

# Shifting Paradigms

**Strategies for  
elevating the  
financial security  
profession**



A GUIDE FOR FINANCIAL SECURITY PROFESSIONALS

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# Shifting Paradigms

## Strategies for elevating the financial security profession

A Guide for Financial Security Professionals

**“When you fall in love with your clients—not the products or the company—that’s when you start doing things that are client-centered.”**

Howard Sharfman, Senior Managing Director, NFP Insurance Solutions

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# Foreword

In Finseca Foundation's last ebook series, *Leading Change*, we discussed the strategies leaders use to navigate change. Little did we know at the time that the 2020 pandemic would put our research to the test. Since then, financial security professionals have had to completely adjust the way they do business and engage with the communities they serve. These adjustments meant learning new technologies, virtual communication skills, and remote leadership strategies.

Interestingly, research shows that during that time, consumers' confidence and trust in financial security professionals increased. Many of our research participants told us they had banner years. They also told us their financial security professionals regularly connected with clients throughout the pandemic, checking in to see how they were doing during that difficult time.

Is there a connection between the increase in consumer confidence and increase in client follow-up? We think so. Follow-up, service, and support are essential for developing client relationships and building trust. They are the foundation of a client-centered approach and at the heart of the paradigm shift outlined in this new ebook.

As we all adjust to the "new" normal, there is reason to be optimistic, but there is still much to do. We hope the strategies in this ebook help you to maintain the momentum and continue to build a positive perception of our noble profession.

Sincerely,

Devin M. Gaffney FSCP, LUTCF

Finseca Foundation Leadership Education and Development Committee Chair  
Field Training and Professional Development, AAA Life Insurance Company

# About Us

## The Finseca Foundation

The Finseca Foundation is a 501(c)(3) nonprofit organization dedicated to elevating the work of financial security professionals to help drive better outcomes for consumers. The Foundation focuses on three ongoing core initiatives:

1. Conducting and providing research to help financial security professionals better serve the needs of American consumers seeking to achieve financial security.
2. Providing resources for Americans to become more financially empowered consumers of financial products and services.
3. Advancing and championing the next generation of financial security professionals by identifying top talent from diverse communities.

## Our contributors

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## About this Ebook

Foundation ebooks are digital white papers that deliver tightly focused research results. The strategies and best practices shared in this ebook will help financial security professionals to identify and implement strategies to:

- Foster positive perceptions about the profession.
- Change actions that may unintentionally create negative perceptions about the profession.

### How we collected our data

We conducted in-depth interviews with 11 top-performing leaders to examine their views on public perception of the profession and strategies for elevating the profession. In addition, 178 financial security professionals responded to our online survey. The interviews and survey referenced in this ebook reflect research results as of May 2021.

### Terms used in this ebook

Industry segments often use different terminology to describe their businesses and their people, for example, some people use the terms *advisor* versus *agent* and *agency* versus *firm*. In this ebook, we use the term *financial security professional* to encompass all leaders in the profession and the terms *firm* or *business* to include the many different business configurations in the field. While you may use different terminology in your business, we encourage you to overlook the labels and focus instead on the ideas and strategies shared by these leaders in the profession.

Unless otherwise indicated, we have retained the terminology used by research participants and external research organizations.

# Introduction

**28%**

Survey participants who believe the public has a “positive” or “very positive” view of the financial security professional.

**“I’ve always said that perception is more important than reality, and if there’s a difference between the two, the only way you can change perception is for people to understand reality.”**

—John Bucsek, CEO,\* MassMutual Tri State  
(\*Agency officers are not officers of MassMutual.)

A paradigm shift is a significant change that occurs when a new and different way replaces the usual way of thinking about or doing something. That shift is occurring today in the financial security profession. To strengthen trust and build consumer confidence in the profession, top-performing leaders are rethinking how they interact with their customers and clients.

This ebook examines, from an industry perspective, factors that may influence public perception and identifies strategies financial security professionals use to elevate the profession in the eyes of their clients and the general public.

## Public Perception of the Profession

The objective of the research was to gain an industry perspective of the opportunities and challenges of changing public perception; therefore, surveying consumers’ perceptions of the profession was beyond the scope of this project. However, to provide context, we reviewed the data other institutions gathered regarding public trust in the financial security profession.

### Low but steadily increasing trust in the profession

**“My own father (who knows what I do for a living) considers financial services advisors ‘commissions-chasers.’ ”**

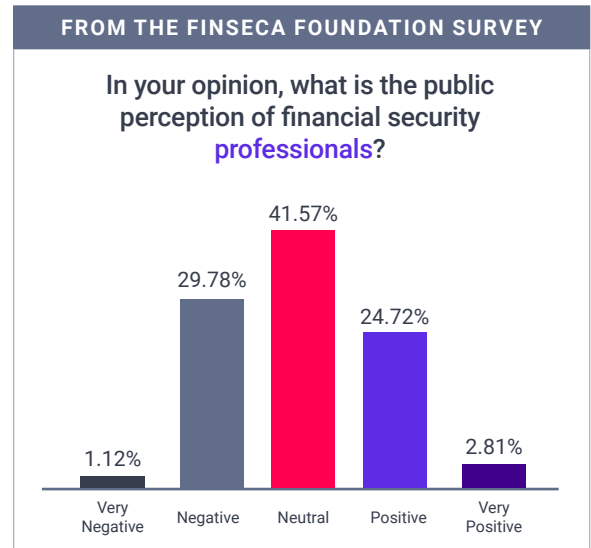
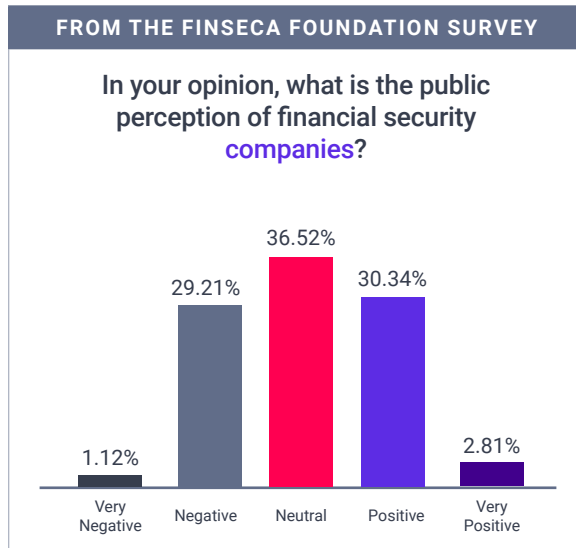
—Finseca Foundation survey participant

There is a long-held belief within the financial security profession that the general public holds a less than favorable view of the profession, and research from within and outside the profession seems to confirm this belief.

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- A 2017 YouGov survey (a company specializing in market research and opinion polling) found that 43 percent of Americans do not trust [financial security] companies, and 49 percent do not agree that [financial security] companies act in the best interest of their customers.<sup>1</sup>
- The 2018 LIMRA Insurance Barometer Study reported that 31 percent of consumers indicated one of the reasons for not purchasing life insurance is because they don't trust [financial security] companies, and 33 percent said it is because they don't trust [financial security] agents.<sup>2</sup>



However, these statistics were gathered during a period when trust in public and private institutions was in general decline. Edelman (a global research, analysis, and data consultancy) noted in its 2017 *Trust Barometer* that trust was in crisis worldwide: “The general population’s trust in all four key institutions—business, government, NGOs [nongovernment organizations], and media—has declined broadly,” a phenomenon not reported since Edelman began tracking trust in 2012.<sup>3</sup>

Since then, Edelman’s data indicates that trust in the financial security sector has been rising steadily, increasing from 44 percent in 2012 to 61 percent in 2020.

### Cautiously optimistic post-COVID-19

**“Since COVID, I believe people see more value in working with an advisor and getting advice from a professional.”**

—Finseca Foundation survey participant

The data from 2019 and 2020 sheds a more positive light on public perception of the financial security profession.

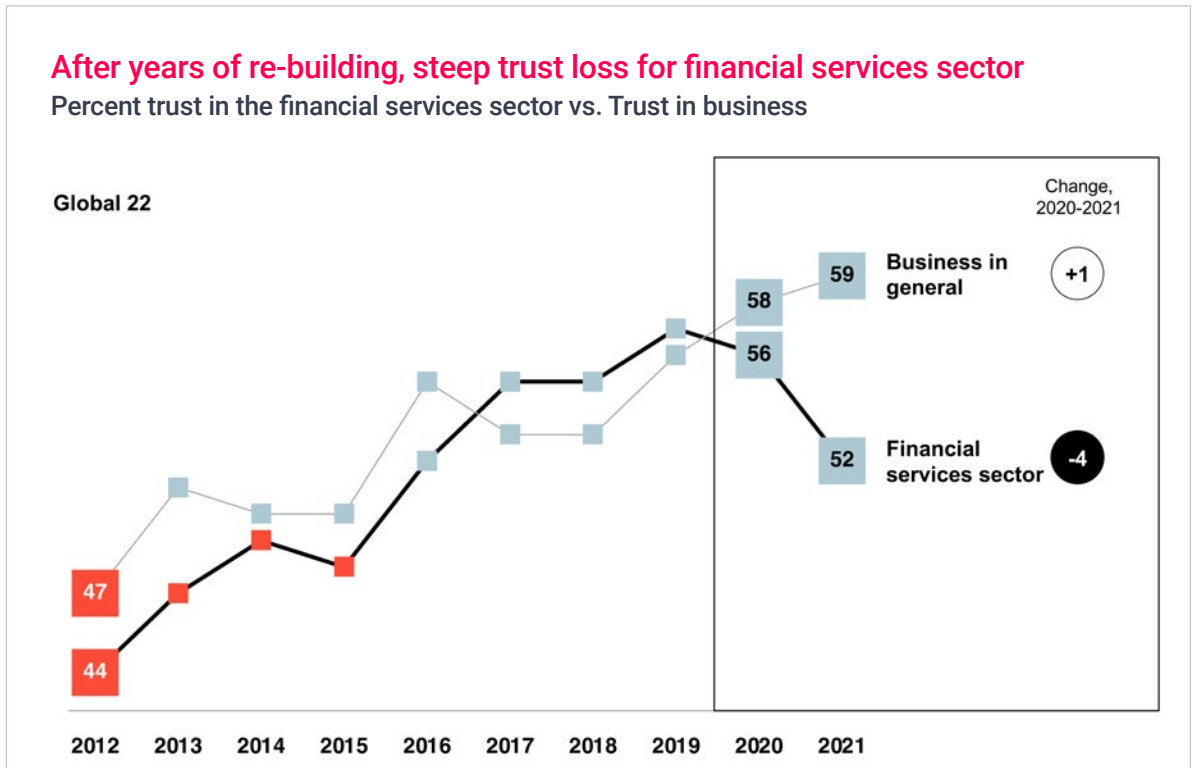
- The 2019 *Edelman Trust Barometer* indicated that trust in [the financial security profession] reached its highest level since they began tracking the data in 2012, and the 2020 *Edelman Trust Barometer* reported that trust in [the financial security profession] among the US population had reached an all-time high of 61 percent during the COVID-19 pandemic.<sup>4</sup>

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- LIMRA reports in its October 2020 *Consumer Sentiment in the Time of COVID-19* study that “confidence continues to climb for life, health, and property and casualty insurers,” and “confidence in financial [security] professionals remains strong, well above pre-Great Recession levels.”<sup>5</sup>

However, additional data from Edelman cautions against becoming overly confident. After reaching an all-time high of 61 percent in 2020, the global trust factor for financial security sectors decreased significantly compared to trust in other business sectors; although, financial security sectors within the US fared somewhat better.<sup>6</sup>

Personal Insurance (Life and Health)		Property and Casualty Insurance		Financial Advisory/Asset Management		Digital Wealth Management/Robo Advisory	
Trust Factor	Year-to-year change	Trust Factor	Year-to-year change	Trust Factor	Year-to-year change	Trust Factor	Year-to-year change
60%	+6	54%	+2	52%	-4	38%	-8



“Percent trust in financial services sector vs. trust in business,” Edelman Trust Barometer 2021. Printed with Permission.

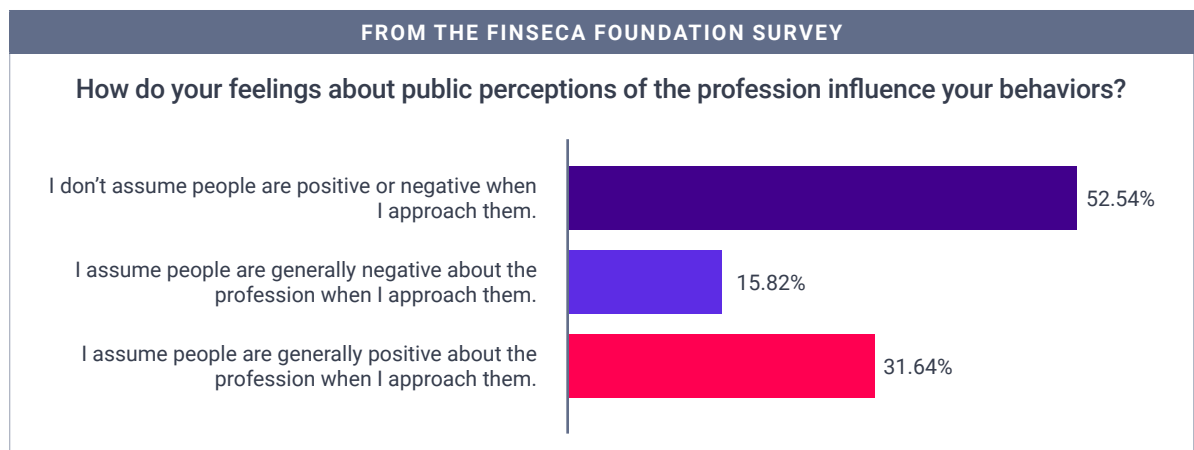
## Perspectives from the Field

**“I have been in the insurance industry for nine years now, and not once have I had someone react negatively to me.”**

—Finseca Foundation survey participant

When asked their opinions about public perception of the financial security profession, research participants’ responses were fairly evenly spread, with approximately one-third who believe the public has a negative perception; one-third, a positive perception; and one-third, somewhere in the middle. While there was no majority explanation as to the possible cause for the negative perception, there were some common themes, including:

- Bad claims or service experiences.
- Media attention to the few unethical people in the profession.
- Financial security professionals who focus on making a sale over the needs of the customer.
- Consumer lack of information and knowledge about product options and the profession.



In the next section, we explore these themes in greater detail.

# Factors Influencing Public Perception

45%

Survey participants who believe fact-finding is the step in the sales process that has the most positive influence on public perception.

**“People perceive agents and advisors as salespeople just trying to sell them products rather than truly trying to help them.”**

—Finseca Foundation survey participant

Our research revealed four factors that financial security professionals believe are negatively influencing public perception of the profession:

1. The language and jargon used in the profession.
2. The transactional sales approach used in the profession.
3. Consumers’ negative view of commissions.
4. Consumers’ misconceptions about products and the profession.

## Language and Jargon Used in the Profession

**A 2017 study revealed that 72 percent of American consumers think the industry uses wording that is difficult to understand.<sup>7</sup>**

Like every profession, financial security has its fair share of jargon. Most financial security professionals know not to use acronyms when speaking with customers. But consumers need more than definitions; they need explanations.

“We assume people understand what we’re talking about,” says Lisa Davis, Managing Partner with 1847Financial. “We assume they know how the stock market works, the indexes we’re putting them into, or what paid-up additions are. We need to explain to people what we’re doing with their money in common language.”

Troy Korsgaden, Principal of Korsgaden International, uses stories to help clients understand the need for different products. “You can tell someone that bodily injury coverage is needed if they physically hurt someone, and property damage is needed if they damage someone’s property,” he says. “But that doesn’t make it real for people. I tell them this story to pull it all together:

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Imagine a man is driving down the road, and he leans down to grab his coffee. He runs a stop sign and hits a car with three people inside. So, there are a couple of issues. We now have a claim for three people who were injured; that's bodily injury. There's a limit for that, and it is X. If there's more than one person, it's a total of X. Then, there's the damage to the car, and he didn't just hit the car; he also ran into a light post. All these things have to be fixed, and that's property damage. That's why you need these different coverages.

"I've explained it in a way people can relate to in less than a minute, and then I do the same thing for other coverages," Korsgaden says.

### Words Matter

While jargon and industry terms may confuse consumers, other commonly used words in the profession can create a different impression than the one we intend. For example, many companies and firms are moving away from using the word *agent* in job titles and are using *financial professional*, *leader*, or *advisor* (when properly licensed) instead. These organizations feel *agent* implies a transactional role rather than a consultative, professional role.

Jennifer Barlage, Sales District Leader with American Family, uses the term *family risk advisor* rather than *agent* for her team. "Our role is to look at the whole picture, not simply take orders," she says. "We talk about risk protection rather than insurance. That's what consumers care about."

Some companies and firms now use the term *client* instead of *customer* for the same reason. "Customer implies a purchase," says Corine Porter, Director of Agency Support with Farm Bureau Financial Services. "A *client* is someone who receives advice and services from a professional; someone you build a long-term relationship with, not a one-time transaction."

Even words that seem neutral may subtly influence consumer perceptions—the word *premium*, for example, which by definition is something paid over and above a fixed price. "Think about it," says Davis, "Who wants to pay a premium for something?"

Barlage agrees, "We don't say 'premium' because that makes it sound like they're paying a higher price. We say 'monthly payment' instead."



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## A Transactional Sales Approach

**“We are doing ourselves a huge disservice in the way we bring people into the business, how we train and develop them, and how we teach them to engage with consumers.”**

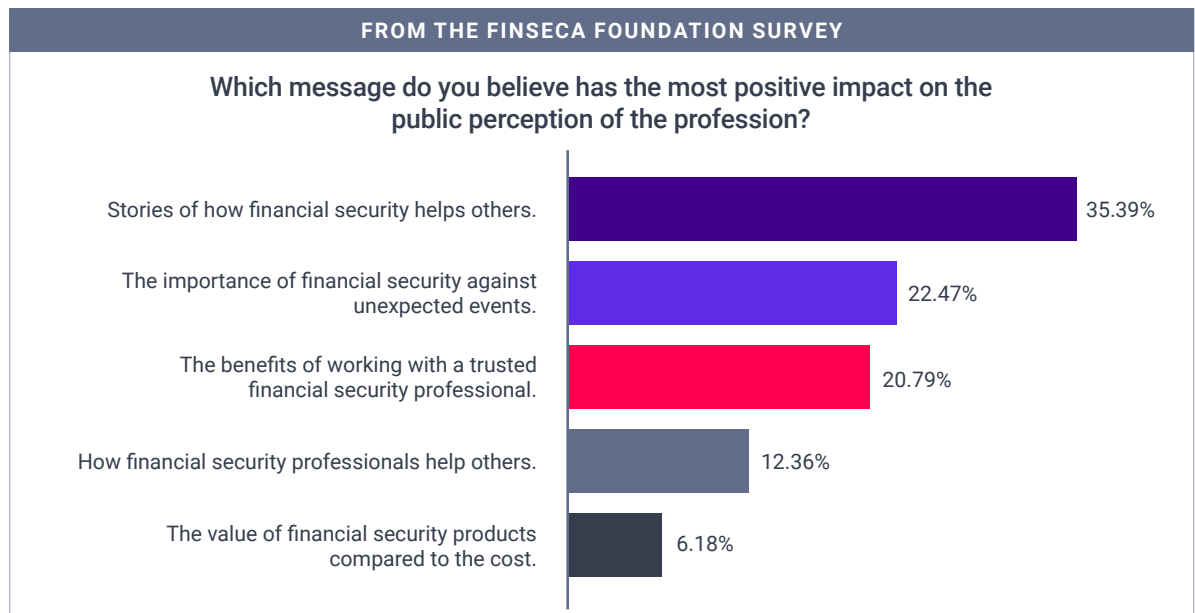
—Lisa Davis, Managing Partner, 1847Financial

Research participants repeatedly spoke of the need for the profession to move from a transactional sales approach to an approach that emphasizes long-term relationships focused on client needs. “This is something I am passionate about,” Korsgaden says. “People can get the basics online; what they want is a professional advisor who can offer expert advice; someone who will guide them as their needs change. Build the relationship first; the sales will follow.”

Davis adds, “The message to new advisors in many companies is ‘sell, sell, sell,’ and unfortunately, advisor contracts and compensation reinforce that behavior. So, it becomes a kind of catch twenty-two. We need to teach people how to be business owners and give them the skills to become comprehensive, holistic planners. Advising is entirely different from selling.”

Several research participants pointed out the inherent conflict in the profession that Davis describes. Financial security professionals are measured and rewarded on productivity and sales, not relationship-building, causing some to focus on short-term sales over long-term relationships.

“There’s pressure in the industry to produce,” says Patrick Scott, Senior Regional Sales Consultant with AAA Life. “When we should be providing leadership to our clients.”



### A Potential Follow-Up Gap

When Scott speaks to clients, he explains that financial security is a lifetime commitment. “The premium clients pay assumes a lifetime of risk, and that means we have a lifetime relationship,” he says.

Unfortunately, not every financial security professional holds Scott’s belief. According to research participants, too many financial security professionals disappear once a sale is finalized. Even those

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financial security professionals who believe they follow up regularly may not be doing as much as they think. A 2020 survey commissioned by Nationwide and conducted by Edelman Intelligence indicates a potential gap in the value financial security professionals believe they are bringing to their clients.<sup>8</sup> According to the survey:

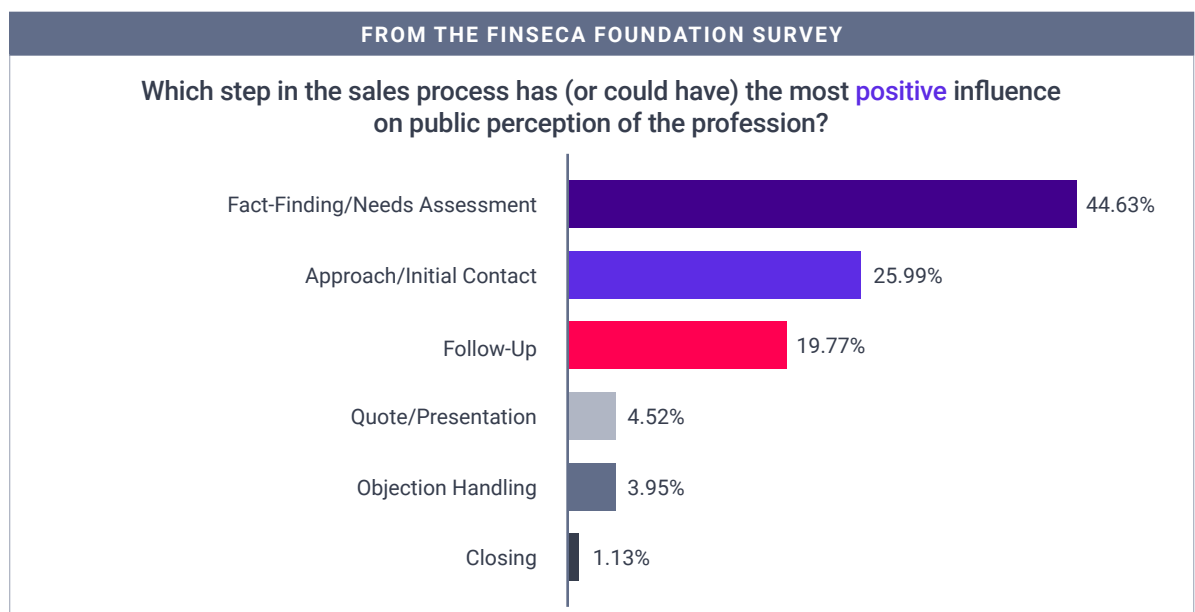
- Ninety-five percent of [financial security professionals] believe they are always there when their clients need them, but only 79 percent of customers felt the same.
- Ninety-four percent of [financial security professionals] reported that they regularly check in with their customers to ensure their policy fits their needs. However, only 69 percent of customers said they receive sufficient check-ins from their agents.

Our study asked research participants to identify the step in the sales process that most influences consumers’ perception of the profession—either positive or negative. In both cases, follow-up ranked a distant third, perhaps indicating a misunderstanding of the importance of follow-up to consumers.

## Consumers’ Negative Views on Commissions

Commission-based sales may be a prime reason for distrust among the general public, and Kelly Kidwell, CEO of Pacific Advisors, warns that the industry must address it sooner rather than later: “Consumers have been taught to respond negatively to commissions. It isn’t just in our profession; it’s any profession that makes commissions. I’m not saying commissions are inappropriate; I’m saying we have to acknowledge that people who don’t understand will demonize anyone they are afraid is taking advantage of them. We need a story that better explains how we get paid.”

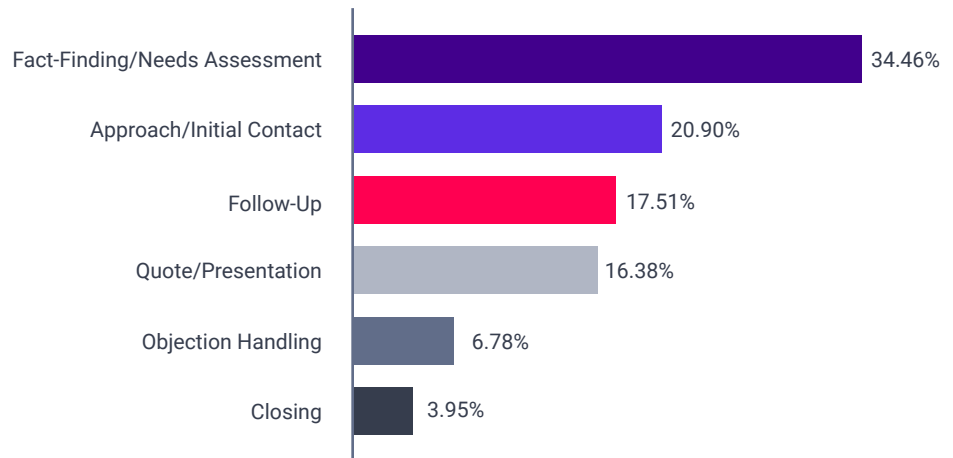
Misconceptions about commission-based compensation may exist in academia as well—even in schools that cater to financial security. John Bucsek, CEO\* of MassMutual Tri State, says there are approximately 200 schools that offer classes that lead to taking the Certified Financial Professional exam. “I’ve talked to many of them,” he says, “and they often say there’s no way they will encourage students to work for a company that bases compensation on commissions. Their idea of a career for graduates is working for a big firm that pays a salary, doing financial planning in a support position. So, even the schools that offer classes in financial services are steering people away from commission jobs.”



\*Agency officers are not officers of MassMutual.

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Which step in the sales process has (or could have) the most **negative** influence on public perception of the profession?



## Consumers’ Misconceptions about Products and the Profession

**“Millennials don’t have a solid understanding of insurance and financial services products. They know they need life insurance, for example, but don’t understand all the options and don’t think they can afford it.”**

—Dustin Hoffman, Director of Customer Experience, AAA Life

The *2021 Insurance Barometer Study* conducted by LIMRA and Life Happens identified four widely held misconceptions Americans have about life insurance:

1. Life insurance is too expensive.
2. My workplace life insurance is enough.
3. It is too difficult to buy life insurance.
4. I don’t need life insurance until I am older.

Furthermore, more than half of the consumers who participated in the study indicated they are unsure what product they need or how much coverage to purchase. The report concludes there is a “need for compelling communications to help consumers build appreciation for the broad value proposition that life insurance offers.”<sup>9</sup>

“People are intimidated by the process,” says Kristi Acree, District Director with Northwestern Mutual Eastern Pennsylvania. “They don’t think they are at a high enough financial level to work with an advisor, and they don’t know how to raise their hands to ask.”

Financial security products are varied and complex. It’s no wonder the average consumer is confused, and many in our research say the industry has been lax in educating them. Hoffman agrees, “When I first came into the industry, I didn’t see a need for so many different products. It felt like they were just there to confuse people,” he says.



“But I learned that the different products are carefully crafted to provide consumers with the specific coverage they need at different life stages. The public doesn’t understand that. We are missing an opportunity to let people know insurance is more affordable than they think, and we offer different products because we know not everyone is the same.”

The public appears to have as many misconceptions about the financial security profession as they do about its products, which may be one reason it is difficult to attract new people into the profession. For the next generation of financial security professionals, changing perceptions may be as much about image as it is about trust.

“I sit on the insurance board of Lansing Community College,” Korsgaden says. “Students who come into their insurance program are surprised at how interesting the program is, and they’re excited by the opportunities. But most colleges don’t do a good job of explaining the opportunities, not just in sales but also in STEM [science, technology, engineering, and math] fields—actuarial science, big data, artificial intelligence, and cybersecurity, for example. There are opportunities for graduates with law degrees and degrees in public relations, communications, and business management. Some of the best career opportunities are in the insurance and financial services profession, but we don’t attract people because they don’t know.”

Bucsek points to the benefits of a profession in financial security that should, in theory, attract younger generations into the profession: “Look at what millennials and Gen Z say they want in a career—to be part of a movement, to give back, and to make a difference—isn’t that what a career in insurance and financial services does?”

# Elevating the Profession

## No. 1

According to survey participants, the No. 1 thing financial security professionals can do to create a more positive perception of the profession is strengthening relationships with clients.

**“Think of the impact we could have if every financial professional in each marketplace picked an elementary or middle school and taught a financial literacy class.”**

—Lisa Davis, Managing Partner, 1847Financial

Participants in our research feel that trust increases when consumers have an opportunity to work with a financial security professional. Edelman’s data seems to support this belief. Their *2021 Trust Barometer* identified a 13-point gap in trust between the informed public<sup>a</sup> and the mass population and a 21-point gap between the general population and employees in the financial security profession.<sup>10</sup>

These findings support the belief expressed by many of our research participants that a well-informed public will have a more positive view of the profession. Leaders in our research identified three areas where changing consumer interactions will influence public perception of the profession:

- Creating a collective narrative.
- Educating the public.
- Shifting the paradigm within the profession.

## Creating a Collective Narrative

**“The general public has no idea of the level of compliance and self-policing we’re doing within the industry to ensure their security and safety.”**

—Troy Korsgaden, Principal, Korsgaden International

Financial security professionals who develop long-term relationships with their clients by providing expert advice and ongoing service can—and do—change people’s perception of the profession every day. The challenge is that these changes are occurring one client at a time.

<sup>a</sup> Edelman defines the informed public as college-educated people between the ages of 25-64 who are in the top 25 percent of household income per age group in each of their markets and report significant media consumption and engagement in public policy and business news.

According to leaders in our research, one of the most significant ways to influence public perception is to create a collective narrative within the profession. As one research participant put it, “We need to get better at telling our story.”

Individual companies and firms promote the profession’s value, but their messages are often too narrow (“See how company ABC helped this family.”) or too localized (“See how ABC firm gives back to the community.”)—and almost always focused on making a sale.

“There’s nothing that promotes the impact of insurance and financial services on society,” Bucsek points out. “You see life insurance commercials, and they’re emotional and well done, but they are individual stories designed to sell life insurance. What about the impact the industry has on a national and global level? People have no idea of the amount of good we do as a profession.”

Kidwell agrees and offers this example: “What if we kept score of all the ways we help consumers? Take charitable giving—almost every company and firm is giving back in some way. But those donations are recognized at an individual level. What if we were able to show the public that in addition to the good work we do as advisors, the profession also donates millions of dollars each year to help create financial security within our communities? It’s happening today; it’s just not recognized at an industry level.”

### Perceptions in the media

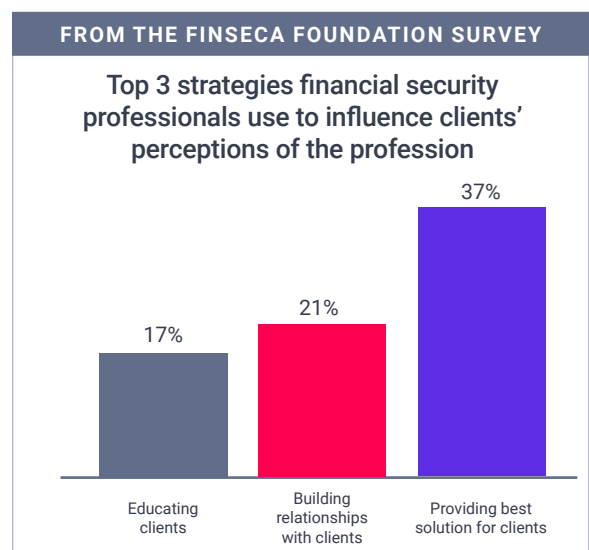
A collective narrative would also balance what many leaders feel is a one-sided view of the profession in the media. “The problem is the fringes get the most attention,” Kidwell says. “When somebody goes too far and pushes a concept to the point of abuse, the media and politicians pay attention. But 95 percent of our people are doing the right thing.”

Korsgaden has a similar perspective: “Over the past 20 years, our industry has done an excellent job of self-policing. Most companies go above and beyond what is required by state departments and regulators, but the general public has no idea. We don’t promote how much we are doing to ensure the public’s financial safety and security. We don’t educate the public about our efforts to weed out the few people who aren’t doing the right thing by consumers.”

### Marketing

In some ways, the profession is contributing to consumer confusion through its own advertisements. “The way some companies position the industry in the media makes it seem like getting insurance is a huge obstacle,” Hoffman says. “Marketing that promotes fifteen dollar monthly premiums and no medical exams is sending a bad message—as though getting insurance is some draconian experience.”

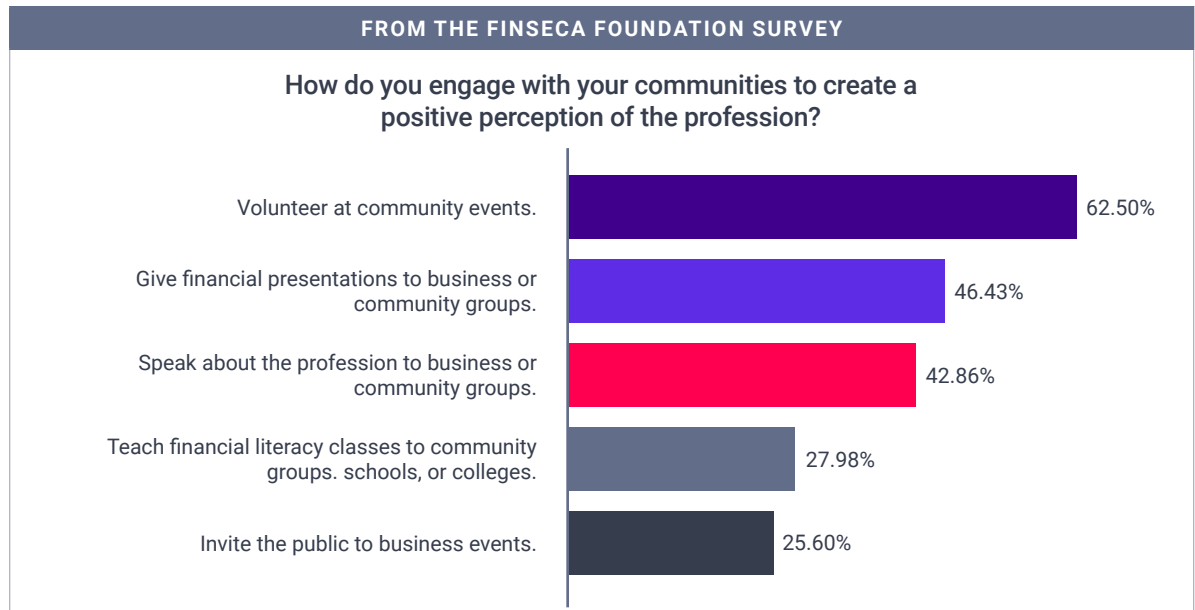
Christopher Tharp, Chief Strategy Officer with Northwestern Mutual Eastern Pennsylvania, feels the same: “How many times a week do you see ads promoting no medical exam required? It confuses people; they aren’t sure if they really need to speak with an advisor.”



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“There are so many more important things to promote than saying for 10 dollars a month you can get \$200,000 in coverage,” Hoffman says. “Is that right for some people? Sure. Is it the best for most people? Probably not.”

Along with many in the profession, Hoffman and Tharp feel a unified message promoting the value financial security professionals provide is essential in elevating the profession in consumers’ eyes.



### Updating the narrative

Hoffman reminds us that a new narrative must appeal to the next generation of consumers. “If we try to retrofit the communication strategies we used for boomers to fit millennials and Gen Z, it isn’t going to work,” he says. “We have to look at how they view the world and how they approach problems.”

Bucsek experienced this firsthand when he created NextGen Financial Group, which he started for next-generation advisors to serve the next generation of consumers. “Our firm name, MassMutual Tri State, doesn’t attract millennials,” he says. “Since we created NextGen Financial, we’ve seen a huge uptick in new advisors joining our firm. That one little change in perception—it was something people could relate to.”

### Inclusion and diversity

Strategies like Bucsek’s that attract a younger and diverse group of people to the profession are essential for elevating the profession. “We owe it to our clients to guarantee that we’ll be here for them and their families,” says Howard Sharfman, Senior Managing Director at NFP Insurance Solutions. “We need to bring in diverse people who look like our clients, and we have to realize that our clients’ children probably shouldn’t be talking to us; they should be talking with one of their peers. We have to manage our businesses so that every client has an appropriate experience.”

Acree feels strongly that inclusion and diversity must be an integral part of the profession’s collective narrative. “One of the most important missions we have as a profession is creating

diversity within the profession,” she says. “We have to bring in bright men and women of different backgrounds and ethnicities. People have a perception that they don’t belong. We have to put intent behind attracting diverse talent into the profession so that we can provide financial security to everyone.”

## Educating the Public

**“Consumers are wary of being sold. ‘You’re calling me to sell me something, and I don’t know if it’s in my best interest.’ Unless we do a good job of getting to know people and educating them in the process, they are going to feel sold.”**

—J. Christopher Noonan, Regional President, Equitable Advisors

The need for educating consumers was a recurring theme in our research, and leaders identified several areas where education could help to build public trust in the profession.

### Financial security products

**“The public is not well informed about the industry, and there’s confusion about what financial services means. People see commercials from different companies and hear different thoughts, yet they still don’t know if something like an annuity is good or bad.”**

—Christopher Tharp, Chief Strategy Officer, Northwestern Mutual Eastern Pennsylvania

Many organizations provide educational resources for their clients and customers, but few focus on educating the general public. And those organizations that do offer public education often do so as part of a sales strategy, not for purely educational purposes.

Momentum may be building, however. Several leaders in our research said their teams work with schools, businesses, and groups such as Junior Achievement to provide financial education.

Scott believes in placing education before sales. “I want people to leave with a better understanding of insurance and financial services when they attend our seminars,” he says. “We are often invited to speak at colleges, businesses, and community events, and we get invited because we focus on education, not sales.”

However, educating consumers may prove more challenging than we expect. LIMRA’s *2021 Insurance Barometer Study* notes:

For the industry to educate potential policy buyers, not only does it need to dispel some common myths and misconceptions, it also has other obstacles to overcome. When asked to self-assess knowledge of life insurance, the groups with lower ownership, higher propensity to believe common myths, and more inaccurately estimate cost believe they have a better understanding of the product.

The first step in educating consumers may be convincing them they “don’t know what they don’t know.”

Companies and firms are responding to the call. Steve Guinan, Managing Partner with Northwestern Mutual Eastern Pennsylvania, shares the message his company is sending to the field: “Everyone at every stage in life, regardless of their income or their net worth, is deserving of a financial plan.”

“That’s a philosophy we have embraced in our firm,” he says. “We want to dispel the belief that only people with a certain net worth or income level need a financial plan.”

## The financial security profession

**“Look at how the media portrays us. We’re either Ned Ryerson in *Groundhog Day* or Jordan Belfort in the *Wolf of Wall Street*.”**

– Finseca Foundation survey participant

Finseca Foundation’s 2015 *Attracting the Right People* research revealed that people in the general population, including those who match the profession’s top-performer profile, cannot accurately match financial security titles (financial advisor, financial planner, and insurance agent) with their job descriptions. The study concluded that the general public’s knowledge of the financial security profession is limited at best, and they are confused by the many titles used within the industry.<sup>11</sup>

Apparently, this sometimes holds true even for those in the profession. “For the longest time, my mother didn’t understand what I do,” Scott says. “I explained to her I work with insurance agents. I support what they do, and I lead and manage a group of people. And her response was, ‘But what do you do?’ The best thing that came out of those conversations was figuring out how to explain to people what we do in this industry in a way that makes sense and isn’t a bunch of jargon.”

### Public perceptions about salespeople

Financial security professionals have made great strides in reframing their roles, but public perceptions regarding people in sales persist. “In some ways, we unintentionally shoot ourselves in the foot,” Guinan says. “The push to sell on the first visit, for example, without taking the time to truly know the client.” Guinan continues:

Not everyone wants to do what it takes to be professional. But, I don’t like the notion that being in sales is inherently bad. There isn’t anything wrong with being a salesperson, as long as it’s done professionally.

Selling is influencing people, and as long as the influence that I’m providing is in the client’s best interest, then I’m doing what’s right. I’m encouraging them to do something that ultimately they’re going to determine they needed to do.

Korsgaden agrees, “You have to be honest with people. Let them know you want the opportunity to provide a solution, but you want to get to know them first, to get a 360-degree view of their needs. Of course, you must be ethical and not sell them something they don’t need. But, if they need it, you have to give it your all. Because if you don’t and something happens, then you didn’t do your job.”

### Educating future generations

While educating the general public is essential, affecting long-term change starts with the next generation of consumers.

Davis taught a financial literacy class in her local middle school. She describes her experience this way:

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The teacher explained that the first lesson was on banking and the second lesson was about how credit works. I almost fell out of my chair. Afterward, I told her that teaching our children about credit and debt doesn't make sense. Why aren't we teaching children how to be smart spenders and smart savers and what happens when a dollar comes into the household? She asked me if I wanted to teach the class, and so I did!

Davis created decision-making exercises where each student had \$100 to spend. They were responsible for everything in their household, from winter clothes to food. Some students spent the entire \$100, some saved their leftover money for the next month, and some bought themselves a present with the remaining funds.

"It was fascinating," Davis says. I could tell very specifically how money was discussed and viewed in their homes by the decisions the students made. We have to teach our children to understand how money works and how to make smart decisions about spending money."

Like Davis, Bucsek turned financial education into a game that he dubbed the Cheddar Bowl ("cheddar" is urban slang for money):

One of the things I'm most proud of is creating the Cheddar Bowl while president of the Financial Planning Association (FPA) of New Jersey in 2020. It's a Jeopardy-style game for college students. Most of the participants were in financial services degree programs, but it wasn't required.

Three New Jersey colleges each nominated three students. First prize was a \$3,000 scholarship; second prize was a \$1,500 scholarship, and third prize was a \$500 scholarship. Participants got a free one-year membership to FPA and a letter of recommendation from the FPA of NJ Board. It was unbelievably well received. People thought it was cool. No one ever uses "cool" when they talk about our profession.

## Money Master Kids and Finseca Foundation

The Finseca Foundation has partnered with Money Master Kids to educate children of all ages in financial literacy. Money Master Kids is a financial literacy curriculum company that teaches children financial life skills.

The curriculum for Money Master Kids is dedicated to helping children grow to be financially self-reliant, self-sufficient, and well-rounded leaders of their life. Their signature programming and education platforms are designed to reach, teach, empower, and motivate kids, parents, and educators about these important topics.

## Shifting the Paradigm within the Profession

**“The best meetings are the ones where buying is a natural outcome of the process—people feel good about the conversation and make their own decision; they don’t feel sold.”**

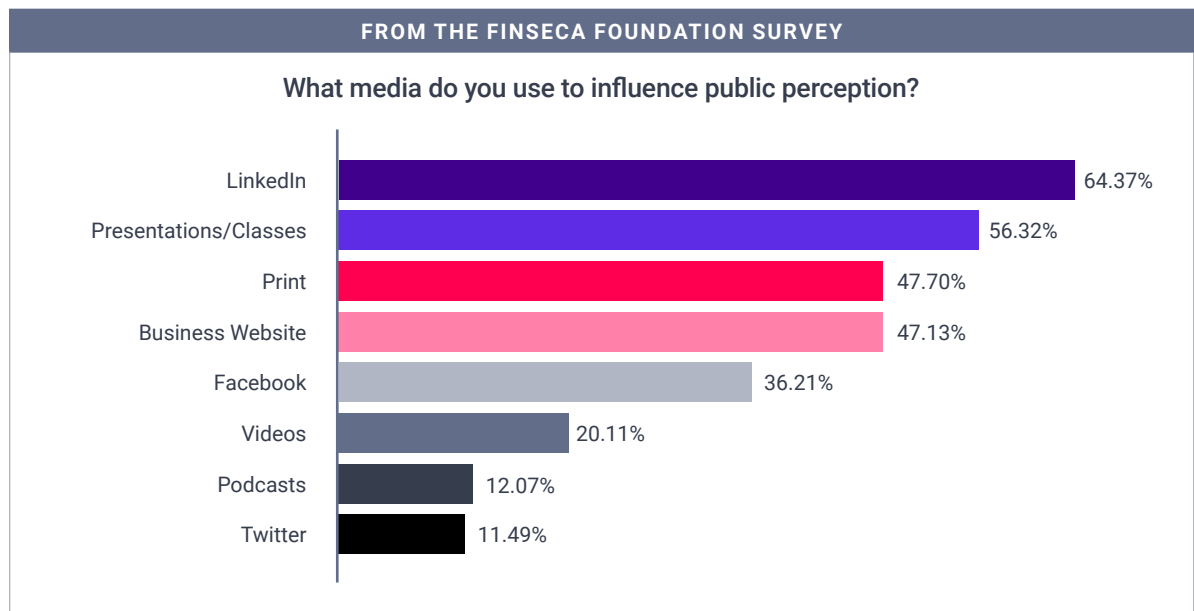
—Christopher Guarisco, Senior Agent,  
Transamerica Agency Network

Consultative, solutions-based, client-focused—Financial security professionals call this approach by different names, but they all boil down to one core belief—the client comes first. Leaders in our study believe that to affect change outside of the profession, we must first change the paradigm within the profession by putting the client first in every interaction.

Chris Noonan, Regional President with Equitable Advisors, explains it this way, “There are three types of financial professionals: transactional, consultative, and trusted resource. The majority of financial professionals are transactional; they’re product-focused, ‘I’m here to solve a problem, and here’s the product that will solve the problem.’ The journey is about educating financial professionals and consumers on how to get from one level to the next.”

Leaders identified three strategies essential to a client-centered approach:

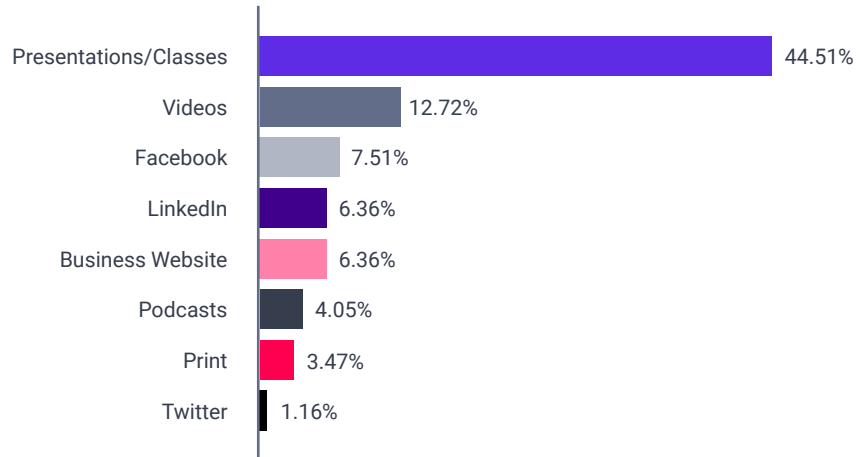
1. Deep fact-finding.
2. Expert advice.
3. Support, service, and follow-up.



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### What media do you believe is most effective for influencing public perception of the profession?



### Deep fact-finding

Deep fact-finding requires going beyond completing a checklist of questions; it requires taking the time to fully understand clients' needs and goals and their dreams and aspirations. It means asking questions to gather information that clients may not realize is important to their financial security and understanding how their needs may change at different life stages to help them plan for the future.

Noonan's team uses a holistic life-planning approach. When fact-finding, many financial professionals get caught up in the numbers: assets, liabilities, income, and expenses. But it's important to get to know the client from a holistic standpoint—what they value, their goals and objectives, and prior life experiences. When it comes to the client review, top performers on Noonan's team spend less than ten percent of their time on the numbers. They use meetings with clients to get a holistic view of clients' lives. "When you care for the whole person, you become a trusted consultant," Noonan says. "There are so many things going on in clients' lives, and you become a confidant for all those things. It truly is a privilege."

### Expert Advice

Deep fact-finding positions financial security professionals in a consultative, advisory relationship with their clients, and their clients look to them to provide expert advice.

Specialization is one strategy financial security professionals use to provide expert advice. Korskogden has been a proponent of specialization for many years. "Today's insurance and financial services products are too complex for any one person to be an expert in all of them," he says. "Specialization allows you to provide clients with the level of service they deserve and expect."

Tharp believes credentialing can also differentiate financial professionals. "All advisors are not equal," he says. "Someone with a CFP® or other professional designation along with many years of experience will inevitably have a certain level of skill that others do not."

Guinan agrees: “One of the things I think we’re doing well as a profession is creating consumer expectations of working with a professional. However you define professional—CFP®, CFA, MSM or some other credential—we are setting a standard for excellence.”

Of course, expert advice is only valuable if clients understand it. In one 2020 property and casualty survey, 46 percent of small business owners, 71 percent of mid-market business owners, and 47 percent of consumers said it is challenging to understand what is and is not covered in their policy.<sup>12</sup>

“Many people don’t understand their policy and don’t know what to ask,” Barlage says. “It’s our job to educate them. We need to be risk advisors, not order takers.”

Guarisco cautions against confusing clients by providing every option: “You need to get all the information you need to help people decide on a strategy,” he says. “But you have to be careful; too many choices may confuse them.”

### A Six-Step Client-Centered Approach

Chris Noonan, Regional President with Equitable Advisors, recommends this six-step process for developing a client-centered approach.

1. **Meet clients where they are at.** Take time to understand where people are in their life stage—the demographics, psychographics, and behaviors—so you can help them pursue their best futures. Get to know their goals and dreams, not just their assets and liabilities.
2. **Respect the decisions they have made.** Don’t come in with the latest “product du jour.” Seek to understand where clients have been, where they are, and where they are headed. Find out what they are trying to achieve—financial independence, income protection, estate planning, or paying for a college education, for example. Focus on what they want to accomplish.
3. **Educate them.** Explain the options available and address any needs that are uncovered. Educate them on elements that impact their planning they may not have thought about, such as inflation, interest rates, and taxes.
4. **Solve their problem.** Explain to clients how your plan helps them achieve their goals.
5. **Monitor progress.** This is where many financial professionals fail; they monitor the markets and update clients on product performance when the client’s real concern is, “Will I accomplish the things we set out to achieve?”
6. **Stay in touch.** A genuine client-centered approach requires building relationships with your clients, and building relationships requires staying in touch.

## Support, Service, and Follow-Up

**“We have to go beyond the transaction; our service models have to be lifetime service models.”**

—Kelly Kidwell, CEO, Pacific Advisors

Support, service, and follow-up are perhaps the true test of a client-centered approach. Closing a sale without sufficient follow-up and service strategies in place can turn a potential long-term relationship into a short-term transaction.

### Support

Scott had a unique way of providing client support during the early years of his career, “Emergency binder, briefcase project—people call it different things,” he says. “It’s a place to keep all the important information you need in an emergency. So, if a spouse or business partner dies, or your house is on fire, all your important documents are in one place. Early in my career, I gave people Ziploc bags for their documents and told them to keep it in the freezer because freezers don’t burn.”

Scott no longer uses Ziploc bags, but he still maintains the same philosophy: “We need to provide leadership in protection, not products. I want to support the whole experience in terms of my clients’ protection, and part of that is making sure they are prepared in an emergency.”

### Service

Scott is correct in addressing the entire customer experience. Research shows that customer experience can make or break a relationship. For example, in a 2018 PwC study, 59 percent of consumers surveyed said they would abandon a brand after a few bad experiences, and 71 percent said customer experience has a significant impact on their purchase decisions and loyalty to a brand.<sup>13</sup>

NFP Insurance Solutions uses client surveys to monitor the client experience. “We survey people all the time,” Sharfman says. “We calculate our net promoter score to figure out what we’re doing that affects client satisfaction. Some changes are product-driven, but mostly what drives the score are our interactions and communications with clients. The perfect situation is when you can combine product offerings and a service platform that create the highest net promoter score.”

Korsgaden recommends providing concierge-level service at every customer touchpoint. “Customer experience is the differentiator today,” he says. “Clients can have a great sales experience and a great onboarding experience, but if they have one bad service experience, trust is broken. Concierge-level service is required at every step in the customer journey.”

### Follow-Up

Unfortunately, the onboarding experience is the last experience some customers have with their financial security professionals. Building long-term relationships with clients requires ongoing communications and regular follow-up.

Korsgaden follows the seven-touches model, connecting with clients at least seven times a year. “It shouldn’t always be about a sale,” he says. “Call to thank them for being a client or send an article you think they might be interested in. Building the relationship is what’s important; the sales will follow.”

Tharp recommends a two-test strategy to evaluate the sales process. “The first test is to ask: During the process did you feel like the advisor was trying to help you, or did you feel like they were trying to help themselves? The second test is to ask: After the sale, did the advisor ever call you again? The number one complaint I have heard is, ‘They sold me something and then they never called me again.’ ”

Follow-up may be one of the ways to change consumers’ perceptions about commissions as well. “It’s the big commission and then the disappearance that is so offensive to consumers,” Kidwell says. “The advisor who seemed to care so much during the sale but then doesn’t have a service model in place. So, consumers feel betrayed—they thought they were a client, then suddenly realize they were just a transaction.”

Davis agrees, “I don’t believe any client would have an issue if you engage them the correct way and explain that the carrier is paying you on certain pieces. It’s when it’s taken out of context—a blanket statement that commissions are bad—that creates the negative perception.”

Support, service, and follow-up are vital in creating long-term relationships, positioning financial security professionals as trusted partners, and changing public perceptions about the profession. Unfortunately, this is an area where leaders in our study feel many financial security professionals fall short.

“We train people on pre-approach, fact-finding, and information gathering,” Sharfman says, “on presentation and closing skills, on delivering policies and asking for referrals. And that’s where it stops; but that’s where our job begins.”

### **An Advisory Team Approach**

Howard Sharfman, Senior Managing Director at NFP Solutions, doesn’t want to be a client’s most trusted advisor. “Because I get a commission when I sell something, I believe that takes me out of the running to be the most trusted advisor,” he says. “I would never let a commission get in the way of making the right decision for a client, but I think there are others who are better positioned.”

Instead, he works with a team of trusted advisors. Sharfman explains:

We market ourselves to other advisors and ask to be on their planning team. If I meet a potential client, the first question I ask is, “Who’s your accountant?” The second is, “Who’s your attorney?” And the third is, “When can we all meet?”

When everyone looks at the problem from their own discipline and we talk about it together, we come up with the right solutions, which may or may not be insurance. There may be situations where I think there’s an insurance need, and I get outvoted. But there are other times where the team agrees. If I’m the only one saying to a client, “You need to buy X,” they may or may not believe me. But when the entire team is telling them, clients are confident in their decisions.

This approach provides Sharfman with comprehensive knowledge about clients so he can make better decisions. His clients are happy, which increases his net promoter score, and it positions him and his team as trusted professionals.

# A Call to Action

**“We can make a huge change in the business if we start to change our behavior. I believe that’s my personal responsibility and the responsibility of my counterparts all over the country and in other firms. And, we have to take that responsibility seriously because together we can do amazing things.”**

—Lisa Davis, Managing Partner, 1847Financial

We can do our best to influence public perception of the profession, but we cannot control it. We can, however, control our own actions and behaviors.

Elevating the profession in consumers’ eyes will remain a challenge unless we are unified in our commitment to provide financial security for all by:

- Serving and attracting a diverse population of clients and financial security professionals.
- Moving from transaction-based sales to relationship-based solutions.
- Committing to lifetime service and support for our clients.
- Educating the public on the products, the profession, and the countless contributions financial security professionals make to their local communities and global society.

The breadth and depth of the opportunities for elevating the financial security profession in consumers’ eyes are more than one ebook can explore. We hope this is just the beginning of larger conversations within your firms and companies.

# Acknowledgements

A special thanks to the financial security professionals who contributed their time and expertise to this research.

**Kristi Acree, District Director**  
Northwestern Mutual Eastern Pennsylvania

**Jennifer Barlage, Sales District Leader**  
American Family Insurance

**John Bucsek, CEO\***  
MassMutual Tri State  
(\*Agency officers are not officers of MassMutual.)

**Lisa Davis, Managing Partner**  
1847Financial

**Chris Guarisco, Senior Agent**  
Transamerica Agency Network

**Stephen Guinan, Managing Partner**  
Northwestern Mutual Eastern Pennsylvania

**Dustin Hoffman, Director of Customer Experience**  
AAA Life Insurance Company

**Kelly Kidwell, CEO**  
Pacific Advisors

**Troy Korsgaden, Principal**  
Korsgaden International

**Chris Noonan, Regional President**  
Equitable Advisors LLC, member FINRA/SIPC  
(Equitable Financial Advisors in MI & TN)

**Corine Porter, Director of Agency Support**  
Farm Bureau Financial Services

**Patrick Scott, Senior Regional Sales Consultant**  
AAA Life Insurance Company

**Howard Sharfman, Senior Managing Director**  
NFP Insurance Solutions

**Christopher Tharp, Chief Strategy Officer**  
Northwestern Mutual Eastern Pennsylvania

## Endnotes

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