



MDRT

The Premier Association
of Financial Professionals®

MDRT Study: Canadians Value Emotional Intelligence from Financial Advisors

Most Canadians want an advisor who they can communicate with and relate to.

PARK RIDGE, Ill. (May 9, 2024) – Canadian consumers appreciate an advisor’s ability to understand and potentially help manage their clients’ emotions – as well as their own. According to a new MDRT survey, nine out of ten Canadians (91.4%) agree that it’s important for advisors to demonstrate emotional intelligence. With almost all Canadians considering emotional intelligence a necessary skill alongside more technical abilities, advisors must ensure their clients feel adequately supported through financial advice, and they’re helping clients reach their financial goals.

Driving Trust by Showing Emotional Intelligence

While most Canadians are likely to trust a financial advisor for professional advice, there are key skills that can help boost consumers’ trust in advisors. Eighty-five-point four percent of Canadians say they find qualified financial advisors trustworthy, with women (87.5%) and Canadians ages 18-49 (87.2%) more likely than men (83.2%) and Canadians ages 50 and older (83.6%) to find qualified advisors trustworthy. An advisor’s guidance on intricate financial tools is appreciated, as 76.7% of Canadians say they are more likely to trust a financial advisor over their friends, family or colleagues. Canadians who have a financial advisor (89.5%) are more likely to take an advisor’s advice over friends, family or colleagues, compared with Canadians who do not have an advisor (69.8%).

There are also additional advisor qualities that when alongside emotional intelligence, increase advisor trustworthiness. Fifty-eight percent of Canadians say an advisor communicates in a way that’s easy to understand is likely to increase their trust, with respondents across demographic lines agreeing on the importance of this skill. Additionally, 53% of Canadians say an advisor who follows through on their word increases their trust, and 48.4% say an advisor who communicates authentically and in a personal way increases their trust. By guaranteeing clients feel heard and able to process client conversations, advisors can increase their credibility and develop long-term client relationships.

Consumer Expectations vs. Experience with Advisors

There are certain benefits which Canadians who don’t have an advisor say they would expect advisors to provide – and Canadians who do have an advisor confirm those specific needs are being met. Forty-seven point one percent of Canadians who don’t have an advisor expect advisors to help their clients feel less stressed, with 52.7% of women without an advisor expecting advisors to help their clients feel less stressed, compared with 41.5% of men without an advisor. Among Canadians who do have an advisor, 55.3% say their advisor does help them feel less stressed across age groups, ethnic backgrounds and genders.

Less than half (43.1%) of Canadians who don’t have an advisor say they expect advisors to help clients feel protected from tumultuous financial periods that are out of their control, compared with 51.2% of Canadians with an advisor who say their advisor helps them feel protected during those times. Advisors can showcase to both clients and prospects their dedication to providing safeguards for their financial plans, regardless of the current financial market.

“With the value of emotional intelligence still sky high for clients and prospects, financial advisors must continuously improve their ability to connect with clients on a deeper level,” says MDRT President, Greg Gagne, ChFC. “Demonstrating trustworthiness and emotional know-how as an advisor is necessary to guide clients toward a continuous path of financial security and growth.”

Areas for Advisor Improvement

Among Canadians with an advisor, many of them feel their advisor could improve certain emotional intelligence skills. Only 41.5% of Canadians with an advisor think their advisor can resolve conflicts and communicate well. Similarly, only 37.7% of Canadians with an advisor think their advisor is disciplined in managing their own emotional reactions during discussions, and 45.9% say their advisor helps them have no regrets about their finances. With only 27.6% of Canadians with an advisor saying they think their advisor is aware of their own emotions and how they affect others, it’s pivotal for advisors to take the time to learn the ways they can unintentionally impact their clients emotionally and how to improve.

Canadian consumers have made clear that emotional intelligence is a necessary skill for any financial advisor. Financial advisors must be prepared to forge stronger connections with clients and highlight their ability to be a trustworthy support system. By demonstrating the ability to manage their emotions, as well as their clients’, during discussions, advisors can build more trusting, mutually beneficial client relationships.

Survey Methodology

This survey was conducted by Opinium on behalf of MDRT through a panel of individuals who have agreed to take part in surveys. Fieldwork was undertaken March 13 – 18, 2024, with a nationally representative sample of 2,000 Canadian consumers.

About MDRT

MDRT (Million Dollar Round Table) The Premier Association of Financial Professionals®, is a global, independent association of the world's leading life insurance and financial services professionals from more than 700 companies in 80 nations and territories. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit www.mdr.org.

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