

# Evaluating the Evolution of the Personal Financial Planning Industry: Mutualism, Commensalism, or Parasitism?

Bryan Teoh Phern Chern <sup>a</sup>

<sup>a</sup>Tunku Abdul Rahman University College, Jalan Genting Klang, 53300, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

[https://doi.org/10.35609/gcbssproceeding.2021.1 \(42\)](https://doi.org/10.35609/gcbssproceeding.2021.1 (42))

---

## ABSTRACT

---

The financial planning and advice industry has been experiencing healthy growth for the past five years and is expected to accelerate this growth following the Covid-19 pandemic (IBISWorld, 2021). The pandemic has led to higher equity yields and appreciating asset value, directly increasing the total value of assets under management (AUM) held by financial planners and advisors. The industry in the US alone has surpassed \$52.9 billion in 2021. As the economy is expected to improve, this figure is expected to follow suit. Not included in these figures are the explosion of online personal finance bloggers and influencers. Some YouTube and TikTok videos have raked in billions of views regarding personal finance (Smith, 2021). Many of these online contents have benefitted viewers and prompted them to start making good decisions regarding their personal wealth, spreading financial literacy to the masses. However, poor financial advice may be spread out as easily to viewers. The Wall Street Journal has reported on this issue back in 2005 where blogs and magazines have been found to give both good and bad advice on budgeting, saving, and overall personal finance management (Cullen, 2005). Whatever the net effect of this phenomenon, the easy access through social media has amplified it. This article briefly journeys through the evolution of personal finance management and personal financial planning, including the new trends this industry is moving towards. Subsequently, this article will look into the risk and rewards of the current personal financial planning and advice industry, including certified financial planners and uncertified personnel (social media influencers, financial gurus), as to whether consumers are benefitting as a whole, or otherwise. A disclaimer to this research is that the findings and opinions towards the industry do not encompass all the service providers in the business as there are many other influencing factors such as business models, individual agenda, and unique circumstances of each provider and consumer.

**Keywords:** Conflict of interest; financial planning; financial experts; Influencers; Personal finance