


The pandemic has led to a flurry of new clients for some advisors

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Helen Burnett-Nichols

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While many Canadians have turned to their financial advisors during the pandemic to address their concerns about market volatility and their financial futures, some advisors are also reporting a record-breaking year for new clients seeking financial advice – many of them for the first time.



Trixie Rowein, portfolio manager and founder with the PAX Portfolio Advisory Team at Raymond James Ltd., at which she is vice president in the private client group, says she and her team in Edmonton have taken on more new clients during the past year compared with any other in her 20 years as an advisor.

The questions these new clients are asking are timeless, including whether their money is working well for them or whether they will be able to retire. But Ms. Rowein says it was the uncertainty that COVID-19 brought on that led them to re-evaluate their priorities, stop procrastinating about getting a handle on their finances, and ask their network for the name of a trusted advisor.

While she says several new clients are the adult children of existing clients as well as their friends and neighbours, most of whom are located in Edmonton, but some as far as Fort McMurray or Grande Prairie. Previously, they were either do-it-yourself (DIY) investors and realized they didn't have the time, energy or expertise to continue with this approach, or they were in search of extra connection and financial information.

“A lot of people were looking for new advisors, but COVID-19 just made everybody re-evaluate their priorities, and suddenly, looking after their financial future became a top priority,” she says.

“Whenever you have heightened levels of uncertainty, it just leads people to want more guidance,” Ms. Rowein adds. “They reach out to people like us who can offer them that education and information and filter out all the noise.”

Indeed, a recent Toronto-Dominion Bank survey highlighted the value of the client-advisor relationship during the past 16 months as almost half (48 per cent) of individuals surveyed said they relied on their advisor as their main source of investment information during the pandemic.

More surprisingly, more than half of survey participants also said they would rather resume in-person meetings with their advisor than go to a concert or sporting event when public health measures allow.

Scott Plaskett, senior financial planner and chief executive officer with Ironshield Financial Planning in Toronto, says his firm has also taken on new clients this past year at a rate that's more than double each of the past two years.

Those who contacted the firm during the pandemic are generally busy millennials and pre-retirees from across Canada – thanks to virtual meetings – who, in many cases, haven't worked with a financial planner and are looking for clarity about whether they're on the right track to meet their goals.

“They've amassed a certain amount of wealth, [they have] savings that have just accumulated out of happenstance, but they just don't get a sense that everything's working together,” he says. “That's what they're looking for from a financial planning relationship, and that's what's motivated them to reach out.”

Mr. Plaskett adds that many new clients report that they have also done some soul searching during the pandemic and are prioritizing new goals for which they will need to use a portion of their wealth right away. One example is moving to a lifestyle property outside of the city.

“What they're finding is, the planning model up until now has been just ‘save, save, save, and deny yourself today for the right to be rich and wealthy in the future.’ But then a pandemic hits and it just brings them face to face with the thought of, ‘Wait a minute, we may not get to the future,’” he says. “People are really reassessing their relationships, their family, their enjoyment factor or their career.”

The biggest question Mr. Plaskett and his team are hearing from new clients revolves around whether the registered retirement savings plan is the ideal solution to support their aim of enjoying more of their money now. That has stimulated conversations about other strategies that will allow them to accumulate wealth while also using it for other purposes in the short term.

Scott Evans, financial advisor at BlueShore Financial in Vancouver, has also noticed some clients shifting their focus toward lifestyle. Meanwhile, others are concerned about how events like the pandemic might affect their family's well-being and are looking for advice on implementing strategies to protect themselves financially.

For example, he says some new clients were using a DIY investment approach, but realized during the pandemic that they hadn't accounted for other factors such as life insurance, estate planning or an emergency fund.

“A lot of the people who come in and had previously been doing it on their own are missing a lot of the defensive strategies,” Mr. Evans says. “It’s almost like a weight on their shoulders – that a lot of times they may know that they’re missing something, that they should have these things, but they’ve never really had the guidance or the person to help them.”

Ms. Rowein says she expects the increase in clients to last for at least another six months to a year as people continue to contemplate making changes. But while COVID-19-related concerns may have driven some to seek financial advice, forming a long-term relationship with new clients post-pandemic will hinge on regular meetings – in person or virtual – check-ins, and providing valuable information consistently, she says.

Mr. Plaskett adds that it’s those productive conversations, reviews, and the ability to pivot and modify plans as needed that will keep new clients coming back year-over-year.

“Our experience is the clients actually really enjoy those conversations because it either shows that they’re progressing faster to their stated goals, or they’re making sure that everything’s in alignment,” he says.