OBSERVER

How to Evaluate Research-Based Writing

Every month you get the *Journal*, you may wonder about the academic contributions. Most likely they are helpful to you, but perhaps there are times when you aren't quite sure what to make of that research.

The *Journal's* practitioner editor Dave Yeske, DBA, CFP®, co-owner of the planning firm Yeske Buie, notes that in order to become a true profession, advisers need to base their practices on research-based writing. And in order to do that, advisers need to understand how to evaluate such writing.

At FPA Retreat in April, Yeske gave a presentation on how to read and apply research-based writing. He provided eight questions to ask yourself in order to better evaluate research-based writing.

1. **What is the problem or question?** What are the researchers trying to address?
2. **How did they conceptualize that problem**; how did they structure it? Look for what the researchers are measuring. For example, client trust and relationship commitment have become well-represented measures in financial planning literature.
3. **What are the key findings from prior research?** Good research will build on research that came before to lay the foundation for the current research to build upon.
4. **What was their methodology?** Does it seem like the researchers make sense?
5. **What were the results of the testing?** A formal academic paper will never prove anything, Yeske said. Rather, it will fail to disprove something.
6. **Were the results compelling?** Do the authors connect all the dots for you? Does their data answer the question?
7. **What are the practical applications?** Do the researchers tell you how you could use this information? If not, are you still able to find a practical use for the data that is being presented?
8. **Will this change the way you practice?** Will you be able to incorporate this into your practice?

"As a profession we need to all become better at recognizing research-based writing and [being] able to apply it," Yeske said.

For more information on applying theory to practice, visit the FPA Theory in Practice Knowledge Circle, www.OneFPA.org/Community/Knowledge-Circles.

"We need to deepen our connection with academics," Yeske said to FPA Retreat attendees. "They know how to conduct research, but they don't always know what the critical questions are that you need answers to."

"With the finalization of this rule, we are putting in place a fundamental protection into the American retirement landscape."

—Thomas Perez, U.S. Secretary of Labor, referring to the DOL's Conflict of Interest Final Rule, *ThinkAdvisor*

STAT BANK

48... Percentage of assets in retirement accounts in wirehouses or regional brokerage firms.
(InvestmentNews)

$24 trillion...
Amount of money individual investors have in retirement savings.
(Investment Company Institute)

$17 billion...
Estimated amount of money investors lose per year due to conflicts of interest and bad investments.
(Council of Economic Advisers)

$40 billion...
Estimated amount of money the DOL's fiduciary rule and related exemptions would save investors over 10 years.
(U.S. Department of Labor)

$1.7 trillion...
Estimated amount of IRA assets invested in products that provide payments that generate conflicts of interest. *(Council of Economic Advisers)*

17... Percentage of a retirement account balance a typical worker who received conflicted advice loses when rolling over a 401(k) to an IRA at age 45.
(Council of Economic Advisers)

$77.4 million...
Estimated costs associated with BICE disclosures in the first year the DOL fiduciary rule is in effect.
(ThinkAdvisor)

$28.2 million...
Estimated costs associated with BICE in the subsequent years the fiduciary rule is in effect.
(ThinkAdvisor)

28... Percentage of U.S. households who have an employer-sponsored retirement plan only.
(Investment Company Institute)

66... Percentage of high net worth individuals globally who would leave their wealth manager due to a lack of integration between digital and traditional channels. *(Capgemini)*

56... Percentage of net income wealth managers would lose to digital attrition if high net worth individuals leave them for a better digital experience.
(Capgemini)

$7.3 trillion...
Total assets held in IRAs at the end of Q3 2015.
(Investment Company Institute)

Step Up Cybersecurity

As planners incorporate more technology into their client offerings, it's imperative they stay on top of cybersecurity measures.

Journal columnist Anthony Stich explains on page 40 that planners who don't provide the technology clients want may lose those clients to firms they like less, but that offer the technology they prefer. This, he writes, is called digital attrition.

"As you incorporate more technology into the running of your firm, it's important that you stay educated on best practices for cybersecurity," Blane Warren, an industry leader in financial services marketing, compliance, and technology, writes on XY Planning Network's website.

Stepping up their cybersecurity game in order to keep clients and themselves safe is not something planners are currently doing very well, according to a report from External IT titled "Financial Firms Face Further Scrutiny of Their Cybersecurity Practices: Is Your Firm Ready?"

InvestmentNews reports that the study found three key areas were lacking in terms of financial cybersecurity: security policy—firms failing to audit their IT security; accountability when moving data—moving data to personal and home devices without tracking measures; and disaster recovery—not having emergency business continuity plans.

This isn't to say that planners don't want to address cybersecurity issues, rather they don't know where to go to get their information, Brian Edelman, chief executive of Financial Computer Services, told *InvestmentNews*.

Edelman recommends using a cybersecurity firm that understands financial services.

In a recent article, *ThinkAdvisor* recommended planners see these resources: National Institute of Standards and Technology (nist.gov) and the Financial Services Information Sharing and Analysis Center (fsisac.com).

> "This is going to be a bigger change than the industry expects."
>
> **—John Anderson, managing director of practice management solutions for the SEI Advisor Network, referring to the DOL fiduciary rule, *InvestmentNews***