

INDUSTRY RESEARCH: FINANCIAL SERVICES

2017

CONNECTED INVESTOR REPORT

Insights into the Advisor-Investor Relationship



Introduction

To explore how Americans manage their money, choose and communicate with financial advisors – as well as measure consumer sentiment and trust in financial institutions – Salesforce conducted its “2017 Connected Investor Report.” The survey was conducted online by Harris Poll on behalf of Salesforce in June 2017 among 2,192 U.S. adults, ages 18 and older, of whom 635 currently work with a financial advisor.

The data shows that, not surprisingly, Gen Xers (42%) and baby boomers (37%) are more likely to save for retirement, but millennials (43%) tend to be more concerned with general day-to-day expenses. About half of all those surveyed across generations would like to collaborate more with their advisors. However, millennials appear to be more open to advisors leveraging artificial intelligence (AI) capabilities than their baby boomer counterparts. Finally, the report indicates that Americans of all ages have a significant amount of trust in their advisors’ judgment, which could be driven by a recent stock market surge, among other factors.

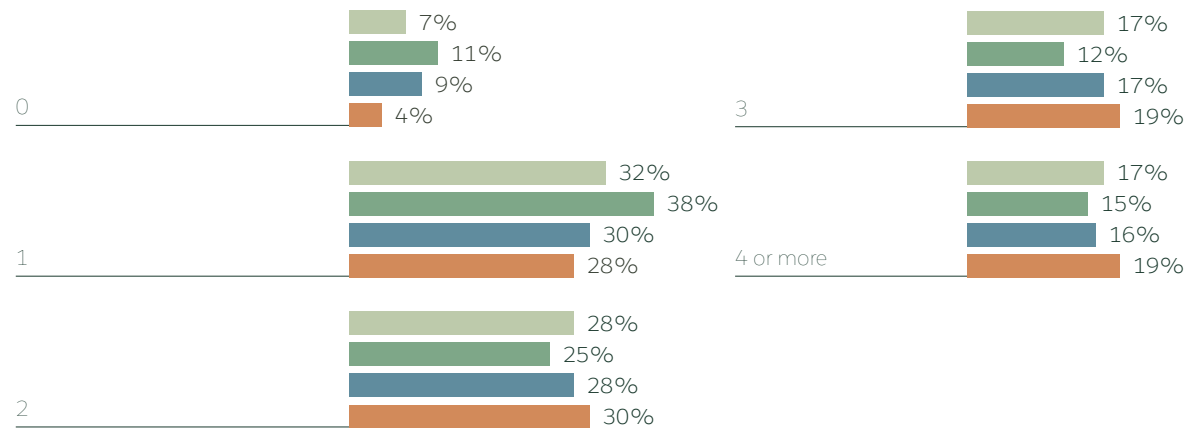


I. Managing Money: What Are Americans Saving For?

More than half of baby boomers (58%) feel very or somewhat knowledgeable about different investment options compared to 43% of their millennial counterparts.

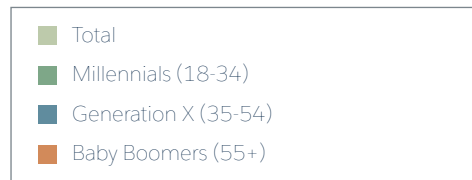
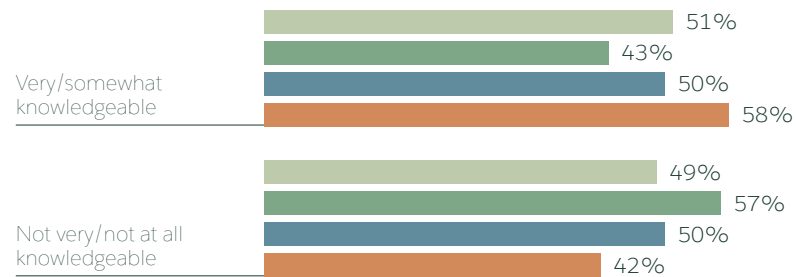
Base: Currently saving money

How many different financial institutions (e.g., banks, mortgage providers, wealth firms, 401k providers, IRA custodians) do you currently use to manage your money, investments or other assets?



Base: All respondents

How knowledgeable do you feel you are about different types of investments (e.g. stocks, bonds, annuities, investment funds)?

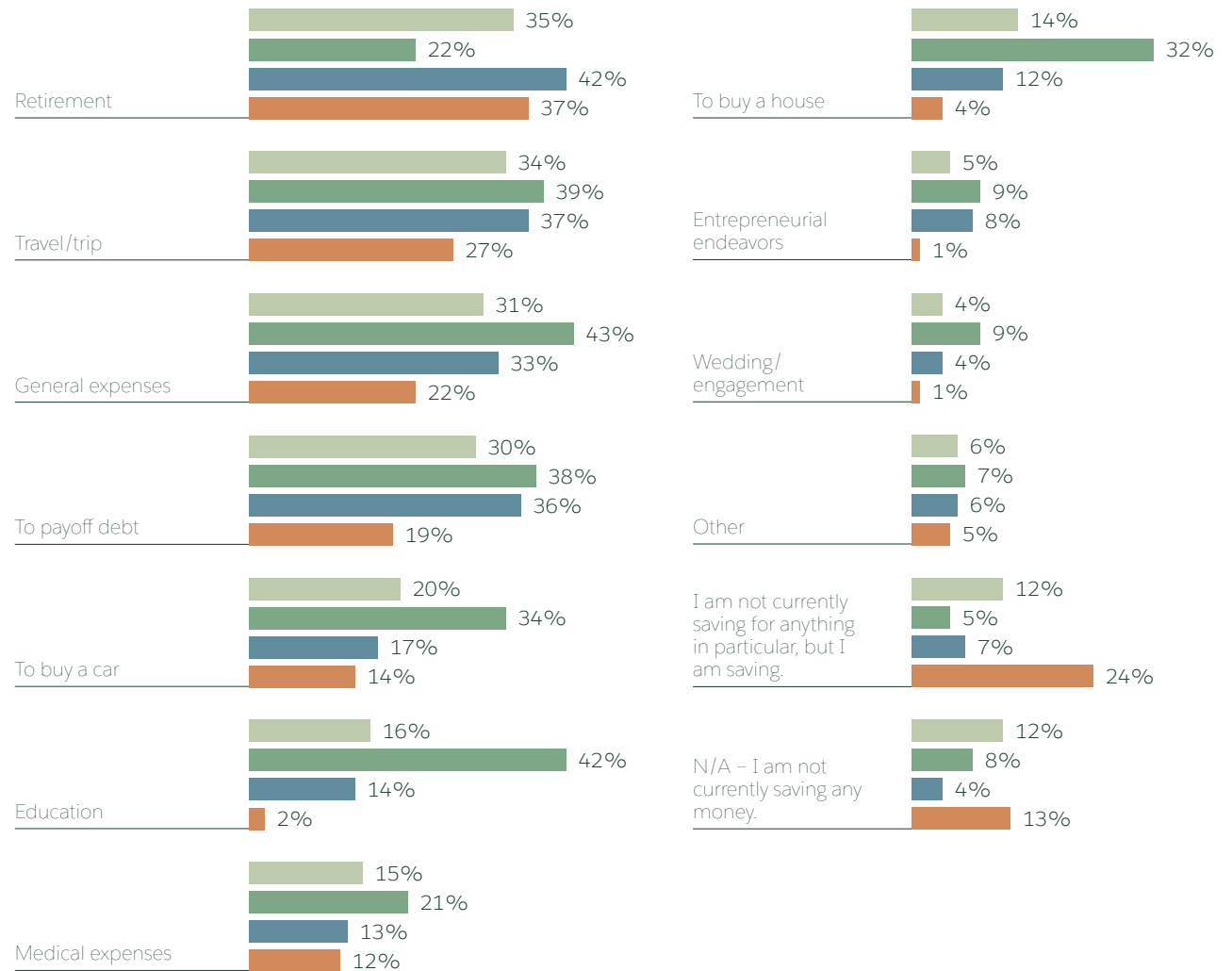


I. Managing Money: What Are Americans Saving For?

When asked what they were currently saving for, retirement ranked highest for both Gen Xers (42%) and baby boomers (37%), while millennials (43%) chose general expenses.

Base: All respondents

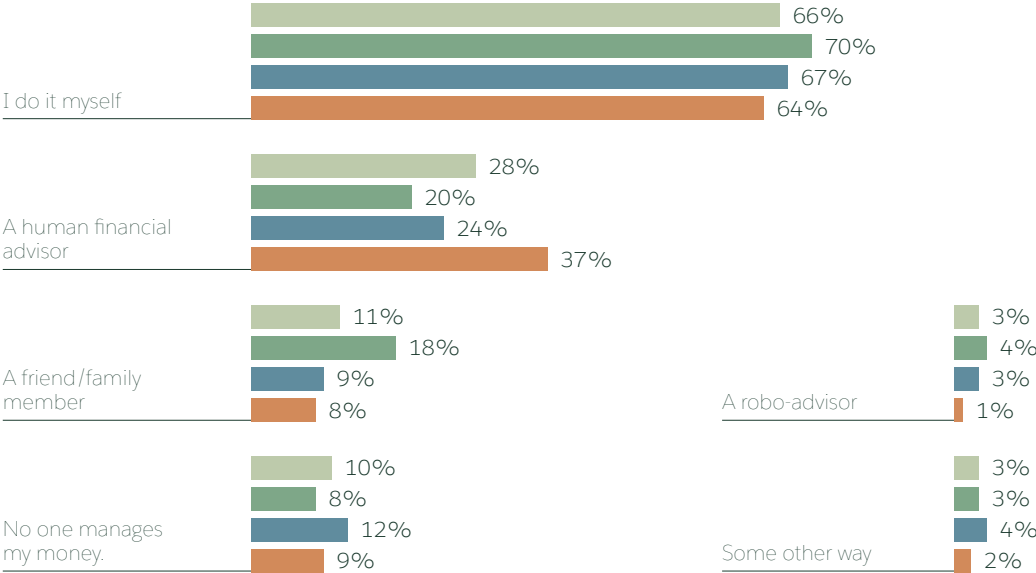
Which of the following, if any, are you currently saving for? Check all that apply.



I. Managing Money: What Are Americans Saving For?

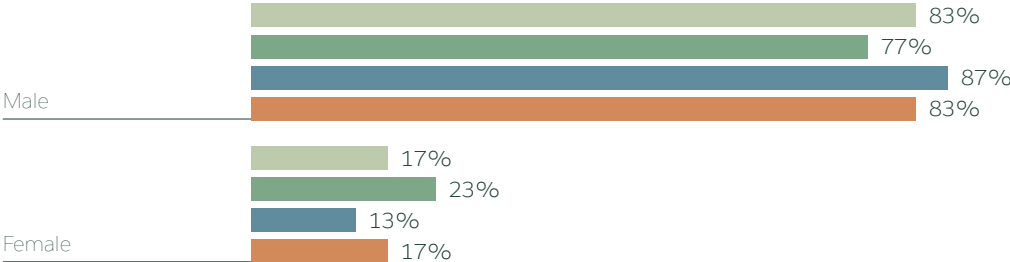
Finally, while the majority of Americans (66%) say they manage their own money/savings/investments, more than one quarter (28%) use human financial advisors – often a man (83%) in his 40s (38%).

Base: All respondents
 Which of the following ways do you currently manage your money, savings, and/or investments?
 Check all that apply.

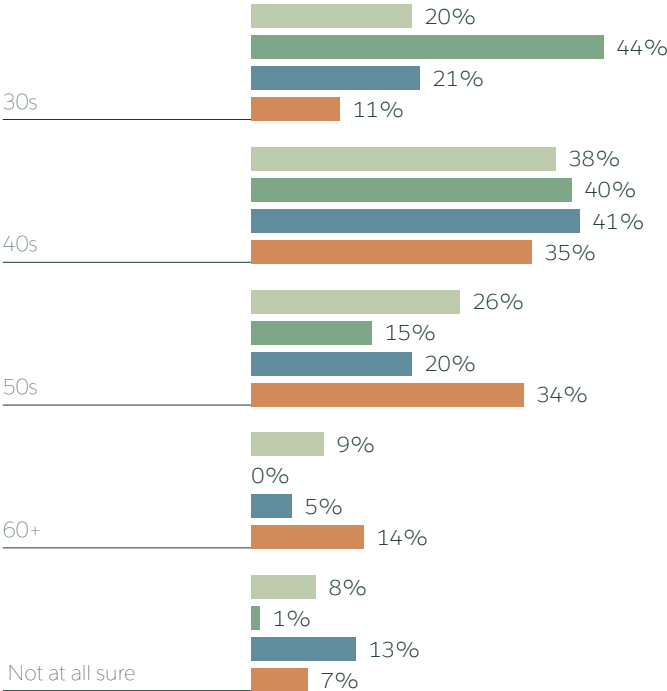


I. Managing Money: What Are Americans Saving For?

Base: Currently use a human financial advisor
 Is your financial advisor a male or a female?



Base: Currently use a human financial advisor
 To the best of your knowledge, how old is your financial advisor?

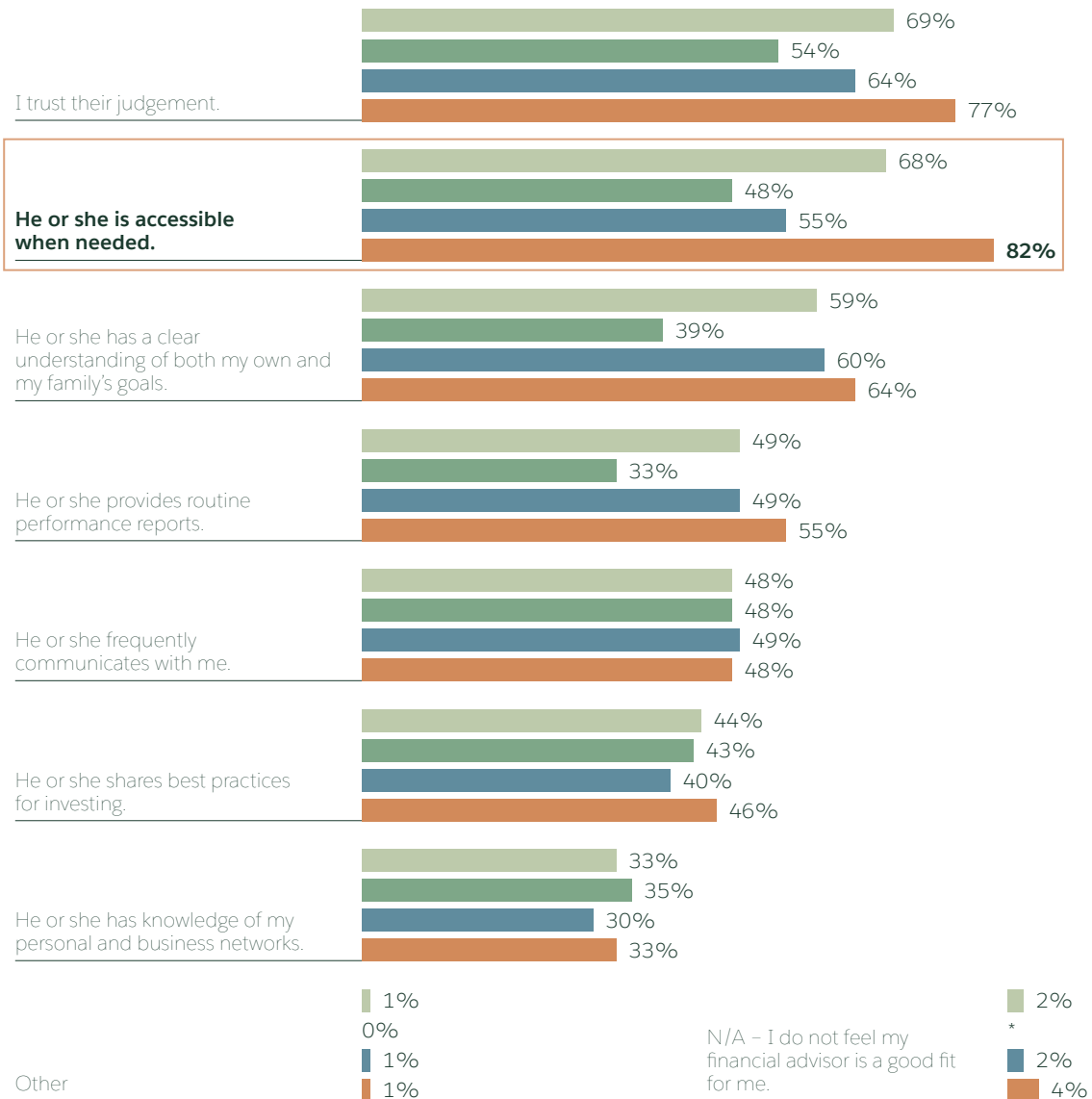


II. Choosing the Right Match: What Makes an Advisor the Right Fit?

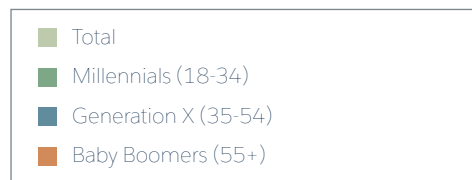
Despite the growing popularity of investors turning to technology to help with financial management, only 3% of those surveyed use a robo-advisor. Americans who currently use a human financial advisor cited strong trust in their advisors' judgment (69%), accessibility to them (68%) and the fact they have a clear understanding of their and their families' goals (59%) as top reasons why they feel their advisor is a good fit for them.

Base: Currently use a human financial advisor

Which of the following, if any, make you feel your financial advisor is a good fit for you? Check all that apply.



* Small base size

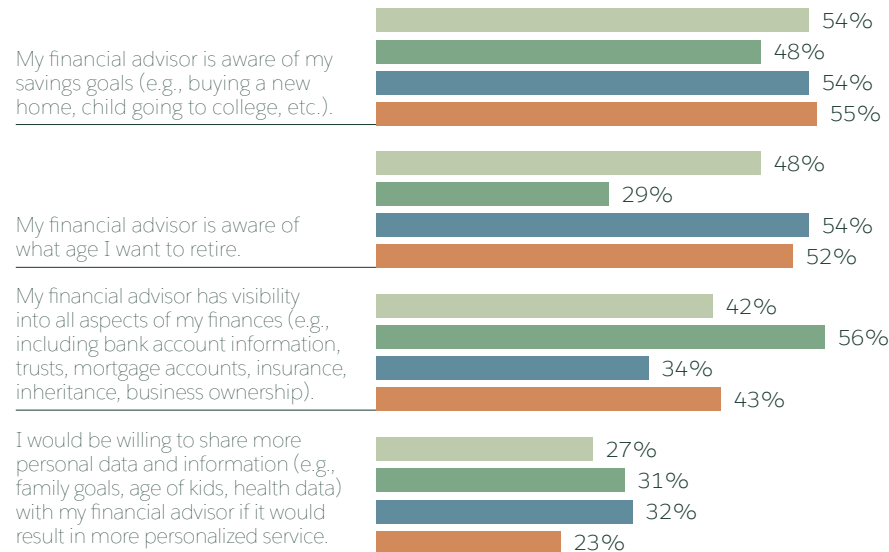


II. Choosing the Right Match: What Makes an Advisor the Right Fit?

However, only about half of those surveyed believe that their advisors are aware of their savings goals (54%) or the ages they want to retire (48%). And around half of all those surveyed would like to collaborate more with their advisors when making investment decisions.

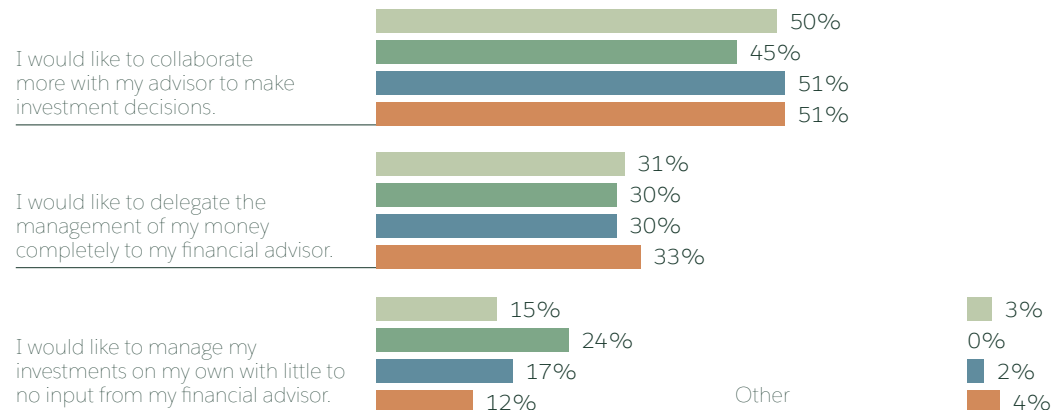
Base: Currently use a human financial advisor

Which of the following statements are true for you? Check all that apply.



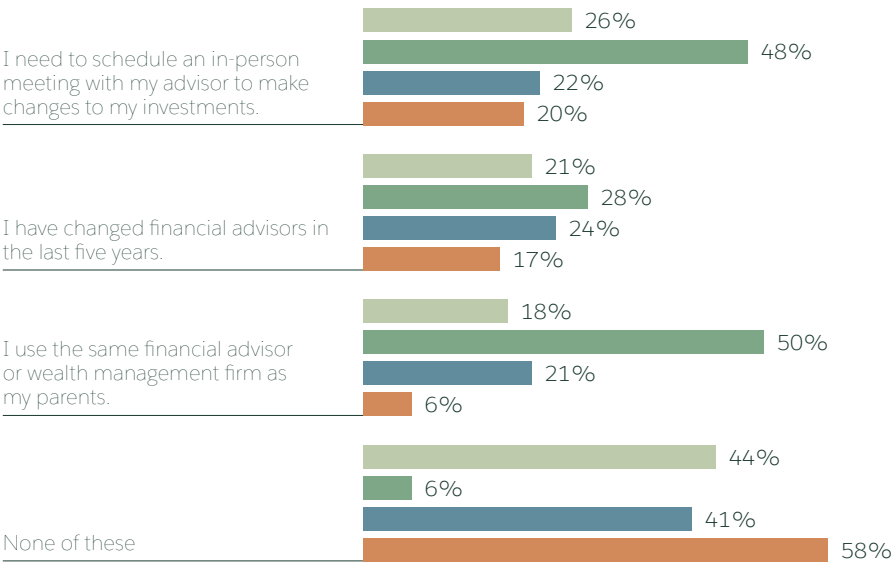
Base: Currently use a human financial advisor

Which of the following best describes how you would prefer to manage your money, savings, and/or investments with your financial advisor?



II. Choosing the Right Match: What Makes an Advisor the Right Fit?

Base: Currently use a human financial advisor
 Which of the following are true for you? Check all that apply.

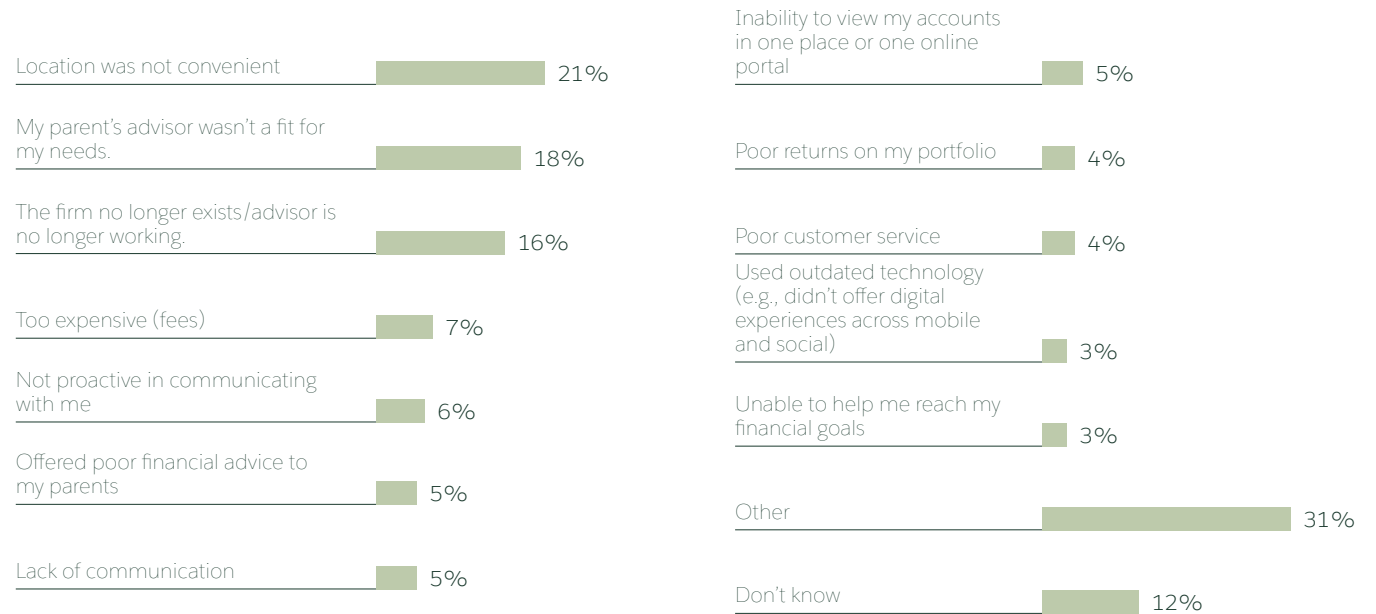


II. Choosing the Right Match: What Makes an Advisor the Right Fit?

When it comes to choosing a financial advisor, there are many reasons Americans use different financial advisors across generations. Interestingly, of those who use a different financial firm or advisor than their parents, an inconvenient location (21%), not being a fit for their needs (18%) and the firm no longer existing or the advisor no longer working (16%) were cited as the top reasons for using a different firm or advisor.

Base: Use a different advisor/firm than their parents.

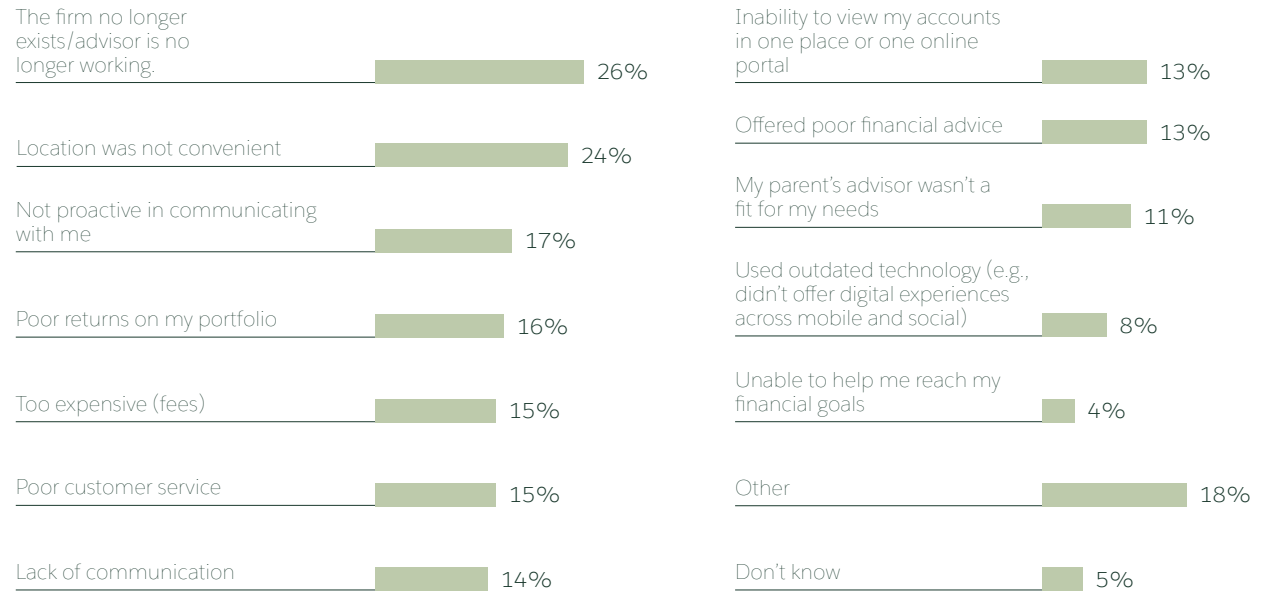
Which of the following are reasons why you use a different firm or advisor than your parents? Check all that apply.



II. Choosing the Right Match: What Makes an Advisor the Right Fit?

Base: Have changed financial advisors in past five years.

Why have you changed advisors in the last five years? Check all that apply.

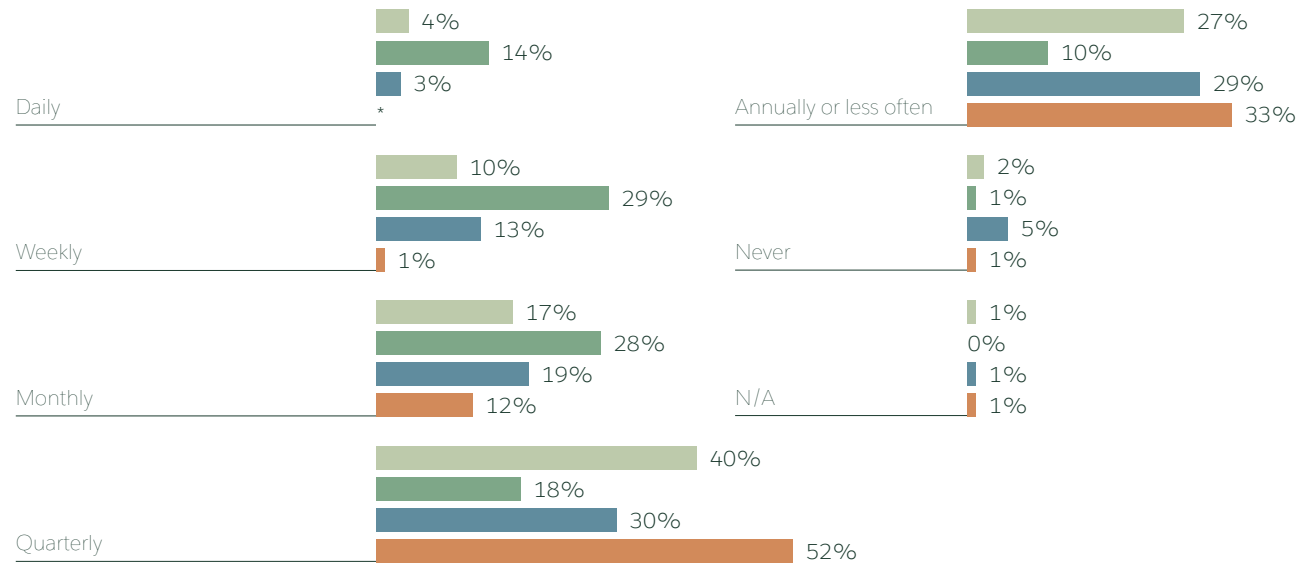


III. Communicating with Investors: Can AI Foster Stronger Relationships?

Americans who use human financial advisors primarily communicate with their advisors quarterly (40%), or annually or less often (27%), with only 10% of those surveyed communicating on a weekly basis.

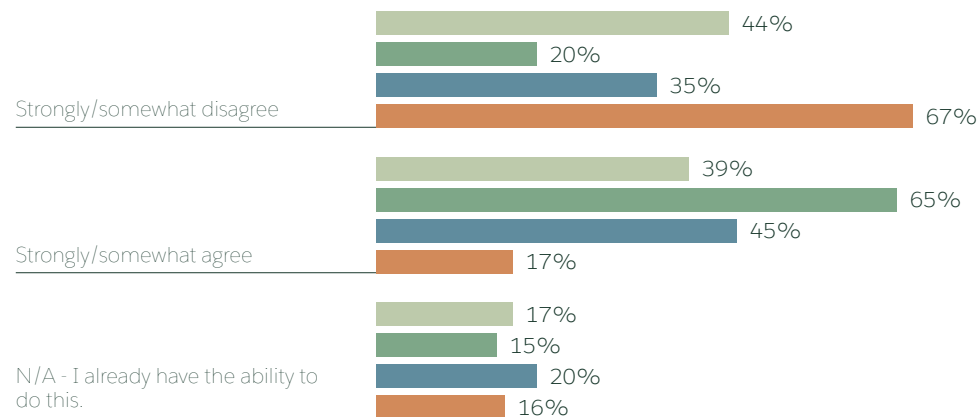
Base: Currently use a human financial advisor

How often do you communicate (e.g., meet in-person, call, email, text) with your financial advisor?

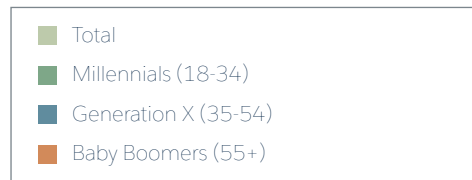


Base: All respondents

I would like to be able to make changes to my money, savings and/or investments via an app on a mobile device (e.g., smartphone, tablet).



* Small base size






















































III. Communicating with Investors: Can AI Foster Stronger Relationships?

Despite the rise of digital technologies, such as mobile apps, social media and more, communication between investors and advisors is primarily done today via traditional channels such as talking on the phone (73%) or meeting in-person (61%).

Base: Currently use a human financial advisor

Which of the following channels do you use to communicate with your financial advisor? Check all that apply.

	Total	Millennials (18-34)	Generation X (35-54)	Baby Boomers (55+)
 Phone (voice)	 73%	 56%	 71%	 80%
 In-person	 61%	 61%	 63%	 61%
 Email	 60%	 62%	 65%	 57%
 Phone (text)	 25%	 44%	 27%	 18%
 Mail	 18%	 24%	 19%	 16%
 Advisor portal	 10%	 18%	 12%	 6%
 Social media	 10%	 28%	 16%	*
 Video chat	 8%	 18%	 15%	 1%
 Chat/IM	 4%	 8%	 6%	 2%
 Customer service chatbot	 3%	 7%	 5%	*
Other	 1%	0%	 1%	 1%

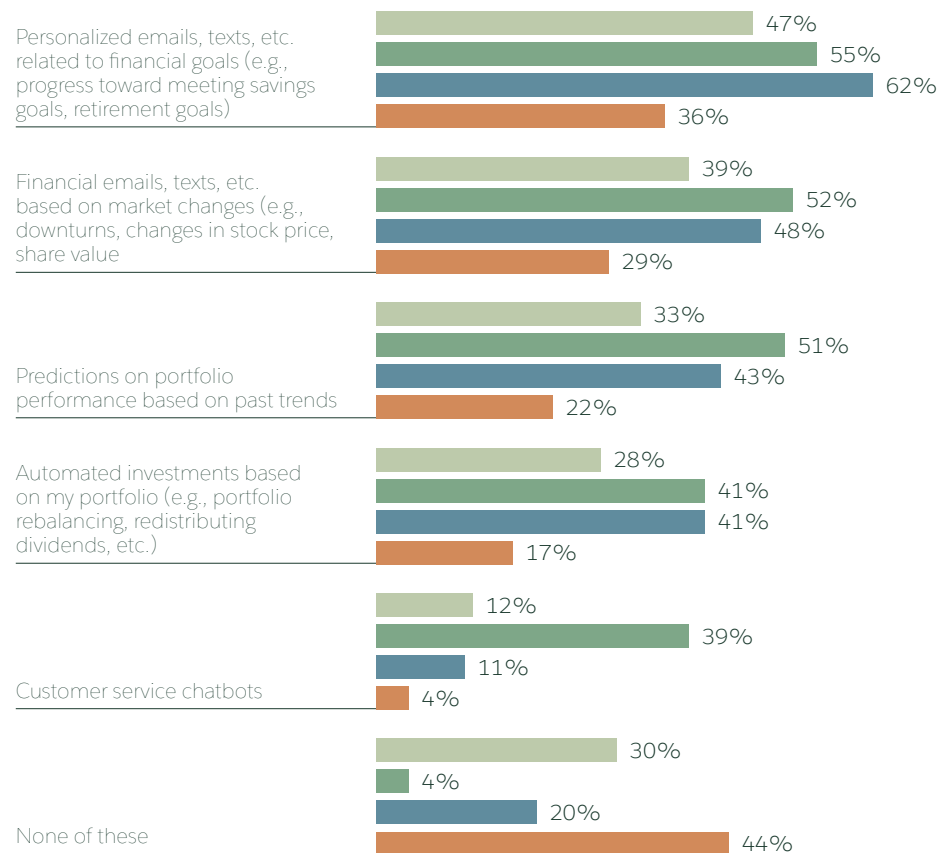
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III. Communicating with Investors: Can AI Foster Stronger Relationships?

However, artificial intelligence (AI) shows promise in how it can potentially create stronger relationships between advisors and investors, with millennials* significantly more likely to be interested in AI capabilities offered by their financial advisors such as receiving personalized emails or texts related to financial goals (55%) or predictions on portfolio performance based on past trends (51%), than their baby boomer counterparts (36% and 22%, respectively).

Base: Currently use a human financial advisor

Which of the following artificial intelligence (AI) capabilities would appeal to you if they were offered by your financial advisor? Check all that apply.



* Small base size

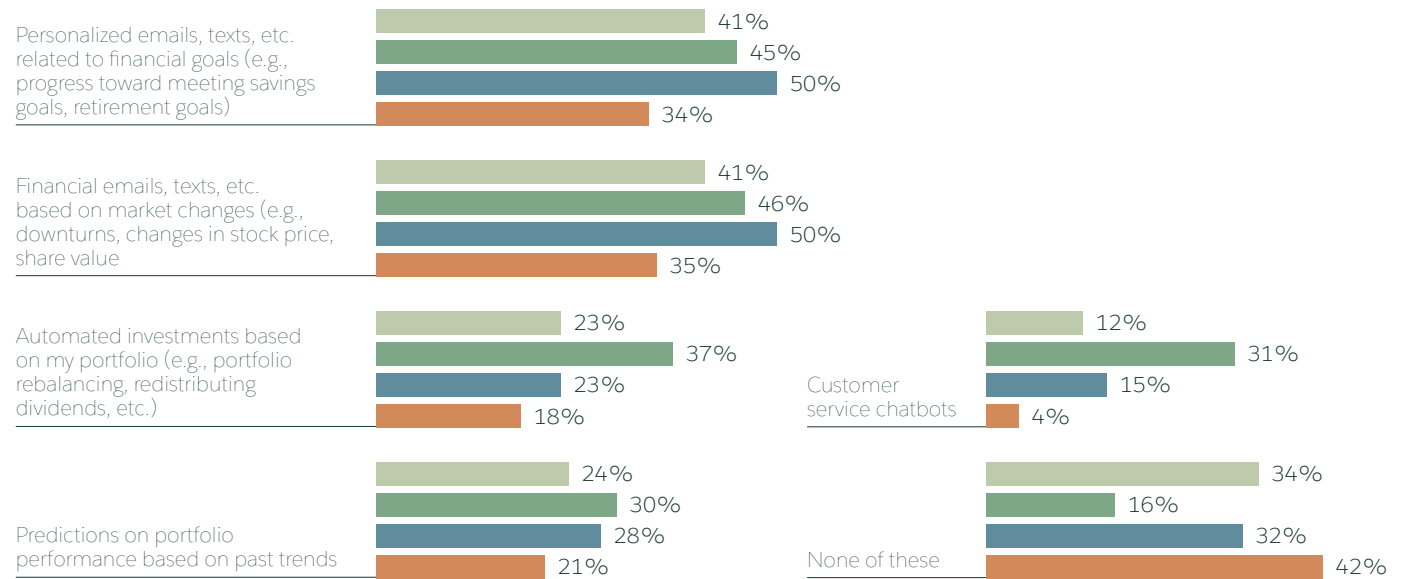
III. Communicating with Investors: Can AI Foster Stronger Relationships?

In fact, millennials* (23%) were also nearly eight times as likely as baby boomers (3%) to say they would be open to replacing their human financial advisors with a robo-advisor with AI capabilities.

Base: Currently use a human financial advisor

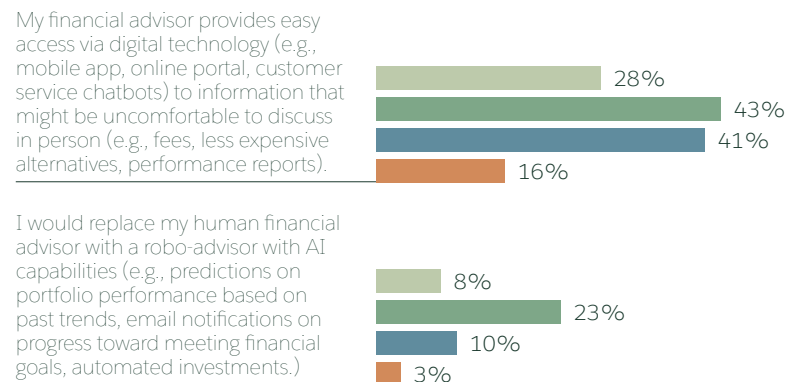
Which of the following artificial intelligence (AI) capabilities does your financial advisor currently offer?

Check all that apply.



Base: Currently use a human financial advisor

Which of the following statements are true for you? Check all that apply.



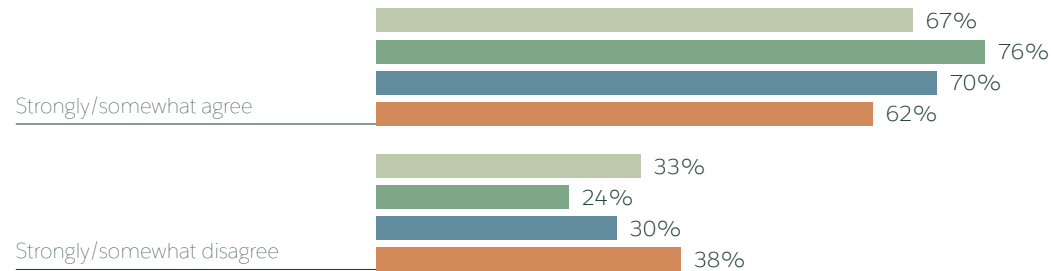
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IV. Maintaining Trust: Do Clients have Confidence in Their Advisors’?

Two-thirds of Americans who currently use a financial advisor (67%) strongly or somewhat agree that they are concerned with how the market will be affected by the recent moves made by the Trump Administration.

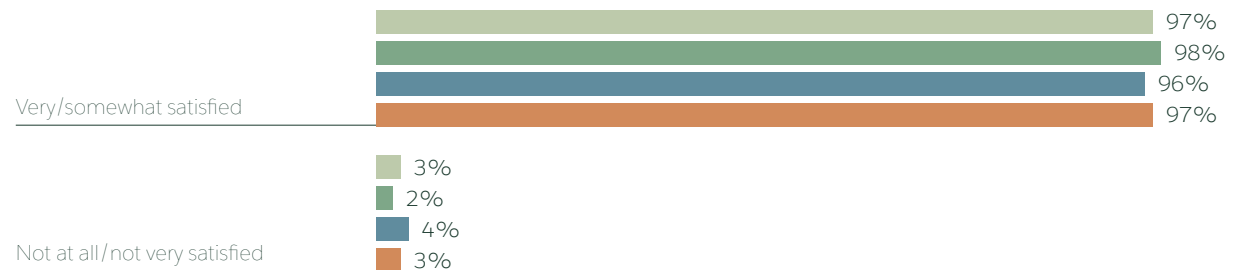
Base: All respondents

I am concerned with how the market will be affected by the recent moves made by the Trump Administration.



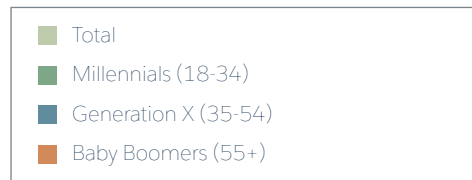
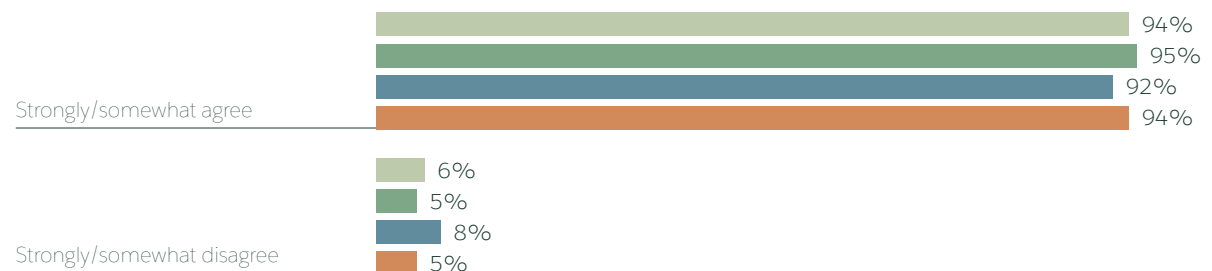
Base: Currently use a human financial advisor

How satisfied are you with your financial advisor?



Base: Currently use a human financial advisor

I am confident that my financial advisor would make the right decisions for my portfolio in a market correction or downturn.

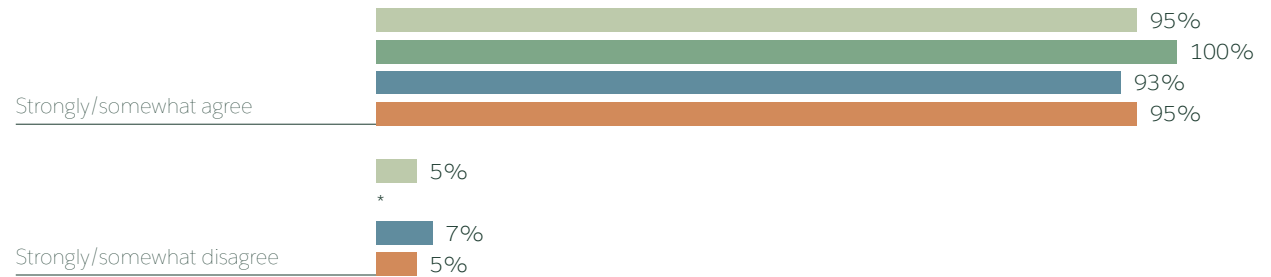


IV. Maintaining Trust: Do Clients have Confidence in Their Advisors'?

However, most are confident that their advisor is prepared for any upcoming regulatory changes (96%) and trust that they have their best interests at heart when making decisions (95%) – which is good news for wealth management firms as the Department of Labor's (DOL) Fiduciary Rule starts to take effect.

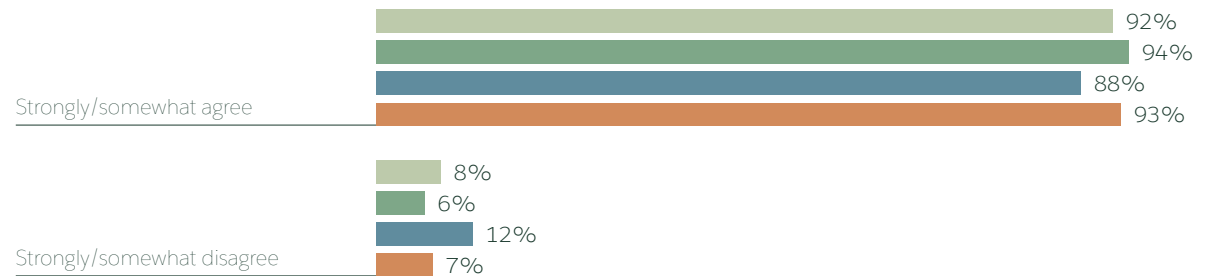
Base: Currently use a human financial advisor

I trust that my financial advisor will make decisions that are in my best interest.



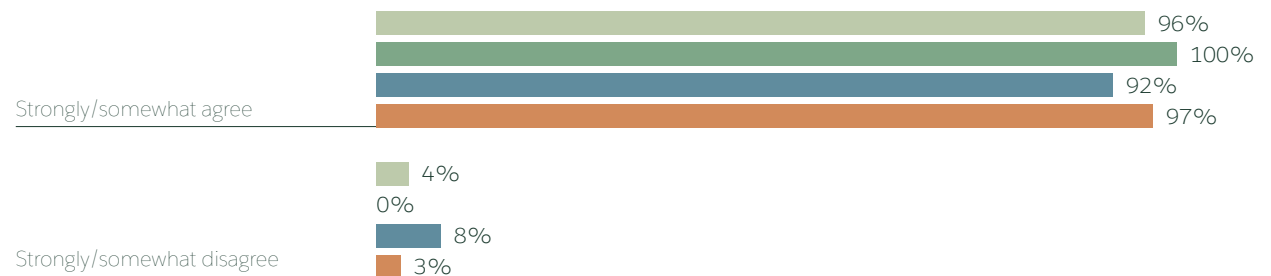
Base: Currently use a human financial advisor

I trust that my financial advisor will put the best interests of their clients ahead of their own.



Base: Currently use a human financial advisor

I am confident that my financial advisor is prepared for any upcoming regulatory changes.



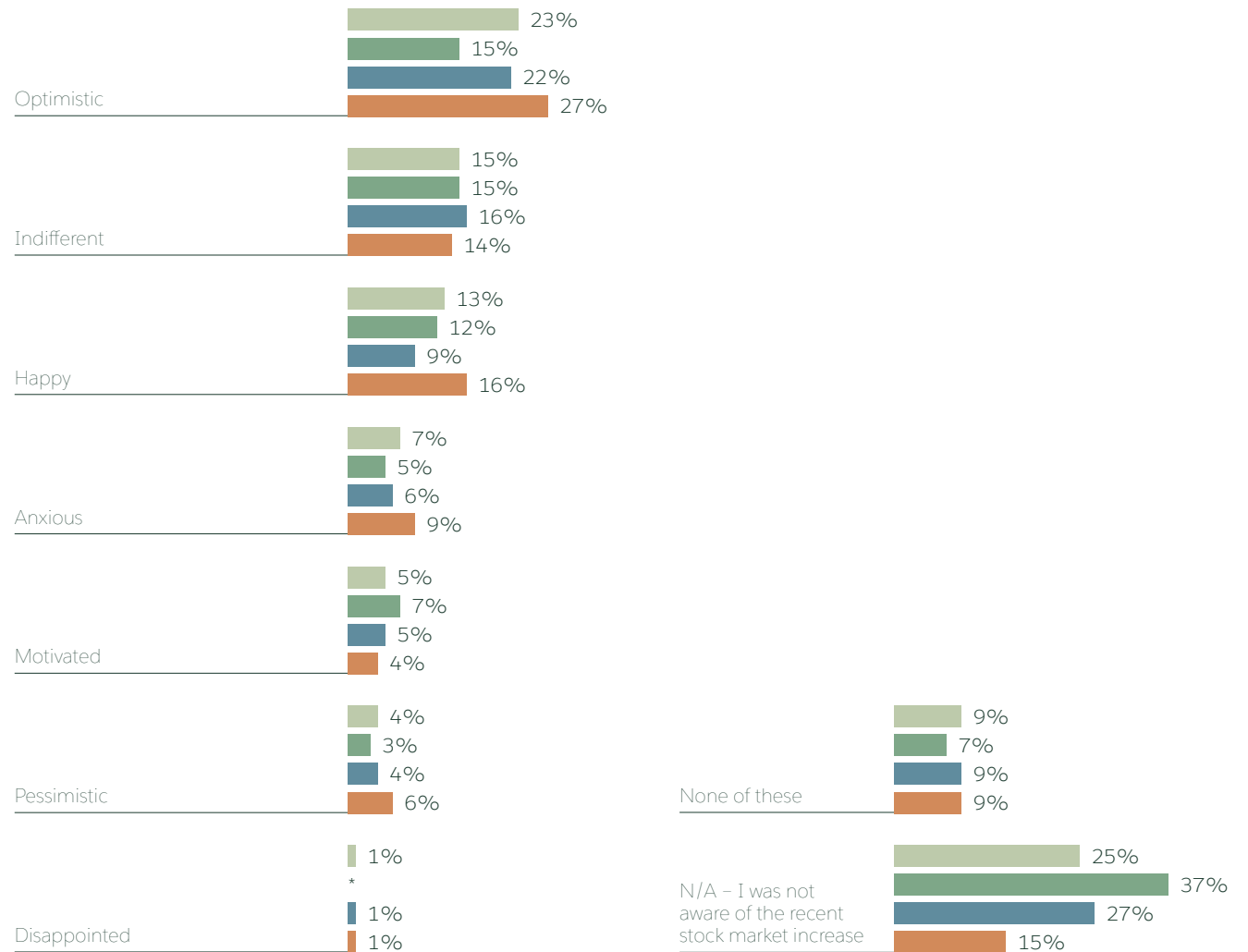
* Small base size

IV. Maintaining Trust: Do Clients have Confidence in Their Advisors'?

Finally, when asked about how they feel regarding the recent stock market rise, Americans cited optimism (23%), indifference (15%) and happiness (13%) as their top feelings.

All respondents

Which of the following best describe how you feel about the recent stock market increase?



* Small base size

V. Research Methodology

This survey was conducted online within the United States by Harris Poll on behalf of Salesforce from June 20-22, 2017, among 2,192 U.S. adults ages 18 and older, among whom 635 currently use a human financial advisor. This online survey is not based on a probability sample, and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Annie Meenan at ameenan@salesforce.com.