% variance, the error of 1.16 is high. The *F*-ratio of .61 is not significant in relation to the reported p-values.

In the model from Table 36, the same independent variable from Table 35 was used for (X_g) to predict (Y_w) (item 13). The simple linear regression (R = .06) suggests a very weak correlation between the dependent and independent variable. The R^2 is < 1%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variable. Based on the variance of < 1%, the error rate is high at 1.11. The *F*-ratio of .63 is not significant in relation to the reported p-value.

Measuring the willingness of financial planners to recognize the Internet as a viable business platform was also evaluated in terms of their readiness to use the Internet to reach new clients. This data is found in the models from Tables 22, 27, 32, and 37. The same three predictor variables used in the model from Table 21--represented by dependent variables (Y_i) acting as a mediating variable--were used to predict the value for (Y_w) (item 14) in Table 22 The multiple regression (R = .23) suggests a moderately weak correlation between the constant and independent variables. The R^2 is 5%, indicating only a small of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 5%, the error of 1.03 is high. The *F*-ratio is significant at 3.00 due to the partial regression coefficient for the predictor clients opting for Internet being reported as: (B = .23, ß = .17, p = 03).

In the model from Table 27, the same two predictor variables from Table 25 were used for (X_c) to predict (Y_w) (item 14). The multiple regression (R = .54 suggests a moderate correlation between the constant and independent variables. The R^2 is 29%.

Because of the 29% variance, the error of 88 does not appear high. The *F*-ratio is significant at 33.74 because the partial regression coefficient for the predictor Internet was reported at: ($B = .50$, ß = .53, $p < .01$).

In Table 32 modeling, the same two predictor variables from Table 30 were used for (X_S) to predict (Y_W) (item 14). The multiple regression ($R = .14$ suggests a weak correlation between the constant and independent variables. The R^2 is 2%, indicating little if any part of the variation in the dependent variable can be attributed to the independent variables. Because of the 2% variance, the error of 1.04 could be high. The *F*-ratio of 1.62 is not significant in relation to the reported p-values.

In the model from Table 37, the same independent variable from Table 36 was used for (X_g) to predict (Y_W) (item 14). The ($R = .20$) suggests a weak correlation between the dependent and independent variable. The R^2 is 4%, indicating that very little of the variation in the dependent variable can be attributed to the independent variable. Based on the variance of 4%, the error rate may be high at 1.11. The *F*-ratio of 6.79 is high and significant in relation to the reported *p*-value ($p = 01$).

If planners are willing to use the Internet in their business, they should understand the nature of competing Internet services. This was evaluated in the models from Tables 23, 28, 33, and 38. In Table 23, the independent variable was represented by dependent variable (Y_i) acting as a mediating variable for increase in clients opting out of their relationship in favor of self-planning on the Internet (item 8), clients concern over cost of retaining a professional planner (item 9), and client's awareness of financial planning options on the Internet (item 10) to predict the willingness of financial planners to recognize the Internet as a viable business platform (Y_W) (item 16). The multiple

regression (R = .11) suggests a weak correlation between the constant and independent variables. The R^2 is 1%, indicating little if any of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 1%, the error of .90 could be considered high. The F-ratio is not significant at .73.

In the model from Table 28, the same two predictor variables from Table 27 were used for (X_c) to predict (Y_w) (item 16). The multiple regression (R = .06 suggests a very weak correlation between the constant and independent variables. The R^2 is < 1%, indicating little if any of the variation in the dependent variable can be attributed to the independent variables. Because of the < 1% variance, the error of .88 may be high. The F-ratio of .31 is very low and not significant in relation to the reported p-values.

In Table 33 modeling, the same two predictor variables from Table 32 were used for (X_s) to predict (Y_w) (item 16). The multiple regression (R = .12 suggests a weak correlation between the constant and independent variables. The R^2 is 1%, indicating little if any part of the variation in the dependent variable can be attributed to the independent variables. The error is .90. The F-ratio of 1.09 is not significant in relation to the reported p-values.

In the model from Table 38, the same predictor variable from Table 37 was used for (X_g) to predict (Y_w) (item 16). The linear regression (R = .03) suggests a very weak correlation between the dependent and independent variable. The R^2 is also weak at < 1%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variable. Based on the variance of < 1%, the error rate may be high at 89. The F-ratio of .11 is very low and not significant in relation to the reported p-value.

If planners are willing to utilize the Internet in their business they would have to come to a decision on whether major adjustments were needed to respond to Internet competition. This was evaluated in the models from Tables 24, 29, 34, and 39. In Table 24, the independent variables were represented by dependent variable (Y_i) acting as a mediating variable for the same three predictors as used in Table 23 to predict (Y_w) (item 19). The multiple regression (R = .21) suggests a moderately weak correlation between the constant and independent variables. The R^2 is 5%, indicating little of the variation in the dependent variable can be attributed to the independent variables. Because of the low explained variance of 5%, the error of .92 could be considered high. The F-ratio is significant at 2.65 due to the partial regression coefficient for the predictor concern over cost being: (B = -.17, ß = -.16, p = .04).

In Table 29 modeling, the same two predictor variables from Table 28 were used for (X_c) to predict (Y_w) (item 19). The multiple regression (R = .22 suggests a moderately weak correlation between the constant and independent variables. The R^2 is 5%, indicating little of the variation in the dependent variable can be attributed to the independent variables. The error is .92. The F-ratio of 4.32 is significant due to the partial regression coefficient for the predictor Internet being reported as: (B = -.16, ß = -.19, p = .01).

In the model from Table 34, the same two predictor variables from Table 33 were used for (X_s) to predict (Y_w) (item 19). The multiple regression (R = .14 again suggests a weak correlation between the constant and independent variables. The R^2 is 2%, indicating little if any part of the variation in the dependent variable can be attributed to

the independent variables. The error is .96. The *F*-ratio of 1.57 is not significant in relation to the reported p-values.

In Table 39, the same predictor variable from Table 38 was used for (X_g) to predict (Y_w) (item 19). The linear regression ($R = .11$) suggests a weak correlation between the dependent and independent variable. The R^2 is also weak at 1%, indicating that very little if any of the variation in the dependent variable can be attributed to the independent variable. Based on the variance of 1%, the error rate may be high at .94. The *F*-ratio of 2.26 is high, but not significant in relation to the reported *p*-value.

There is no known statistical information available with which to make any comparisons to my data relative to how many people consult financial planning professionals, or the number of people utilizing the Internet as a financial planning tool or alternative. Consequently, the foregoing analysis of survey data is presented without any qualifications other than those originally developed addressing limitations on scope and content.

Summary

A substantial number of planners responded to the survey questionnaire and a significant number of those also included comments.

General observations from survey items 1 through 4 on general practice related information provided some significant, and possibly useful, feedback on the respondents' level of financial planning experience, the types of licenses and designation held, compensation structure, and the value of portfolio assets under management. From an information standpoint, it was fortunate that the responding group with the highest percentage also had the most years of experience—greater than 20 years. Twenty-two

percent of responding planners held at least one additional license or designation besides the CFP®. Among those so reporting, the most common was the MBA degree.

In terms of compensation, 28% reported receiving income from two of the three categories listed; significantly, 39% reported compensation from all three areas—fees for financial planning, commissions, and fees based on a percentage of assets under management. Almost 40% indicated that the value of portfolios under management exceeded $40 million. The next highest category was $10 – 25 million for almost 25% of those reporting. Fifty-nine percent of planners in practice for more than 20 years reported managing assets exceeding $40 million—71% of all planners in this category of those planners managing assets.

With respect to survey items 5 through 22, the subject answers and/or comments point to certain areas of consensus. Beginning with the content of the survey responses themselves, certain trends were apparent—particular subject areas received a much higher rate of additional comments and certain subject areas received a higher percentage of neutral answers. Areas with a significant number of neutral scores were: client dissatisfaction with using Internet (40%), fiduciary responsibility (37%), making information available through personal website important to relationship (28%), whether planners need to make major adjustments in response to Internet based tools (26%), planner's understanding of competing Internet services (33%), clients' awareness of Internet options (31%), using the Internet to reach clients (34%), clients' concern over cost (26%), and Internet has increased client base (24%).

The number of additional comments was most noticeable when the framework of the statements centered on relationships, personal websites, the Internet, and the level of

services provided. The subject of clients' expressing dissatisfaction with Internet centered planning drew a comment from 57% of those including comments. Forty-three percent commented on whether there was an increase in clients opting for the Internet. Similar percentages were with statements on the need of planners to make adjustments in response to the Internet and the ability of individuals to manage their own financial future.

It was readily apparent that the face-to-face relationship and personal contact are decidedly important to existing clients and planners. And, almost all (of those adding comments) did not detect an increase in clients opting for self-planning on the Internet. A significant percentage of the planners do not have a website and near 50% of those responding did not feel a website was necessary. Conversely, a large number of planners believe an Internet site is an excellent marketing tool and important for boomer era clients. On the subject of attracting new business, many planners commented in different sections of the survey that most of their new business comes from referrals. A significant number didn't feel that the Internet provides an alternative to comprehensive financial planning, because it doesn't provide the human wisdom and guidance that clients seek. And, they wanted to bring attention to inherent differences between planners and Internet options. Lastly, there were many comments regarding the concept of value added as justification for fees and services.

Planners were also noticeably split on several issues in their comments. One area is the recognition of risk as a major motivation in seeking professional assistance and, related to that, the planner's ability to adapt to risk taking personalities. There were differences in recognizing the need to incorporate any new *tools* and various reasons why

why planners need to incorporate any available improvement including what is happening on the Internet. More than 3/4 of planners do not believe (for various reasons) that the majority of individuals are equipped to manage their financial future.

Marked patterns were also in evidence in the respondents' degree of agreement to the statements in questions 5 through 22. Survey response data regarding the desire of consumers for professional financial planning assistance is consistent in terms of central tendency and variability. In their opinion, consumers seek professional financial planning assistance because they value a face to face personal relationship, and they are somewhat risk averse. Planners also clearly believe they offer a more comprehensive and thorough level of planning than consumers can obtain via the Internet.

Response data on consumer acceptance of the Internet as a mechanism to obtain financial advice and create a financial plan was also consistent in terms of central tendency and variability. In this area, planners see no evidence of an increase in clients leaving their practices for the Internet. However, there is some concern over whether they are satisfied with the cost of retaining a professional planner. There is no clear decision on whether clients are aware of Internet options.

Planners do not believe financial planning tools available on the Internet are comparable to the services offered by planners charging fees or commissions. Response data in this area is consistent with planners clearly believing they offer a more comprehensive and thorough level of planning than consumers can obtain via the Internet.

On the issue of whether financial planners are utilizing the Internet as a means of protecting their client base and encouraging new business, the data is less certain. Based

on the responses, it was concluded that there is no clear agreement on whether having information available on planners' personal websites is necessary to maintaining a solid personal relationship. Also, planners could not agree in principle whether an Internet site is necessary to reach clients effectively, nor could they decide if the Internet is an effective way to reach new clients. Although planners do feel the need to make major adjustments in response to Internet based planning tools, it is unclear if they understand the nature of competing Internet options.

Correlation study data offers support for some relationships between the variables tested. In relation to the predictor variables (X_l) level of consumer knowledge and investing experience, (X_c) changes in computer technology and communications, and (X_s) the availability of computer security programs, the most influence on the desire of consumers for professional planning assistance (Y_d) was observed with the variables (X_l) and (X_s). The independent variable (X_l) also produced one fairly significant relationship as a predictor of (Y_i), consumer acceptance of the Internet to create and discharge a financial plan.

The willingness of planners to include the Internet in their business plan (Y_w) was mildly influenced (negatively) by the availability of computer security programs (X_s). Data also demonstrated a negative linear relationship with (X_c), changes in computer technology and communications. In the association between (Y_w) and (Y_i) acting as a mediating variable, two negative relationships were recognized.

Multiple regression analysis was employed in 28 models using two, three, or four predictor variables to forecast the criterion of dependent variables. Simple linear regression analysis was employed in five models to establish the straight-line relationship

between two variables. The data reveal 15 models displaying weak to moderate relationships—six associated with the first research question, one with the second, and nine with the third. The model in Table RA 33 was used twice. Significance levels ranged from $p = -.01$ to $p = .05$.

The level of consumer knowledge and investing experience (X_I) was found to have an influence on the desire of consumers for professional planning assistance (Yd) in three of the models; changes in computer technology and communications (X_c) were noted in one model; the availability of computer security programs (X_s) was also found in one model. There was one instance in which a relationship was established between (X_I) and consumer acceptance of the Internet to create and discharge a financial plan (Y_i).

There was an influence on the willingness of planners to include the Internet in their business plan (Y_w) in nine models. In four comparisons, (Y_w) was influenced by consumer acceptance of the Internet to create and discharge a financial plan (Y_i) acting as a mediating variable. In another four models, changes in computer technology and communications (X_c) were significant. In one model, governmental policy influencing the transfer, security or penalties for financial and personal information over the Internet (X_g) was a factor.

Chapter 5: Summary, Conclusions, and Recommendations

Summary: Literature Review

The literature reviewed for this research project was helpful in understanding not only the financial planning choices available to the consumer, but also the methods and options accessible to those planners wishing to move beyond the setting of the traditional face-to-face planning session. In addition, while not in itself providing a definitive means to accept or reject the hypotheses offered, the literature helped clarify the relations between planners and consumers, defined some basic investor behavior, and set forth the position of the financial services industry regarding comprehensive financial planning. The following summarizes the most pertinent literature sources as they relate to data obtained from the survey of Certified Financial Planners.

In terms of the variables employed, it has been established by Walker (2000), Andrews (2002), and others that consumers are being drawn to the Internet by the availability of easy to use, less expensive planning tools. The acceptance of the Internet as a financial planning mechanism has been documented by Schooley et al. (2003). Based on research by Martin (1999) and Wellman (2003), some of this may be driven by the increasing importance of the personal savings component in the traditional retirement model and employers' strategies to get employees more involved in planning their own retirement. For a variety of reasons, another segment of consumers--commonly referred to as do-it-yourself or DIY investor--has embraced the Internet quite vigorously. According to research by Srinivas (2003), the positive utility received from these activities exceeds what these DIY investors can obtain depending on professional

planners (p. 4). In so doing, these and other groups are legitimizing--to some degree--the role or presence of the Internet in the financial planning process.

Although research by Srinivas (2003) points to an increase in DIY investors, studies by Pethokoukis (2001) and others suggests these types of investors do not stay the course. Kirby (2005) believes that when investors take on responsibility for their own investments, they are not getting the guidance they need, so they start to harbor misconceptions. In Kirby's view, misconceptions about the elements of risk skew the consumer's perspective to where "once . . . [they] become investors, perspectives change from lofty, distant objectives to the near-term fear of simply losing money" (p. 42). Consumers managing their own investments tend to become overconfident in their abilities, make irrational decisions, and fail to view financial information objectively according to research by Carty (2005), Pethokoukis (2001), Srinivas (2000), and Andrews (2002).

Events such as the tech stock meltdown in late 2000 and early 2001 provide authority for the view that novice investors, as well as web-savvy DIYs, will embark on what some call the "flight to advice" when uncertainty appears.

Consumers are more computer and Internet savvy than they were just a few years ago. With literally thousands of financial planning sites taking up residence on the Internet, they are given countless opportunities to "test drive" financial and/or retirement planning scenarios using the models in those sites. Research by Weber (2002) and Belsky et al. (1999) indicates that when they do, even those individuals who consider themselves well educated, may become paralyzed by the volume of financial information being disseminated. Worth repeating are Weber's (2002) views on why individuals need an

advisor to interpret "tons and tons of facts . . [to determine] which ones provide the appropriate amount of knowledge and information without [it] becoming overwhelming" (p. 39). Advisors facilitate "five essential processes . . . so clients can make good decisions about financial matters" (p. 39). These processes are an (1) awareness or appreciation that there's a problem to be solved, (2) fact and attitude gathering, (3) the assessment process, including what if scenarios, (4) envisioning—help clients clarify and manifest their vision, and (5) the decision process (pp. 39-40). However, Weber also concluded that "a combination of an adviser Web site and specific links to the content of that site can vastly improve the chance that clients will get the information they need and want" (p. 39). When taken together, these processes constitute advice, not just information.

There is a difference between advice and information. Advice, "implies the act of providing counsel and suggesting a specific course of action. Information . . . does not contain any explicit prescription to resolve the problem" (Srinivas, 2000, p. 21).

The Internet is replete with financial information. But, answers to the consumer's financial planning questions may be elusive unless he or she knows where to look. It is a mixed bag in many ways. In Kristof's (2002) view, "using the Internet to get advice on managing your personal finances can be convenient, cost-effective—and confusing" (p. C3). Kristof also believes that "using the Internet to manage finances isn't for everybody. Even the people who provide online financial advice concede as much" (Kristof, 2002, p. C3). Despite the availability and low cost, consumers may very well find three different solutions to the same problem if they make inquiries to three different web sites. Consumers should beware of these latent pitfalls.

Advice seems to be warranted when more than a one-time transaction is contemplated. "Advising is a sequential process consisting of distinct stages, namely: diagnosis, strategy formulation, recommendation, implementation, monitoring and evaluation, and review, and adjustment" (Srinivas, 2000, p. 22). Quoting Morningstar's president of online advice Kristof (2002) wrote:

> If you have a complicated life, an online investment program should not be your solution . . Online advice programs are sophisticated, quantitative calculation programs. They're not psychologists. They don't know how to probe and get to the root of issues. They have to take you at face value. (p. C3)

Zhou (2003) also concludes that retirement and financial planning software and Internet sites suffer from limitations. In his words, they "do not recognize many uncertainties facing households . . . they deal with risk in a deterministic way [and]. . . they focus on saving for retirement rather than planning at retirement" (p. 7). It is the view of Longman (2000), Nelson (2000), and Nationwide Financial Services, Inc. (2002) as well as some consumers and many planners that financial planning tools available on the Internet are not designed to provide comprehensive financial planning.

Consumers are now in new territory compared to their parents. Investing for the future and retirement planning is no longer held within the traditional retirement planning model that has been used in the United States since the 1930s. Research makes clear that, even though retirement planning still occupies a central role in the financial planning process, [the process] . . .requires more than [one leg] of the "three legged stool" comprising (1) Social Security; (2) employer provided pensions; and (3) personal savings (Martin, 1999, p. 6). As more traditional employer or government sponsored defined benefit plans are replaced with defined contribution plans, individuals are being forced

into a greater, more responsible role for their financial future. The personal savings leg has now become more important than ever requiring significant focus and discipline on the part of individuals. Even with employer sponsorship and assistance in this area, consumers are finding financial planning a daunting task. Evidence by Wellman (2003) suggests that unless company and union sponsored interactive investment and retirement plans offer the option of face-to-face meetings or telephone access to a financial advisor, most employees will not use this financial planning service to any advantage. It should be noted that there is an alternate view to this process. Some, like Caccholi (2003) have hypothesized that employees urged to begin directing their own investments will see a comfort level once they see how their lifestyle and personality parallels their risk tolerance and strategy. (p. 20)

The issue of retirement planning cannot be over stressed. It is clear from Dan's (2004) research that retirement planning is not only a significant part of the financial planning process, it is one of the main reasons people seek financial planning assistance.

Whether consumers use the Internet or employ a financial planner, Dan's (2004) research shows that "people are and will continue to spend a large portion of their lives retired." And, even though they "need a substantial amount of money to be able to retire comfortably, [they will be] . . . spending a smaller portion of their lives accumulating retirement income. Retirement planning is thus critical and should be initiated as early in life as possible" (p. 229).

When consumers do seek out a professional planner they do so for several reasons—low risk tolerance, bad investments, uncertainty, fear of making decisions, or time issues. Lack of quality time is a major force in driving many consumers to retain the

services of a professional planner. The issue of trust and the desire for an in person face-to-face relationship is also very important and should not be discounted. In the eyes of many in the industry consumers, above all else, "expect that the advisors will not take advantage of their position or exploit the vulnerabilities of the consumers for [the] advisors' own good" (p. 79). This puts an additional burden on planners. It is Sestina's (2001) view that:

> Planners have a difficult time creating the need or want for their services in potential clients. Many people need help but are afraid to seek it for a variety of reasons. Planners are hired to plan positive action for profit, not to react negatively. However, people are both reactionary and negative much of the time. They fear both failure and success, and they are impulsive. (p. 19)

Finally, most investors (like financial planners) view the financial planning relationship as a long-term commitment.

There is substantial evidence in the literature that the financial planning community has embraced the Internet. Articles in the Journal of Financial Service Professionals and the CPA Journal, as well as research conducted by Kess (2002), indicate there a willingness on the part of planners to recognize the Internet as a means of doing business. Planners and advisors have seen how the Internet affects the availability and delivery of personal financial planning services in a positive manner for the industry by providing consumers with access to the services of financial planning practitioners and financial service firms. Some research has indicated that planning tools on the Internet "will actually fortify existing relationships by promoting advisor/client interaction" (Anonymous, 2001, p. 21). Companies like Financial Visions and KJE Computer Solutions offer planners a surplus of comprehensive programs and calculators that can be easily incorporated into a website.

Regardless of the opportunities presented, the literature suggests that many people choose to dismiss planning. Because they lack financial knowledge, simply offering financial information may not be enough. In fact, Dan's (2004) research found that when survey respondents "were given a wide range of relevant financial information, they tended to use little of the information provided in making financial decisions" (p. 255). In addition to avoiding traditional financial planning relationships, they are also not utilizing the numerous options available offering to assist consumers with planning issues. Even if they go to the Internet seeking assistance and view the "many websites exist[ing] with retirement financial investing information and assessment tools . . . which are accessible to everyone . . . a typical Internet consumer may not be able to determine 'good' websites from bad ones" (p. 256).

The Research Model

The research model was constructed to measure the extent (if any) to which Internet-based financial planning tools have had adverse effects upon the client base of financial planners. A survey questionnaire was prepared and mailed to a randomly chosen group of Certified Financial Planners to determine: whether professional planners believe they offer individuals a more comprehensive and thorough level of financial planning than that which is available via the Internet, whether these services produce better results than those available online, and whether financial planners are utilizing the Internet as a marketing tool.

Using a series of statements developed to answer the three research questions, the survey measured the effect of four independent predictor variables upon a set of three dependent variables. These variables were:

Y_d = Dependent variable of desire of consumers for professional financial planning assistance.

Y_i = Dependent variable of consumer acceptance of the Internet as a mechanism to create and discharge a financial plan

Y_w = Dependent variable of the willingness of financial planners to recognize the Internet as a viable business platform.

X_l = Independent variable for level of consumer knowledge and experience in investing.

X_c = Independent variable for changes in computer technology and communications creating increased user friendly applications.

X_g = Independent variable for governmental policy influencing the transfer, security or penalties for financial and personal information over the Internet.

X_s = Independent variable for availability of computer security programs.

Survey results from items 5 through 22 were first summarized via descriptive statistics testing and the results described in terms of an arithmetic mean as a measure of central tendency, standard deviation as a measure of variability, and in terms of correlation using the Pearson product-moment correlation coefficient (Pearson *r*). Survey items representing each dependent variable were placed into a simple linear regression analysis model with one of the independent variables or into a multiple regression analysis model with one, two, three, or four of the independent variables to determine the strength of any relationships observable from the data. The results of statistical analysis were then summarized and observable relationships emphasized.

Practice related data as measured by responses to survey items 1 through 4 were evaluated for significance from an informational standpoint. Data related to the types of additional licenses held, the level of experience, the manner of reimbursement, and the value of portfolios under management were summarized and any significant commonalties were presented.

At present there are no known studies specifically addressing the subject of this dissertation—the extent (if any) to which Internet-based financial planning tools have had adverse effects upon the client base of financial planners. However, in the review of the literature, this researcher was fortunate to find industry related facts and observations as well as professional opinions supported by both experience and education in all areas relevant to the project—including some crucial areas not covered by the research instrument. The research model and literature review combined to focus on the following issues as having a direct bearing on any conclusions reached.

- What is financial planning?
- Influences facing the industry
- Why individuals seek financial planning assistance
- Consumer expectations
- Investment risk
- The issue of relationship
- Financial planning options for consumers
- The role of employers
- Difference between information and advice
- Knowledge and investing experience of consumers

- Privacy and security issues
- Computer usage
- Financial planning tools available on the Internet
- Practice options for financial planners
- How planners view Internet competition
- Who is an ideal candidate for Internet planning tools

Conclusions

The purpose of this inquiry was to examine the extent to which, if any, accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners. There were no statistics available to indicate the number of people who utilize the Internet as a financial planning tool. Therefore, there was an opportunity gap to determine if financial planners should consider Internet tools as a threat and perhaps how to address any current or potential threat. The study addressed three questions.

Summary of Findings Related to First Research Question

Research question 1. Is there empirical evidence to indicate that Internet-based financial planning tools have an adverse effect upon the client base of financial planning professionals?

The null and alternate hypotheses developed for the first research question were:

H_{1O}: There is no empirical evidence to indicate that Internet-based financial planning tools have had an adverse effect upon the client base of financial planning professionals.

H_{1A}: Financial planners have observed a significant increase in the number of clients opting out of their current personal relationship with the planner in favor of self-planning activities available on the Internet.

Results of hypothesis testing. Regression analysis results indicate only a weak relationship in data from models in Tables 9, 11, and 13 6 predicting the consumers' desire for professional planning assistance (Y_d). In regression analysis for variables predicting whether planners offer more comprehensive and thorough financial planning than the Internet, only one out of four predictors representing (X_i) was determined to be significant—the planner's confidence in his or her ability to explain to prospective clients the benefits of retaining a professional planner. The significance level for this variable was $p < .01$. As a measure of the consumers' desire for professional planning assistance this was the most subjective of the four independent predictors used. Measuring (Y_d) from the standpoint of perceived risk with the same four predictors for (X_i) (see Table 11) also resulted in a weak relationship with one variable; represented by the ability of the planner to recognize and adapt to risk taking personalities. The significance level here was $p = .05$. From the perspective of offering individuals more comprehensive and thorough planning, the (X_c) predictors of (1) awareness of Internet options and (2) Internet has increased planner's client base, the regression produced a $p = .05$ significance level based upon a weak relationship with the second variable.

The weak to moderate correlations found in models from Tables 8 and 19 were based on relationship comparisons with the same independent predictors. In regression analysis to again predict the dependent variable (Y_d), the same four variables used in Table 9 for (X_i) were used in Table 8 to forecast whether individuals prefer a relationship

that offers the option of face-to-face meetings. The relationship between two of the four variables and (Y_d) was determined to be responsible for the correlation—benefits of retaining a planner and adaptation to personalities. The planner's confidence in his or her ability to explain to prospective clients the benefits of retaining a professional planner was also factor of consequence in Table 9.. The ability to adapt to risk taking personalities was the factor of consequence in the model from Table 11. The significance levels of these two variables were $p < .01$ and $p = .02$ respectively. In another measure of (Y_d) (see Table 19), the study wanted to determine if the (X_s) predictors fiduciary liability concerns and unsatisfactory results obtained from financial planning activities on the Internet were seen as risks consumers could avoid by seeking the advice of a planning professional. The correlation in this regression analysis resulted from the concerns consumers appear to have in relation to fiduciary responsibility. The significance level here was $p < .01$.

Regression analysis data with respect to the consumer's acceptance of the Internet as a mechanism to create and discharge a financial plan (Y_i) also shows a weak to moderate relationship in the model from Table 40. In predicting whether planners had observed an increase in the number of clients opting out of the relationship in favor of self-planning on the Internet, only one of the two variables used for (X_l) was determined to be significant—the client's concern about the cost of retaining a professional planner. The significance level with this variable was $p < .01$.

From the perspective of regression analysis, four factors have shown some influence on the desire of consumers for professional planning assistance (Y_d):

1. Consumer knowledge and experience in investing (X_I). Planners have the ability to explain benefits of retaining a professional planner to prospective clients, and they recognize and adapt to risk taking personalities of clients.
2. Changes in computer technology and communications (X_C). The Internet has made it easier for clients to connect with planners—increasing their client base.
3. Computer security programs (X_S). Clients believe they have more recourse in the event of a lapse in fiduciary responsibility if they use a financial planning practitioner.
4. Concern over the cost of retaining a professional financial planner (X_I). This factor requires some qualification. The research questionnaire did not differentiate between current and potential clients and, as a result, many planners felt required to comment that cost concerns are much more likely to be voiced by potential clients rather than current clients.

One factor has shown some influence on consumer acceptance of the Internet as a mechanism to create and discharge a financial plan (Y_i): the client's concern over the cost of retaining a professional planner.

These same relationships were established by Pearson *r* correlation data. The desire of consumers for professional planning assistance (Y_d) is shown to be affected by the level of consumer knowledge and experience in investing (X_I) at ($r = .19$) and ($r = .22$) for risk taking personalities, as well as ($r = .23$) and ($r = .30$) for ability to explain benefits of retaining a professional planner. It is also affected by the availability of computer security programs (X_S) at ($r = .26$) for fiduciary responsibility, and (X_C) changes in computer technology and communications creating increased user friendly

applications at (r = .15) for Internet increasing client base of planners. Consumer acceptance of the Internet as a mechanism to create and discharge a financial plan (Y_i) is shown to be affected by (X_1) at (r = .29) for concern over cost and (r = .13) for awareness of Internet options. Awareness of Internet options was not deemed significant by regression analysis.

Although there were only weak to moderate influences detected in the regression models and correlation data, there was some effect on both dependent variables. By virtue of the low significance levels obtained, there is a very low probability that these results were due to random error. However, the lack of strong relationships is a concern. The relationships displaying a significance level of p = .05 or less accounted for some of the variables in 6 of the 13 models tested. In terms of correlation, influences were found in 8 of the 28 models.

To accept the null hypothesis is to state the independent variables had no effect, when data indicates at least some weak to moderate influence. Accepting the alternate because the independent variables had an effect on the dependent variables is not an option; there is no evidence to indicate a significant increase in clients opting out in favor of planning activities on the Internet. If anything, variables with p-values falling below the established significance level may, in some manner, indicate faith in traditional planning methods. Based on this, H_{o1} at an α of 5% cannot be rejected. In taking this position a 5% chance of committing a type I error can be accepted. Under these conditions, it can only be concluded that testing data point to the absence of any adverse effects upon the client base of financial planning professionals.

Measures of central tendency on the respondent's level of agreement to survey statements related to the first research question support the data obtained through regression and correlation modeling. Instead of sustaining the proposal that the Internet may have created adverse effects, the scoring instead seems to emphasize what the majority of planners see as the strength of traditional planning methods—comprehensive planning services, a face-to-face relationship built on trust, an ability to adapt well to risk taking personalities, and confidence that prospective clients will see the benefits of retaining a professional planner. The face-to-face relationship and personal contact were especially important to existing clients and planners. Although there is the issue of cost primarily with potential clients, scoring indicates planners see no evidence of an increase in clients leaving for options available on the Internet. Whether clients are even aware of these options is not settled. If clients have had difficulty with using the Internet for financial planning, planners are not generally aware of it. Almost half of the planners stated clients felt more secure dealing with a planner because of concerns over a potential lapse of fiduciary responsibility. Lastly, with respect to regression analysis, it should be stressed that, despite the influence exerted by the clients' recognition of risk and the planners' ability to adapt to risk taking personalities on one dependent variable, comments indicate a split among planners on those two predictors.

Summary of Findings Related to Second Research Question

Research question 2. Are the financial planning tools available on the Internet comparable to the services offered by planners charging fees or commissions?

The null and alternate hypotheses developed for the second research question were:

H_{2O}: Financial planning tools available on the Internet are not designed to provide the consumer with a comprehensive financial plan.

H_{2A}: There is some evidence that consumers are being drawn to the Internet because online planning tools are easy to use and less expensive.

Results of hypothesis testing. Regression analysis results indicate a weak to moderate relationship in data from the model in Table 40 predicting the consumers' acceptance of the Internet as a mechanism to create and discharge a financial plan (Yi). In regression analysis for variables predicting whether planners have observed an increase in clients opting out of their relationship in favor of self-planning on the Internet, two predictors were used to represent (Xl)—awareness of Internet options and concern over cost of retaining a professional planner. Only one was determined to be significant—clients increasingly concerned about the cost of retaining a professional planner. The significance level with this variable was $p < .01$. Combined with the F Test value of 8.85 and positive correlation coefficient ($R = .31$) serves justification for rejecting the null hypothesis.

The strength of relationships as determined by Pearson *r* correlation data are in agreement with the regression analysis. As indicated in data for the first research question, consumer acceptance of the Internet as a mechanism to create and discharge a financial plan (Y_i) is affected by (X_l) as represented by concern over cost at ($r = .29$). It is also affected somewhat less by awareness of Internet options at ($r = .13$). Although the relationship between (Y_i) and (X_l) is weak with regards to the correlation data, it does exist And, regression analysis indicates there is less than a .05 probability (the established significance level) that the results occurred due to random error. Based on this data, the

null hypothesis can be rejected. Data is insufficient to satisfactorily address the question of whether financial planning tools available on the Internet are comparable to the services offered by planners charging fees or commissions. Although outright acceptance of the alternate hypothesis is not proclaimed, data available does at least imply that there is evidence the alternate hypothesis may be true—there is some evidence that consumers are being drawn to the Internet [and it may be] because online planning tools are easy to use and less expensive.

In part, the insufficient data is due to the limitations imposed by the design and content of the research questionnaire. Secondly, if feasible, testing of financial planning options available on the Internet could have provided additional data. However, descriptive statistics, comments, and some data in models addressing the first research question point to a very strong commitment on the part of planners that they do offer a more comprehensive planning package than that which can be obtained via the Internet. Additionally, they do not see any increase in clients leaving the traditional practice environment.

Summary of Findings Related to Third Research Question

Research question 3. Are financial planners utilizing the Internet as a means of protecting their client base and encouraging new business?

The null and alternate hypotheses developed for the third research question were:

H_{3O}: Financial planners are not utilizing the Internet as a marketing tool.

H_{3A}: There has been an increase in the number of financial planners utilizing the Internet as a marketing tool in their practice.

Results of hypothesis testing. Regression analysis results show a weak relationship in data from the model in Table 20 predicting the willingness of financial planners to recognize the Internet as a viable business platform (Y_w) with (Y_i) acting as a mediating variable. Of the three predictor variables employed, only the client's awareness of Internet financial planning options was deemed significant at $p = .05$. Measuring (Y_w) from the standpoint of changes in computer technology and communications with the predictors awareness of Internet options and Internet has increased client base, produced a moderately weak correlation for Internet increasing client base. The significance level of this variable was $p = .01$.

Whether planners believe a website is necessary to reach clients effectively was realized in two models. In the model using the three predictor variables of clients opting for the Internet, concern over cost, and awareness of Internet options, a weak correlation was obtained with the variable awareness of Internet options. The influence on the dependent variable was significant at $p = .04$. In the other model, the dependent variable (Y_w) was affected in a weak to moderate fashion by both predictor variables—awareness of Internet options and clients opting for the Internet has increased client base. The significance levels were $p = .04$ and $p < .01$ respectively with an F-ratio of 11.36.

In another model, the three predictor variables of clients opting for the Internet, concern over cost, and awareness of Internet options were used to predict (Y_w) from the perspective of using the Internet to reach new clients. This produced a moderately weak correlation, but a significant impression came from the predictor variable clients opting for the Internet at $p = .03$. Using the predictor variables awareness of Internet options and

Internet has increased client base, gained a moderate correlation with Internet has increased client base. The significance level was $p < .01$ and the F-ratio strong at 33.74.

Simple regression analysis with the same dependent variable testing the influence of governmental policy influencing the transfer of information (X_g) produced a weak correlation, but the model showed a significance level of $p = .01$ with an F-ratio of 6.79.

The next model indicating any significance for (Y_w) addressed whether major adjustments were needed to respond to Internet competition. Once again, using the three predictor variables of clients opting for the Internet, concern over cost, and awareness of Internet options, the model produced a moderately weak correlation for the independent variable clients' concern over cost of retaining a professional planner. The significance level in this relationship was $p = .04$. A moderately weak correlation was also obtained in another model for (Y_w) using the predictors of awareness of Internet options and Internet has increased client base. In this scenario a significance level of $p = .01$ was obtained for the variable Internet has increased client base

From the perspective of regression analysis, three factors have shown some influence on (Y_w) the willingness of financial planners to recognize the Internet as a viable business platform:

1. Governmental policy influencing the transfer, security, or penalties for financial and personal information transmitted over the Internet (X_g). Some planners have observed clients opting out of relationship in favor of self-planning on the Internet.
2. Changes in computer technology and communications (X_c). The Internet has made it easier for clients to connect with planners—increasing their client base.

Clients also appear to be aware of other financial planning options available via the Internet.

3. Consumer acceptance of the Internet as a mechanism to obtain financial advice and create a financial plan (Y_i) acting as a mediating variable. Clients are increasingly concerned about the cost of retaining a professional financial planner, and they also appear to be aware of other financial planning options available via the Internet.

These same relationships were established by Pearson *r* correlation data. The willingness of financial planners to recognize the Internet as a viable business platform (Y_w) is shown to be affected by consumer acceptance of the Internet as a mechanism to obtain financial advice and create a financial plan (Y_i) acting as a mediating variable. The models produced two negative linear relationships of (r = -.17) for concern about the cost of retaining a professional planner and (r = -17) for clients awareness of planning options available on the Internet. (Y_w) was also influenced by changes in computer technology and communications (X_c) at (r = .54) and (r = .23) for Internet increasing client base. Using different survey items to represent (Y_w) produced two additional negative linear relationships at (r = -.11) and (r = -.17) for clients awareness of planning options available on the Internet. Two more negative linear relationships were found at (r = -.32) and (r = -.20) for Internet has increased client base.

It was theorized that the willingness of financial planners to recognize the Internet would be impacted to some degree by the availability of computer security programs (X_s) and this was tested in models. Four models showed weakly significant negative correlations—three for clients expressing dissatisfaction with using the Internet for

planning and one for recourse in lapse of fiduciary responsibility. Six models using different survey items to represent (Y_w) produced weakly positive correlations—two for clients expressing dissatisfaction with using the Internet for planning and four for recourse in lapse of fiduciary responsibility. The relationships in these last models were not deemed significant by regression analysis.

In all, weak to moderate influences were detected in 9 of 20 regression models and 18 of 40 correlation models. By virtue of the low significance levels obtained, there is a very low probability that these results were due to random error. Consequently, because there is statistical evidence that a linear relationship has been established between Y and at least one of the independent variables, the null hypothesis must be rejected. Based on this same evidence, it is reasonable to accept the alternate hypothesis.

There is some evidence that financial planners are making use of the Internet to accommodate their clients and promote their business.

Measures of central tendency on the survey statements related to the third research question expose some of the same apparent weaknesses as regression and correlation modeling in sorting out this issue. What they do say is that the Internet is being used in financial planning in different ways by different planners. They also recognize its value with respect to younger, more computer savvy clients. And, they feel the need to make major adjustments in response to planning tools available on the Internet. Yet, they cannot agree in principle whether an Internet site is necessary in reaching their clients effectively, or as a way to effectively reach new clients. Although many dismiss the idea of Internet *competition*, it is not clear if they understand the nature of competing Internet options.

General Conclusions and Implications

The purpose of this inquiry was to examine the extent to which, if any, accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners. The three research questions developed to answer this inquiry produced the following conclusions:

• Testing data point to the absence of any adverse effects upon the client base of financial planning professionals. Planners exhibit unqualified support and faith in traditional planning methods.

• There is some evidence that consumers are being drawn to the Internet [and it may be] because online planning tools are easy to use and less expensive. Data is insufficient to satisfactorily address the question of whether financial planning tools available on the Internet are comparable to the services offered by planners charging fees or commissions.

• There is evidence that some financial planners are making use of the Internet to accommodate their clients and promote their business. Data suggests there is a lot of room for participation in this area.

It has been shown that the literature reviewed offers support to these conclusions. In some cases, it goes a step further in addressing the role of technology. It also adds strength to areas highlighted by responding planners as areas where potential Internet threats would be minimized—areas where traditional planning methods already seem to have an advantage. In these areas, the current crop of on-line financial planning sites does appear insufficient. Those most often mentioned are the ability to adapt to risk taking personalities, creating an atmosphere of trust, dealing with uncertainties, fact gathering,

envisioning, dispensing advice as opposed to information, and *life* planning. The list of advantages, combined with the certain amount of distrust towards electronic communications, may be enough for many consumers to agree that services offered by traditional planning establishments are a better choice than the Internet. This may also firm up the argument that the Internet is not truly competitive.

The role of technology is stressed in much of the literature, pointing out how the use of the Internet by different groups has legitimized the presence of that medium in the financial planning process. It reveals that the financial community is already utilizing the Internet for marketing and to communicate with clients. Many companies are currently marketing comprehensive packages for financial planning websites. Because retirement planning occupies such a significant part of the planning process, financial websites have become skilled at establishing links to just about every retirement related issue. Playing on the increasing importance of personal savings, investment companies don't miss an opportunity to offer consumers a chance to try out one of their financial calculators or retirement planners.

What has been learned with this research is not so much anything new in financial planning, but a revealing of circumstances that have already begun to play an important role in the decision process leading up seeking professional assistance. It is significant to the financial services industry because of the expanding role these events will play in increasing the role and influence of the Internet on the financial services industry. These major events include the continuing decline in company sponsored retirement and investment plans, the decreasing cost and availability of computers and financial software programs, improvements in computer software and security, the increase in tech savvy

consumers, baby boomers entering retirement, increased life expectancy, and escalating scandals involving people in positions of financial and fiduciary responsibility.

The occurrence of these events would appear to support conclusion that the absence of a detectable influence on a current client's creating a desire to leave the personal relationship with a planner in favor of using the Internet, does not in itself justify ignoring the possible existence of current or potential threats. The attitudes, financial knowledge, and investing expertise of consumers will likely change with circumstances and the available options presented to them. How would Internet financial services providers react to revisions of the tax code simplifying retirement options, estates, or capital gains? How would the use of interactive video affect the face-to-face personal relationship planners think so highly of? How long will it be before the traditionally solid client base of planners--older retirees, high net worth individuals, and the newly wealthy--are presented with a reasonable, less expensive alternative?

Based on its ubiquitous presence, it is a fair assumption that the Internet will be involved in disseminating almost anything that has an impact on people. It is not going away and it is not going to become any less of an influence in our lives. It is plausible that the thousands of financial products sites on the Internet today will grow into the millions in the not too distant future. By then, the level of quality and the sophistication of the offerings are anyone's guess.

Recommendations for Financial Planners

Even with the moderately small sampling, the results of the research can be generalized to the population of financial planning practitioners to some practicality. Because planners cannot predict who will be the ideal candidate for Internet based

planning tools in the future, they must take steps to ensure the continued success of their practices. They may not lose business to the Internet alternative if they are proactive in assessing the needs of their clients and the viability of delivery options. The importance of trust and value added services were recognized in this research and there is no reason to suspect it will become less important to consumers in the future. It is one of the main reasons many clients have not gravitated to online financial sites. This data tells planners that they should use their experience and people skills in placing these values at the heart of their practice; utilizing the Internet as a medium to get this across to potential clients.

Knowing what is luring consumers to the Internet can be used by planners to determine what portion of the market they wish to target based on their area of expertise. As an example, planners who specialize in managing large portfolios for wealthier clients may find that there is nothing to threaten this relationship based on what is currently accessible by computer. Staying with this model may continue to be worthwhile. It may be safe to assume that more financially secure and/or wealthy clients will continue to more naturally gravitate to the traditional planning relationship. As will those without computers and those wary of Internet security. However, these clients should not be taken for granted. Neither should the large numbers of retirees currently involved with a professional financial planner.

Knowing what will cause them to leave the relationship is as important as what keeps clients in the fold. Complacency based on past successes can be hazardous in any business, so any information impacting the client base is worth knowing. As this research has suggested, there will always be people who distrust the Internet for financial matters. If and when security measures are available to reverse this attitude, planners should be

prepared to accommodate this new section of the market. A large number of planners participating in this research project have requested a summary of the results. It is hoped that a significant portion of what has been learned will find itself to additional planners as well. There is good system of networking in place and this will continue to present opportunities to share information.

Limitations

The research suffers from several limitations. Consequently, it is urged that the findings be interpreted with the following in mind. The limitations imposed by the design and content of the research questionnaire dictated that any conclusions reached on the research questions from regression analysis and correlation data should also be supported by a consensus in both the comments offered and the respondent's degree of agreement to the major issues attached to the variables. Providentially, this turned out to be mostly true. However, readers may not place as much emphasis on the respondent's comments as this researcher has.

There are some other areas that merit discussion. The somewhat moderate sample size ($N = 384$) can be construed as a limitation. A larger effect size and the detection of additional real relationships may have occurred with a larger sample. The data collected was not sufficient to satisfactorily answer the second research question. The survey should have been constructed to measure additional variables in this area. Additional data provided by the testing of financial planning options available on the Internet would have been very helpful. However, a caveat should be presented. A substantial number of planners responding to the survey questionnaire felt strongly that Internet planning tools could not be compared with what is produced in their practice.

The design of the research survey allowed for some needless duplication in items 14 and 15; the subject should have been addressed in one statement. Item 9 should have made a distinction between current and future potential clients; a clarification may have affected the 26% who remained neutral. The wording in items 13 and 14 should have been different to better differentiate between clients and future clients. A significant number of respondents disagreed with the statement on competing Internet services in item 16 because they didn't feel the Internet provides an alternative to comprehensive financial planning; in their words it doesn't provide the human wisdom and guidance that clients seek, it is not as personable or adaptable as a financial planning firm, and it is more suited to the DIY investor. This concern relates back to my concerns on the second research question. The term *perceived risk* in item 18 appeared to confuse some planners. Lastly, the choice of wording in item 22 on the subject of fiduciary responsibility was confusing to some planners according to the comments entered.

The limitations realized at the end of data gathering should be taken into consideration at equal weight with those limitations noted at the beginning of this research. Most particularly, the limitation imposed by restricting this research to Certified Financial Planners. Absent the surveying of a significant portion of all individuals engaged in planning activities, the impressions of CFP®s must be inferred to all others in the field.

Recommendations for Further Research

Whether the Internet will, in fact, offer tools providing consumers with a comprehensive financial plan is not yet clear. Until the issue is settled, further research is encouraged, especially in the area of retirement issues. Retirement planning will continue

to be extremely important—as a central part of financial planning as well as a source for new business. Currently it is possibly the biggest draw for online financial calculators using Monte Carlo type simulations to compute the estimated value of a person's retirement portfolio at the time of retirement. The easier it becomes to recruit clients via this process, the bigger the impact on financial planners. Planners should understand what type of consumer is most likely to use online services for financial planning. Research in this area could coincidently provide additional information on the type of services that can be realistically offered online. There is also room for more research into creating user friendly, uncomplicated websites offering a seamless environment so clients can move from the computer to the planner and vice versa.

Taking a cue from the literature, planners should understand that no matter how many opportunities are presented; numerous consumers will dismiss financial planning altogether. The offering of financial information may not, in itself, be enough to entice people into making the correct financial decisions. And, of course, attitudes of consumers are subject to change. Therefore, there is still room for additional research on investor behavior.

By virtue of the limitations already pointed out in this study, the financial planning industry would benefit from further study on a comparison of services. Ideally the research model would include actual cases submitted for review and recommendation to both financial planners and Internet sites advertising *comprehensive* financial planning. Sites offering strictly financial calculators, retirement scenarios, or sale of financial products should be excluded.

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Appendix A: Online Financial Calculators

For consumer use or for purchase as a tool integrated with a financial planning website.

For free or low-cost and less sophisticated:

The Motley Fool (http://www.fool.com/calcs/calculators.htm?source=LN)
Soundfinancialplan (http://www.soundfinancialplan.com/tools/)
PFP Café (http://www.personal-financial-planning.org/financial-calculator-index.html)

For free or low-cost and less sophisticated—may be used by financial planners:

Interest.com (http://mortgages.interest.com/content/calculators/index.asp)
Web Winder (http://www.webwinder.com/wwhtmbin/javacalc.html)

Available only on a licensed basis—may be used by financial planners:

Lead Fusion (http://www.leadfusion.com/maint/calcbuilder/index.asp)
Hedgehog (http://www.hedge-hog.com/sub/calculators.html)

More sophisticated and more costly—may be used by financial planners:

TimeValue Software (http://www.timevalue.com/tools.htm)
Financial Calculators (http://www.fincalc.com/)
KJE Computer Solutions (http://www.dinkytown.com/)
Brentmark Software (http://calctools.com/)
Martindale (http://www.martindalecenter.com/Calculators.html)

Appendix B: Consumer Reports Research Results

INDEPENDENT, FEE-ONLY PLANNER

Price: $3,000 for the plan plus an annual management fee of between 0.5 and 1 percent of assets.

Service Included: Comprehensive plan, including net-worth and cash-flow analyses, asset allocation for retirement and education goals, life-insurance recommendations, advice on long-term-care insurance, and estate planning.

Experience: Three-month process with multiple hour-long meetings, e-mails, and phone calls.

Pros: Decent general fund allocation for retirement: 55% stocks, 45% bonds. Creative advice for short-term college funding (laddered CDs). Good advice on converting some retirement funds to a Roth IRA. Detailed action plan tells clients exactly what to do for the next 5 years, including how much to withdraw, shift around accounts, and contribute to new accounts.

Cons: Overweighed allocation of international funds (28% of stocks) Overly rosy projected inflation rate (3%). Recommended portfolio weighted too heavily toward value and blend funds; no mid-cap or large cap growth funds. Overly conservative $200,000 cash cushion. Recommended, Qualified Terminable Interest Property (QTIP) Trust may not be the best available trust. Not enough explanations or fact based rationale.

Best if: You require face-to-face interaction, want more than investment advice, and have the knowledge and stamina to question the planner's assumptions.

THE VANGUARD GROUP - *www.vanguard.com*

Personal Financial Report

Price: $1,000 or $1,500 if nonclient ($500 if you have $250,000 to $1 million invested; $250 if you have $1 million plus; free if committing at least $250,000 in new assets). Management fee of 0.75 percent for assets under $1 million, less as assets increase. Minimum fee is $4,500 a year.

Service Included: Financial plan with net worth and cash-flow analyses, asset allocation for retirement, specific fund recommendations, discussion of tax implications of withdrawals during retirement.

The Experience: Interactive online application didn't work, so it had to be mailed, a timewaster. Vanguard requires payment in advance but doesn't accept credit cards, another negative. Planning process took about two months. Two detailed 45-minute interviews with assigned planner; with at least one follow-up interview. .

Pros: Decent, though conservative, mix for retirement: 50% stocks, 50% bonds. Excellent investment- and retirement-planning advice. Good advice regarding which funds to liquidate in retirement to avoid taxes. Easy to understand. Good analytics. Fair and balanced.

Cons: No specifics about additional insurance, or estate or college planning, which should be covered in a comprehensive plan. Recommended only Vanguard funds.

Best If: You mainly want retirement advice and are willing to invest most of your money with Vanguard.

Appendix C: Consumer Reports Research Results

RETIREMENT PLANS $500 TO $650

T. ROWE PRICE - Retirement Income Manager - *www.troweprice.com*

Price: $500 for the plan. Free if you invest $1 million or more.

Service Included: Recommended retirement portfolio plus two alternatives. Free annual review for T. Rowe Price investors.

The experience: Planner was assigned. Two half-hour calls, with longer follow-up.

Pros: Good alternative investment options.

Cons: Initial recommended mix (47% stocks, 37% bonds, 16% percent short-term securities) is very conservative for retirees. Projected inflation (3%) and wife's age of death (85) too low.. Plan didn't analyze alternative actions (e.g., work longer, downsize home). No specific funds were recommended.

Best If: You're a T. Rowe Price client.

CAMBRIDGE ASSOCIATES - *www.cambridgeassociates.com*

Price: $500 for "starter package."

Service Included: 6 "action points:' including creating 3- to 6-month emergency fund, opening home-equity line of credit, changing 401(k) asset mix, saving 10% of salary.

The Experience: Client chose planner through Cambridge search engine. Worked with planner in three sessions over the phone.

Pros: Good conclusions. Fine 401(k) mix for young investors: 40% large-cap, 20% small-cap, 20% international, 20% balanced fund (invests in stocks and bonds).

Cons: No rationale for recommendations.

Best If: You can meet the planner in person.

GARRETT PLANNING NETWORK - *www.gart;lfltplanningnetwork.com*

Price: *$650*

Service Included: One-time plan.

The Experience: Client chose planner through Garrett's search engine. Planner listened to client's needs, and then proposed price range. Two meetings of at least one hour, plus several phone calls.

Pros: Easy-to-follow plan, more comprehensive than most. Focused on current needs. Good projection of insurance needs, list of suggested insurers. Good advice to update beneficiaries, use budgeting tool.

Cons: No investment recommendations in the initial plan.

Best If: You can meet the planner in person.

Appendix D: Consumer Reports Research Results

RETIREMENT PLANS $100 TO $250

MYFINANCIALADVICE - *www.myfinancialadvice.com*

Price: $250 for the plan.

Service Included: Recommended funds. Advice on when to take Social Security.

The Experience: Chose planner through Web site's search engine. Planner listened to clients' needs, then proposed price. Responses were generally prompt. Three 15- to 30-minute calls, a few e-mails.

Pros: Reasonable and specific no-load mix for retirement: 60% stocks, 40% bonds.

Cons: No implementation plan. Inconsistent advice: Relatively conservative fund mix, but kept risky sector funds. Initial contact and payment must be through the Web site. Very aggressive assumptions.

Best If: You're a do-it-yourselfer who wants a quick validation of a current plan.

T. ROWE PRICE - Investment Checkup - *www.troweprice.com*

Price: $250.

Service Included: One-time portfolio analysis and recommendations.

The Experience: Adviser was assigned. Two hour-long phone calls.

Pros: Clear, detailed, accurate plan. Good, specific fund mix for young investors: 80% stocks, 20% bonds. Good advice on adjusting the mix. Discussion of tax issues.

Cons: Uses only proprietary funds.

Best If: You're a T. Rowe Price client.

FINANCIAL ENGINES - *www.financialengines.com*

Price: $39.95 per quarter, $149.95 per year for basic service, $300 per year for deluxe. Free, or at a discount, through some companies' retirement plans.

Service Included: Interactive online software forecasts if you can meet specific goals. Recommends asset-mix changes.

The Experience: Not rated.

Pros: Good allocation advice: 70% stocks, 28% bonds, 2% cash for mid life investor. Will include investments from any source chosen Robust action kit tells what to transfer where. Responsive phone help.

Cons: Doesn't show how investments will fluctuate each year in retirement. For a computer program, relatively little flexibility in changing "what if" scenarios.

Best If: You're a sophisticated investor and get the service via your retirement plan.

Appendix E: Consumer Reports Research Results

RETIREMENT PLANS – NO COST

CHARLES SCHWAB
Goal Planner - *www.schwab.com*

Price: Free. If you want ongoing advice, fee of 0.75% to 1.25% of assets, less as assets increase.

Service Included: Recommended mix of funds. Advised on how much more to save.

The Experience: Adviser was assigned. Two 1- hour meetings and a few phone calls.

Pros: Good "what-if" scenarios (i.e., spend less, retire later). OK fund mix for mid life investors: 60% stocks, 35% bonds, 5% cash. Also offered "moderate:' "aggressive," and other allocation options.

Cons: No specific fund recommendations.

Best If: You're seeking a snapshot of your finances and potential actions.

WACHOVIA BANK
Complimentary Retirement Consultation - www.wachovia.com

Price: Free.

Service Included: Portfolio analysis and recommendations.

The Experience: Adviser was assigned; service complied when client asked to switch to a Certified Financial Planner. Two half-hour phone calls. No written report.

Pros: Good planning assumptions (pretax rate of return of 7.69%). Reasonable asset mix for midlife investors: 60 to 70% stocks, rest in bonds. Looked at several scenarios.

Cons: No initial fund recommendations.

Best If: You want reassurance but no advice.

FIDELITY INVESTMENTS
Retirement Income Planner - *www.fidelity.com*

Price: Free.

Service Included: Interactive online program forecasts whether you'll have enough to fund specific goals.

The Experience: Takes far longer to input information than Fidelity suggests. Responsive phone help with technical problems. (We did not test investment expertise.)

Pros: Conclusions generally backed up by good analytics. Good asset mix for mid life investors: 60% domestic stocks, 10% foreign stocks, 25% bonds, 5% cash.

Cons: Inflation projection (2%) too rosy.

Best If: You're a sophisticated investor

Appendix F: Pre-Test Cover Letter

Dear Colleague:

As a member of the Financial Planning Association, I am requesting your kind assistance by reviewing and completing the enclosed survey questionnaire. Although it contains 22 questions, they are brief and it should take you no more than 15-20 twenty minutes of your valuable time to complete.

I am a doctoral candidate at Northcentral University My research will focus on financial planning and information. The attached survey will be used in my dissertation. The topic of my dissertation is "The Impact of Internet-Based Financial Planning Tools on Financial Planners."

I would appreciate it very much if you would review the survey instrument, make any suggestions for revision that you feel would be appropriate, and determine if you think the survey would be a reliable instrument for such a study. Specifically, as one of my survey reviewers, I would like you to address the following items:

a) review the instrument's instructions and format for ease and clarity,
b) review the instrument for validity,
c) review and provide opinions for any complications that you experience in understanding or answering the questions on the survey instrument.

No individual names or the identification of your practice will appear in my dissertation.

If you have any questions, please feel free to call me at (541) 773-7557. If it is more convenient, you may respond by e-mail to: mereyn@msn.com.

Thank you for your time and assistance in this matter.

Sincerely,

Martin E. Reynolds, M.A., PFP, ChFC

Appendix G: Survey Questionnaire

Practitioner Information

1. Experience

I have been offering financial planning advice to clients for:

1-5 years___ 5-10 years___ 10-15 years___ 15-20 years___more than 20 years__

2. Licenses and Designations

Which of the following designations do you currently hold?

CFP __ ChFC __ CLU __ CFA __ CPA __ EA __ JD __ MBA __ Other ___

3. Charges to Clients for Services

How do your clients pay for your services?

1. Fee for financial planning (initial, hourly, and/or retainer) ___

2. Fee based on percentage of assets managed ___

3. Commissions, account fees, redemptions etc. ___

4. Other _____

4. Total Assets Under Management (US dollars)

What is the approximate dollar amount of client assets under management?

1 - 10 million __ 10 - 25 million __ 25 - 40 million __ more than 40 million __

Internet/Client Relationship Questions

5. I have clients who have expressed dissatisfaction with using the Internet for financial and/or retirement planning.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

6. My clients indicate that they feel more comfortable with a relationship that offers the option of face-to-face meetings.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

7. I offer individuals a more comprehensive and thorough level of financial planning than that which is obtainable via the Internet.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

8. I have observed an increase in the number of my clients opting out of our personal relationship in favor of self-planning activities available on the Internet.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

8. (a) Percentage of clients opting out. (if applicable) _____

Comments: _____

_____

_____

9. My clients are increasingly concerned about the cost of retaining a professional financial planner.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

10. My clients appear to be well aware of other financial planning options available via the Internet.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

11. Part of maintaining a solid personal relationship with my clients is making information available to them through my own website.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

12. Although I have my own website where my clients can access their accounts and communicate concerns, they prefer to make major decisions in person or by phone.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

13. An Internet website is not necessary to reach clients effectively.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

14. Using the Internet is an effective way for financial planners to reach new clients.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

15. The Internet has increased my client base.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

16. In my opinion, financial planners do not understand the nature of competing Internet services.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

17. I feel confident I can explain to prospective clients the benefits of retaining the services of a financial planning professional.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

18. Perceived risk is a major motivation in a person's decision to seek the advice of a financial planning professional.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

19. Financial planning practitioners do not need to make any major adjustments in response to Internet based financial planning tools.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

20. One of the major differences in face-to-face financial planning vs. self-advice via the Internet is the ability of the planner to recognize and adapt to risk taking personalities.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

21. The majority of individuals are not equipped to manage their own financial future.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

22. Clients of financial planning practitioners feel they have more recourse in the event of a lapse in fiduciary responsibility.

-1.00	-.50	0	+.50	+1.00
Strongly disagree	Disagree	Neutral No Relationship	Agree	Strongly Agree

Comments: _____

_____

_____

☐ **Summary Requested.**

Name _____

Address _____

_____

Appendix H: Survey Cover Letter

Dear Colleague:

I am a Ph.D. candidate in the Department of Business & Technology Management at Northcentral University My field of concentration is financial management. As part of my dissertation research, I am conducting a survey of Certified Financial Planners. The purpose of this study is to examine how easily accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners.

You have been randomly selected from the public list of planners made available by the Financial Planning Association, of which I am a member. Your participation consists of completing the attached survey questionnaire. There are 22 questions, and it should take you no more than 15-20 twenty minutes to complete.

As a practicing CFP®, your views and opinions are important to the successful completion of this study. Your responses are completely confidential and will be used only in combination with responses from other individuals. A consent form describing the study in more detail is enclosed. Please read the form carefully.

If you are interested in receiving a summary of the findings, please check the box marked "summary requested" on the last page of the questionnaire and write in your name and mailing address. I will mail you a summary as soon as the project is completed.

Please return the completed questionnaire in the enclosed postage-paid envelope at your earliest convenience. Thank you for your time and participation in this study.

Sincerely,

Martin Reynolds, M.A., PFP, ChFC
Doctoral Candidate in Business Administration

Encl.: Questionnaire
Informed consent form
Postage-paid return envelope

Appendix I: Informed Consent Form

Informed Consent Form

The Impact of Internet-Based Financial Planning Tools on Financial Planners

Purpose. You are invited to participate in a research study. The purpose of this study is to examine how easily accessible Internet financial planning tools such as retirement, investment, and savings rate calculators have affected the client base of financial planners.

Participation requirements. You will be asked to complete a seven-page survey of twenty-two questions about how you and your clients view your practice in comparison to what financial planning tools are or may be available on the Internet. The survey questionnaire should take no more than 15 –20 minutes to complete.

Research Personnel. The following people are involved in this research project and may be contacted at any time:

Martin Reynolds - Researcher (541) 773-7557

Dr. Daljit Singh – Chair, Dissertation Committee (800) 903-9381 x 8699

Dr. Paul C. Cozby – Chair, Ethics Committee (888) 327-2877 x 8054

Potential Risk/ Discomfort. There are no known risks in this study. However, you may withdraw at any time and you may choose not to answer any question that you feel uncomfortable in answering.

Potential Benefit. There are no direct benefits to you of participating in this research. No incentives are offered. The results will have scientific interest that may eventually have benefits for practicing financial planners and students of finance.

Anonymity/ Confidentiality. The data collected in this study are confidential. All data are coded such that your name is not associated with them. In addition, the coded data are made available only to the researchers associated with this project.

Right to Withdraw. You have the right to withdraw from the study at any time without penalty. You may omit answering any questions on the survey if you do not want to answer them.

We would be happy to answer any question that may arise about the study. Please direct your questions or comments to: Martin Reynolds, 3623 Calle Vista Drive, Medford, OR 97504.

Appendix J: Summary of Responses to Questionnaire Items 5 through 22

Resp	SQ5	SQ6	SQ7	SQ8	SQ9	SQ10	SQ11	SQ12	SQ13	SQ14	SQ15	SQ16	SQ17	SQ18	SQ19	SQ20	SQ21	SQ22
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2	2	4	5	2	2	2	4	4	2	3	4	3	5	4	2	4	3	2
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170	2	5	4	1	2	4	4	5	2	2	2	4	5	4	2	3	4	4
171	4	4	4	2	2	4	4	4	4	3	3	4	5	2	4	5	4	2
172	3	4	5	1	5	2	2	4	2	4	2	3	4	3	4	4	5	4
173	3	4	4	3	2	3	3	3	4	2	2	3	4	2	4	3	2	4
174	3	4	5	2	3	3	3		3	2	3	2	4	4	2	5	4	3
175	3	5	5	1	2	2	3		1	1	1	4	5	5	4	3	4	1

Appendix K: Correlations

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xl** (item 5)

		Face-to-Face Relationship	*Dissatisfaction with Internet*
Face-to-Face Relationship	Pearson Correlation	1	.073
	P (2-tailed)		.351
	N	170	167
Dissatisfaction with Internet	Pearson Correlation	.073	1
	P (2-tailed)	.351	
	N	167	167

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xl** (item 17)

		Face-to-Face Relationship	*Benefits of Retaining Planner*
Face-to-Face Relationship	Pearson Correlation	1	.298(**)
	P (2-tailed)		.000
	N	170	170
Benefits of Retaining Planner	Pearson Correlation	.298(**)	1
	P (2-tailed)	.000	
	N	170	175

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xl** (item 20)

		Face-to-Face Relationship	*Adaptation to Personalities*
Face-to-Face Relationship	Pearson Correlation	1	.219(**)
	P (2-tailed)		.004
	N	170	170
Adaptation to Personalities	Pearson Correlation	.219(**)	1
	P (2-tailed)	.004	
	N	170	175

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xl** (item 21)

		Face-to-Face Relationship	*Majority not Equipped*
Face-to-Face Relationship	Pearson Correlation	1	.057
	P (2-tailed)		.459
	N	170	170
Majority not Equipped	Pearson Correlation	.057	1
	P (2-tailed)	.459	
	N	170	175

Dependent Variable **Yd** (item 7) vs. Independent Variable **XI** (item 5)

		Planner vs. Internet Level of Service	*Dissatisfaction with Internet*
Planner vs. Internet Level of Service	Pearson Correlation	1	.039
	P (2-tailed)		.615
	N	172	167
Dissatisfaction with Internet	Pearson Correlation	.039	1
	P (2-tailed)	.615	
	N	167	167

Dependent Variable **Yd** (item 7) vs. Independent Variable **XI** (item 17)

		Planner vs. Internet Level of Service	*Benefits of Retaining Planner*
Planner vs. Internet Level of Service	Pearson Correlation	1	.225(**)
	P (2-tailed)		.003
	N	172	172
Benefits of Retaining Planner	Pearson Correlation	.225(**)	1
	P (2-tailed)	.003	
	N	172	175

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable **Yd** (item 7) vs. Independent Variable **XI** (item 20)

		Planner vs. Internet Level of Service	*Adaptation to Personalities*
Planner vs. Internet Level of Service	Pearson Correlation	1	.101
	P (2-tailed)		.190
	N	172	172
Adaptation to Personalities	Pearson Correlation	.101	1
	P (2-tailed)	.190	
	N	172	175

Dependent Variable **Yd** (item 7) vs. Independent Variable **XI** (item 21)

		Planner vs. Internet Level of Service	*Majority not Equipped*
Planner vs. Internet Level of Service	Pearson Correlation	1	.088
	P (2-tailed)		.250
	N	172	172
Majority not Equipped	Pearson Correlation	.088	1
	P (2-tailed)	.250	
	N	172	175

Dependent Variable **Yd** (item 12) vs. Independent Variable **XI** (item 5)

		Vehicle For Major Decisions	Dissatisfaction with Internet
Vehicle For Major Decisions	Pearson Correlation	1	-.040
	P (2-tailed)		639
	N	147	142
Dissatisfaction with Internet	Pearson Correlation	-.040	1
	P (2-tailed)	.639	
	N	142	167

Dependent Variable **Yd** (item 12) vs. Independent Variable **XI** (item 17)

		Vehicle For Major Decisions	Benefits of Retaining Planner
Vehicle For Major Decisions	Pearson Correlation	1	.158
	P (2-tailed)		.056
	N	147	147
Benefits of Retaining Planner	Pearson Correlation	.158	1
	P (2-tailed)	.056	
	N	147	175

Dependent Variable **Yd** (item 12) vs. Independent Variable **XI** (item 20)

		Vehicle For Major Decisions	Adaptation to Personalities
Vehicle For Major Decisions	Pearson Correlation	1	.046
	P (2-tailed)		.581
	N	147	147
Adaptation to Personalities	Pearson Correlation	.046	1
	P (2-tailed)	.581	
	N	147	175

Dependent Variable **Yd** (item 12) vs. Independent Variable **XI** (item 21)

		Vehicle For Major Decisions	Majority not Equipped
Vehicle For Major Decisions	Pearson Correlation	1	.013
	P (2-tailed)		.874
	N	147	147
Majority not Equipped	Pearson Correlation	.013	1
	P (2-tailed)	.874	
	N	147	175

Dependent Variable **Yd** (item 18) vs. Independent Variable **XI** (item 5)

		Perceived Risk as Motivation	Dissatisfaction with Internet
Perceived Risk as Motivation	Pearson Correlation	1	.042
	P (2-tailed)		.590
	N	173	165
Dissatisfaction with Internet	Pearson Correlation	.042	1
	P (2-tailed)	.590	
	N	165	167

Dependent Variable **Yd** (item 18) vs. Independent Variable **XI** (item 17)

		Perceived Risk as Motivation	Benefits of Retaining Planner
Perceived Risk as Motivation	Pearson Correlation	1	.114
	P (2-tailed)		.137
	N	173	173
Benefits of Retaining Planner	Pearson Correlation	.114	1
	P (2-tailed)	.137	
	N	173	175

Dependent Variable **Yd** (item 18) vs. Independent Variable **XI** (item 20)

		Perceived Risk as Motivation	Adaptation to Personalities
Perceived Risk as Motivation	Pearson Correlation	1	.190(*)
	P (2-tailed)		.012
	N	173	173
Adaptation to Personalities	Pearson Correlation	.190(*)	1
	P (2-tailed)	.012	
	N	173	175

* Correlation is significant at the 0.05 level (2-tailed).

Dependent Variable **Yd** (item 18) vs. Independent Variable **XI** (item 21)

		Perceived Risk as Motivation	Majority not Equipped
Perceived Risk as Motivation	Pearson Correlation	1	.135
	P (2-tailed)		.076
	N	173	173
Majority not Equipped	Pearson Correlation	.135	1
	P (2-tailed)	.076	
	N	173	175

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xc** (item 10)

		Face-to-Face Relationship	Awareness of Internet Options
Face-to-Face Relationship	Pearson Correlation	1	-.004
	P (2-tailed)		.957
	N	170	168
Awareness of Internet Options	Pearson Correlation	-.004	1
	P (2-tailed)	.957	
	N	168	173

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xc** (item 15)

		Face-to-Face Relationship	Internet has Increased ClientBase
Face-to-Face Relationship	Pearson Correlation	1	-.051
	P (2-tailed)		.515
	N	170	168
Internet has Increased ClientBase	Pearson Correlation	-.051	1
	P (2-tailed)	.515	
	N	168	172

Dependent Variable **Yd** (item 7) vs. Independent Variable **Xc** (item 10)

		Planner vs. Internet Level of Service	Awareness of Internet Options
Planner vs. Internet Level of Service	Pearson Correlation	1	-.028
	P (2-tailed)		.715
	N	172	170
Awareness of Internet Options	Pearson Correlation	-.028	1
	P (2-tailed)	.715	
	N	170	173

Dependent Variable **Yd** (item 7) vs. Independent Variable **Xc** (item 15)

		Planner vs. Internet Level of Service	Internet has Increased ClientBase
Planner vs. Internet Level of Service	Pearson Correlation	1	.153(*)
	P (2-tailed)		.046
	N	172	170
Internet has Increased ClientBase	Pearson Correlation	.153(*)	1
	P (2-tailed)	.046	
	N	170	172

* Correlation is significant at the 0.05 level (2-tailed).

Dependent Variable **Yd** (item 12) vs. Independent Variable **Xc** (item 10)

		Vehicle For Major Decisions	Awareness of Internet Options
Vehicle For Major Decisions	Pearson Correlation	1	-.036
	P (2-tailed)		.667
	N	147	145
Awareness of Internet Options	Pearson Correlation	-.036	1
	P (2-tailed)	.667	
	N	145	173

Dependent Variable **Yd** (item 12) vs. Independent Variable **Xc** (item 15)

		Vehicle For Major Decisions	Internet has Increased ClientBase
Vehicle For Major Decisions	Pearson Correlation	1	-.019
	P (2-tailed)		.822
	N	147	145
Internet has Increased ClientBase	Pearson Correlation	-.019	1
	P (2-tailed)	.822	
	N	145	172

Dependent Variable **Yd** (item 18) vs. Independent Variable **Xc** (item 10)

		Perceived Risk as Motivation	Awareness of Internet Options
Perceived Risk as Motivation	Pearson Correlation	1	.134
	P (2-tailed)		.081
	N	173	171
Awareness of Internet Options	Pearson Correlation	.134	1
	P (2-tailed)	.081	
	N	171	173

Dependent Variable **Yd** (item 18) vs. Independent Variable **Xc** (item 15)

		Perceived Risk as Motivation	Internet has Increased ClientBase
Perceived Risk as Motivation	Pearson Correlation	1	.028
	P (2-tailed)		.720
	N	173	170
Internet has Increased ClientBase	Pearson Correlation	.028	1
	P (2-tailed)	.720	
	N	170	172

Dependent Variable **Yd** (item 6) vs. Independent Variable **Xs** (item 22)

		Face-to-Face Relationship	Fiduciary Responsibility
Face-to-Face Relationship	Pearson Correlation	1	.142
	P (2-tailed)		.068
	N	170	165
Fiduciary Responsibility	Pearson Correlation	.142	1
	P (2-tailed)	.068	
	N	165	169

Dependent Variable **Yd** (item7) vs. Independent Variable **Xs** (item 22)

		Planner vs. Internet Level of Service	Fiduciary Responsibility
Planner vs. Internet Level of Service	Pearson Correlation	1	.117
	P (2-tailed)		.133
	N	172	167
Fiduciary Responsibility	Pearson Correlation	.117	1
	P (2-tailed)	.133	
	N	167	169

Dependent Variable **Yd** (item 12) vs. Independent Variable **Xs** (item 22)

		Vehicle For Major Decisions	Fiduciary Responsibility
Vehicle For Major Decisions	Pearson Correlation	1	.050
	P (2-tailed)		.554
	N	147	143
Fiduciary Responsibility	Pearson Correlation	.050	1
	P (2-tailed)	.554	
	N	143	169

Dependent Variable **Yd** (item 18) vs. Independent Variable **Xs** (item 22)

		Perceived Risk as Motivation	Fiduciary Responsibility
Perceived Risk as Motivation	Pearson Correlation	1	.264(**)
	P (2-tailed)		.001
	N	173	167
Fiduciary Responsibility	Pearson Correlation	.264(**)	1
	P (2-tailed)	.001	
	N	167	169

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yw (item 11) vs. Dep Variable Yi as Med Variable (item 8)

		Planner Websites	Clients Opting for Internet
Planner Websites	Pearson Correlation	1	-.097
	P (2-tailed)		.210
	N	169	169
Clients Opting for Internet	Pearson Correlation	-.097	1
	P (2-tailed)	.210	
	N	169	175

Dependent Variable Yw (item 11) vs. Dep Variable Yi as Med Variable (item 9)

		Planner Websites	Concern Over Cost
Planner Websites	Pearson Correlation	1	.038
	P (2-tailed)		.627
	N	169	169
Concern Over Cost	Pearson Correlation	.038	1
	P (2-tailed)	.627	
	N	169	175

Dependent Variable Yw (item 11) vs. Dep Variable Yi as Med Variable (item 10)

		Planner Websites	Awareness of Internet Options
Planner Websites	Pearson Correlation	1	.143
	P (2-tailed)		.064
	N	169	168
Awareness of Internet Options	Pearson Correlation	.143	1
	P (2-tailed)	.064	
	N	168	173

Dependent Variable Yw (item 13) vs. Dep Variable Yi as Med Variable (item 8)

		Necessity of Planner Website	Clients Opting for Internet
Necessity of Planner Website	Pearson Correlation	1	-.060
	P (2-tailed)		.430
	N	173	173
Clients Opting for Internet	Pearson Correlation	-.060	1
	P (2-tailed)	.430	
	N	173	175

Dependent Variable Yw (item 13) vs. Dep Variable Yi as Med Variable (item 9)

		Necessity of Planner Website	Concern Over Cost
Necessity of Planner Website	Pearson Correlation	1	-.122
	P (2-tailed)		.110
	N	173	173
Concern Over Cost	Pearson Correlation	-.122	1
	P (2-tailed)	.110	
	N	173	175

Dependent Variable Yw (item 13) vs. Dep Variable Yi as Med Variable (item10)

		Necessity of Planner Website	Awareness of Internet Options
Necessity of Planner Website	Pearson Correlation	1	-.172(*)
	P (2-tailed)		.024
	N	173	171
Awareness of Internet Options	Pearson Correlation	-.172(*)	1
	P (2-tailed)	.024	
	N	171	173

- Correlation is significant at the 0.05 level (2-tailed).

Dependent Variable Yw (item 14) vs. Dep Variable Yi as Med Variable (item 8)

		Using Internet to Reach Clients	Clients Opting for Internet
Using Internet to Reach Clients	Pearson Correlation	1	.195(**)
	P (2-tailed)		.010
	N	173	173
Clients Opting for Internet	Pearson Correlation	.195(**)	1
	P (2-tailed)	.010	
	N	173	175

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yw (item 14) vs. Dep Variable Yi as Med Variable (item 9)

		Using Internet to Reach Clients	Concern Over Cost
Using Internet to Reach Clients	Pearson Correlation	1	.136
	P (2-tailed)		.074
	N	173	173
Concern Over Cost	Pearson Correlation	.136	1
	P (2-tailed)	.074	
	N	173	175

Dependent Variable Yw (item 14) vs. Dep Variable Yi as Med Variable (item10)

		Using Internet to Reach Clients	Awareness of Internet Options
Using Internet to Reach Clients	Pearson Correlation	1	.083
	P (2-tailed)		.278
	N	173	171
Awareness of Internet Options	Pearson Correlation	.083	1
	P (2-tailed)	.278	
	N	171	173

Dependent Variable Yw (item 16) vs. Dep Variable Yi as Med Variable (item 8)

		Planner Understanding of Internet	Clients Opting for Internet
Planner Understanding of Internet	Pearson Correlation	1	.025
	P (2-tailed)		.743
	N	174	174
Clients Opting for Internet	Pearson Correlation	.025	1
	P (2-tailed)	.743	
	N	174	175

Dependent Variable Yw (item 16) vs. Dep Variable Yi as Med Variable (item 9)

		Planner Understanding of Internet	Concern Over Cost
Planner Understanding of Internet	Pearson Correlation	1	.115
	P (2-tailed)		.129
	N	174	174
Concern Over Cost	Pearson Correlation	.115	1
	P (2-tailed)	.129	
	N	174	175

Dependent Variable Yw (item 16) vs. Dep Variable Yi as Med Variable (item10)

		Planner Understanding of Internet	Awareness of Internet Options
Planner Understanding of Internet	Pearson Correlation	1	.014
	P (2-tailed)		.855
	N	174	172
Awareness of Internet Options	Pearson Correlation	.014	1
	P (2-tailed)	.855	
	N	172	173

Dependent Variable Yw (item 19) vs. Dep Variable Yi as Med Variable (item 8)

		Need for Adjustments	Clients Opting for Internet
Need for Adjustments	Pearson Correlation	1	-.114
	P (2-tailed)		.134
	N	175	175
Clients Opting for Internet	Pearson Correlation	-.114	1
	P (2-tailed)	.134	
	N	175	175

Dependent Variable Yw (item 19) vs. Dep Variable Yi as Med Variable (item 9)

		Need for Adjustments	Concern Over Cost
Need for Adjustments	Pearson Correlation	1	-.174(*)
	P (2-tailed)		.021
	N	175	175
Concern Over Cost	Pearson Correlation	-.174(*)	1
	P (2-tailed)	.021	
	N	175	175

* Correlation is significant at the 0.05 level (2-tailed).

Dependent Variable Yw (item 19) vs. Dep Variable Yi as Med Variable (item10)

		Need for Adjustments	Awareness of Internet Options
Need for Adjustments	Pearson Correlation	1	-.111
	P (2-tailed)		.148
	N	175	173
Awareness of Internet Options	Pearson Correlation	-.111	1
	P (2-tailed)	.148	
	N	173	173

Dependent Variable Yw (item 11) vs. Independent Variable Xc (item 15)

		Planner Websites	Internet has Increased ClientBase
Planner Websites	Pearson Correlation	1	.229(**)
	P (2-tailed)		.003
	N	169	168
Internet has Increased ClientBase	Pearson Correlation	.229(**)	1
	P (2-tailed)	.003	
	N	168	172

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yw (item 13) vs. Independent Variable Xc (item 15)

		Necessity of Planner Website	Internet has Increased ClientBase
Necessity of Planner Website	Pearson Correlation	1	-.317(**)
	P (2-tailed)		.000
	N	173	170
Internet has Increased ClientBase	Pearson Correlation	-.317(**)	1
	P (2-tailed)	.000	
	N	170	172

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yw (item 14) vs. Independent Variable Xc (item 15)

		Using Internet to Reach Clients	Internet has Increased ClientBase
Using Internet to Reach Clients	Pearson Correlation	1	.538(**)
	P (2-tailed)		.000
	N	173	171
Internet has Increased ClientBase	Pearson Correlation	.538(**)	1
	P (2-tailed)	.000	
	N	171	172

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yw (item 16) vs. Independent Variable Xc (item 15)

		Planner Understanding of Internet	Internet has Increased ClientBase
Planner Understanding of Internet	Pearson Correlation	1	.050
	P (2-tailed)		.511
	N	174	172
Internet has Increased ClientBase	Pearson Correlation	.050	1
	P (2-tailed)	.511	
	N	172	172

Dependent Variable Yw (item 19) vs. Independent Variable Xc (item 15)

		Need for Adjustments	Internet has Increased ClientBase
Need for Adjustments	Pearson Correlation	1	-.195(*)
	P (2-tailed)		.010
	N	175	172
Internet has Increased ClientBase	Pearson Correlation	-.195(*)	1
	P (2-tailed)	.010	
	N	172	172

* Correlation is significant at the 0.05 level (2-tailed).

Dependent Variable Yw (item 11) vs. Independent Variable Xs (item 5)

		Planner Websites	Dissatisfaction with Internet
Planner Websites	Pearson Correlation	1	.002
	P (2-tailed)		.977
	N	169	163
Dissatisfaction with Internet	Pearson Correlation	.002	1
	P (2-tailed)	.977	
	N	163	167

Dependent Variable Yw (item 11) vs. Independent Variable Xs (item 22)

		Planner Websites	Fiduciary Responsibility
Planner Websites	Pearson Correlation	1	.120
	P (2-tailed)		.128
	N	169	163
Fiduciary Responsibility	Pearson Correlation	.120	1
	P (2-tailed)	.128	
	N	163	169

Dependent Variable Yw (item 13) vs. Independent Variable Xs (item 5)

		Necessity of Planner Website	Dissatisfaction with Internet
Necessity of Planner Website	Pearson Correlation	1	-.037
	P (2-tailed)		.638
	N	173	165
Dissatisfaction with Internet	Pearson Correlation	-.037	1
	P (2-tailed)	.638	
	N	165	167

Dependent Variable Yw (item 13) vs. Independent Variable Xs (item 22)

		Necessity of Planner Website	Fiduciary Responsibility
Necessity of Planner Website	Pearson Correlation	1	.055
	P (2-tailed)		.477
	N	173	167
Fiduciary Responsibility	Pearson Correlation	.055	1
	P (2-tailed)	.477	
	N	167	169

Dependent Variable Yw (item 14) vs. Independent Variable Xs (item 5)

		Using Internet to Reach Clients	Dissatisfaction with Internet
Using Internet to Reach Clients	Pearson Correlation	1	-.042
	P (2-tailed)		.587
	N	173	166
Dissatisfaction with Internet	Pearson Correlation	-.042	1
	P (2-tailed)	.587	
	N	166	167

Dependent Variable Yw (item 14) vs. Independent Variable Xs (item 22)

		Using Internet to Reach Clients	Fiduciary Responsibility
Using Internet to Reach Clients	Pearson Correlation	1	.134
	P (2-tailed)		.084
	N	173	167
Fiduciary Responsibility	Pearson Correlation	.134	1
	P (2-tailed)	.084	
	N	167	169

Dependent Variable Yw (item 16) vs. Independent Variable Xs (item 5)

		Planner Understanding of Internet	Dissatisfaction with Internet
Planner Understanding of Internet	Pearson Correlation	1	-.049
	P (2-tailed)		.532
	N	174	166
Dissatisfaction with Internet	Pearson Correlation	-.049	1
	P (2-tailed)	.532	
	N	166	167

Dependent Variable Yw (item 16) vs. Independent Variable Xs (item 22)

		Planner Understanding of Internet	Fiduciary Responsibility
Planner Understanding of Internet	Pearson Correlation	1	.096
	P (2-tailed)		.215
	N	174	168
Fiduciary Responsibility	Pearson Correlation	.096	1
	P (2-tailed)	.215	
	N	168	169

Dependent Variable Yw (item 19) vs. Independent Variable Xs (item 5)

		Need for Adjustments	Dissatisfaction with Internet
Need for Adjustments	Pearson Correlation	1	.135
	P (2-tailed)		.083
	N	175	167
Dissatisfaction with Internet	Pearson Correlation	.135	1
	P (2-tailed)	.083	
	N	167	167

Dependent Variable Yw (item 19) vs. Independent Variable Xs (item 22)

		Need for Adjustments	Fiduciary Responsibility
Need for Adjustments	Pearson Correlation	1	-.051
	P (2-tailed)		.508
	N	175	169
Fiduciary Responsibility	Pearson Correlation	-.051	1
	P (2-tailed)	.508	
	N	169	169

Dependent Variable Yi (item 8) vs. Independent Variable Xi (item 9)

		Clients Opting for Internet	Concern Over Cost
Clients Opting for Internet	Pearson Correlation	1	.287(**)
	P (2-tailed)		.000
	N	175	175
Concern Over Cost	Pearson Correlation	.287(**)	1
	P (2-tailed)	.000	
	N	175	175

** Correlation is significant at the 0.01 level (2-tailed).

Dependent Variable Yi (item 8) vs. Independent Variable Xi (item 10)

		Clients Opting for Internet	Awareness of Internet Options
Clients Opting for Internet	Pearson Correlation	1	.130
	P (2-tailed)		.089
	N	175	173
Awareness of Internet Options	Pearson Correlation	.130	1
	P (2-tailed)	.089	
	N	173	173

Appendix L: Regression Analysis

Dependent Variable Yd (item 6) vs. Independent Variable Xl (items 5, 17, 20, and 21)

R	R Square	Adjusted R Square	Std. Error of the Estimate
.342(a)	.117	.095	.664

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	5.381	000(a)
Residual	162		
Total	166		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Face-to-Face Relationship

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)		.543	2.250	4.146	.000
Dissatisfaction with Internet	.026	.051	.037	500	.618
Benefits of Retaining Planner	.349	.100	.264	3.478	.001
Adaptation to Personalities	.160	.070	.173	2.297	.023
Majority not Equipped	-.011	.068	-.012	-.165	.870

a Dependent Variable: Face-to-Face Relationship

Dependent Variable Yd (item 7) vs. Independent Variable Xl (items 5,17,20, and 21)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.242(a)	.059	.035	.524

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	2.518	.043(a)
Residual	162		
Total	166		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Planner vs. Internet Level of Service

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	3.417	.429		7.968	.000
Dissatisfaction with Internet	.007	.041	.014	176	.861
Benefits of Retaining Planner	.215	.079	.212	2.708	.007
Adaptation to Personalities	.039	.055	.055	.711	.478
Majority not Equipped	.030	.054	.043	.551	.583

a Dependent Variable: Planner vs. Internet Level of Service

Dependent Variable Yd (item 12) vs. Independent Variable Xl (items 5, 17, 20, and 21)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.177(a)	.031	.003	.940

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	1.104	.357(a)
Residual	137		
Total	141		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Vehicle For Major Decisions

Dependent Variable Yd (item 18) vs. Independent Variable Xl (items 5,17,20, and 21)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.224(a)	.050	.027	.884

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

ANOVA

	df	*F*	*p*
Regression	4	2.118	.081(a)
Residual	160		
Total	164		

a Predictors: (Constant), Majority not Equipped, Dissatisfaction with Internet, Adaptation to Personalities, Benefits of Retaining Planner

b Dependent Variable: Perceived Risk as Motivation

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	2.040	.726		2.809	.006
Dissatisfaction with Internet	.014	.069	.016	.202	.840
Benefits of Retaining Planner	.120	.134	.071	.894	.372
Adaptation to Personalities	.188	.093	.159	2.022	.045
Majority not Equipped	.109	.092	.094	1.191	.235

a Dependent Variable: Perceived Risk as Motivation

Dependent Variable Yd (item 6) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.056(a)	.003	-.009	.701

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.256	.775(a)
Residual	164		
Total	166		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

b Dependent Variable: Face-to-Face Relationship

Dependent Variable Yd (item 7) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.156(a)	.024	.012	.528

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	2.057	.131(a)
Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Planner vs. Internet Level of Service

Dependent Variable Yd (item 12) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.035(a)	.001	-.013	.947

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.086	.918(a)
Residual	141		
Total	143		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Vehicle For Major Decisions

Dependent Variable Yd (item 18) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.134(a)	.018	.006	.883

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	1.508	.224(a)
Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased ClientBase, Awareness of Internet Options
b Dependent Variable: Perceived Risk as Motivation

Dependent Variable Yd (item 6) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.156(a)	.024	.012	.698

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	2.004	.138(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Face-to-Face Relationship

Dependent Variable Yd (item 7) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.132(a)	.017	.005	.530

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.408	.248(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner vs. Internet Level of Service

Dependent Variable Yd (item 12) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.064(a)	.004	-.010	.951

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	.278	.758(a)
Residual	137		
Total	139		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Vehicle For Major Decisions

Dependent Variable Yd (item 18) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.270(a)	.073	.061	.876

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	6.192	.003(a)
Residual	158		
Total	160		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Perceived Risk as Motivation

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*P*
	B	Std. Error	Beta		
(Constant)	2.783	.357		7.803	.000
Dissatisfaction with Internet	.040	.068	.045	.589	.557
Fiduciary Responsibility	282	.081	.265	3.464	.001

a Dependent Variable: Perceived Risk as Motivation

Dependent Variable Yw (item 11) vs. Dependent Variable Yi as Med Variable (items 8, 9, and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.191(a)	.036	.019	1.098

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.068	.107(a)
Residual	164		
Total	167		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet
b Dependent Variable: Planner Websites

Dependent Variable Yw (item 13) vs. Dependent Variable Yi as Med Variable (items 8, 9, and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.204(a)	.042	.024	1.135

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.421	.068(a)
Residual	167		
Total	170		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Necessity of Planner Website

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	4.177	.374		11.161	.000
Clients Opting for Internet	-.027	.116	-.018	-.230	.818
Concern Over Cost	-.132	.102	-.103	-1.294	.198
Awareness of Internet Options	-.195	.093	-.161	-2.105	.037

a Dependent Variable: Necessity of Planner Website

Dependent Variable Yw (item 14) vs. Dependent Variable Yi as Med Variable (items 8, 9, and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.226(a)	.051	.034	1.026

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.995	.032(a)
Residual	167		
Total	170		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Using Internet to Reach Clients

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	2.349	.338		6.942	.000
Clients Opting for Internet	.228	.104	.173	2.189	.030
Concern Over Cost	.095	.091	.082	1.040	.300
Awareness of Internet Options	.058	.084	.053	691	.491

a Dependent Variable: Using Internet to Reach Clients

Dependent Variable Yw (item 16) vs. Dependent Variable Yi as Med Variable (items 8, 9, and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.114(a)	.013	-.005	.895

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	Sum of Squares	*df*	*Mean Square*	*F*	*p*
Regression	1.759	3	.586	.731	.535(a)
Residual	134.677	168	802		
Total	136.436	171			

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Planner Understanding of Internet

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	2.845	.295		9.639	.000
Clients Opting for Internet	-.017	.091	-.015	-.187	.852
Concern Over Cost	.115	.079	.116	1.452	.148
Awareness of Internet Options	.005	.073	.006	.073	.942

a Dependent Variable: Planner Understanding of Internet

Dependent Variable Yw (item 19) vs. Dependent Variable Yi as Med Variable (items 8, 9, and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.212(a)	.045	.028	.921

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	3	2.647	.051(a)
Residual	169		
Total	172		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost, Clients Opting for Internet

b Dependent Variable: Need for Adjustments

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	3.419	.304		11.264	.000
Clients Opting for Internet	-.052	.093	-.044	-.561	.576
Concern Over Cost	-.170	.082	-.164	-2.086	.038
Awareness of Internet Options	-.090	.075	-.091	-1.195	.234

a Dependent Variable: Need for Adjustments

Dependent Variable Yw (item 11) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.249(a)	.062	.050	1.081

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	Sum of Squares	*df*	*Mean Square*	*F*	*p*
Regression	12.640	2	6.320	5.406	.005(a)
Residual	191.720	164	1.169		
Total	204.359	166			

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

b Dependent Variable: Planner Websites

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	2.159	.333		6.490	.000
Awareness of Internet Options	.140	.090	.118	1.556	.122
Internet has Increased Client Base	.208	.076	.207	2.726	.007

a Dependent Variable: Planner Websites

Dependent Variable Yw (item 13) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.347(a)	.120	.110	1.085

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	11.355	000(a)
Residual	166		
Total	168		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Necessity of Planner Website

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*P*
	B	Std. Error	Beta		
(Constant)	4.580	.332		13.775	.000
Awareness of Internet Options	-.185	.089	-.152	-2.084	.039
Internet has Increased Client Base	-.310	.075	-.302	-4.138	.000

a Dependent Variable: Necessity of Planner Website

Dependent Variable Yw (item 14) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.536(a)	.288	.279	.880

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	33.740	000(a)
Residual	167		
Total	169		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Using Internet to Reach Clients

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	1.710	.269		6.352	.000
Awareness of Internet Options	.042	.072	.038	.578	.564
Internet has Increased Client Base	.496	.061	.533	8.137	.000

a Dependent Variable: Using Internet to Reach Clients

Dependent Variable Yw (item 16) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.060(a)	.004	-.008	.897

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	.307	.736(a)
Residual	168		
Total	170		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Planner Understanding of Internet

Dependent Variable Yw (item 19) vs. Independent Variable Xc (items 10 and 15)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.221(a)	.049	.038	.920

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options

ANOVA

	df	*F*	*p*
Regression	2	4.324	.015(a)
Residual	168		
Total	170		

a Predictors: (Constant), Internet has Increased Client Base, Awareness of Internet Options
b Dependent Variable: Need for Adjustments

Coefficients(a)

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	3.350	.281		11.911	.000
Awareness of Internet Options	-.096	.075	-.097	-1.284	.201
Internet has Increased Client Base	-.162	.063	-.193	-2.554	.012

a Dependent Variable: Need for Adjustments

Dependent Variable Yw (item 11) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.114(a)	.013	000	1.125

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.035	.358(a)
Residual	156		
Total	158		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner Websites

Dependent Variable Yw (item 13) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.087(a)	.008	-.005	1.155

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	.606	.547(a)
Residual	158		
Total	160		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Necessity of Planner Website

Dependent Variable Yw (item 14) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.141(a)	.020	.008	1.043

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.619	.201(a)
Residual	159		
Total	161		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Using Internet to Reach Clients

Dependent Variable Yw (item 16) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.117(a)	.014	.001	.895

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.094	.337(a)
Residual	159		
Total	161		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Planner Understanding of Internet

Dependent Variable Yw (item 19) vs. Independent Variable Xs (items 5 and 22)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.139(a)	.019	.007	.956

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet

ANOVA

	df	*F*	*p*
Regression	2	1.570	.211(a)
Residual	160		
Total	162		

a Predictors: (Constant), Fiduciary Responsibility, Dissatisfaction with Internet
b Dependent Variable: Need for Adjustments

Dependent Variable Yw (item 11) vs. Independent Variable Xg (item 8)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.097(a)	.009	.003	1.112

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	1.582	.210(a)
Residual	167		
Total	168		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Planner Websites

Dependent Variable Yw (item 13) vs. Independent Variable Xg (item 8)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.060(a)	.004	-.002	1.151

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	.626	.430(a)
Residual	171		
Total	172		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Necessity of Planner Website

Dependent Variable Yw (item 14) vs. Independent Variable Xg (item 8)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.195(a)	.038	.033	1.025

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	6.792	.010(a)
Residual	171		
Total	172		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Using Internet to Reach Clients

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	2.728	.176		15.523	.000
Clients Opting for Internet	.257	.099	.195	2.606	.010

a Dependent Variable: Using Internet to Reach Clients

Dependent Variable Yw (item 16) vs. Independent Variable Xg (item 8)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.025(a)	.001	-.005	.894

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	.108	.743(a)
Residual	172		
Total	173		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Planner Understanding of Internet

Dependent Variable Yw (item 19) vs. Independent Variable Xg (item 8)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.114(a)	.013	.007	.943

a Predictors: (Constant), Clients Opting for Internet

ANOVA

	df	*F*	*p*
Regression	1	2.263	.134(a)
Residual	173		
Total	174		

a Predictors: (Constant), Clients Opting for Internet
b Dependent Variable: Need for Adjustments

Dependent Variable Yi (item 8) vs. Independent Variable Xl (items 9 and 10)

R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
.307(a)	.094	.084	.757

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost

ANOVA

	df	*F*	*p*
Regression	2	8.852	.000(a)
Residual	170		
Total	172		

a Predictors: (Constant), Awareness of Internet Options, Concern Over Cost
b Dependent Variable: Clients Opting for Internet

Coefficients

	Unstandardized Coefficients		*Standardized Coefficients*	*t*	*p*
	B	Std. Error	Beta		
(Constant)	.718	.243		2.950	.004
Concern Over Cost	.246	.064	.279	3.815	.000
Awareness of Internet Options	.089	.061	.106	1.441	.152

a Dependent Variable: Clients Opting for Internet

Appendix M: Summary of Practitioner Information - Items 1 and 2

Resp	Exper					Licenses and Desig								
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
1				4		1	2	3		5				9
2					5	1								9
3					5	1	2	3						
4		2				1					6			
5				4		1								9
6				4		1							8	
7			3			1								
8		2				1					6		8	
9				4		1								
10		2				1								
11		2				1						7	8	
12		2				1								
13		2				1			4		6			
14				4		1								
15			3			1							8	
16				4		1	2						8	
17					5	1								
18		2				1								
19				4		1							8	
20					5	1	2	3						
21			3			1								9
22		2				1				5				
23				4		1								
24				4		1	2	3						9
25					5	1	2							

Resp	Exper					Licenses and Desig								
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
26			3			1								
27			3			1	2	3						9
28	1					1					6			
29			3			1								
30					5	1	2							
31	1					1				5		7	8	
32		2				1	2							
33		2				1								9
34					5	1								9
35					5	1								
36				4		1					6			
37			3			1							8	
38		2				1								9
39					5	1								
40					5	1					6			
41					5	1								
42				4		1				5				
43				4		1	2	3						
44				4		1								9
45		2				1								9
46				4		1								
47					5	1								
48	1					1							8	
49				4		1				5				
50					5	1								

Resp	Exper					Licenses and Desig								
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
51	1					1							8	
52		2				1			4		6			
53			3			1								9
54			3			1								
55			3			1								9
56		2				1								
57					5	1								
58			3			1							8	
59		2				1								
60				4		1								
61	1					1				5				
62					5	1				5				
63			3			1			4		6		8	9
64					5	1							8	
65				4		1								
66		2				1								
67				4		1	2						8	
68					5	1					6			
69	1					1								
70					5	1	2	3						9
71					5	1								
72			3			1	2						8	
73			3			1								
74			3			1		3					8	
75			3			1				5				9

Resp	Exper						Licenses and Desig						
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
76		2				1								
77				4		1								
78					5	1	2	3						
79		2				1								
80					5	1								9
81					5	1				5				
82				4		1								
83			3			1								9
84	1					1					6			
85	1					1								
86				4		1								
87		2				1								9
88				4		1								
89	1					1								
90	1					1			4	5			8	
91			3			1							8	
92					5	1				5			8	
93				4		1								9
94					5	1				5			8	9
95		2				1				5				9
96				4		1								
97				4		1								
98			3			1								
99		2				1								
100				4		1								

Resp	Exper					Licenses and Desig							
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
101				4		1	2	3						9
102		2				1								
103					5	1								
104			3			1								
105				4		1								9
106					5	1	2	3					8	9
107		2				1								
108					5	1	2	3						9
109	1					1							8	
110			3			1	2	3					8	9
111		2				1								
112				4		1	2						8	
113					5	1						7		
114				4		1							8	
115			3			1								
116		2				1								
117			3			1	2	3						
118		2				1								
119					5	1								
120				4		1								
121			3			1								
122				4		1								
123				4		1			4		6			
124			3			1	2						8	
125				4		1				5				

Resp	Exper					Licenses and Desig							
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
126		2				1					6			9
127			3			1				5			8	9
128		2				1								
129				4		1								
130		2				1					6			
131			3			1							8	
132			3			1								
133					5	1								
134		2				1							8	9
135				4		1	2	3						9
136					5	1								
137					5	1				5				
138					5	1							8	
139					5	1								
140					5	1					6			
141		2				1				5			8	
142					5	1			4			7		
143			3			1								
144					5	1		3						9
145			3			1				5				9
146					5	1	2	3						
147	1					1							8	
148				4		1								9
149					5	1			4	5				9
150					5	1							8	

Resp	Exper					Licenses and Desig								
	1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
151			3			1								9
152					5	1								
153			3			1		3						
154		2				1			4					
155		2				1								
156	1					1								
157	1					1	2	3					8	
158			3			1								
159					5	1								
160				4		1						7		9
161					5	1								
162				4		1				5				
163					5	1							8	
164				4		1					6			
165					5	1							8	9
166		2				1								
167					5	1	2	3						9
168			3			1							8	
169			3			1							8	
170			3			1								
171				4		1								
172	1					1				5				
173					5	1	2	3						
174					5	1								
175					5	1								

Resp		Exper							Licenses and Desig						
		1-5 (1)	5-10 (2)	10-15 (3)	15-20 (4)	>20yrs (5)	CFP (1)	ChFC (2)	CLU (3)	CFA (4)	CPA (5)	EA (6)	JD (7)	MBA (8)	Other (9)
Total		15	68	108	164	245	175	52	63	32	105	90	35	304	351
Divisor		1	2	3	4	5	1	2	3	4	5	6	7	8	9
Data		15	34	36	41	49	175	26	21	8	21	15	5	38	39
Total %	Resp	175	175	175	175	175	175	175	175	175	175	175	175	175	175
Total	Resp	8.57%	19.43%	20.57%	23.43%	28.00%	100%	14.86%	12.00%	4.57%	12.00%	8.57%	2.86%	21.71%	22.29%

Appendix N: Summary of Practitioner Information - Items 3 and 4

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
1	1	2	3		1				
2	1	2	3		1				
3	1	2	3					4	
4	1				1				
5	1	2	3					4	
6	1	2						4	
7		2	3			2			
8			3		1				
9		2	3					4	
10	1	2	3		1				
11		2			1				5
12	1								
13	1	2	3			2			
14	1	2						4	
15	1	2	3					4	
16	1	2					3		
17	1	2	3					4	
18	1	2				2			
19			3		1				
20	1	2	3					4	
21	1	2	3	4		2			
22	1	2							5
23	1						3		
24	1	2	3					4	
25		2			1				

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
26			3			2			
27	1	2	3					4	
28	1				1				
29	1	2	3		1				
30	1	2	3				3		
31	1								5
32	1	2	3		1				
33			3					4	
34	1	2	3					4	
35	1	2	3					4	
36	1				1				
37		2				2			
38	1								5
39	1	2					3		
40	1								5
41			3		1				
42		2				2			
43	1	2	3			2			
44		2				2			
45	1	2	3			2			
46	1	2	3		1				
47			3			2			
48	1	2	3			2			
49	1		3		1				
50	1	2	3					4	

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
51		2						4	
52	1	2			1				
53	1	2	3				3		
54	1	2	3			2			
55		2						4	
56		2						4	
57	1	2	3					4	
58	1	2					3		
59		2	3			2			
60	1	2	3				3		
61	1				1				
62		2	3					4	
63	1	2						4	
64	1	2	3					4	
65	1	2			1				
66	1								5
67		2		4		2			
68		2						4	
69			3					4	
70	1	2	3				3		
71		2	3					4	
72	1	2	3					4	
73		2					3		
74	1	2	3					4	
75	1								5

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
76	1	2	3				3		
77	1	2	3		1				
78	1	2	3				3		
79	1							4	
80	1	2	3					4	
81	1	2					3		
82	1		3			2			
83		2						4	
84	1	2	3		1				
85		2	3		1				
86	1	2	3					4	
87	1		3		1				
88		2	3			2			
89	1		3		1				
90	1	2			1				
91	1		3					4	
92		2						4	
93		2	3			2			
94	1				1				
95	1	2		4				4	
96		2						4	
97	1		3					4	
98		2						4	
99		2	3			2			
100	1					2			

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
101		2	3			2			
102	1	2						4	
103	1	2	3			2			
104	1	2					3		
105		2	3				3		
106	1	2	3					4	
107	1	2	3			2			
108	1	2	3					4	
109	1	2	3		1				
110	1	2	3			2			
111	1	2	3			2			
112	1	2	3					4	
113	1	2						4	
114	1	2						4	
115	1					2			
116		2						4	
117	1	2	3					4	
118	1	2	3			2			
119	1	2						4	
120	1	2	3					4	
121	1	2	3	4		2			
122			3			2			
123	1	2				2			
124	1	2	3				3		
125	1								5

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
126	1						3		
127	1	2	3		1				
128	1	2	3					4	
129		2						4	
130	1								5
131				4		2			
132	1	2	3				3		
133	1	2	3					4	
134	1	2						4	
135	1	2	3					4	
136	1	2	3			2			
137	1		3					4	
138		2						4	
139	1	2	3					4	
140	1	2						4	
141		2				2			
142	1							4	
143	1	2	3			2			
144			3					4	
145	1		3					4	
146		2	3					4	
147	1				1				
148			3		1				
149	1	2				2			
150	1	2	3					4	

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP (1)	Fee % Assets (2)	Comm etc (3)	Other (4)	1 - 10 (1)	10 - 25 (2)	25 - 40 (3)	> 40 m (4)	Not Stated
151	1	2	3			2			
152	1	2	3					4	
153	1		3		1				
154		2	3		1				
155		2	3			2			
156	1	2	3		1				
157	1	2	3		1				
158			3					4	
159	1	2	3	4				4	
160	1	2						4	
161	1	2	3			2			
162	1	2				2			
163		2						4	
164	1	2	3			2			
165			3				3		
166			3		1				
167	1	2	3					4	
168		2						4	
169	1		3		1				
170	1	2						4	
171	1	2						4	
172	1	2				2			
173			3			2			
174	1		3				3		
175	1	2	3			2			

Resp	Charges				Total	Assets	Managed	in US	Millions
	Fee for FP	Fee % Assets	Comm etc	Other	1 - 10	10 - 25	25 - 40	> 40 m	Not Stated
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	
Total	125	258	318	24	35	86	57	276	45
Divisor	1	2	3	4	1	2	3	4	5
Data	125	129	106	6	35	43	19	69	9
Total	175	175	175	175	175	175	175	175	175
	71.43%	73.71%	60.57%	3.43%	20.00%	24.57%	10.86%	39.43%	5.14%