

FOUNDATION FOR
**FINANCIAL
PLANNING**

Powering Pro Bono Financial Planning



Pro Bono Technology Use Research Findings October 2021

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Powering Pro Bono Financial Planning



Methodology

- **In Phase I of our research process (June and July 2021), we conducted five, one-hour focus groups with stakeholders including pro bono financial planners, FPA members, and nonprofit leaders. We were also able to interview two pro bono financial planning clients.**
- **In Phase II of our research (July and August 2021), we fielded a survey to collect more data on the need for technology to support pro bono financial planning engagements.**
- **Hussain Zaidi, CFP® worked with us as a consultant throughout this research process.**



Key Findings

Engagement Structure & Client Sourcing

- **The preponderance (42%) of survey respondents report providing between 11 and 50 hours of pro bono service over the last five years.**
- **About 1/3 of advisors report doing just one-time (single session) pro bono engagements; 40% provide the client between 2-5 sessions; and about 1/4 of survey respondents provide a combination of both depending on the client.**
- **Survey results show 51% of respondents source their pro bono clients through formal, structured programs (via a local nonprofit, FFP, FPA, etc.) while 64% report sourcing clients via ad hoc referrals from their contact networks.**



Key Findings

Client Overview & Volunteer Needs

- **Eighty percent of survey respondents assist clients who simply have lower income/asset levels; approximately half engage with underserved clients who are experiencing a financial emergency; 36% engage with clients who are dealing with a health condition.**
- **Most engagements focus on helping clients with basic financial needs. The top three goals advisors discuss with clients are:**
 - Creating a budget & managing cash flow (70% reporting)
 - Building an emergency fund (63%)
 - Credit card debt management (51%)
- **Respondents indicate that the biggest pain points in pro bono engagements pertain to resources – having access to public benefits information and helping clients find service providers that can help them in the longer term – as well as securing information about the client before the meeting.**



Key Findings

Tools Used during Pro Bono Engagements

- **Top tools used during pro bono financial planning engagements are pen and paper (86%), email (72%), and phone calls (79%). Also used: financial planning software (55%); spreadsheets (48%); and online conferencing (47%).**
- **Survey respondents who don't use financial planning software report a variety of reasons for not using it, primarily that:**
 - “Software doesn't adequately address client's needs (e.g., emergency fund, debt management, budgeting etc.)” and;
 - “Planning capabilities of the software are too complex for their client's needs.”
- **72% of respondents would be more likely to use financial planning software if it were simple, free and relevant to pro bono clients' key needs.**



Key Findings

Pro Bono Tech Needs

- **More than 40% of survey respondents said they would do more pro bono service if they had better tech tools.**
- **Survey and focus group research supports need for a pro bono technology solution that is very easy to use and segregated from their paid practice.**
 - Highly rated features to consider include info on public benefits and widgets/calculators for budgeting, cashflow analysis, debt prioritization.
 - Also deemed important: a way for client to enter info before first or subsequent appointments; content on basic financial issues that can be shared with client; secure document exchange capability.
- **Of the survey respondents, about 80% would have a more positive view of a fintech company that took a leading role in providing solutions to help expand pro bono service.**



Phase I: Focus Groups & Interviews

Methodology & Scope

- **In June and July 2021, we conducted five, one-hour focus groups:**
 - 2 nonprofit leader groups
 - 2 pro bono financial planner groups
 - 1 FPA Chapter leader group
- **We also interviewed two pro bono financial planning clients.**
- **Hussain Zaidi, CFP® moderated the focus groups and conducted the interviews.**



Pro Bono Engagement Overview

Focus Group Findings

- **Focus group participants confirmed that there are three main types of pro bono engagements: one-time; 2-5 sessions; longer term mentoring.**
- **Advisors use a variety of methods to meet with pro bono clients including phone (primary), zoom, and in-person.**
- **Some pro bono clients are uncomfortable with technology while others are tech-savvy.**



Topics Discussed During Pro Bono Engagements

Focus Group Findings

Focus group participants indicated that topics differed depending on the client population. Most engagements focus on helping clients through crisis and with basic financial needs including:

- Debt repayment
- Saving for an emergency fund
- Budgeting and cash flow
- Increasing credit score
- Maximizing public assistance
- Avoiding predatory financial products and services



Topics Discussed During Pro Bono Engagements, cont.

Focus Group Findings

Other engagements focus on more complex financial issues faced by clients who are more financially stable such as:

- Buying a home or other major purchase
- Retirement (including understanding the need for retirement savings and how to use a workplace plan or IRA)
- Investing basics
- College savings plan (less frequent)
- Estate planning (less frequent)



Tech Improvements to Pro Bono Engagements

Focus Group Findings

Focus group participants identified a number of tech tools or processes that could increase the efficiency and effectiveness of pro bono engagements.

Document management:

- Document signing tool for engagement letter
- A way to verbally agree to the engagement letter
- Secure document sharing and information exchange, prior to and during the engagement (including sharing of the planner's privacy policy)

Tracking/Reporting:

- Automation of advisor reporting to nonprofit
- Survey/assessment of client outcomes after the engagement
- A way for pro bono clients and advisors to set and track action items
- A place to store notes from the engagement



Tech Improvements to Pro Bono Engagements, cont.

Focus Group Findings

Matching and Scheduling:

- Meeting scheduling and reminders
- A more automatized way to match pro bono advisors with clients

Knowledge and Learning:

- Vetted tools that clients can use to implement recommendations after the engagement (investing, purchasing insurance, etc.)
- Resources for advisor use with clients during pro bono engagements (debt calculators, fillable worksheets, credit report pulling, short text or video content on key financial issues)
- A toolbox of resources for increasing the advisors' own knowledge of topics related to working with low-income people (*see next slide*)



Tech Tools to Support Pro Bono Engagements

Focus Group Findings

Advisors wanted resources specific to helping low-income people available to them in an accessible, centralized location. These include:

- Info about public benefits eligibility and other social services, by geographic area (such as [findhelp.org](https://www.findhelp.org) and [benefitscheckup.org](https://www.benefitscheckup.org)).
- COVID relief resources (advisors noted that the state-by-state nature of the benefits creates complexity for advisors and clients).
- Info on where to find pro bono legal support.
- FFP's Pro Bono Financial Planning Volunteer Training as well as other worksheets and guides.
- Resources from the Consumer Financial Protection Bureau, Dept of Labor, Consumer.gov.



Tools Currently Used in Pro Bono Engagements

Focus Group Findings

Most advisors just use pen and paper during pro bono engagements, especially for those that are one-time rather than multi-session. Other tools or technologies used include:

- Excel spreadsheets
- Google (Google Drive, Google Sheets, Google Docs)
- Calendaring tools (Setmore, Appointment Plus, Calendly)
- Document-signing tools (Signnow, DocuSign)
- Budgeting tools (You Need a Budget, Good Budget, Mint.com)
- Debt paydown calculators
- Neighborhood Trust's Trust Plus app (used by CASH Campaign of MD)
- Credit Karma or [annualcreditreport.com](https://www.annualcreditreport.com)
- Salesforce-based platforms (however, some nonprofit leaders reported that Salesforce is prohibitively expensive)



Technologies Used in Paid Practices

Focus Group Findings

Advisors reported using the following financial planning tools in their paid practices:

- Moneyguide Pro (most prevalent)
- Naviplan
- eMoney
- Their firm's proprietary software
- Moneytree

They desire a pro bono technology solution that is very easy to use and segregated from their paid practice (does not have firm logo, won't add pro bono client to marketing lists, easier to track time spent, etc.).



Phase II: Pro Bono Technology Survey

Methodology & Scope

- **In July and August 2021, we fielded a survey to collect more data on the need for technology to support pro bono financial planning engagements.**
- **We promoted the survey through the Foundation for Financial Planning's database of 10,000+ financial planners as well as via communications from our partners CFP Board, NAPFA and FPA.**



Phase II: Pro Bono Technology Survey

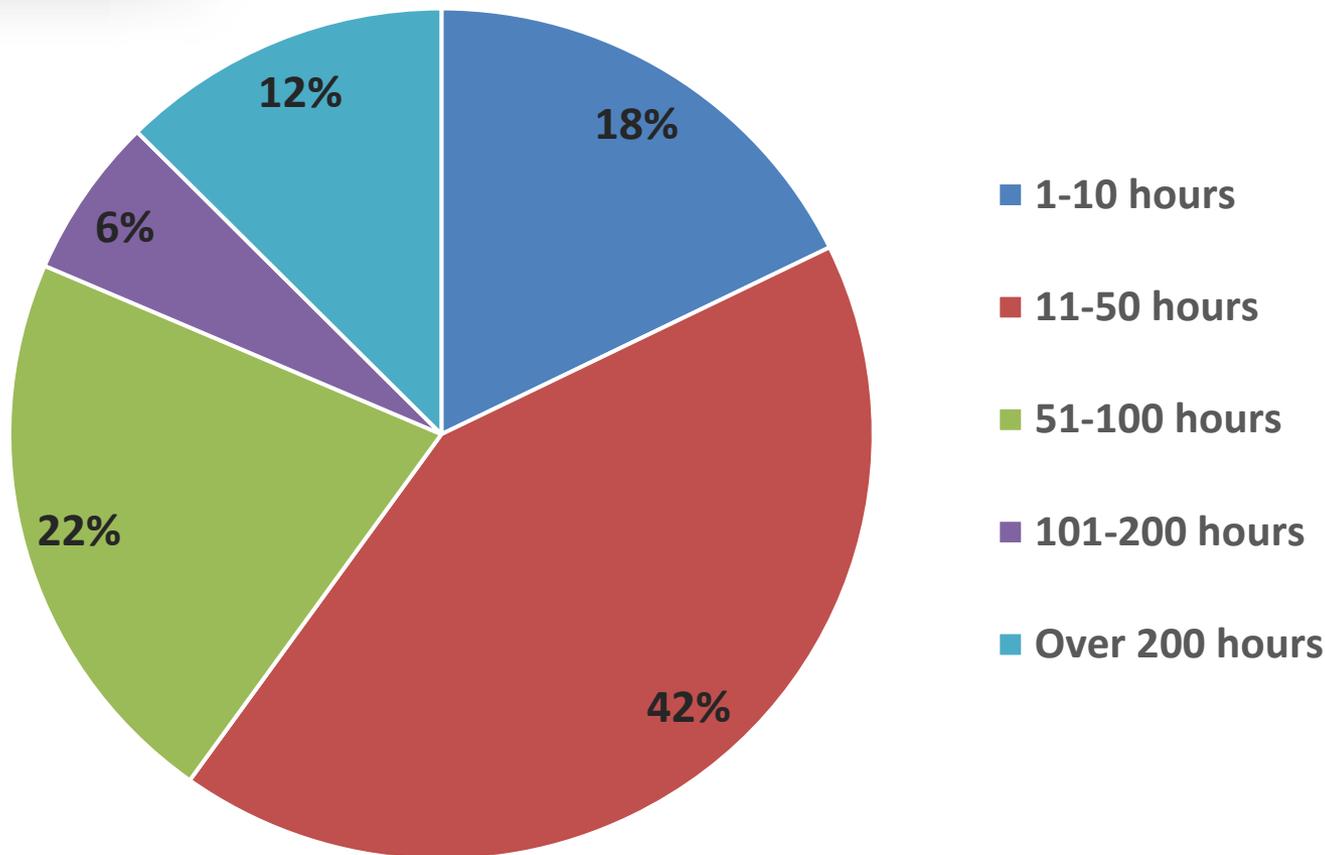
Methodology & Scope

- **The first question screened for responses from CFPs who have engaged in pro bono financial planning within the last five years, specifying that pro bono is defined as:**
 - “Free, no-strings-attached financial advice and planning for underserved people* provided by or in conjunction with a CFP® professional volunteer. These services are delivered through one-on-one engagements or through interactive group sessions on topics specific to an at-risk audience, with the option for personalized engagement to follow. (* e.g., low-income individuals and families, people affected by natural disasters, serious medical crises, bankruptcy, etc.)”
- **We received 399 responses from financial planners who met this criteria (CFPs that engaged in pro bono within the last five years).**



Can you estimate the total number of pro bono hours you have provided to underserved people in the last five years?

Survey Findings

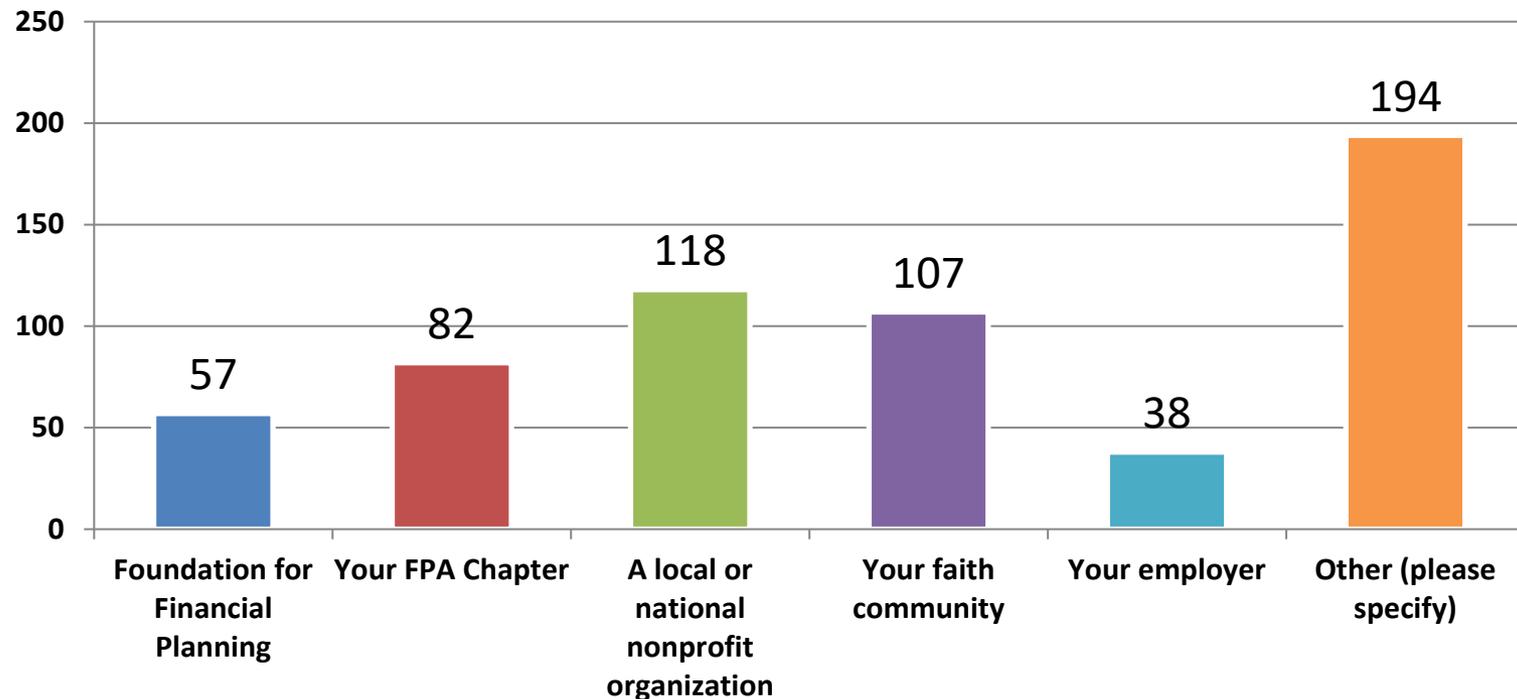




How do you source your pro bono clients? (select all that apply)

Survey Findings

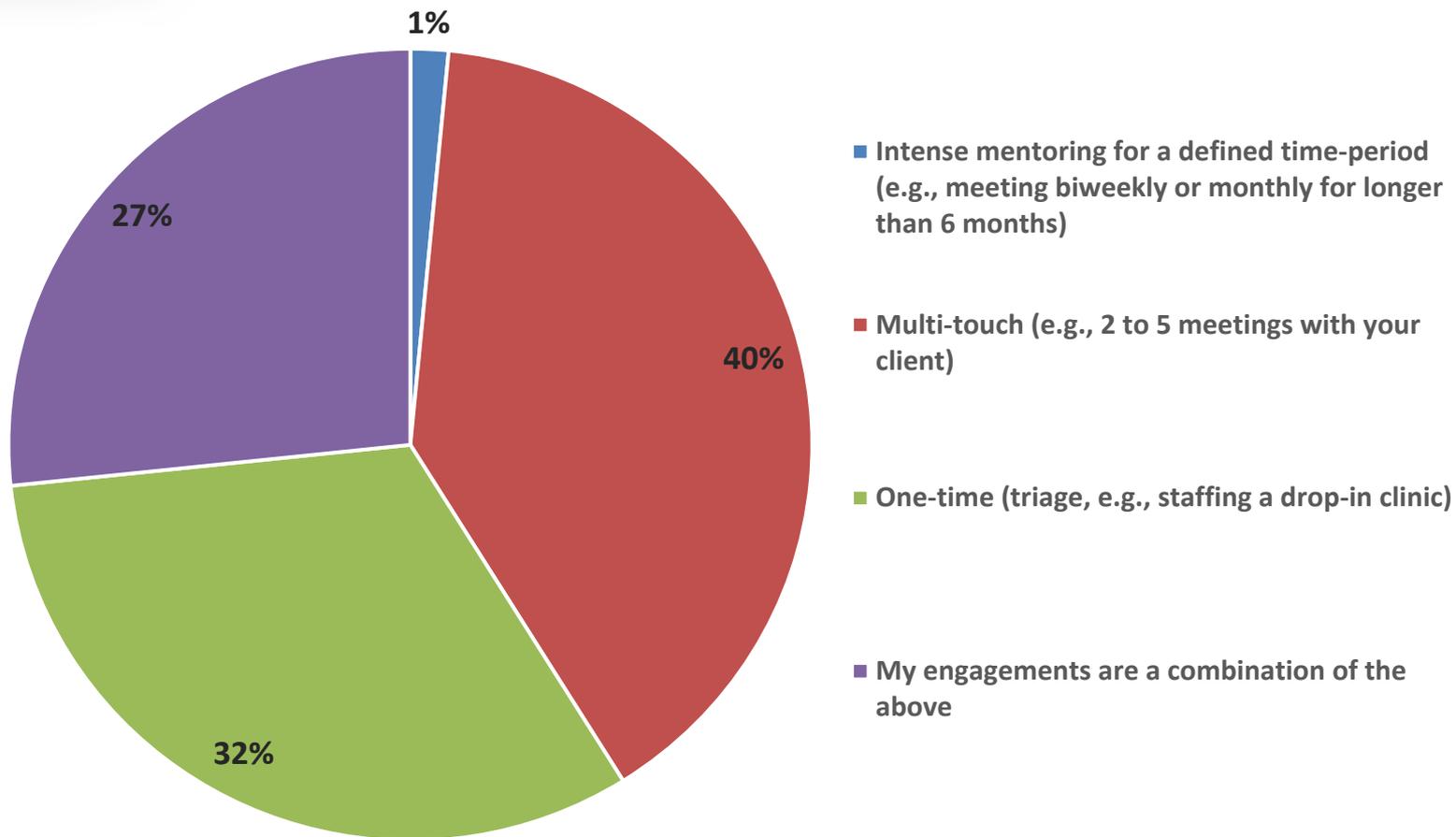
The majority of “Other” responses were from informal connections between the client and the advisor, and not part of a structured program (e.g., advisor’s neighbor refers a person in need to the advisor for help).





How often do you engage with your pro bono clients?

Survey Findings

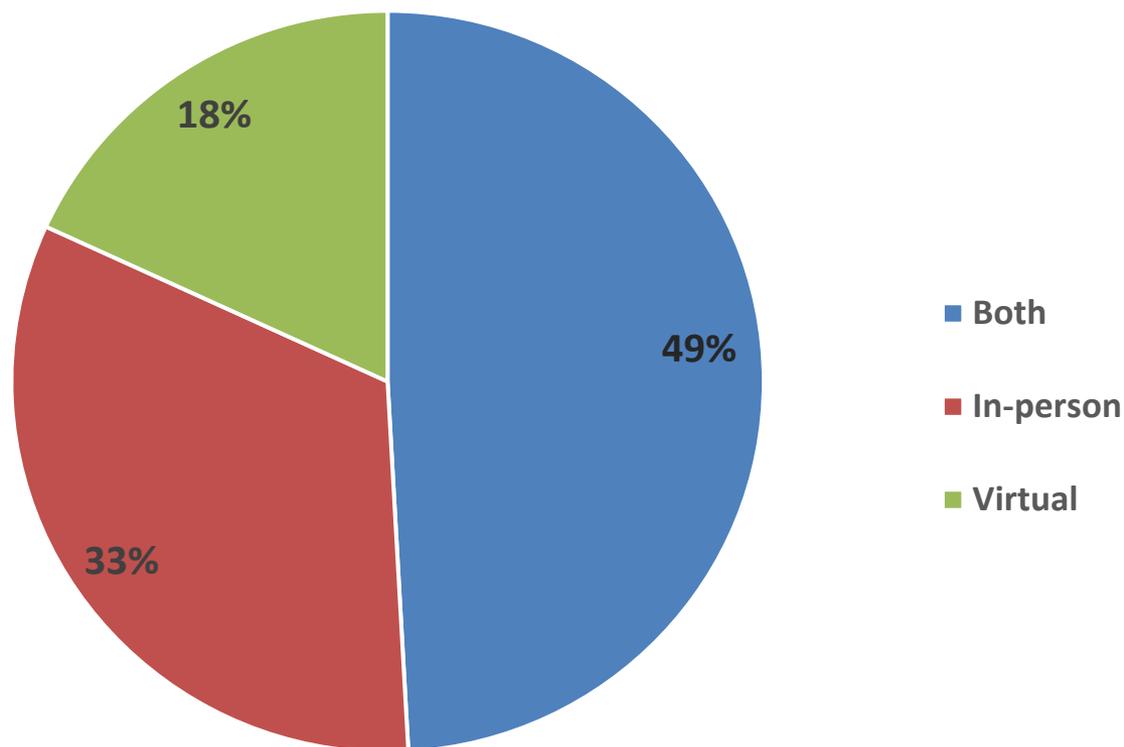




How do you deliver pro bono financial planning?

Survey Findings

Respondents deliver pro bono financial planning virtually and in-person, with 49% of respondents engaging with clients in both ways.

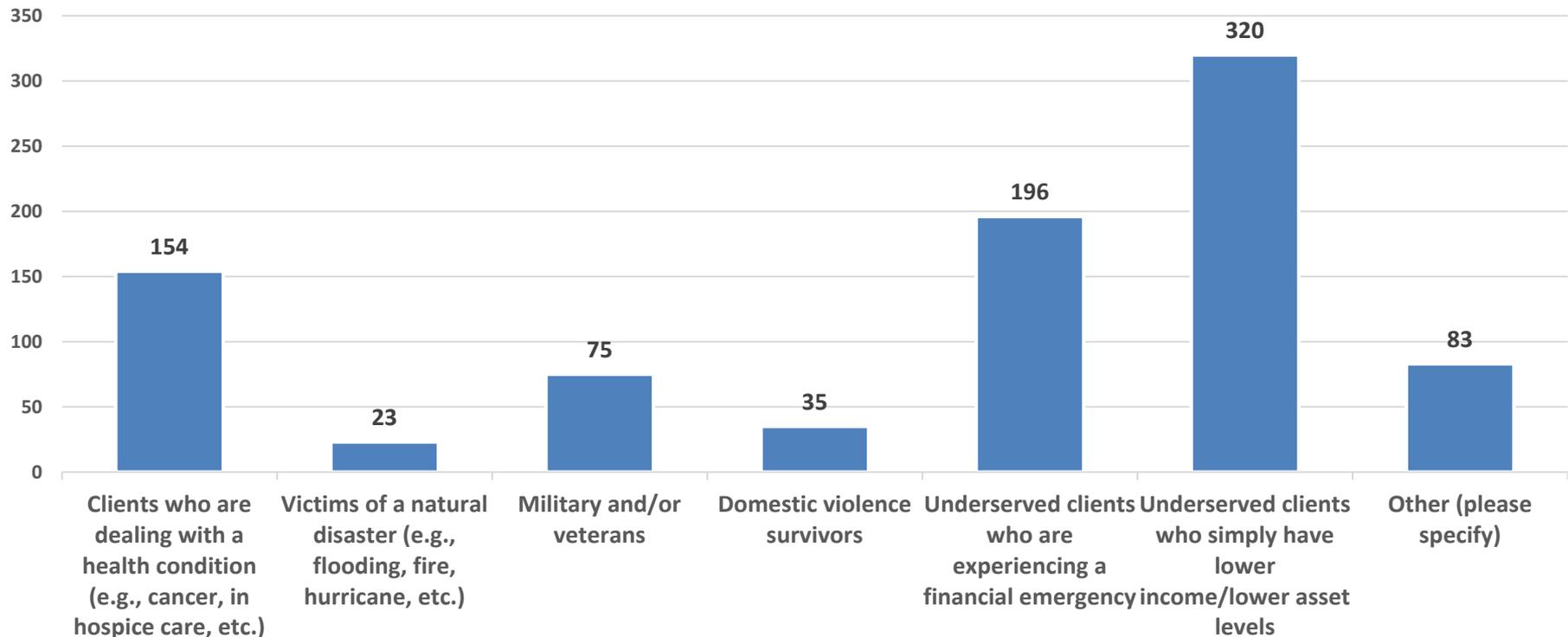




What types of clients are you serving? (select all that apply)

Survey Findings

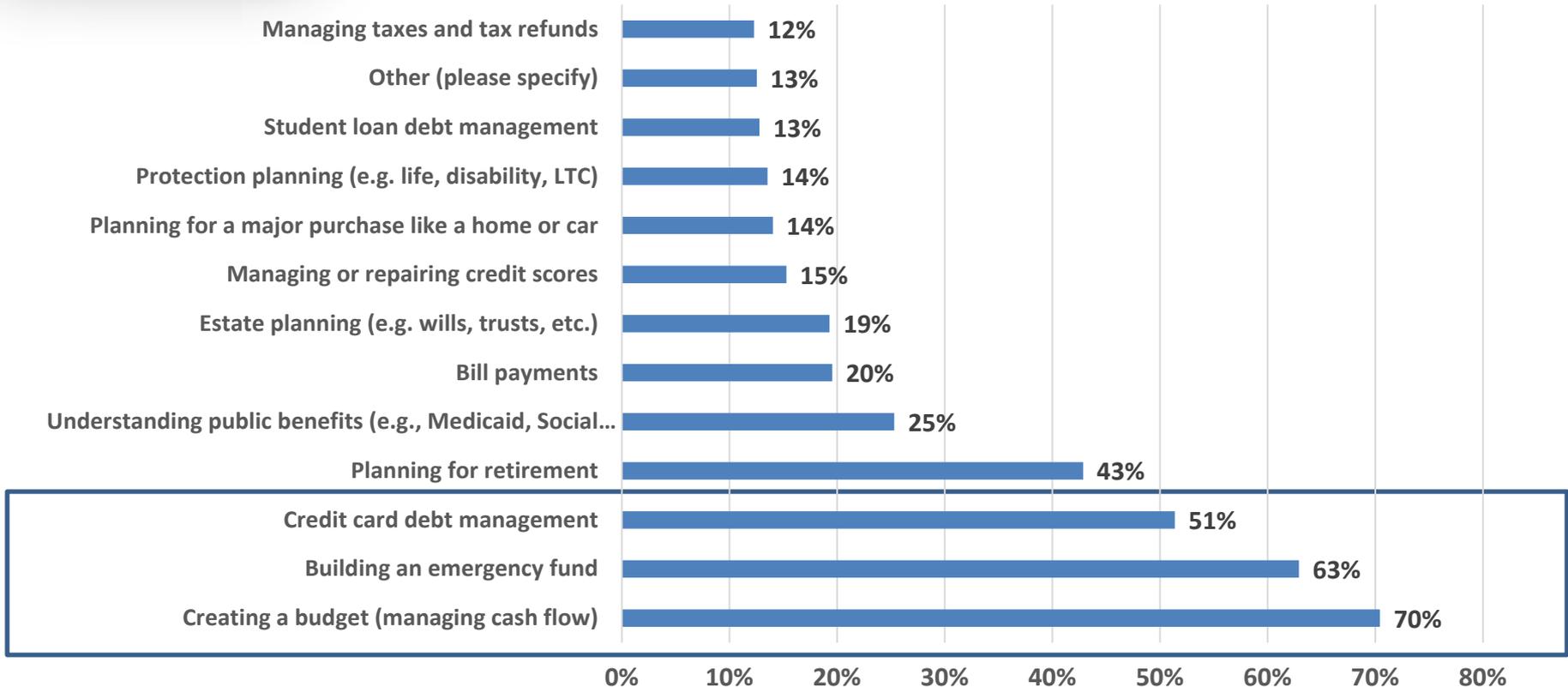
80% of respondents engage with underserved clients who simply have lower income/asset levels; 49% engage with underserved clients who are experiencing a financial emergency; 36% engage with clients who are dealing with a health condition.





What are the top three financial goals that you discuss with pro bono clients?

Survey Findings



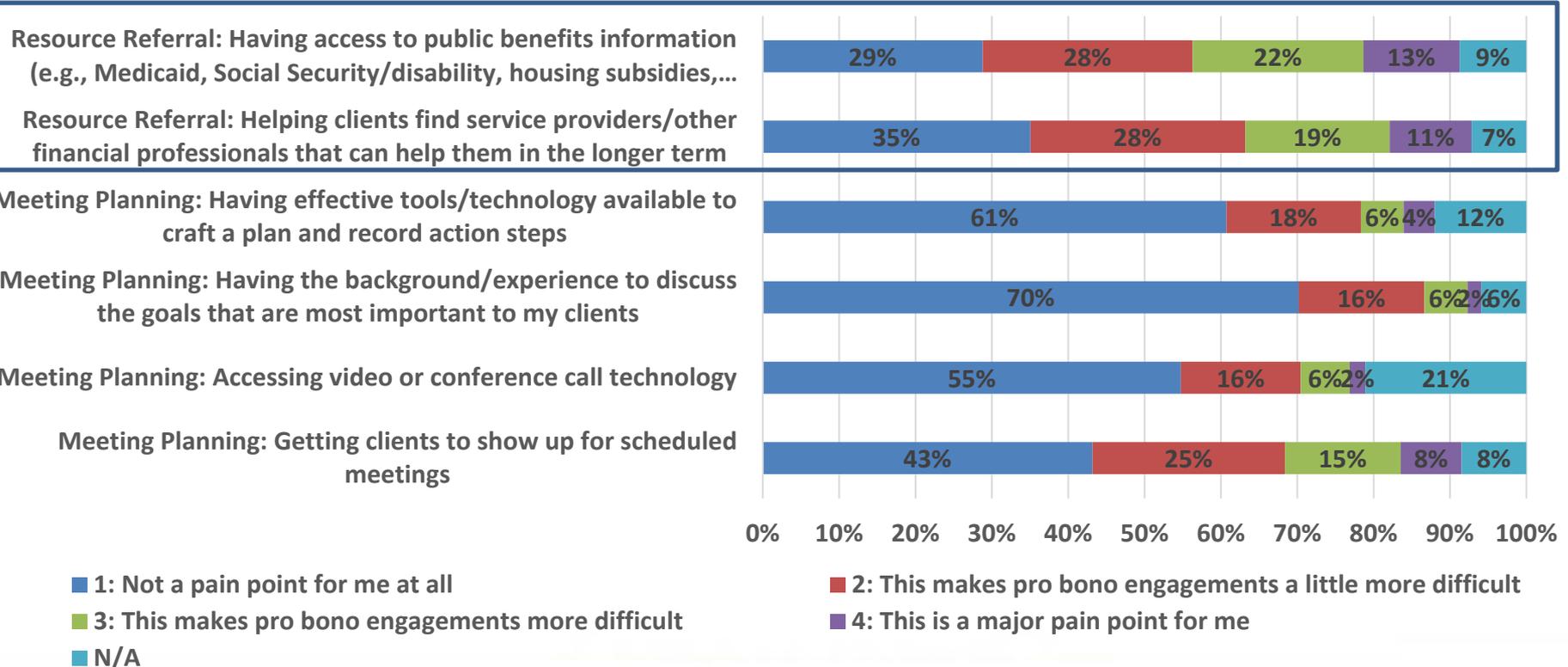
The top three financial goals respondents discuss with pro bono clients are building an emergency fund, creating a budget, and credit card debt management.



In your process to provide pro bono financial planning, please rate which of the following are pain points for you:

Survey Findings

Respondents indicated that the biggest pain points pertain to resources – specifically, having access to public benefits info and helping clients find service providers that can help them in the longer term. Securing information about the client before the meeting also emerged as a pain point.





In your process to provide pro bono financial planning, please rate which of the following are pain points for you, cont.

Survey Findings

It is important to note that respondents who indicated that they sourced clients through pro bono financial planning programs at nonprofits identified more administrative challenges than those who sourced pro bono clients through individual referrals to their practices.

Data Collection: Obtaining important information on client goals and financial profile ahead of meeting

34% 31% 19% 8% 9%

Administrative: Providing updates to the Nonprofit on progress with client

37% 13% 5% 2% 43%

Administrative: Signing off on the financial planning engagement forms with client

45% 13% 10% 3% 29%

Administrative: Coordinating with Program Administrator and/or client to schedule a meeting

51% 22% 8% 4% 15%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ 1: Not a pain point for me at all

■ 3: This makes pro bono engagements more difficult

■ N/A

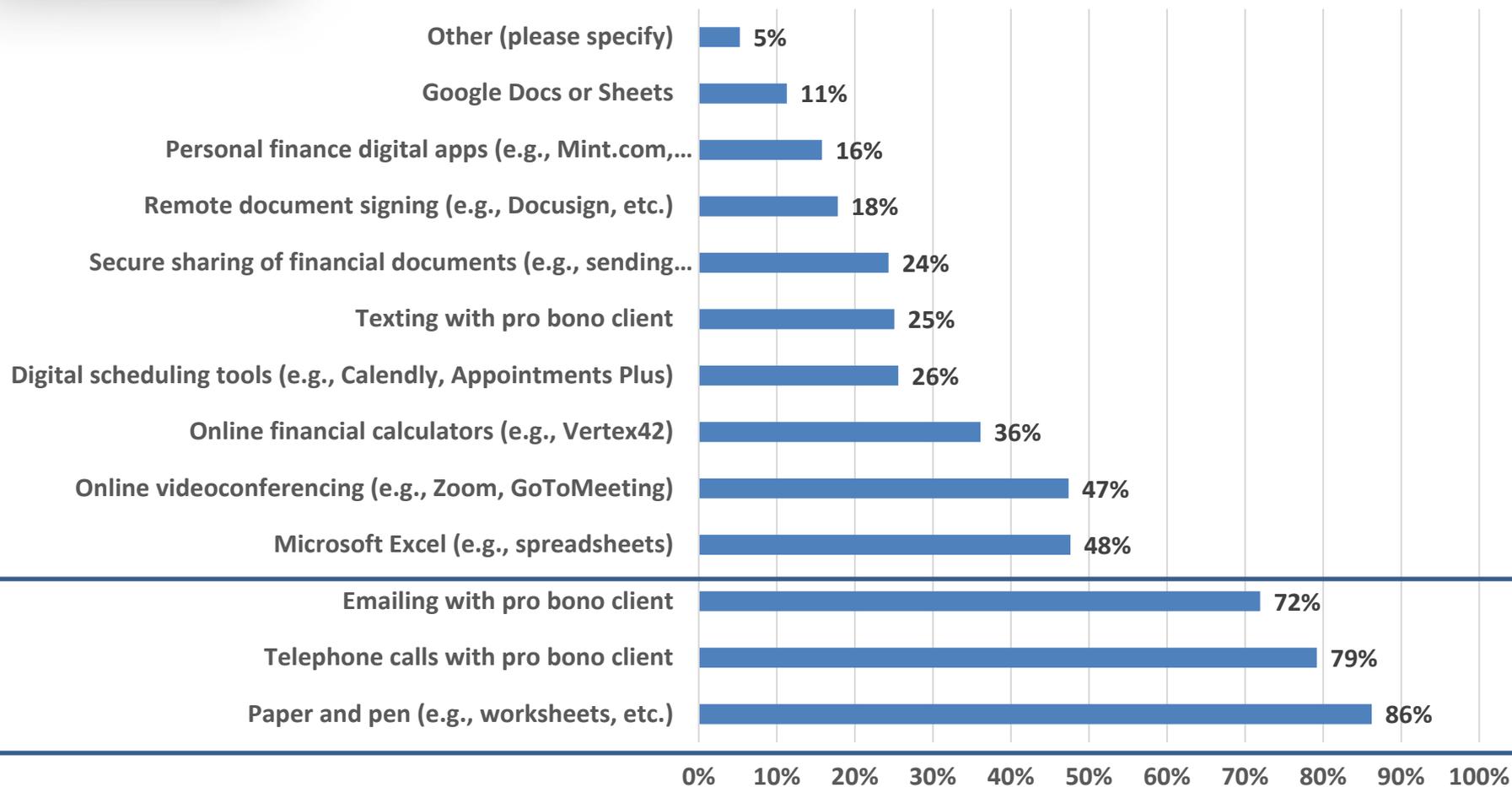
■ 2: This makes pro bono engagements a little more difficult

■ 4: This is a major pain point for me



Please indicate if you used any of the following tools during your pro bono engagements (select all that apply).

Survey Findings

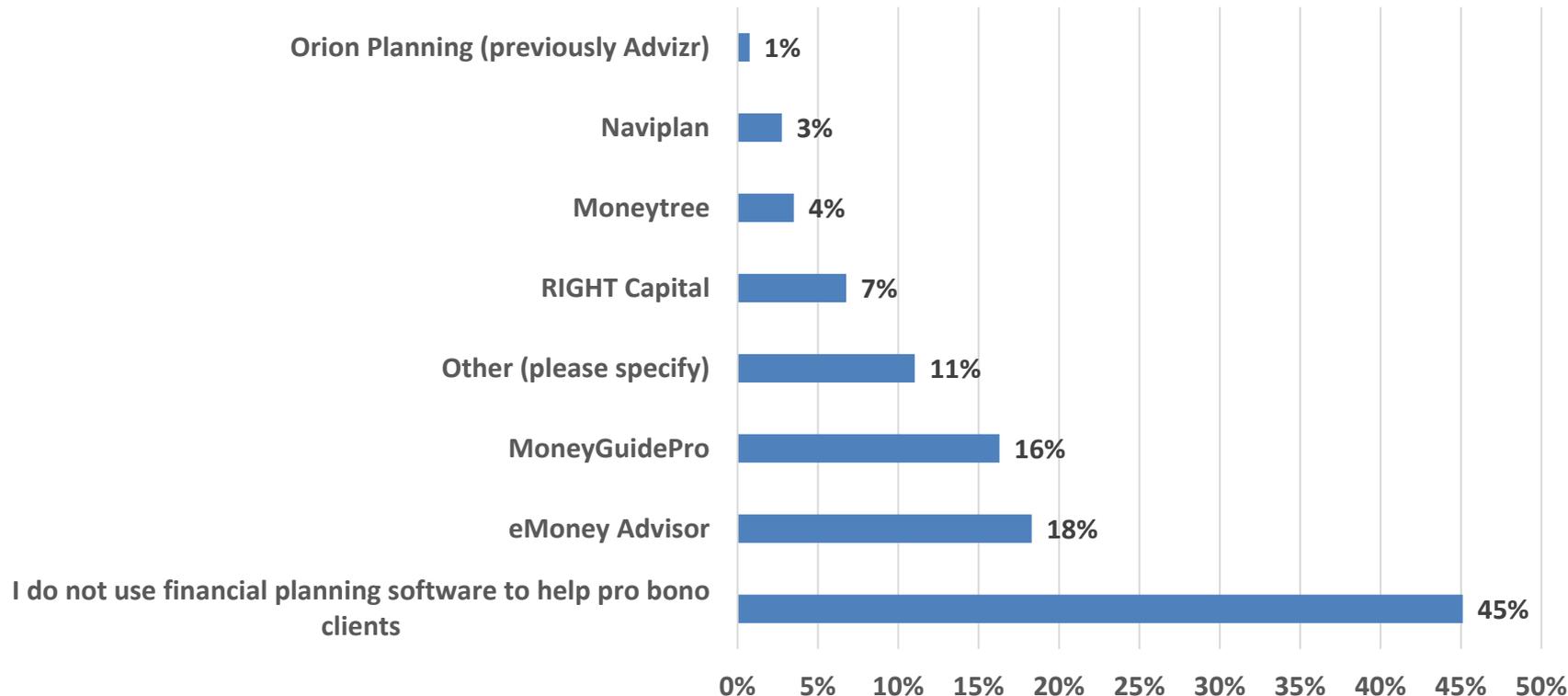




If you use financial planning software to help your pro bono clients, please specify which ones:

Survey Findings

55% of pro bono financial planner respondents use financial planning software to help their pro bono clients. Of the respondents who use financial planning software, eMoney Advisor and MoneyGuidePro are most prevalent.

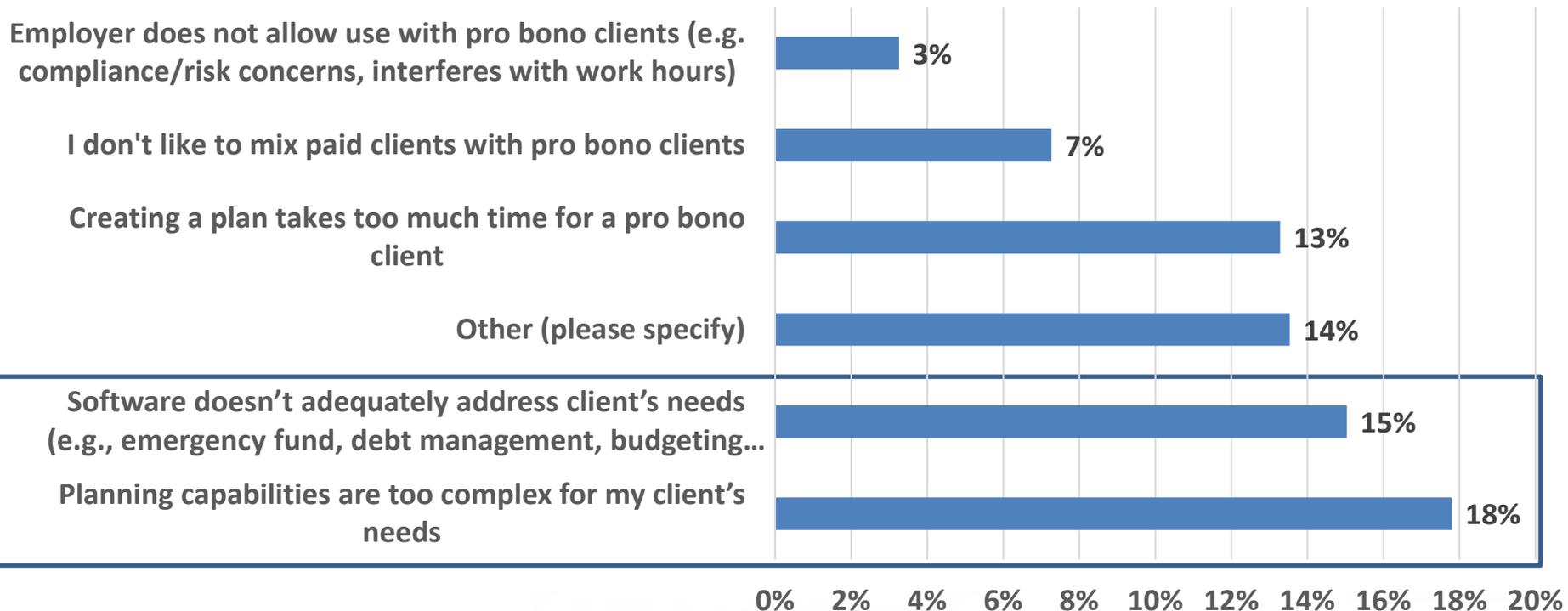




If you do not use financial planning software to help your pro bono clients, please say why (select all that apply).

Survey Findings

Those who don't use financial planning software report a variety of reasons for not using it, primarily that "Software doesn't adequately address client's needs (e.g., emergency fund, debt management, budgeting etc.)" and that the "Planning capabilities of the software are too complex for their client's needs."

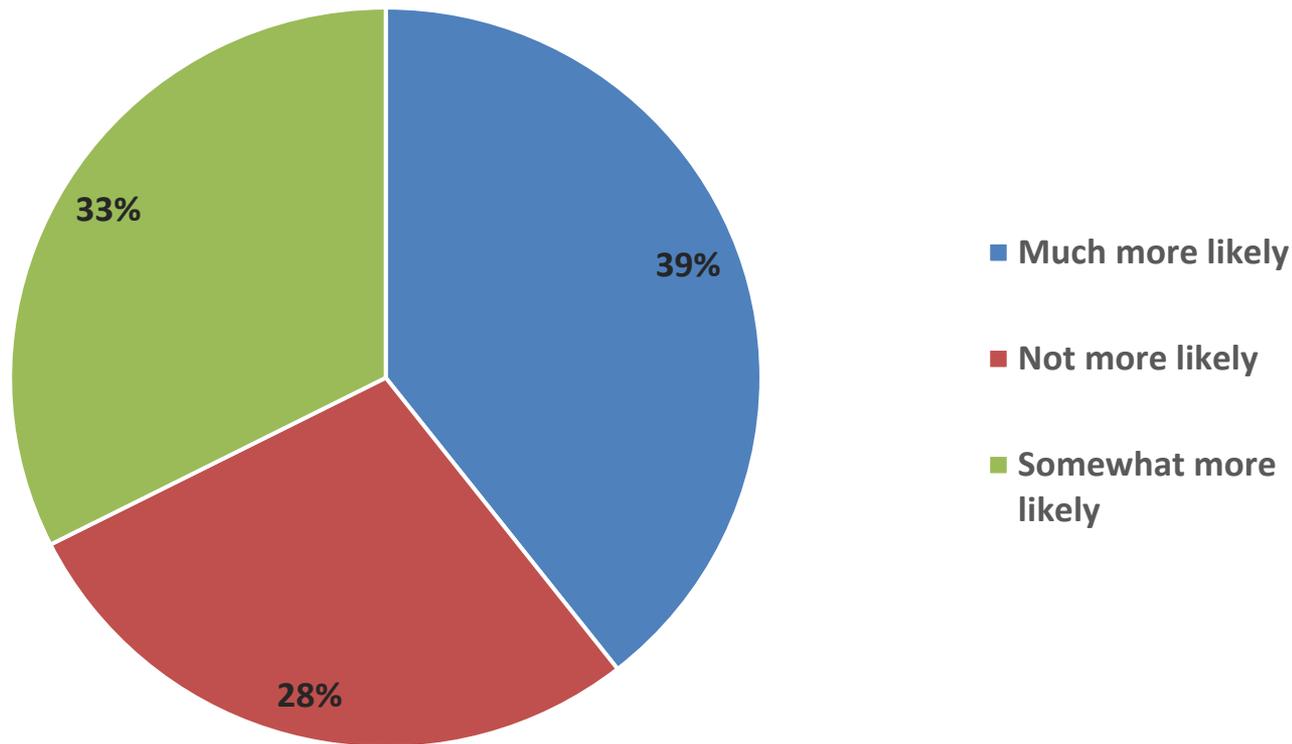




Would you be more likely to use financial planning software for pro bono service if it was simple, free, and relevant to your clients' key needs?

Survey Findings

72% of pro bono financial planner respondents would you be more likely to use financial planning software for pro bono service if it was simple, free, and relevant to clients' key needs.

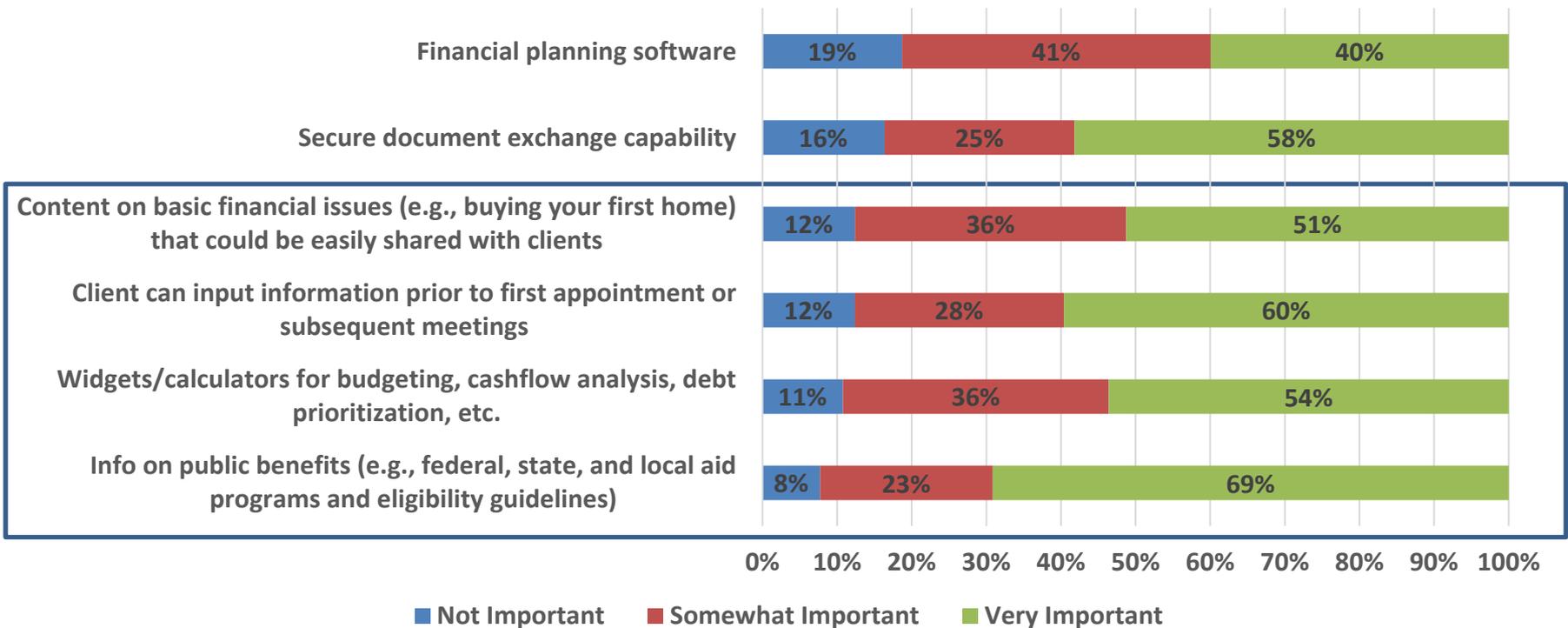




If a fintech company was thinking about developing a tool to help with pro bono financial planning, how important would you rate the following features?

Survey Findings

The below features are rated the most important to consider including in tech to help with pro bono financial planning.

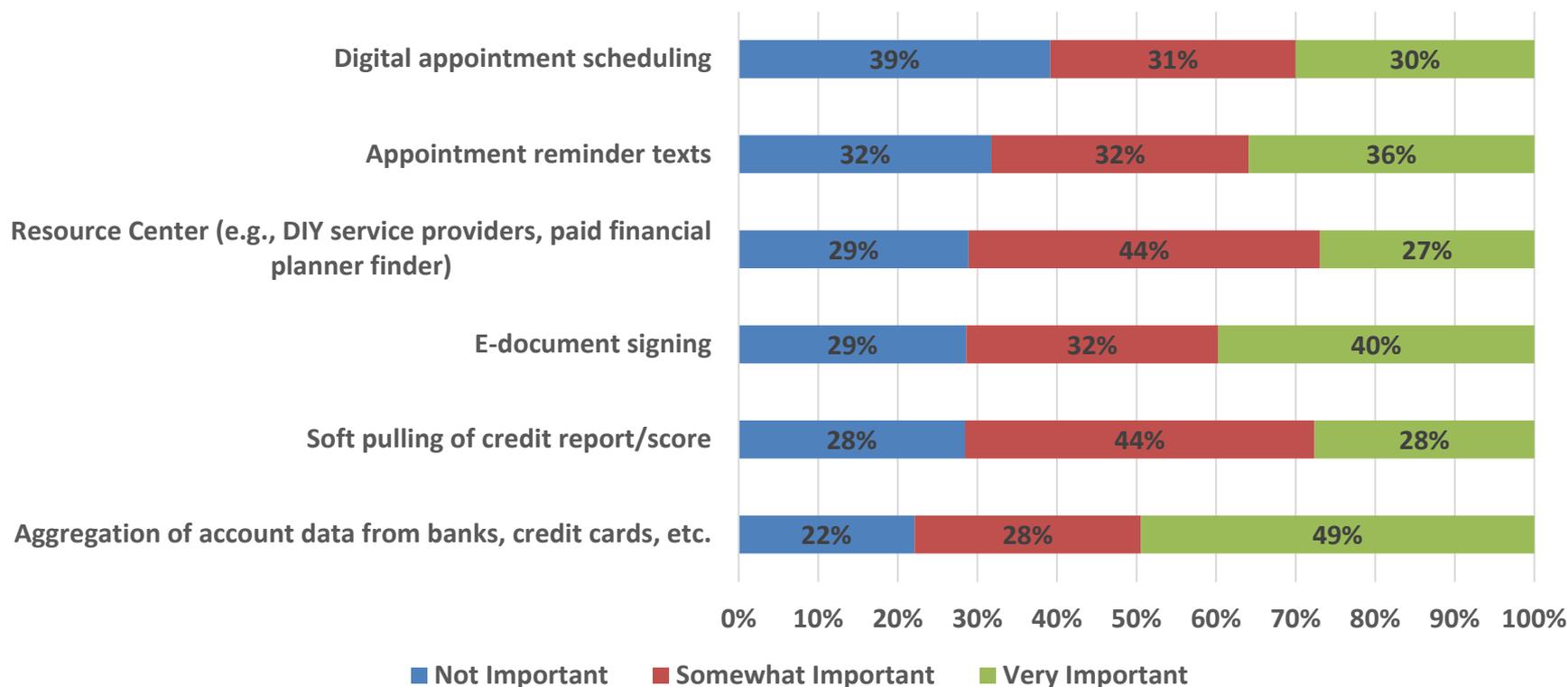




If a fintech company was thinking about developing a tool to help with pro bono financial planning, how important would you rate the following features, cont.

Survey Findings

The below features are rated as less important to consider including in tech to help with pro bono financial planning.

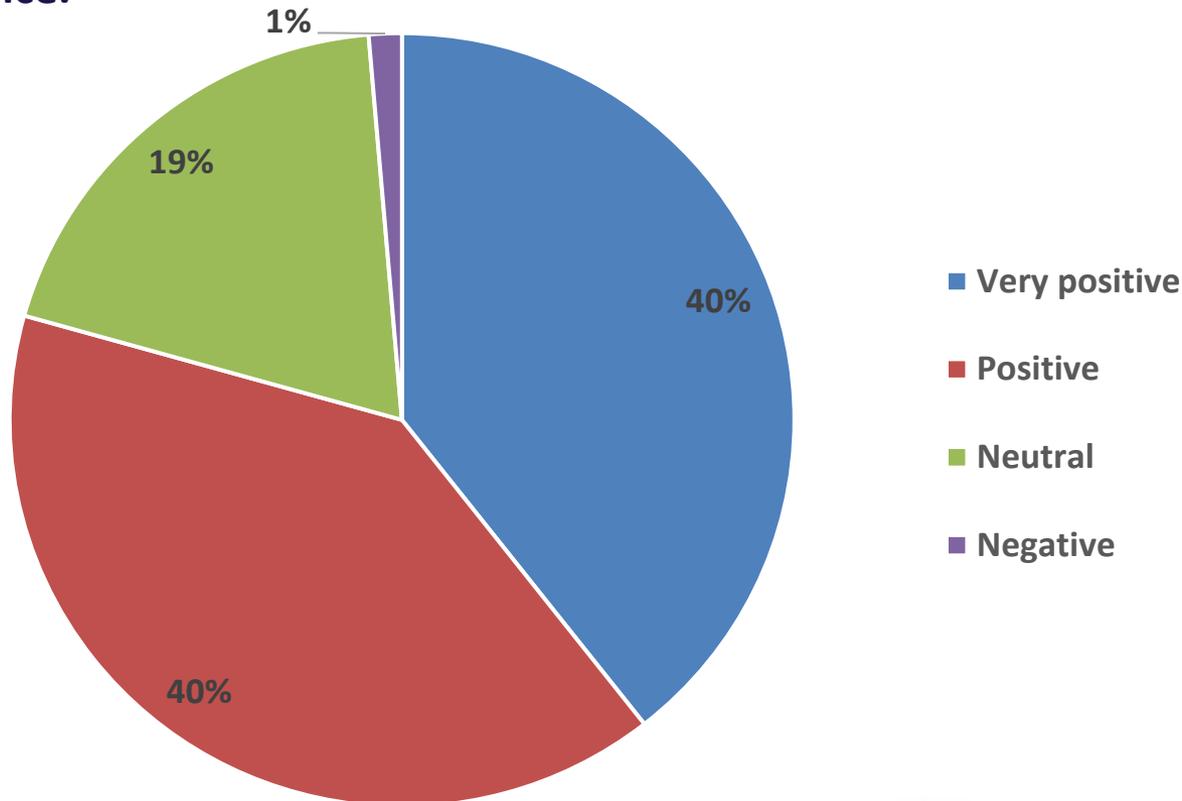




If a fintech company took a leading role in providing free or low-cost tech for pro bono service, what impact would it have on your perception of that company?

Survey Findings

About 80% of pro bono financial planner respondents would have a more positive view of a fintech company that took a leading role in providing solutions to help expand pro bono service.

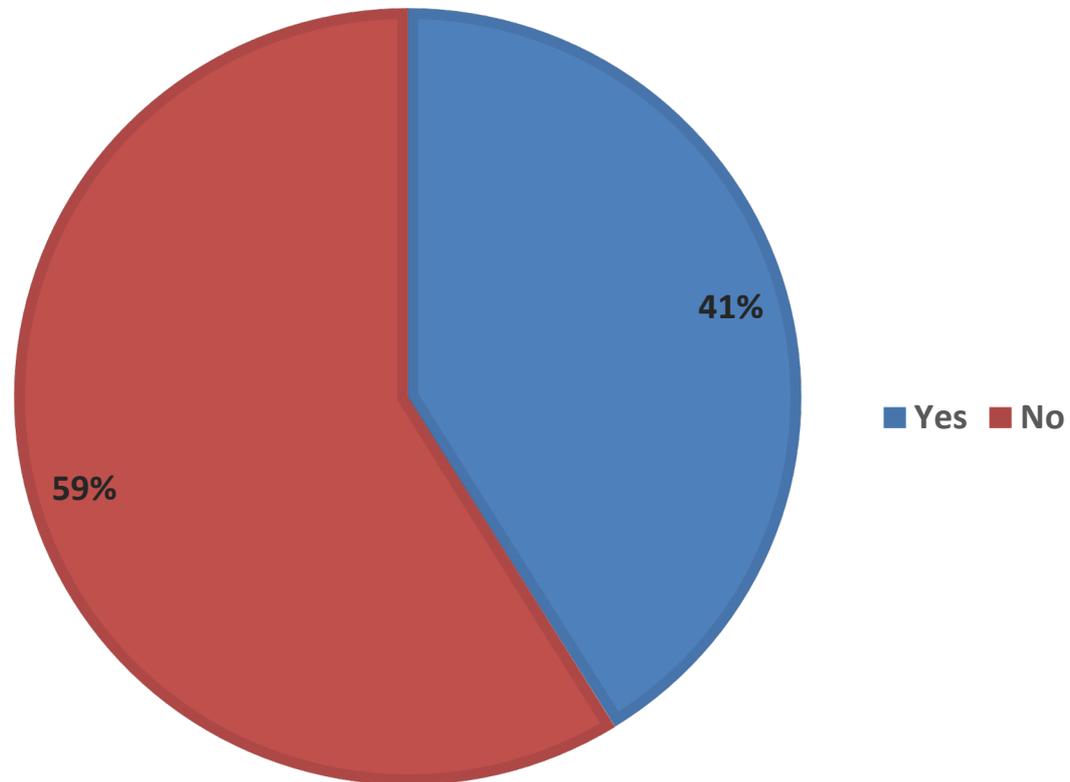




If you had better technology tools, would you do more pro bono?

Survey Findings

41% of respondents report that they would do more pro bono if they had better tech tools.





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