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# Financial Planning Education Council Academic Research Grants Scheme 2015

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# FPEC Academic Research Grants Scheme

## 1.0 Purpose and scope of the scheme

This document outlines the financial planning academics research grants scheme offered by the Financial Planning Association of Australia (FPA) on behalf of the Financial Planning Education Council (FPEC). Applications are open for 2015.

The grants scheme has been conducted in 2013 and 2014.

The FPA welcomes research partners to add to its own core funding.

This document outlines the governance plan for the scheme and is structured as follows:

- Section 2 presents the rationale for the scheme
- Section 3 details the management and process
- Section 4 presents the role of research partners
- Section 5 addresses issues for the applicants

## 2.0 Rationale for the FPEC Research Grants scheme

Financial planning is on the pathway to becoming a profession with significant reforms being put in place by both the regulator and the professional body. A key part of this agenda has been to strengthen relationships with the academic community, particularly around increasing education requirements and developing more rigorous qualifications in financial planning. This work was pushed forward with the formation of the Financial Planning Education Council (FPEC) and the Financial Planning Academic Forum (FPAF). Both of these groups have worked to develop the national framework for higher education programs in financial planning in a collaborative, cross institutional fashion.

Both FPEC and FPAF, however, have also recognised the importance of developing a research agenda in financial planning given the comparatively small body of work that exists, and the small number of academic staff and research students working in the field. This is essential to inform practice and policy as the profession emerges and will support the development of academic expertise and staff within tertiary institutions. Therefore the primary objective of the scheme is to advance the knowledge and reputation of the profession. More specifically, developing and supporting a research agenda in financial planning will:

1. Send an important signal to all stakeholders and university administrators as to the commitment to develop a profession in this field that is backed by a robust and growing body of knowledge;
2. Provide significant opportunities to further develop relationships between the tertiary sector and the profession;
3. Support the growth of the academy in financial planning which is required to both sustain and develop the learning and teaching activities and programs in the field; and
4. Provide a robust evidence base to inform practice and policy development.

The program aims to support timely, relevant and innovative research projects that align with a priorities list that will contain areas of particular interest. Projects that are collaborative, cross-institutional and engage industry will be particularly encouraged as well as projects that involve joint funding with other organisations. Of particular interest will be projects that are likely to influence practice, government, regulators and generally be of interest to practitioners. Support provided by the scheme will be both financial and non-financial with the latter referring to facilitating access to FPA members and other resources, promotion and dissemination assistance, and advocacy with stakeholder groups for participation.

The aims of the scheme are to:

1. Promote and grow the volume of timely, relevant and influential research in financial planning;
2. Develop dialogue, cooperation and collaboration between industry and the academy;
3. Promote the wide dissemination of research outcomes to maximise the use and impact of the work;
4. Grow the numbers of academics and research students at Australian Universities engaged in research, teaching and service in financial planning;
5. Support institutions that have committed to investing in degree programs in financial planning as indicated through accreditation with FPEC.

## 2.1 Related initiatives

In 2015, the FPA is launching the “Financial Planning Academic Research Journal” with Griffith University. This online publication will be made available to members of the FPA. It aims to address the difficulties faced by:

- Practitioners in finding research on topics of relevance
- Academics in being able to publish financial planning research in a peer-reviewed journal.

The Personal Finance and Investment Symposium provides a face-to-face forum where academic research can be presented and discussed. It is conducted by the Griffith Centre for Personal Finance and Superannuation. It brings together researchers, practitioners and other interested stakeholders interested in the personal finance and investments fields to hear and discuss academic research. In 2015, the PFIS will be held at Griffith University on 17 November. FPA is a sponsor of the PFIS.

## 3.0 Details of the Research Grants Scheme

The scheme seeks to support high quality research projects that align with a priorities list that will highlight the areas of focus agreed upon by the grants standing committee (see section 3.2 below). There will be one funding round per year for projects of up to 12 months duration. A two stage application process includes an initial Expression of Interest (EOI) due by the end of July each year from which applications will be invited to full submission. Full applications will be due by the end of October for funding by the end of the calendar year for use in the following year.

The number of projects invited to full submission and ultimately funded will be determined by the funding pool available for that round. Similarly, grant size will also need to be considered in light of the funding available. A seed grant approach is currently operating with financial resources of up to \$5,000 per project, with a target of five projects to be funded. Ideally this would move to grants of up to \$10,000 to move in line with the guidelines for inclusion in University HERDC research income returns and also to support larger scale projects.

The FPA funds two projects at \$5000 each. Further funding is dependent on other sponsors.

In the medium term the scheme may consider expanding to ARC Linkage projects and funding of Research Higher Degree and other research training programs (honours/masters by research) scholarships where the projects conducted by the candidates fall within the ambit of the program.

### 3.1 Management of the Scheme

The scheme is oversighted by the Grants Standing Committee (GSC), a sub-committee of the FPEC.

The GSC will review the priorities list, oversee the operation of the scheme and periodically review it and provide reports to FPEC, and therefore the FPA Board on scheme outcomes.

The key tasks of the Grants Standing Committee are:

1. On an annual basis review and update the scheme documentation and priorities list
2. Develop and implement a marketing strategy for the scheme
3. Coordinate the receipt, assessment (both EOI and full applications) and awarding of grants
4. Monitor the performance of awarded grants including receipt of interim and final reports
5. Facilitate recipients with accessing FPA members and industry expertise as required
6. Assist with dissemination of project outcomes
7. Report to FPEC on the operation of the scheme

### 3.2 Priorities List

To provide focus and direction to applicants, a research priorities list will be established by the grants standing committee. This will contain 5-6 priority areas that fit within the aims of the scheme. The list will be a living document and subject to variation by the Standing Committee and will be reviewed formally each year. The FPAF, research partners and members of the FPA be invited to comment on and have input into the list as part of this process.

#### Specific Research Priorities for 2015–16

Applications for research grants are invited on any of the topics identified below as General Research Priorities.

In awarding grants in the 2015–16 year, FPEC will give priority to identifying research applications relating to the **entry and progression of financial planners** into the profession and to the **value of advice/blockages** to people seeking financial advice.

The following are indicative, but not exhaustive, examples:

- Career pathways in financial planning
  - the return on investment of employing entry-level graduates in financial planning and the time for this to become positive
  - the role of mentoring at different points in a career pathway
  - the operation of internships specifically for financial planning
  - progression through different roles in financial planning
- The value of advice
  - What stops people seeking financial advice?
  - Quantifying the value of receiving financial advice

### **General Research Priorities identified by FPAF**

The primary areas of research for projects identified by the Financial Planning Academics Forum are:

1. Personal Finance
2. Financial Education
3. Financial Planning Profession and Regulation
4. Financial Planning Practice

Examples of the specific areas of interest within these areas are as follows. These are not intended to be exhaustive, rather provide guidance to applicants:

1. Personal Finance
  - a. Financial decision making and use of financial products
  - b. Client – Adviser Fit – selecting your financial adviser
  - c. Client funds management – portfolio management, asset allocation
  - d. Retirement planning
  - e. SMSF
2. Financial Education
  - a. Financial literacy
  - b. Financial planning education
3. Financial Planning Profession and Regulation
  - a. Regulatory development – processes and implementation
  - b. Regulatory change – efficacy, impacts and alternatives
  - c. Financial planning profession
4. Financial Planning Practice
  - a. Professional – client relationships
  - b. Client value proposition and well-being
  - c. Financial planning business model and practice management

### 3.3 Application and Reporting Processes

The proposed life cycle for a grant is presented in the table below. This aligns with the outline of the scheme presented above. Essentially the initial program is proposed to be a 24 month grant program cycle including all facets of administration, provision of funds, conduct of the project and reporting. Should the scheme progress to larger projects (i.e. larger levels of funding) the possibility of longer 18-24 month projects will be possible as well as longitudinal projects with joint funding from other agencies (such as ARC Linkage projects).

#### Grant Program Cycle

Step	Activity	Timing
1	GSC review the research priorities list	April
2	Call for submissions and website (FPA website initially) update	May
3	Submission of EOIs	July
4	GSC evaluates EOIs and invites full submissions	August
5	Full submissions due	October
6	GSC evaluates full submissions and awards grants. Funding agreements put in place	November
7	Midyear reports submitted (reviewed by GSC in August meeting)	June
8	Presentation of project to the Personal Finance and Investments Conference (PFIS)	Oct/Nov
9	Final report submitted (review by GSC in the March Meeting)	February
10	Dissemination of outcomes (project report finalised)	March

#### Dates for 2015 Applications

Step	Activity	Timing
2	Call for submissions and website (FPA website initially) update	May 2015
3	Submission of EOIs	13 July 2015
4	GSC evaluates EOIs and invites full submissions	31 July 2015
5	Full submissions due	2 October 2015
6	GSC evaluates full submissions and awards grants. Funding agreements put in place	November 2015
7	Midyear reports submitted (reviewed by GSC in the August meeting)	June 2016
8	Presentation of project to the Personal Finance and Investments Conference (PFIS)	Oct/Nov 2016
9	Final report submitted (review by GSC in the March Meeting)	February 2017
10	Dissemination of outcomes (project report finalised)	March 2017

For the 2015 round of grant applications there will be at least two projects funded to a maximum of \$5000 each.

## 4.0 Applicants

### 4.1 Eligibility

The scheme is not an open funding scheme; restrictions will be imposed over the range of topics, the timelines and the composition of the research teams in an effort to maximise the impact of funded projects in regards to the stated aims of the scheme. This aims to provide clear guidance to stakeholders on the intention and desired outcomes of the scheme. Key eligibility requirements are:

- The project topic aligns with the research priorities list
- The project lead and the majority of the project team are from institutions with programs on the FPEC approved degree list
- Clear capacity to complete the project within 12 months is demonstrated
- Agreement is given to provide interim and final reports that can be distributed to industry and other stakeholders
- Acknowledgement of the scheme will be in the deliverables (papers, conference presentations, etc) (refer to section 5.3)
- Agreement to present project outcomes at the Personal Finance and Investment Symposium (PFIS) in the following year
- Agreement to advise FPEC of the publication of outcomes to facilitate distribution of this information
- Support for the application by an approving authority within the lead institution is obtained
- Completion of a funding agreement.

### 4.2 Application

As noted above the application process is recommended to occur in two stages. The first is an expression of interest stage which is designed to streamline the process for both applicants and the GSC.

The EOI should be sent to: [FPECgrants@fpa.asn.au](mailto:FPECgrants@fpa.asn.au)

#### **The EOI will require:**

- An application of no more than 3 pages (min 11 point Calibri font with 2cm margins on all sides), plus a cover page and 3 page CV of the chief investigator/project leader.
- The cover page should contain:
  - The project title
  - The research team, their positions and affiliation (note that a majority of project team members are to be from institutions with a program accredited with FPEC)
  - A 200 word abstract
- The body of the EOI should contain:
  - Rationale and aims of the project (including alignment with priority areas)

- Approach the project will take
- Deliverables, outcomes and evaluation
- Funding sought (not detailed budget)
- Acknowledgement of support by the relevant Department Head/Dean.

**The full application will:**

- Be no longer than 10 pages (min 11 point Calibri font with 2cm margins on all sides) plus a cover page and 3 page CV's for each project team member.
- Have a cover page containing:
  - The project title
  - The research team, their positions and affiliation (note that a majority of project team members to be from institutions with a program accredited with FPEC)
  - A 200 word abstract
- Include the body of the application containing:
  - Rationale and aims of the project including statement of research problem
  - Alignment of the project with a priority area(s)
  - Approach the project will take including project timeline, milestones and request to access the FPA Research Community (see below) if relevant
  - Deliverables, outcomes and evaluation
  - Statement of roles and responsibilities of each member and capacity to complete the project within the required timeframe
  - Funding sought (detailed budget)
  - Acknowledgement of support by the relevant Department Head/Dean.

### **4.3 Acknowledgement and disclaimer**

Recipients of funding must acknowledge the financial and other support received under the program in reports, publications and other 'outputs' from the funded project. In addition, where acknowledgement is made, a statement that the views expressed in this publication/activity do not necessarily reflect the views of FPA Australia or the Financial Planning Education Council must be made.

### **4.4 Facilitating Access to FPA Members**

A key part of this scheme is to encourage and facilitate practitioner participation in research activities. This includes establishing protocols and procedures around communication with FPA members about research projects and requesting participation (commonly through access to practitioners and/or their clients). The need to manage this carefully and respect the business needs of practitioners is noted.

Access to members will be through an opportunity to participate being offered through FPA Express.

## 5.0 Research Partners

For the scheme to be successful and achieve the scale required, additional research partners will need to be sought in addition to the FPA. The FPA has agreed to support a grants scheme and contribute base funding and some administration resources to support it. In addition, the FPA and FPEC will work to obtain support and contributions from other industry stakeholders for the program.

### 5.1 Why participate as a research partner?

The chief reason why industry partners would consider participating in this program is to demonstrate alignment to the goal of professionalism by contributing to the development of the body of knowledge that underpins the profession and informs practice and policy. An improved body of research in financial planning will both further the claims of professionalism and also utilise the work to inform evidenced based practice and policy.

To grow the profession, we need to develop new entrants at the highest possible level. This requires an engaged and effective academic work force to develop and deliver the degree programs, undertake the research and supervise the research students and participate in organisations such as FPEC and FPAF. The grants program is argued to be a key element of supporting the sustainability of the academic programs in this field and hence industry stakeholders can directly contribute to this and establish stronger direct links with the academic community.

In return for participating in the program the research partners can publically promote their participation in the program and the rationale for this.

Other key benefits include:

- Recognition on the program website, marketing materials and media releases for the year of involvement. This includes acknowledgement in the produced reports and published papers where direct involvement to a particular project is made
- Contribute to the development of the body of knowledge and therefore the profession
- Ability to efficiently engage the high level expertise in the tertiary sector to examine issues of relevance to your business/practice with independence and rigour. This includes the ability to have direct contact with the research teams
- Support the development of the academy in financial planning which is essential to facilitate growth in degree programs and research capacity
- Development of strong relationships with the academy
- Ability to input into the research priorities and get first access to the research outcomes generated by the scheme
- Priority access to the Personal Finance and Investments Symposium as a forum for dissemination and discussion of the work
- A key contribution to the development of the standing and reputation of the Financial Planning profession
- Potential to fund particular projects within the priority areas

## 5.2 What is required of partners?

To participate in the program, partners will be required to:

- Provide funding of \$5,000 - 10,000
- indicate desire to participate in the identification of priority areas for the allocation of the funding (if relevant)
- Indication of desire to participate in the funding process
- indication of willingness to provide access to data/research participants (if relevant)
- Indicate willingness to be a member of the GSC (if relevant)
- Provision of a logo (and approval process for use of it) for website and materials (unless anonymity is preferred)

There will be a range of other opportunities to participate for smaller contributors.

## 5.3 Bespoke research

The Grants Standing Committee is also able to act as an independent intermediary to identify potential researchers for commercial research projects.

Where a research partner has a specific research need that cannot be met through the research grant framework, the FPEC is prepared to discuss putting such a project to a tender.

# 6.0 Concluding Comments

The FPA is committed to developing and supporting this research grants scheme, together with the new Financial Planning Academic Research Journal, to continue to building relationships between the profession and the tertiary sector.

The FPEC calls on the profession to join with the FPA in committing funds to a sustainable scheme that is scalable and sufficiently tightly construed to support the intended aims of the scheme.