

The untapped power of pro bono

Tony Vidler | Strictly Business | 29 April 2014

In debating professional standards, we have in recent years focused upon technical competency, behavioral boundaries and expectations, and structural or licensing issues. These have been necessary debates to achieving progress towards recognised profession status for financial planning.

A largely ignored area of professionalism in our debates has been the professional, ethical expectation of providing public service that has no commercial motive. It is surprising that this concept has not taken root at a time when so many practitioners and industry leaders are striving to raise standards and consumer trust in the industry at large.

Let's make some assumptions about two alternative choices for raising consumer awareness and confidence in the work that financial planners do.

Example A

We could levy every AFA (a wide pool of "financial planners" as they are all able theoretically to provide an investment planning or financial planning service) to fund a public awareness campaign as overseas organisations have done. Let's say we levied each of the roughly 1,000 AFAs something to the tune of \$1,000 each – surely a pittance as far as investing in growing public confidence in our professional qualifications and standing?

How far would \$1,000,000 go in advertising, and how many confident converts will decide they will use a professional?

I suspect that, at best, there might be 500 consumers who were favorably enough disposed to try a planner. So every second planner might pick up a client enquiry, who may or may not become a client.

The overwhelming majority of the market place would consider such a campaign to be merely a self-serving promotion – and they would be justified in thinking so. It is arguable whether \$1,000,000 would achieve any lasting change of any significance in the general public trust of the evolving profession. It would be an expensive exercise in futility.

Example B

Every one of those same 1,000 AFAs contributes a guaranteed amount of effort to a professional pro bono scheme, whereby they undertook to provide their full expertise and professional assistance to two families per year that live below the national average income.

Those 2,000 families would receive professional advice and assistance to help them become more self-sufficient and achieve a better future lifestyle and wealth.

What is the long-term economic impact of that for the country? What are the potential life-changing effects on the lives of the approximately 8,000 people helped? What if each professional did this year after year? What difference would we have made to the economic well-being of struggling families, and the nation as a whole? What of the opportunities and directions that some youth might otherwise take?

What if it was not just AFAs providing pro bono services, but all professional advisers operating within their areas of expertise?

In 10 years, we would not be having debates about whether the public believe us to be a profession. We will have demonstrated it repeatedly.

We would have positively touched the lives of, and helped, tens of thousands of families who would not otherwise have accessed professional financial advice.

The cost to us as individuals? Around 15 hours per year of non-chargeable work – that's, perhaps, \$3,000 of work time per planner per year, as an investment in their own professional image and standing.

I suggest that we would achieve far more as individuals, and as a profession, by investing \$3,000 of time per year than we would by investing \$1,000 cash.

There is an enormous power and prestige for a profession in doing public good. That power lies entirely within the public perception that the profession is committed to doing public good. It has to be an organised effort that is truly pan-industry and supported by all professional advisers – and it has to be an ongoing commitment, not a one-off exercise once every couple of years that a few dozen individuals commit to on an ad hoc basis.

This is a worthy project for the united industry associations to pursue. It is one where we all stand to benefit from co-operation, and it is one where there is the greatest chance of increasing professional respect and trust amongst the competing bodies.

It is the strategy that is most likely to present a unified professional image to the public that has been earned through demonstrated ethical behavior by caring professionals.

Done correctly, the acronyms of associations or individual advisers will become insignificant, and we will stand a good chance of earning more respect than politicians in future in the "Readers Digest respected professions" polls!



Tony Vidler is an AFA and principal of Strictly Business which provides advice to the financial advice industry to help financial advisers become better practitioners and build more profitable businesses. Tony was the financial alert Person of the Year 2011
