INDUSTRY RESEARCH:
FINANCIAL SERVICES

2015 Wealth Management for Connected Investors

Insights into the Expectations of the Modern Investor

About This Report

To explore current attitudes and methods in how Americans today communicate and manage their investments with financial advisors, Salesforce Research conducted its *2015 Wealth Management for Connected Investors* report. Based on responses from more than 1,100 adults who currently have investments, the research found the wave of millennials (ages 18-34) entering the market is not only putting pressure on financial advisors to use newer technologies in managing their money, but also pushing even Gen Xers (ages 35-54) and baby boomers (ages 55+) toward more modern financial tools, such as modeling on mobile devices or online portfolio rebalancing. With more than $2 trillion in financial assets shifting hands between baby boomers and their Gen X and millennial offspring over the next five years,[1] advisors who emphasize new communications channels, collaborative investing and other technologies in working with their clients stand a better chance of capturing new investors and retaining existing ones.

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Salesforce Research, part of salesforce.com, inc., provides data-driven insights to transform how businesses connect with their customers.

Millennials
Ages 18-34

Generation Xers
Ages 35-54

Baby Boomers
Ages 55+

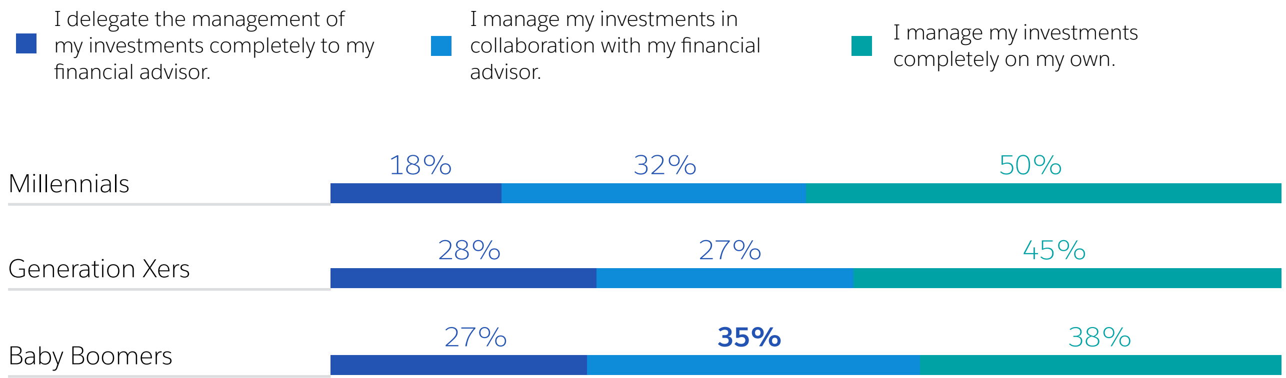
[1] Accenture, "The 'Greater' Wealth Transfer Report," June 2012

01 Choosing an Advisor

While 62% of Americans today are investing money, over half of that subset are using a financial advisor to manage their savings. Generational fault lines emerge when it comes to whether investors currently manage their investments in collaboration with their advisors, whether they want more or less involvement from advisors in terms of managing their savings, and specific factors in choosing their preferred advisor.

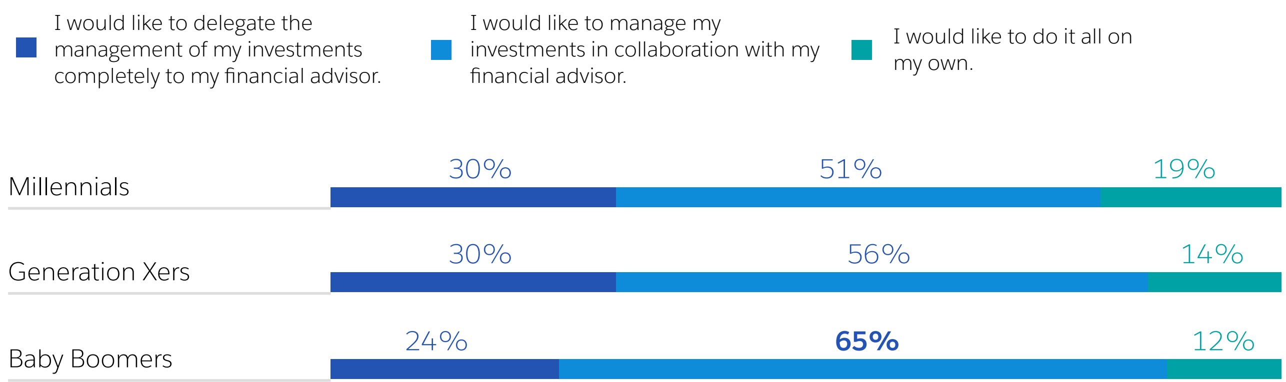
How do you currently manage your investments?

Millennials are more independent, while baby boomers prefer to collaborate with their advisor.



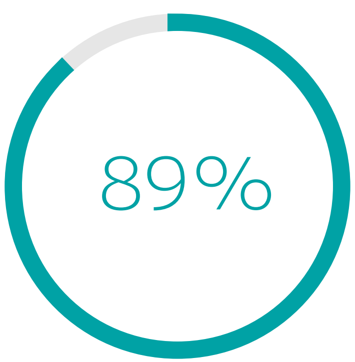
How would you like to manage your investments?*

Investors of all ages would like to manage investments collaboratively with their advisor.



Of those who would like a change in how they manage their investments

When considering important factors in selecting a financial advisor, fee structure and convenience are the most important to investors of all ages. However, millennials find online reviews and peer recommendations more important than their baby boomer counterparts.



Millennials (**89%**) value modern tools more than baby boomers (**71%**) when selecting an advisor.

The following factors are important when selecting a financial advisor:

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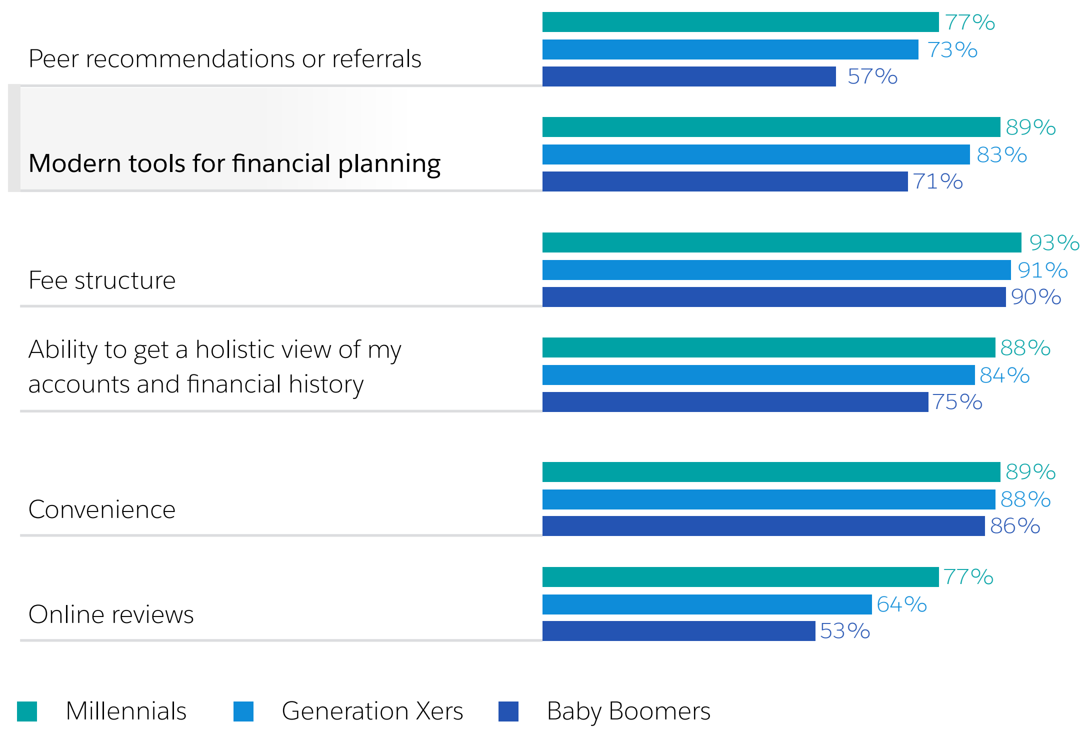
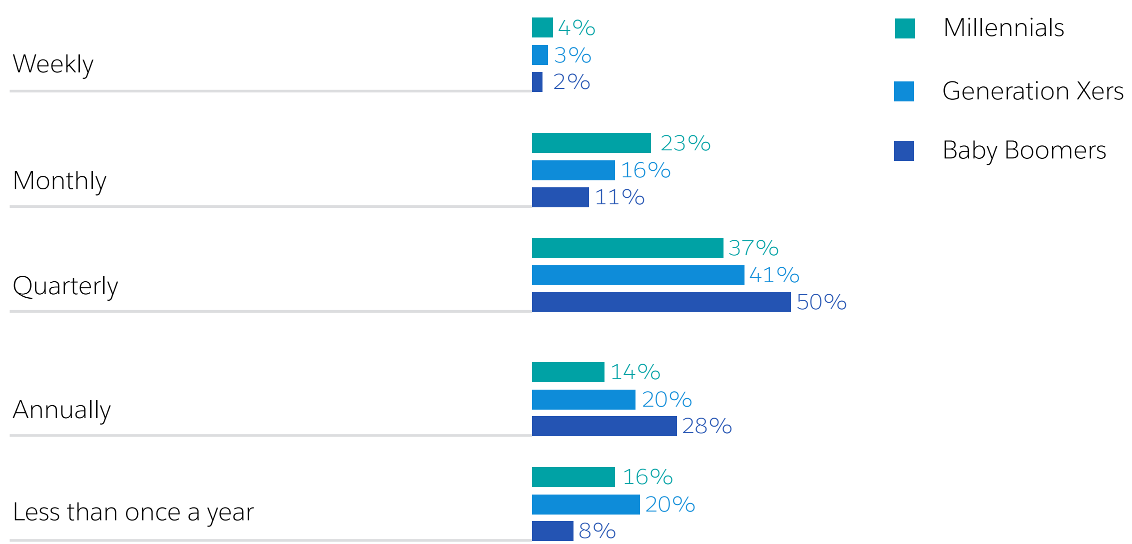


02 The Current Advisor Relationship

The majority of investors communicate with their advisors quarterly or annually. And despite modern technology tools – such as cloud, social and mobile platforms – most investors today manage their investments with their advisors through antiquated means, such as face-to-face or over the phone. Millennials and Generation X investors are more likely to use digital channels for communicating with their advisors vs. baby boomers, but in general clients' investment records are still mired in older, paper-based formats, which limit how investors receive up-to-date information and real-time advice on their portfolios.

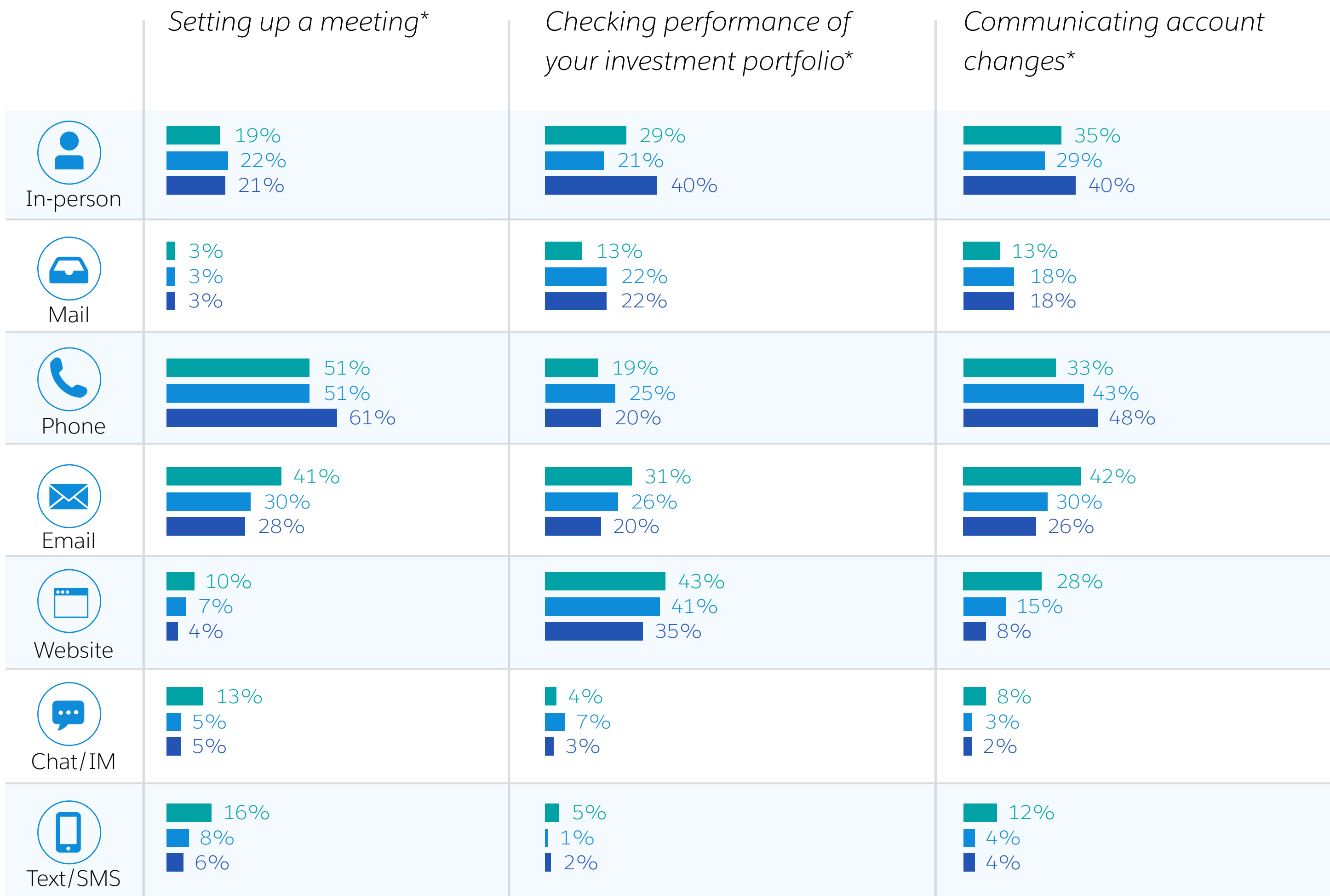
Which of the following best describes how often you meet/communicate with your financial advisor?

Millennials and baby boomers alike favor quarterly communication with their advisors.



In which of the following ways do you communicate with your financial advisor for each of the following?

Despite modern technology tools – such as cloud, social and mobile platforms – most investors today manage their investments with their advisors through antiquated means, such as face-to-face or over the phone.



Millennials

Generation Xers

Baby Boomers

* *Multi-select question*

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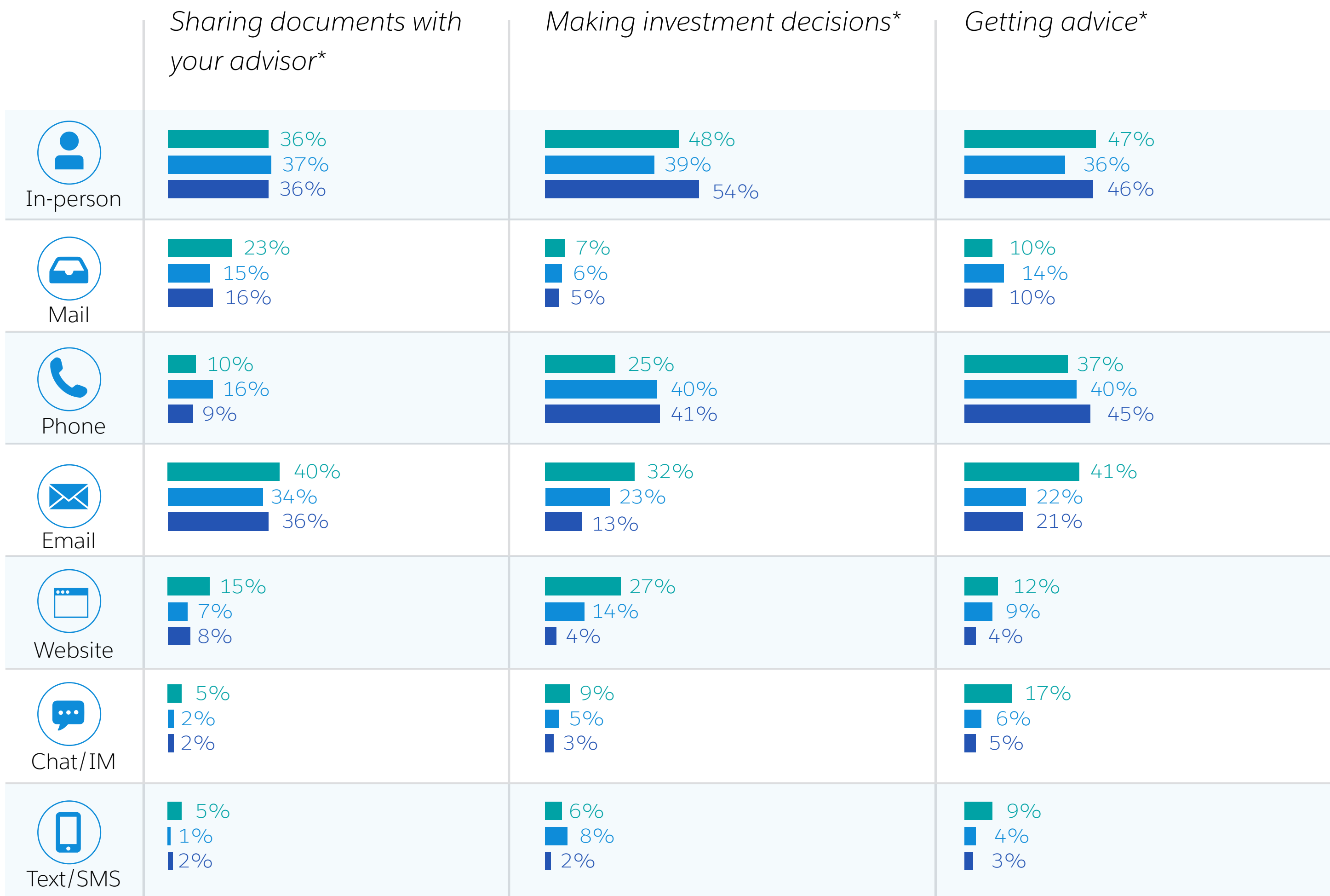
In which of the following ways do you communicate with your financial advisor for each of the following?



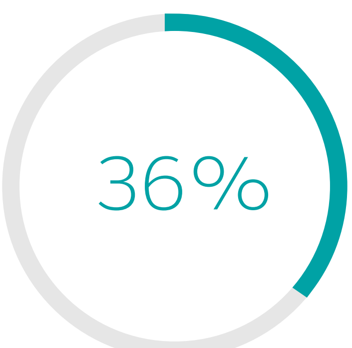
Millennials

Generation Xers

Baby Boomers

** Multi-select question*

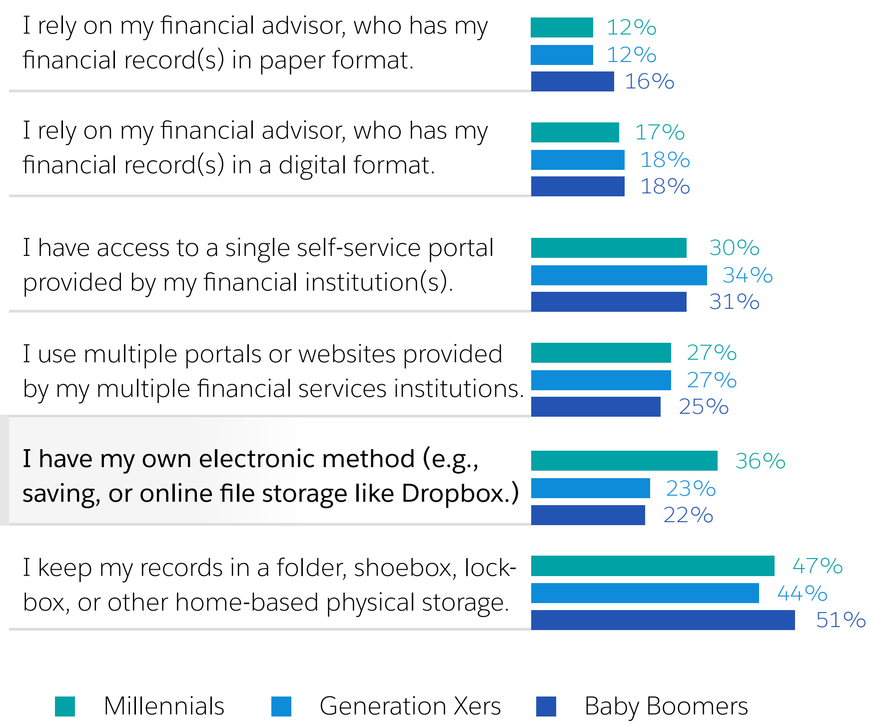
Investors of all ages use Web portals and websites provided by financial services institutions to keep track of their financial records. However, millennials show more comfort maintaining their own electronic methods like cloud storage.



Millennials (**36%**) show more comfort with electronic methods like cloud storage.

How do you currently keep track of your financial record(s)?

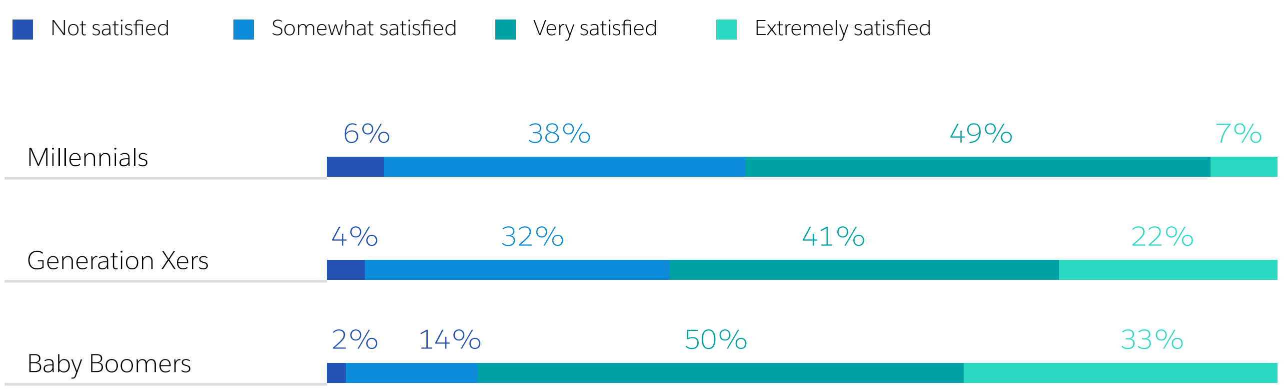
Millennials find online reviews and peer recommendations more important than their baby boomer counterparts.



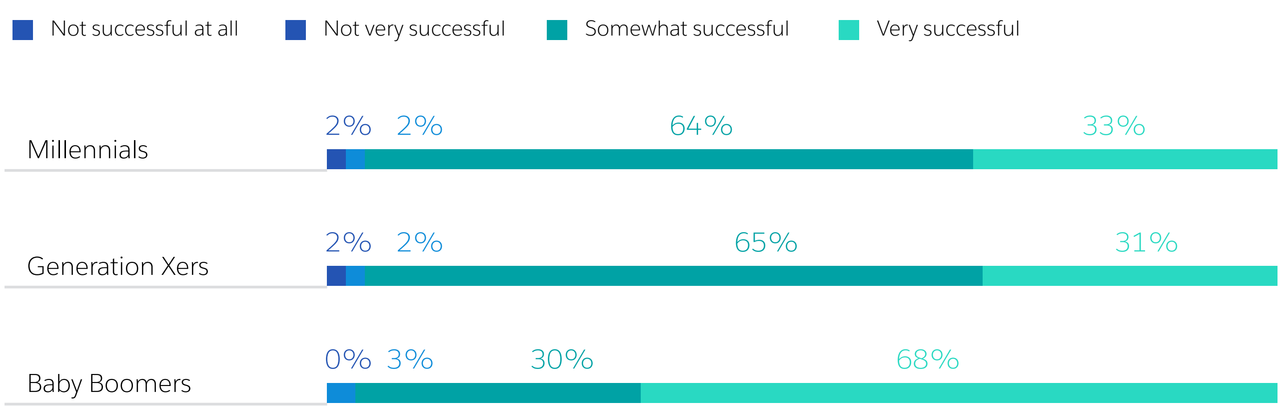
03 Maintaining Trust

While the majority of American investors are satisfied with their financial advisors, older investors have deeper relationships with their financial planners, overwhelmingly reporting that they would likely "recognize [their clients] walking down the street." In contrast, younger investors are more enthusiastic around modern financial modeling tools and gaining holistic views of their investments on mobile platforms vs. their older counterparts. Younger investors, who are set to inherit trillions in assets from their parents in the coming years, are more likely to switch financial planners based on the technology-forward methods and frequency of communication with their advisors.

Please rate your overall satisfaction with your financial advisor.



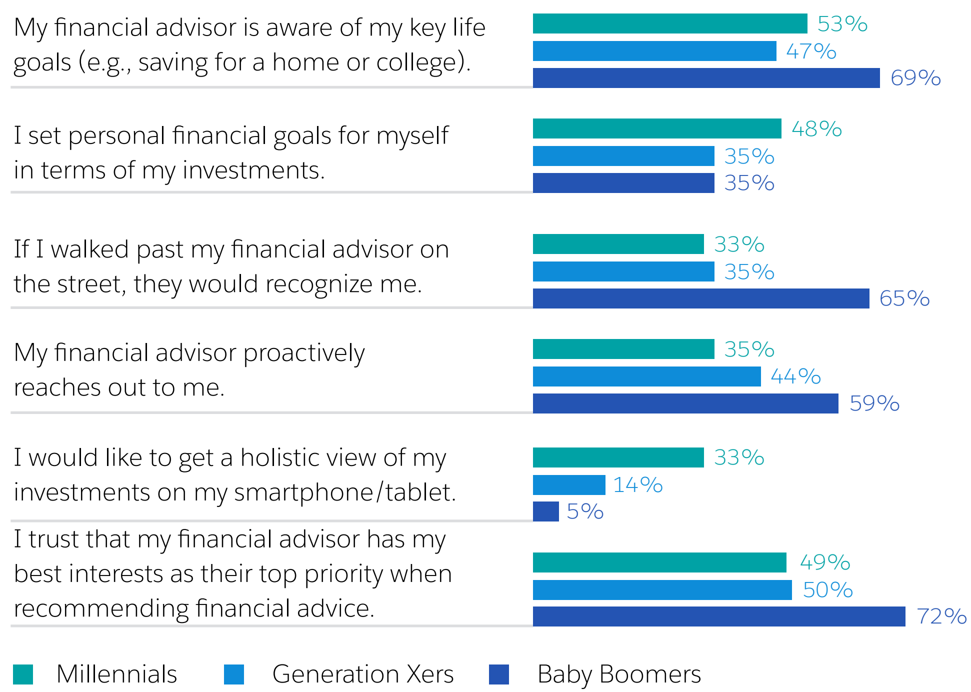
How successful is your financial advisor at helping you to achieve the goals you set for your investments?



Financial advisors face trust challenges more acutely in younger clients, as only a third believe their advisor would recognize them on the street, and less than half believe their financial advisors have their best interests as their top priorities when recommending financial advice.

Which of the following, if any, are true for you?

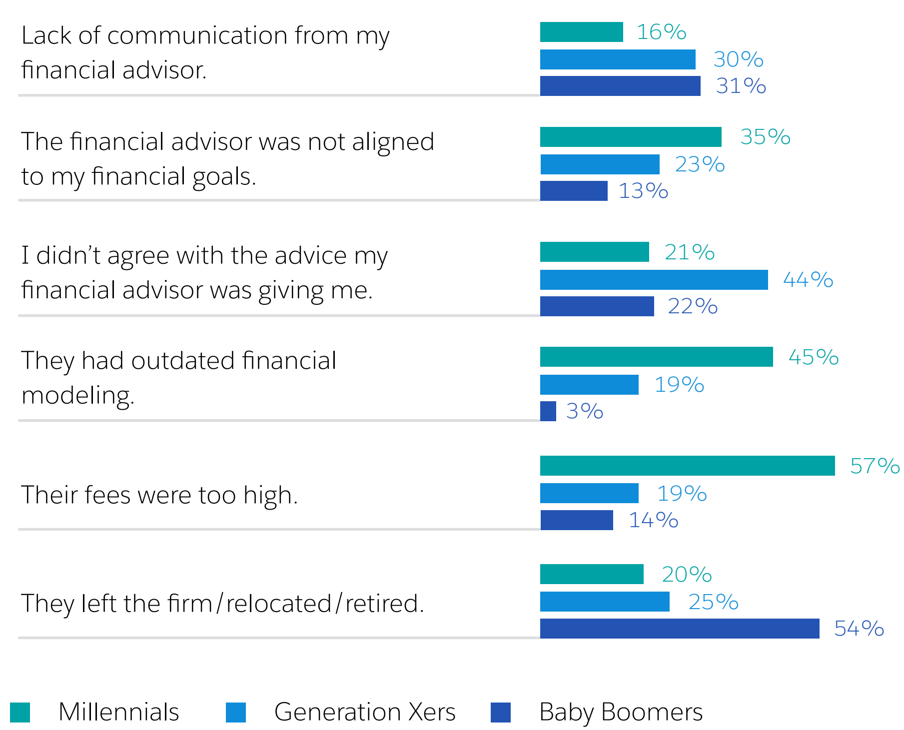
Baby boomers are significantly more trusting of their financial advisers than millennials and Gen Xers.



Generational gaps emerge when it comes to the reasons why clients leave advisors, with high fees the primary issue for millennials, and advisors leaving the firm/relocating/retiring the primary issue for baby boomers. Lack of communication is a consistent issue across generations.

Which of the following are reasons why you switched financial advisors in the last five years?

Millennials are far more sensitive to fees and outdated financial modeling, while baby boomers are often forced to switch advisors due to retirement or relocation.



04 Methodology

This survey was conducted online within the United States, April 27-29, 2015, among 2,019 adults (aged 18 and over), among whom 1,189 currently have money invested, by Harris Poll on behalf of Salesforce Research via its Quick Query omnibus product. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, the words "margin of error" are avoided as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100 percent response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the online panel, no estimates of theoretical sampling error can be calculated.