

# ADVISOR'S EDGE

## ADVICE FOR NEW CANADIANS

BUILD AN EDGE  
IN IMMIGRANT  
COMMUNITIES.

A portrait of Margaret Yang, a woman with long dark hair, wearing glasses and a white jacket with a decorative pattern on the collar. She is smiling slightly and looking towards the camera. The background is a solid red color.

**MARGARET YANG,**  
Financial Advisor, Edward Jones

# ADVISING IMMIGRANTS

**New Canadians represent a business opportunity for advisors from the same culture, who speak the same language, but what happens over time?**

BY MARIELLEN WARD

Asia. To service them, Wendy says advisors need to have someone on their team who speaks the language and understands the culture. "And they won't trust you on the first meeting," Wendy advises. "You will have to do a lot of meetings with them, a lot of lunches and dinners, before they feel comfortable with you and start talking about business."

Vikas Saida understands that building trust with an immigrant investor is often easier if you share the same cultural background. Vikas, a financial advisor with Edward Jones in Mississauga, Ontario, emigrated from India to Canada in 2003.

"Being an immigrant helps me, especially when I am sitting in front of a new immigrant who has just landed," he says. "It's an exciting place—being in a new country with a totally different culture. But people are concerned. I know what they're going through because I went through similar circumstances. I understand what the issues are."

After researching the job market and many financial institutions, Vikas settled on Edward Jones, in part because the company valued his Indian experience and helped train and support him as he set up his financial practice.

About 30% of Vikas's book is comprised of immigrants and their families, and he is often called upon to speak Hindi, Punjabi or Urdu to his clients, many of who come from India, Pakistan and the Middle East. Though he hasn't deliberately built his practice by catering to new immigrants, he thinks he has been successful in this area because he is able "to see things through their eyes."

He used to advertise in local ethnic media, but now his business is based entirely on referrals, often to family members and friends. Immigration is usually not a one-time event; it's a constant process as immigrants bring their family members to Canada. For Vikas this is a boon, as clients bring their newly arrived family members to his office and he's able to build relationships with them as well.

Referrals are of course a great way to build a practice, perhaps especially among immigrant communities, but what if you're new to the country and don't know anyone?

When José Lomonaco first moved to Toronto from Caracas, Venezuela three years ago, he had already arranged an interview appointment with Edward Jones because **continued on page 13**



**Time is the key.** Providing financial advice to immigrants takes time, and virtually everyone we interviewed for this article said the same thing: appointments with new immigrants take a lot of time, whether they're already familiar with wealth management and investing practices, like Vikas Saida's clients from South Asia, or are new to much of the finance and investing knowledge we take for granted, like Renee Talavera-Siao's clients from the Philippines or José Lomonaco's clients from South America.

But everyone also agreed the time spent on educating immigrant clients and building their trust was worth it—both in terms of job satisfaction and business strategy.

Here's how they do it.

### **Building a practice**

Speaking the same language as your immigrant client is probably the single-most important advantage an advisor has. It refers both to understanding the language itself—Mandarin, Hindi, Spanish, etc.—and to cultural understanding. Plus, if the financial advisor is also an immigrant, there's the added

bond of shared understanding about the required adjustment process when moving to a new country.

Wendy Seto, a private banker, Asian Market Strategy for Royal Bank of Canada, says the majority of her clients originally hail from Mainland China. From China herself, Wendy grew up in Canada and speaks both Mandarin and Cantonese. "Mandarin is a language I have to use every day," she says. "It's a must."

Wendy has more than a decade of experience serving and advising the Asian community. In her current role, she works with a team of four to meet the financial needs of ultra-high-net-worth individuals and families.

"They are more sophisticated than the customers we used to see," Wendy explains, "but often their needs are very basic, such as buying a home or transferring money. What they want from us is help integrating into Canada; to really be part of their life."

There's currently an influx of high-net-worth immigrants from China to Canada. According to RBC, more than 65% of new immigrants to Canada come from Asia and Southeast

continued from page 11 the investment firm was ranked as one of the top three places to work in Canada. He started out as a financial advisor in a new country knowing no one and literally went door-to-door to introduce himself.

Realizing Toronto is a diverse city, he researched how to approach different cultures. The Spanish-speaking Latin American population is quite small, so he knew he couldn't focus entirely on this market. But he did begin to get Spanish-speaking clients. He says it was an organic, rather than deliberate, process. "They came more by referral," he says. Today, about 6% of his book is Spanish-speaking.

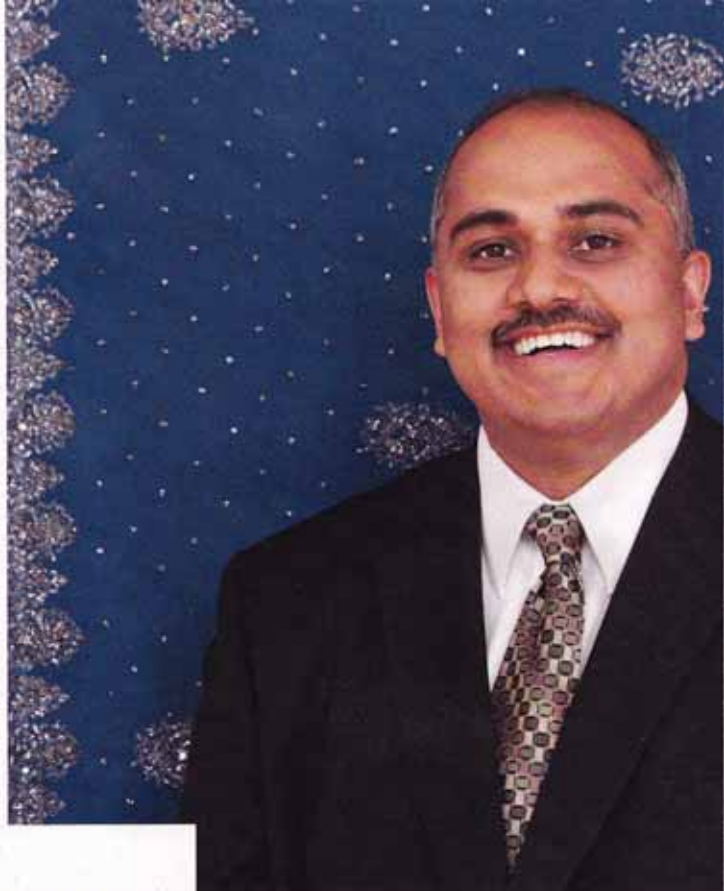
Renee Talavera-Siao is an investment funds advisor with TriMonarch Financial / FundEX Investments Inc. in Toronto. She is also an immigrant, and because of that, she gets a lot of referrals through the immigrant community. Renee was a teenager when her parents left the Philippines for Canada, and she has worked in the financial services industry since 1979. She's been an advisor since 1995.

## "I NEED TO SPEND A LOT OF TIME EXPLAINING TO THEM THE IMPORTANCE OF HAVING A PLAN IN PLACE, HAVING REALISTIC EXPECTATIONS FOR RETURNS."

About 75%-80% of Renee's clients are immigrants, from a wide range of different nations. A number of them are Filipino, because she started her career as an advisor marketing to her own community. "With a lot of these immigrant communities, especially now, with the multicultural channels, one of the major sources of media they follow is their community's media," Renee says. "So, if you want to be known as someone who works in that community, you have to advertise in those mediums."

Renee also meets a lot of prospective clients through her work in the Filipino community: she hosts an annual charity golf tournament and is president of the charitable group Fiesta Assistance and Services, whose main objective is to promote Philippine art and culture. Through these activities, she has become known in her community as a financial coach; someone who can guide other immigrants from the Philippines.

"The first generation of immigrants prefers to deal with someone who can speak their language," Renee says. This is not so important to second and third generations, she adds, "but they still like to deal with someone who has the same family values, and who understands their culture."



### Specific challenges

Advisors, even if they speak the language of their immigrant clients, face certain challenges. Margaret Yang is a financial advisor and limited partner with Edward Jones in Mississauga, and

is one of the firm's top producers. She emigrated from China to Canada about 12 years ago and speaks Mandarin to many of her clients: more than 40% are from Mainland China, Taiwan or Hong Kong.

Margaret says that working with new Canadians is quite different than working with mainstream Canadians.

Market investing is still a relatively recent development in China, so investing and financial planning are new concepts to many Chinese immigrants. Margaret tends to see two extreme approaches to wealth management: some save all their money in the bank, at a fixed rate of return, and others are very aggressive stock traders. There's a huge gap in between—which clearly shows the need for financial planning in this community.

"It's easier for me to work with local people, because I don't need to spend a lot of time educating them," she says. "For immigrant clients, I need to spend a lot of time explaining to them the importance of having a plan in place, having realistic expectations for returns and why they need to think about the long term. Managing expectations is an issue."

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## UNDERSTANDING YOUR CLIENTS' CULTURAL BACKGROUNDS AND TAKING THE TIME TO EDUCATE THEM ABOUT INVESTING PLAY BIG PARTS IN OVERCOMING THE TRUST FACTOR.

**continued from page 13** Experienced investors have lived through various market cycles, and understand the ups and downs, but it was catastrophic for new market investors who went through their first market downturn in 2008.

"It's more difficult to manage and more time-consuming to work with immigrant investors," Margaret says. "But it's worth it. Chinese immigrant investors have been successful in making money; however, their money is in savings and not growing. They have a huge need."

Margaret feels an obligation and responsibility to ensure the right concepts are passed along to Chinese investors, and that they're directed towards trustworthy companies and advisors who will really take care of their best financial interests.

"As an immigrant myself, I feel a responsibility to educate them and help them achieve their financial goals in a conservative and steady way," she says. "Some are cash-rich and have a significant amount of assets available for investing. I have the expertise and the resources to help them. That's the reward."

Margaret is the vice-president of the Chinese Professionals Association of Canada, and she feels strongly about her community responsibility to help immigrants integrate into Canadian society. She works hard to provide informed and safe solutions to her clients, and to gain the trust of her community and clients.

Building relationships and trust is a theme all financial advisors can relate to, and it's perhaps even more crucial, and more difficult to attain, when dealing with immigrant clients. Understanding your clients' cultural backgrounds and taking the time to educate them about investing play big parts in overcoming the trust factor.

But different cultural communities face different, and sometimes very culturally specific, challenges that financial advisors need to be aware of. José Lomonaco's South American clients come from countries where double-digit inflation is a way of life. In those circumstances, it's very difficult to plan for the future, and financial management tends to focus on more immediate goals, such as converting currency to make money last.

"Financial planning in Latin America is not widely heard of," he says. "It's a completely new life in Canada—where you can save for the future, buy a home, put your kids through college and save for retirement. Financial planning is brand new to most Latin American immigrants."

José understands his Latin American clients and what they need to learn, and he takes the extra time to explain. "Educating newcomers is key," he says. "And they value it."

Educating and understanding are both important requirements for dealing with immigrant investors. Vikas Saida needs to be sensitive about his clients' religious beliefs.

"Some of my clients from the Middle East and Pakistan don't like particular investments," he says. "For example, they don't want to have investments that give them a fixed interest rate because that is against their religious beliefs. Some clients come to me and say 'we want to make sure the investments you're buying are not in companies that are making alcohol or arms and armaments.'"

"You've got to understand, you've got to ask the right questions, and know their needs and their beliefs, and offer the right solution to them."

Vikas says another big concern for Indian and Pakistani immigrants is the stability of a company.

"Back home in India and Pakistan, financial institutions are

as good as governments. They need the concepts of capitalism and private companies managing their money to be explained to them. They expect that if they have given money to a financial institution it's in the government's hand, and that misconception must be cleared up."

Markets in India are starting to open up, and Indian and Pakistani immigrants are ready to invest in the stock market. In fact, they tend to be quite sophisticated investors, but many still ask if Edward Jones is a government organization. They're accustomed to having the government handle their money, and their trust in the government is implicit.

"Indian and Pakistani immigrants do tend to trust the system, and they are especially comfortable in dealing with large organizations," Vikas says. They look for a name they can trust—and the implied credibility.

Advisors have to understand, and make the client understand, the differences between what they're used to back home, and how things work in Canada. They have to explain the risks involved in investments. Having a shared cultural background will help advisors to pinpoint these crucial differences, but it's still very time-consuming.

"You've got to ask a lot of questions and you've got to be prepared to answer a lot of questions," Vikas says.

Wendy Seto says a lot of the time spent working with Chinese immigrant investors is about building trust.

"They have to test you and test you, until they are comfortable with you, before they will start talking business," Wendy says. "They need to see you are genuinely true to them, and that you have the capability and credibility. They only want to deal with the best firm and the best bank. They put a lot of emphasis in the brand."

But even if they trust you, they may never disclose 100% about what they have.

According to Wendy, Chinese people don't actually like to talk about money and are also very secretive. "They will never tell you how much they have, no matter how well you know them," she says. "They may tell you 90%, but they will never give you full disclosure. They will not even tell their closest family member everything they have."

**"YOU'VE GOT TO ASK A LOT OF QUESTIONS, AND YOU'VE GOT TO BE PREPARED TO ANSWER A LOT OF QUESTIONS."**

Plus, they tend to call the shots. "They will tell you when the time is right. You can advise them, but they will not take action until they decide the time is right."

Wendy says a lot of the Canadian advisors she works with feel frustration when dealing with Chinese investors because they require so much patience. "If you can't go through this test, you will never be able to manage their wealth."

### **Evolution of a practice**

Taking the time to understand, educate and gain the trust of immigrant investors is rewarding in many ways. Advisors say helping immigrants integrate into Canadian society, and providing them the information and advice they need, give them a lot of job satisfaction.

And they're also rewarded through loyalty, which gets passed on to the next generation. Immigrants tend to be particularly family-oriented, and this may be especially true for Asian immigrants, so once an advisor is working with one family member, he or she tends to take on the rest of the family as clients.

Every culture is unique, of course, and offers advisors unique opportunities and rewards. Renee Talavera-Siao explains that in the Filipino community, **continued on page 19**



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## MONEY AROUND THE WORLD

Different cultures have different attitudes, practices and beliefs about money, and knowing some of them can help you understand your clients better.

### China

The Chinese have a lot of respect for money. They routinely give money as a gift, and if you don't take it, it's thought to bring bad luck to the giver. It's given in a red envelope because red symbolizes wealth and good luck. (Note: Check your company policy with regards to accepting gifts from clients so you'll be able to respond appropriately, should this situation arise.)

There's a saying in China that you can live without many things, but not money. Chinese people are savers, who don't like to spend and prefer to be debt-free; they will pay off a mortgage as quickly as possible.

Chinese people tend to be very secretive about money; they don't like to talk about it. Even their closest family members will never know their total net worth.

### Philippines

The Filipino community is the fourth-largest minority group in Canada. Culturally, they're very family-oriented. Overseas, Filipino workers annually remit US\$1.7 billion to family members in the Philippines (US\$500 million from Canada alone). This remittance is a major part of their household budgets.

### India

Lakshmi is the Hindu goddess of wealth in India. Lakshmi is worshipped during the Diwali Festival—especially on the third day—to ensure the goddess showers blessings on the household.

Money is commonly given very discreetly: folded and given hand-down, so the amount can't be seen.

Among the Punjabis of India, money is often given as a gift, but it should be an uneven number and end in a one (11 rupees, 21 rupees, 501 rupees).

### South America

To ensure abundance during the next year, on New Year's Eve you should have money in your pockets and two jars filled to the top with rice in your kitchen. So, there you have a simple recipe for next year's financial plan.

### Islam

The Muslim attitude towards wealth management is guided by religious principles that dictate money has to be earned in a permissible way. It can't be generated directly from prohibited business activities or by investing in these kinds of businesses. The list includes alcohol, pork, tobacco, gambling and pornography.

In Islamic law, interest is considered usury, so businesses that earn a significant portion of income from interest are prohibited, including banks and credit cards.

continued from page 17 first-generation immigrants tend to work hard and sacrifice to ensure their children are well educated and have a better life than they did.

For these immigrants, life insurance is important, while retirement planning is secondary. Their main concern is taking care of the next generation—who, they expect, will take care of them when they retire. They'll ensure the insurance premium is allocated in their budget, but not necessarily retirement savings.

"It's not their life that's important, it's the next generation," Renee says. "If something happens to them, there's a big lump sum available for their family."

This intergenerational interconnectedness is the reason Renee's trade name is TriMonarch Financial. "Like the monarch butterfly, I'm very much interested in transforming lives, and I cater to the tri-generation of families."

In her marketing, workshops and the services she offers, Renee addresses retirement planning in terms of three generations. By using this approach, she attracts clients from different generations within the same family.

Wendy Seto also tends to serve the children of clients. "Chinese are very loyal people," Wendy says. "Once the trust is established, they will not change an advisor. They will stick

with the same individual forever and ever—and will even consider their advisor as part of their family."

Serving the next generation is easier because they've adapted to the Canadian culture. They gain trust faster. But it's important to note that in Chinese families, one account is the norm. The head of the household always makes the decisions—even when the children are grown up. And the head of the household is always a man. The family's financial needs may change over time, but the core values remain.

Vikas Saida and Margaret Yang agree that the family-oriented nature of Asian immigrants usually ensures they're able to serve their family members. "When the brothers and sisters of my clients start moving into Canada, they do come to me," Vikas says. "They realize that Edward Jones has done a good job for them."

Margaret concurs: "If the parents are happy, the children will, hopefully, remain loyal."

José Lomonaco doesn't strictly market or cater to the immigrant community (only a small percentage of his clients are Spanish-speaking). So his approach is to have a well-diversified, balanced mix of clients—which sounds like good advice, coming from a financial advisor. **AE**

**WARD**

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