

# Why didn't anyone warn us?

Is it a conspiracy or a cock-up?

Craig Saunders

Timeshift Communications

# Why is the silence so deafening?

1. Finance is a niche (financial planning is a sub-niche)
2. Illiterate, incompetent or compromised media
3. Flaccid, impotent, self-interested or dominated regulators
4. Groupthink and conformity

# About me

## Finance

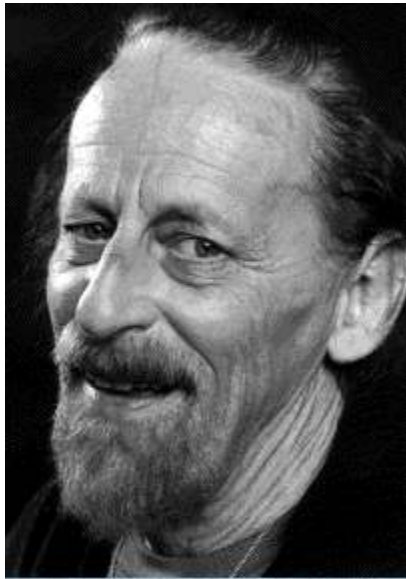
Retail banking, Institutional foreign exchange, Funds management administration

## Journalist

ABC TV News, Financial Planning Resources

Public relations and corporate/marketing communications

# Sturgeon's Revelation



**Theodore Sturgeon**

Sci-fi author

90% of everything is crap ....

... but the other 10% is to die for.

# The Finance Niche

Or: “Its all Greek to most people.”

Poor mathematicians

Ignorant of language and functions of money

Ignorant of core concepts

**BUT:** 79% feel ‘in control’ of their finances

(ANZ Adult Literacy Survey 2005)

# Reporting to the illiterate

Forget concepts – who is the victim? Who is to blame?

- “Big money” screws us again (interest rates)
- Here is proof that they are crooks (collapses)
- Reverse Robin-hood (‘working families’ feed the rich)

Who are the ‘investors’ the media keeps ‘quoting’?

# Reporting to the slightly literate

Specialist media at risk of ‘Stockholm’ syndrome

- Reliant on ‘players’ for stories (ASIC, FPA, Firms)
- Strong herding instinct (critical within parameters)
- Avoiding repetition leads to the esoteric corners of the niche

# Flaccid and impotent regulation

Self-regulation is ‘get out of jail free’ for government

- ‘Failure’ is one of process by industry and/or regulator
- Easy out: threaten industry, fund regulator
- Must comply with ‘norms’ to get seat at table
- Political at every level (point to process as solution)

# Even Viagra can't help ASIC

A bureaucracy devoted to process and not outcomes.

- Seldom – if ever – the smartest people in the room
- Paralysis by consultative groupthink
- Too close to its industry
- Won't hold public executions.

# The FPA's fraudulent posture

It masquerades as a consumer body when it is not.

The Financial Planning Association of Australia Ltd (FPA) is the peak professional association for the financial planning industry in Australia. It is a not for profit organisation which represents the views of its members to key decision makers including government and media.

Members interests = selling product or advice.

Won't hold public executions.

# Applying Hanlon's razor



Never attribute to malice what can adequately be explained  
by stupidity. – Robert Hanlon

# What to do

Look where the niche is wide and deep

- BBC, WSJ, NPR podcasts
- Independent blogs
- Google news
- Bill Gross, PIMMCO
- James Grant, Grant's Interest Rate Observer

Don't rely on the media to tell 'your' story to YOUR clients

**You need more than a quarterly newsletter!!!!**