Antecedents Of Trust And Commitment In The Financial Planner-Client Relationship

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Financial planners must establish and nurture relationships with their clients, yet there has been little empirical work examining factors that contribute to the development of successful relationships. The current research utilizes a framework from the marketing relationship literature to examine the effect of five factors on the level of trust and commitment a client has to a planner. Data were collected from current clients of a planner and examined through path analysis. The research found that communication plays a key role in determining the level of trust, and subsequently trust is the key variable related to commitment.

Key words*: Financial planners, Marketing relationships, Social Exchange Theory.*

Introduction

One seldom gives their money to a stranger — at least willingly. The financial services industry has always recognized this and frequently emphasizes the concept of establishing a relationship with a client to gain his or her trust and patronage. The annual calendar from an insurance agent, the thank you card from a mortgage banker, and the birthday card from a stockbroker are all attempts by a service provider to personalize the economic transactions that occur between parties. While the financial services industry has long recognized the importance of establishing a relationship with the customer, until recently little academic research has been conducted in this area. This study explores the applicability of a model from the marketing relationship literature (Morgan & Hunt, 1994) to a specific financial service relationship — financial planners and their clients. Although Morgan and Hunt suggested that their model should be useful for examining any type of marketing relationship, currently it has been tested in only a business-to-business setting. First, the background of the model and constructs from the model used in this study are described. Then the methodology and results are presented and the findings are discussed. The final section suggests implications for the practice and teaching of financial planning and specific limitations of the study.

Background

The financial planning industry is relatively new in our society. However, it is similar to other knowledge-based industries, such as accounting and law, because financial planners provide a service for a fee to their clients. This exchange relationship between planner and client must be maintained over time in order for the core product, a financial plan, to be constructed, implemented, and evaluated for success. Because it takes time for financial plans to be implemented and monitored, the maintenance of an ongoing relationship between the planner and the client is key to successful financial planning (Katz, 1996).

The discussion of how to develop and maintain successful business relationships has always been of keen interest to practitioners. However, the academic literature has lagged in developing theory and research into this important topic. This situation is beginning to change and the marketing literature is arguably leading the way. The marketing function in a firm has always had an external focus allowing it to adjust the position of the firm for the market and find customers for the firm's products (Kotler, 1997). Because the cost of finding and developing new customers is much higher than maintaining relationships with current customers (Reichheld & Sasser, 1990), firms are asking the marketing area to develop programs and procedures that lead to productive customer relationships (Houston & Gassenheimer, 1987).

Marketing journals have published a large number of articles and special issues on the topic of marketing relationships (e.g., Dwyer, Schurr & Oh, 1987; Heide &

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John, 1992; *Journal of Business Research* 1997; *Journal of the Academy of Marketing Science* 1995). A significant gap within this literature has been research and theory development regarding relationships between a firm and the ultimate consumer (Sheth & Parvatiyar, 1995). The literature that does exists tends to focus on advice for practitioners on improving relationships, rather than the development of theoretical based models for research into these relationships (e.g., Christopher, Payne, & Ballantyne, 1992; Illingworth, 1991). The current research departs from this norm in investigating the efficacy of a model that was developed as a general model for use in research of all exchange relationships (Morgan & Hunt 1994).

Morgan and Hunt (1994) developed a model they believed to be useful in the examination of all types of marketing relationships. In testing the model in a business-to-business setting, they found strong support for the variables and proposed relationships. The model consists of three essential areas: (a) relationship trust and commitment; (b) antecedents of trust and commitment; and (c) relationship outcomes based upon the level of trust and commitment present in the relationship. The premise of their model and research was that trust and commitment are key mediating variables in the relationship process. Morgan and Hunt suggested that factors which can lead to specific relationship outcomes, such as cooperation and lowered likelihood of dissolving the relationship, were mediated through the two key variables of trust and commitment.

The current study proposes to examine a portion of the Morgan and Hunt (1994) model for its usefulness in understanding relationships that are developed between the providers of professional services and their clients. Specifically, that portion of the model guiding the current research suggests the level of commitment by the client is determined by the level of trust, relationship termination costs, relationship benefits, and shared values in the relationship. The model also suggests that trust is the result of shared values, communication, and the lack of opportunistic behavior on the part of the planner.

Model Variables

Relationship Commitment

The concept of commitment has a long history of use and examination in the social exchange literature (e.g., Blau, 1964; Thibaut & Kelley, 1959). The use of commitment in organizational research has been more limited in scope, focusing most directly on the commitment of an individual to the organization (Mowday, Steers & Porter, 1979). However, the use of commitment to examine interorganizational relationships has been suggested to be an important variable for research and has been the focus of several studies (e.g., Anderson & Weitz, 1992; Heide & John, 1990). Commitment in the consumer area tends to be conceptualized as repeat purchasing patterns. However, more recent work has recognized that brand or product commitment is as much or more a psychological position as it is an observable behavior (e.g., Dowling & Uncles, 1997; Dyson, Farr & Hollis, 1996).

Relationship commitment, as defined by Morgan and Hunt (1994, p. 23), is "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it." This definition fits well with its description and use in other literature. It also has a great deal of face validity for the current research. If a client is committed to the relationship with a planner, he or she is likely to: (a) provide the planner with accurate and timely information, (b) implement the planner's suggestions for achieving his or her expressed goals, and (c) maintain a dialogue regarding progress toward these goals.

Trust

The social exchange literature has often suggested that trust is a key component in the development of long-term interpersonal relationships (e.g., Blau, 1964; Emerson, 1962; Scanzoni, 1979). Within this literature, Rotter's (1967) definition of trust as "a generalized expectancy held by an individual that the word of another … can be relied on" (p. 651) has been widely used.

Morgan and Hunt (1994) adopted this general view of trust but applied it more specifically to the business environment through defining trust as "existing when one party has confidence in an exchange partner's reliability and integrity" (p. 23). As in the social exchange literature, trust has frequently been cited as a factor in the development of long-term exchange relationships within the marketing literature (e.g., Dwyer, Schurr & Oh, 1987; Moorman, Deshpandé & Zaltman, 1993). With regard to service, trust has been a particularly important construct. The reason for this is that clients of service providers may frequently have little ability to evaluate independently the ability of the service provider (Parasuraman, Zeithaml & Berry, 1985). This situation is particularly true regarding knowledge-based service providers such as doctors, lawyers, or financial planners.

One can readily identify after one experience whether a hair stylist can provide a service that is up to the client's expectations. But, how does one evaluate whether they have been accurately diagnosed, adequately represented, or if their financial future has been sufficiently planned unless one already has the knowledge that they are purchasing from the service provider? The client must trust that the service provider has the knowledge and is providing the best quality service available from the provider.

Relationship Termination Costs

It is commonly assumed, within the marketing literature, that if a party leaves a relationship there will be costs associated with terminating the relationship and establishing a new relationship with another exchange partner (Heide & John, 1988). For businesses, these "switching costs" represent potential expenses that would have, at minimum, a short term and small impact on profit. However, firms frequently make partner-specific investments which tend to discourage movement and will foster a greater commitment to continuing the current relationship (Jackson, 1985). For example, a firm may agree to tie into a supplier's computer system to allow for checking of inventory and automatic reordering. This situation may result in both hardware and software purchases, as well as personnel and training costs, which tends to discourage the firm from seeking a new supplier.

The client of a financial planner is not likely to make specific relationship investments like a firm. However, there are several reasons why a client may feel committed to maintaining a current planner relationship rather than seeking a new one. For example, the client may have invested time in finding the planner, may have multiple types of financial components with the planner (e.g., stocks, mutual funds, insurance), or may not be aware of alternative planners. These types of reasons do not stop clients from leaving planners, but the client implicitly weighs the costs of leaving one planner to establish a relationship with another planner. The higher the perceived costs (e.g., financial, psychological, time), the more the client is committed to the current relationship.

Relationship Benefits

All relationships provide some type of benefit. For businesses, a relationship may deliver such benefits as more consistent product quality, lowered inventory carrying costs, and access to products, processes, or technology which would add value to the firm's product (Morgan & Hunt, 1994). Clients of a financial planner also receive benefits through using a planner. These benefits would be in such areas as planning for desired retirement income levels, providing timely and sound investment information, and structuring estate plans which reflect the client's desires. The more the client perceives the planner as beneficial in helping the client to reach these various financial goals, the more committed the client will be to maintaining the client-planner relationship.

Shared Values

The only concept in the model developed by Morgan and Hunt (1994) that is suggested to impact both commitment and trust is shared values. Organizational values have been conceptualized as the building blocks of organizational culture (Weiner, 1988). If firms in an exchange relationship have similar sets of values, the firms should have higher levels of trust because both are "on the same page" with respect to the actions and behaviors that are appropriate to the relationship. Shared values have also been found to be a factor in the development of organizational commitment (Kelman, 1961). This relationship is most often examined as an individual's commitment to the organization. But, there has also been work extending this concept to include shared values that increase one firm's commitment to another firm in an exchange relationship (Heide & John, 1992; Morgan & Hunt, 1994). The interpersonal relationship literature also has identified shared values as an important antecedent of relationship trust and commitment (e.g., Kelley & Thibaut, 1978; Levinger, 1983).

Clients must work closely with the planner in developing and implementing any financial plans. Clients must perceive that their planner understands and supports the goals the client wishes to achieve, even if it is not a goal that the planner feels is important. For example, a client may desire to retire from a lucrative profession at an early age, even though his or her retirement income will be significantly less than if they worked a few more years. If the client perceives the planner to not be supportive of this endeavor, the client may switch planners (absence of commitment) or not fully disclose their retirement plans and goals to the planner (lowered trust).

Communication

The importance of open and honest communication in establishing trust has frequently been noted in the interpersonal relationship literature (e.g., Baxter, 1987;

Berger, 1988; Duck, 1985). The central role of communication in marketing relationships has been noted, with communication being suggested to be the glue that holds relationships together (Mohr & Nevin, 1990). The relationship between communication and trust has been suggested to be an iterative process (Anderson & Narus, 1990). That is, frequent and open communication leads to trust, which in turn supports and develops better communication in the future. Since the model under examination will be tested at a specific point in time, it is assumed that the level and quality of past communications will be positively related to current levels of trust in the relationship.

Opportunistic Behavior

Opportunities may arise in the course of a relationship when one party would have the potential to take advantage of the other. In a planner-client relationship, this type of behavior might take the form of the planner recommending an investment that provides greater profit potential for the planner than an investment that may provide a higher level of return for the client. If the client perceives the planner to be engaging in behavior which reflects greater self-interest than an interest in the well-being of the client, there will be a negative impact on the level of trust present in the relationship.

Methodology

Sample

Three national associations of financial planners (International Association of Financial Planning, National Association of Personal Financial Advisors, and the Institute of Certified Financial Planning) were asked to provide assistance with the survey. Each association supplied a random sample of their members' names (n = 500, 316, and 400, respectively). The members were contacted by mail and asked to participate by providing access to 10% of their clients, but not more than 25 clients per planner.[a] The planners who participated were given the choice of providing the names and addresses of the clients to the researchers, or placing their clients' addresses on sealed, stamped envelopes containing the survey and a letter to the client provided by the researchers. The response rate from the planners in agreeing to assist with the survey varied across the three organizations (4.8%, 10.8%, and 4.3%, respectively).

The total number of clients these planners provided access to was 483, 363, and 282, respectively. Only two client envelopes were returned to the researchers as undeliverable which gave a total sample size of 1,128. The response rate by the clients of planners in the three associations varied. The response rate for clients of planners from the first organization was 14% (68/483), the second was 47.1% (171/363), and the third was 31.2% (88/282). Of the 327 returned surveys, nine were incomplete, leaving 318 usable surveys. The overall response rate after adjusting for bad addresses and incomplete surveys was 28.2%. Because the response rate by organization varied, MANOVA analysis using the organization affiliation as the predictor variable was used to examine all major variables in the research for systematic bias based upon affiliation. There were no significant differences, thus, all subsequent analysis treated the data as coming from a single group.

Sample Characteristics

Table 1 presents selected characteristic of the final sample. A rather surprising characteristic was that well over 50% of the sample listed their income as under $100,000. This certainly seems to suggest that the use of financial planners is not limited to the wealthy. However, this finding must be viewed with caution since the survey did not make a distinction between earned income and investment income. The distinction, realized in hindsight, is important. For example, an earned income of $50,000 represents a middle class income, but an investment income of $50,000 represents a significant asset base which may be worth over a million dollars.

It appears that all age categories, with the exception of those under 35, were well represented in the sample. Most of the respondents (70%) were married and about one-half (49%) had used a planner other than the one which they currently were using. Most of those respondents that had used a planner previously had only used one other planner, although some respondents had used 3 or more before beginning the current planner relationship. The planner relationships tended to be long in duration, with fully one-third of the current planner relationships having been in existence over five years. A little more than one-half of the sample stated that the planner was compensated through a set schedule of fees. The other half of the sample was split about equally between compensation through commissions, or a combination of fees and commissions.

Measures

The measures for this research were adapted from those used by Morgan and Hunt (1994), who in turn drew the scales from previously published work (a list of the measures and the original publication can be found in the

Appendix). While the scales from Morgan and Hunt were generally suitable or readily adaptable for the current work, the measures for two constructs, relationship benefit and shared values, did not seem appropriate for the current research. New measures were constructed for these areas based upon the conceptual basis for the constructs, but recognizing the distinctive type of relationship under examination.

The measure for relationship benefits asked each respondent to evaluate how beneficial it had been for them to consult a financial planner, compared to having to do all the work on their own, for eight planning topics. The eight topics were: insurance, tax, investment, retirement, college planning, health care, debt management, and estate planning. The applicability of these topics were determined through consultation with academics and practitioners of financial planning. The responses were on a seven point scale, anchored from (1) very useful to (7) not at all useful, and an option of does not apply (See the Appendix). One additional category of "Other" was included on the questionnaire, but no respondents used this category.

Table 1
Sample Characteristics (N=318)

Characteristic	N	%
Annual Income		
Under $50,000	73	22.9
$50,001 to $100,000	152	47.7
$100,001 to $150,000	41	12.9
$150,001 to $200,000	18	5.6
Over $200,000	25	7.8
Age		
Under 35	5	1.6
35 to 45	49	15.4
46 to 55	78	24.5
56 to 65	64	20.1
Over 65	85	26.7
Marital Status		
Married	221	70
Single, Divorced or Widowed	96	30
Occupational Status		
Executive	34	10.7
Professional	121	38.1
Business Owner	26	8.2
Government	9	2.8
Education	22	6.9
Retired	82	25.8
Other	20	2.8
Previous Use of a Planner		
Yes	156	49
No	162	51
Number of Previous Planners Used		
1	74	47.4*
2	59	37.8*
3 or more	22	14.1*
Length of Current Planner Relationship		
Under 1 year	28	8.8
Between 1 and 3 years	95	29.8
Between 3 and 5 years	87	27.4
Over 5 years	107	33.6
Method of Financial Planner Payment		
Set schedule of fees	184	57.8
Commission from sale of products	60	18.9
Combination of fees and commissions	65	20.4

*These percentages are based upon the 156 clients that had previously used a financial planner

Shared values was measured by asking each respondent to evaluate how well their planner understood their financial goals for the same eight areas of planning. The measure also included the planner's understanding of the client's level of risk acceptance regarding financial planning and investment. Responses were on a seven point scale, anchored from (1) fully understands to (7) no understanding, again with an option of does not apply (See the Appendix).

Table 2 presents the variables, the number of scale items used to measure each variable (the items that were used can be found in the Appendix), the Cronbach's alpha, and the mean of the summed value for the variable from the data. As shown in the table, the mean value for some of the variables were near one end of their value range, resulting in a ceiling effect for these variables. However, it has been suggested that this is not an uncommon result when one is measuring service quality (Peterson & Wilson, 1992). The standard deviations for the variables do appear to indicate sufficient variation in the data to warrant further analysis (Hair, et.al., 1992). The Cronbach alpha level for the variables were all acceptable ranging from .68 to .95.

Table 2
Reliability, Mean, and Standard Deviation of the Variables

Variable	Items	Cronbach's Alpha	Mean Value	Std. Dev.
Termination Costs	3	.73	3.1	1.6
Relationship Benefits	9	.94	1.9	1.2
Shared Values	10	.95	1.8	1.0
Communication	4	.93	2.1	1.2
Opportunistic Behavior	3	.68	6.2	1.2
Trust	4	.76	1.4	.8
Commitment	5	.93	1.9	1.2

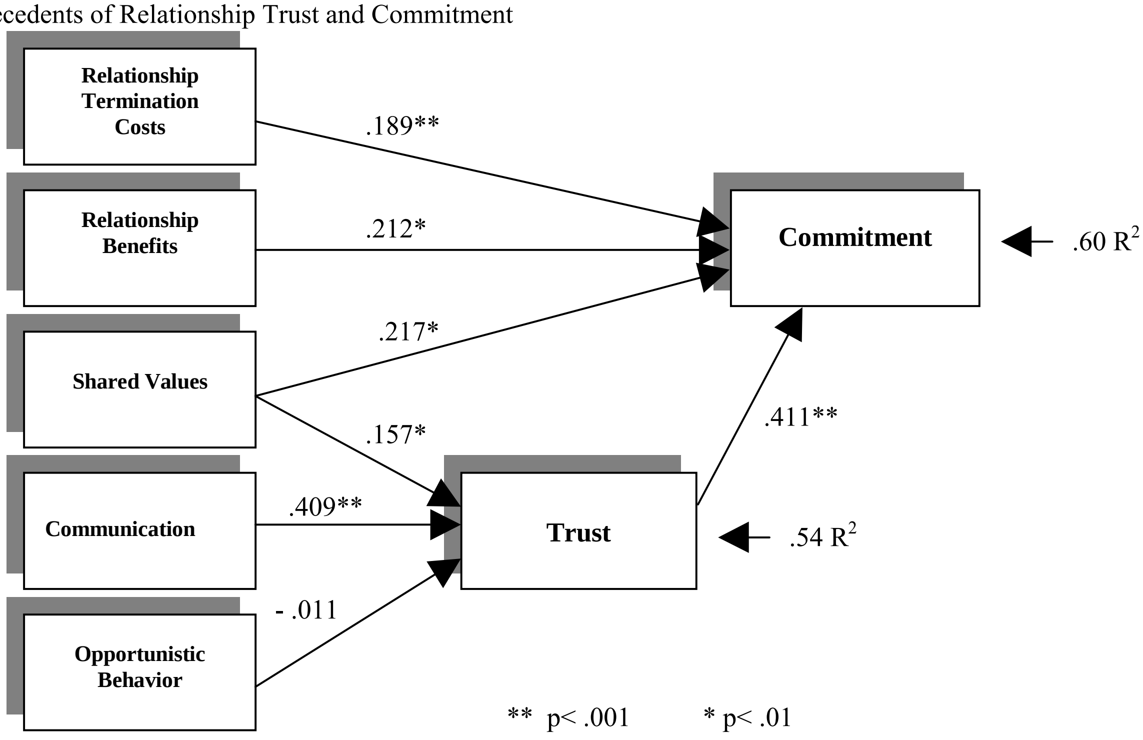
All variables could range in mean value from (1) strongly agree to (7) strongly disagree

Analysis
The model for the current research was examined through path analysis[b] using the CALIS (Covariance Analysis of LInear Structural equations) procedures in the SAS statistical software. The method of analysis used the maximum likelihood method of parameter estimation and all analyses were performed on the variance-covariance matrix. The chi-square statistic for the model was significant (χ^2_4 =17.00, p<.005), however, it is known that large sample sizes (>200) tend to produce significant χ^2 statistics even when the data set may be well fitted to the model (Hair, et.al., 1992). In addition to the χ^2 statistic, SAS provides a number of additional goodness of fit indices such as the comparative fit index (CFI), the normed-fit index (NFI), and the non-normed index (NNI). Values on these indices over .9 indicate an acceptable fit between model and data (SAS, 1989). The values for the CFI, NFI, and NNI in the current research were .99, .99, and .94, respectively. These results suggest that the model does a good job of fitting the data, even though the chi-square was significant

Figure 1 shows the path coefficients determined by the path analysis and their level of significance. The only proposed path found to be non-significant was between opportunistic behavior and trust. The analysis also provided the R^2 for the two endogenous variables of trust and commitment based upon the independent variables for each. These values are displayed on Figure 1 with an arrow from each pointing to the appropriate variable.

Trust had the largest impact on the level of commitment of the client, followed by communication. The other variables all had significant path coefficients (with the exception of opportunistic behavior), but the coefficients were all about half the size or less of those leading from communication to trust to commitment.

Figure 1
Antecedents of Relationship Trust and Commitment



Discussion

The research presented here was designed to investigate the efficacy of the model developed by Morgan and Hunt (1994) for research of the relationships between financial planners and their clients. The results of the research suggest that the model does a good job of portraying the antecedents of trust and commitment within this type of relationship. 60% of the variance in commitment, and 54% of the variance in trust, was explained through the model's variables.

The central finding of this research is the strong relationship between communication, trust and commitment. This is certainly an intuitive relationship. Trust is an iterative process whereby past interactions will influence the current level of trust, and the current level of trust will impact future interactions. The interactions in the type of relationship under examination in this research consist almost entirely of communication. The clients express their goals for their financial future and the planner explains what they can do to help the client reach these goals. But frequently the ability to achieve these goals is out of the control of either the client or the planner. Then the planner must explain to the client why the goals were not met, met, or exceeded. If the communication is well done, an inability to reach goals should not have a negative impact on trust. As was noted earlier in this paper, communication has been suggested to be the glue that holds relationships together (Mohr & Nevin, 1990). Good communication with the planner should lead to higher levels of trust. Since it takes time for trust to develop, the client is probably going to be more committed to maintaining a relationship with a planner he or she trusts.

What may strike many planners as interesting is the relatively weak relationship between relationship benefits and commitment. A recent article has suggested that planners have spent too much time and effort trying to figure out how to justify their cost by showing the client the benefits he or she has received from the planner's firm and that more time should be spent on developing the relationship with the client (Katz, 1998). The research presented here supports this notion and suggests that communication with the client is more important for building and maintaining client relationships than meeting certain goals or expectations.

Opportunistic behavior did not have a significant impact on the level of trust within the relationship. While the sign on the coefficient is in the correct direction, it was not significant. One reason for this finding may be due to the ceiling effect in the data. Evidently very few planners, at least of those that were included in this research, exhibited this type of behavior. The impact of opportunistic behavior on trust may have been very different if we had asked about previous planners that the client had left.

This research also points out the relatively low effect of the costs of terminating a relationship on determining commitment. Evidently clients recognize the fact that changing planners may have an impact on achieving certain goals, but those costs alone are not enough to encourage a client to maintain the relationship.

This study represents a first step at developing a more complete understanding of the factors affecting the relationship between the financial planners and their clients. The results of this research suggests that planners who are successful at developing relationships with their clients should experience higher levels of commitment than planners who do not pay attention to the interpersonal aspects of the business. In turn, one would expect that higher levels of commitment should lead to higher levels of customer retention and greater word-of-mouth advertising for their practices.

Conclusions and Implications for Research

Overall, the findings of the current research reinforce each step of the financial planning model (Certified Financial Planner Board of Standards, 1996). Planners should follow all of the procedures with each client: establishing the relationship, gathering data and determining goals and expectations, determining financial status, developing and presenting the plan, implementing the plan, and monitoring the financial plan. In addition to supporting the six steps of the financial planning model, the research provides information for marketing. Planners should communicate the benefits of working with them, explain to clients how and when they will hear from them, and then deliver on their promises.

A limitation of this study was the development of the sample. Because of the difficulty in locating clients of financial planners, a random sample was not conducted. Financial planning is an emerging industry and there are no accurate statistics that describe what proportion of the population works with a planner. The cost of obtaining a relatively large random sample was beyond the scope of this study.

A second limitation may lie in the measurement of shared values. The scale used to measure this variable was developed for this project based upon the literature and the particular industry under study, after determining that the method used by Morgan and Hunt (1994) would be inappropriate for use with consumers. While the reliability of the scale was high ($\alpha = .95$), the measure may still not be fully tapping into this particular concept.

Arguably, the most significant implication of this study for educators is that students studying to be financial planners must learn how to develop the interpersonal aspect of the planner-client relationship, as well as the financial side. Educators should stress the benefits to be gained from programs or workshops being offered which can assist them in learning how to communicate effectively with their clients in their marketing, materials, and programming.

The most obvious research implication from this study would be to gather data to test the complete model proposed by Morgan and Hunt (1994). Although the current research found support for the antecedents of trust and commitment in the relationship, future research could examine the impact of these variables on relationship outcomes like the propensity to leave a relationship, level of cooperation, and willingness to work through disagreements. The current research found that communication and trust were important in developing relationship commitment from the client's perspective. However, these were measured in a more general context and future research to examine more specific issues associated with these areas should prove fruitful. For example, how much communication is enough, does the type of communication vehicle have an impact or who should provide the communication message are all appropriate relationship communication research questions. A recent qualitative review of what consumers want in a planner (Schuchardt, 1998) has shown that many consumers are interested in working with a planner to solve only one issue. How would these short-term clients perceive the benefits of that type of relationship?

Would their expectations differ from clients who have long-term relationships? As mentioned in the limitations, the construct of shared values should be explored, and it may be possible to develop a better way to measure it. This variable affected both trust and commitment in the current study, but at relatively low levels. It is possible that shared values will play a more important role if its measurement is improved.

Perhaps most importantly, this research suggests that exploring the relationship between planners and their clients is a significant and timely issue. It is not enough to examine retention rates of planners or return on client investment. The planner and client are both making "off the book" investments in the planner-client relationship and understanding what influences the success of these relationships is important. In conclusion, successful financial planners will be those that work at cultivating relationships with their clients. Research projects such as the one presented here can help provide the planner with useful information to help them in this task.

Endnotes

a. *The number of clients per planner was deliberately limited to minimize the ability of the clients of a single planner to dominate the data. On average, the number of clients per planner was fifteen clients.*

b. *The path analysis was conducted using the mean of the summed value for all variables. This was done for consistency with the variables of shared values and relationship benefits. Because these two variables had a "Does not apply" option, the summed values for these variables would have a different potential maximum or minimum for each respondent based upon the number of areas the respondent checked. The use of the average for the number of items the respondent checked provides more accurate data regarding the respondent's perceived level of shared values and relationship benefits in their relationship with their financial planner.*

Appendix

Items used to measure the variables:

Commitment (originally from Mowday, Steers & Porter, 1979)

My planner and I work together to: [All measured from (1) Strongly Agree to (7) Strongly Disagree]
-identify my financial goals.
-reconcile any difference regarding my financial plans.
-explore alternative approaches to meeting my financial goals.
-develop a plan to meet my financial goals
-overcome any problems that develop in my financial plans.

Trust (originally from Larzelere & Huston, 1980)

My financial planner: [All measured from (1) Strongly Agree to (7) Strongly Disagree]
-is someone that I have great confidence in.
-is honest.
-has high integrity.
-cannot be trusted at times. (reverse scored)

Relationship Termination Costs (originally from Meyer & Allen, 1984)

In the future: [All measured from (1) Strongly Agree to (7) Strongly Disagree]
-changing planners may affect my ability to reach my financial goals.
-my financial future may be jeopardized if I discontinued my relationship with my planner.
-if I were to change planners I may not find someone else that I can work with as effectively.

Relationship Benefits (developed for this research)

Please evaluate how useful it has been to you to be able to consult with your financial planner, compared to doing all the work on your own, in planning for the following areas: [All measured from (1) Very Useful to (7) Not at all Useful with an option of Does Not Apply]
Retirement plans
Estate plans
Personal investment plans
Health-care costs
Children's college funding
Tax planning
Insurance needs
Debt management
Other (please describe)

Shared Values (developed for this research)

To what degree do you feel that your financial planner understands your financial goals for the following areas: [All measured from (1) Fully Understands to (7) No Understanding with an option of Does Not Apply]

Level of investment risk
Debt management
Retirement plans
Estate plans
Personal investment plans
Health-care costs
Children's college funding
Tax planning
Insurance needs
Other (please describe

Communication (originally from Anderson, Lodish & Weitz, 1987)

My financial planner: [All measured from (1) Strongly Agree to (7) Strongly Disagree]
-does a good job of explaining his or her suggestions for achieving my overall financial goals.
-provides me with timely information regarding new investment opportunities.
-does a good job of communicating how changes in tax laws may affect me.
-provides me with adequate information regarding my status in meeting my overall financial goals.

Opportunistic Behavior (originally from John, 1984)

My financial planner: [All measured from (1) Strongly Agree to (7) Strongly Disagree]
-sometimes promises to do things but doesn't actually do them.
-sometimes fails to provide me with the information that he or she should provide.
-sometimes alters the facts slightly.

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