

Americans Spread Their Money Across More Firms; Trust in Firms Highest in Over a Decade

Morgan Stanley and Edward Jones Hearts & Wallets Top Performers on High Trust; Research Identifies Market Leaders in Asset Share and other Success Metrics

(April 14, 2022, Rye, NY) – Americans¹ spread their money across more financial services firms, as customer trust has rebounded to the highest level in over a decade, according to a new research report by [Hearts & Wallets](#), the market research and benchmarking firm that specializes in consumer saving, investing and financial advice.

Stores & Success Metrics: Firms Winning the Customer Wallet and Competitive

Opportunities as Consumers Add Relationships analyzes the retail financial services firms, or “stores,” U.S. consumers use, share of wallet for stores, and meaningful customer success metrics, such as trust and loyalty – including intent to recommend, intent to invest, and the Hearts & Wallets loyalty score, which combines likelihood to recommend and likelihood to invest more. Top Performer designations are earned where store ratings from its customers are distinctively higher than other stores on customer loyalty success metrics.

Success metrics are for leading national providers² – brokers, banks and retirement platforms – cited most often by their customers as their primary and secondary firm by asset amount based on a survey of 5,794 U.S. households in the latest wave of the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 100 million data points on consumer saving, investing and advice behaviors.

More Firms, Lower Share of Wallet

One in 5 U.S. households now has 4 or more saving and investing relationship. Last year, 1 in 6 households had this number of relationships. Nearly half (42%) of households with \$500,000 to under \$2 million have 4 or more relationships, up from 36% households in 2020. Households with \$2 million-plus were the exception, pulling back slightly from 3.9 relationships in 2020 to 3.6 in 2021.

Because Americans spread their money across more firms, share of wallet for the primary firm, where the consumer has the most money invested, dropped at the national level in 2021. The exception: wealthy households with over \$2 million, where share of wallet increased by 4 percentage points year over year at their primary store with the dip in number of firms used.

“Multiple relationships are now the norm,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Highly sophisticated and attractive customers are the most likely to have multiple relationships and be shopping around identify their favorite service models. Firms should evolve their service models, pricing and products to withstand this intensifying competition.”

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¹U.S. households with under \$2 million in investable assets.

² To be included in the report, firms need a large enough sample, sufficient branding for wide-spread consumer recognition and be identified by survey respondents as either their primary or secondary firm in terms of largest number of household assets.

Consumers Spread Money to More Firms & Trust Up/2

Year over year, average share of wallet declined or was flat at all firms except one, **Discover Financial Services** (NYSE: DFS), going from 22% in 2020 to 29% in 2021. Only three companies are the primary firm for over half their customers – **Bank of America** (NYSE: BAC), **Fidelity** and **Edward Jones**.

Trust Up & Top Performer Firms

Nationally, consumer trust in saving, investing and advice relationships is at its highest level since 2010. Nearly half (47%) of customers report high trust (top 2 box on a 10-point scale) for both primary and secondary relationships, up over 10 percentage points from 2010. Millennials, among generations, had the biggest jump in high trust for their primary and secondary firms.

“The increase in trust is good news for firms, especially the increase among younger customers,” Beth Krettecoc, Hearts & Wallets Subject Matter Expert and report co-author, said. “Trust is the first step to building a strong customer relationship, and once trust is earned, firms can layer on retirement advice and other components to cement a fulfilling relationship, and longer term, greater share of wallet.”

Morgan Stanley (NYSE: MS) and **Edward Jones** are Hearts & Wallets *Top Performers on High Trust* in 2021. Firms earn Top Performer status with ratings from their customers that are distinctively higher than other stores on customer loyalty success metrics. No Top Performer firms emerged this past year for other loyalty metrics.

Reach, Asset Share and Other Success Metrics

The Bank of America Merrill enterprise expanded its lead in reach,³ now having relationships with 1 in 4 U.S. households. Fidelity leads in asset share, with Bank of America Merrill jumping from fifth last year to tie the newly combined Charles Schwab TD Ameritrade enterprise for second. The full report contains a wide range of competitive insights and success metrics, including market leaders for highest mean share of wallet and main source of retirement advice as chief executives and advisors consider mergers and acquisitions to increase competitiveness during a time of consolidation.

Methodology

The *Stores & Success Metrics: Firms Winning the Customer Wallet and Competitive Opportunities as Consumers Add Relationships* report is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ Database) that analyzes retail firms, or “stores” that consumers use, including share of wallet, reach and trust. 5,794 survey participants were included in the latest survey fielded in September 2021. The full IQ Database is recognized as the largest single dataset with over 100 million data points on consumer buying patterns from 65,000 U.S. households. To be cited as a Top Performer, firms must receive ratings from their customers that are distinctively higher than ratings that customers of other firms gave to their firms.

About Hearts & Wallets

Hearts & Wallets is the market research and benchmarking firm that specializes in how consumers save, invest and seek financial advice. Leading firms rely upon Hearts & Wallets thought-leadership reports, software and benchmarking to make their saving, investing and advice solutions more consumer-centric. For more information visit www.heartsandwallets.com.

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³The term reach is borrowed from advertising and refers to percentage of target audience reached by a message. Reach totals over 100% because consumers have multiple relationships. A relationship is the first step to grow share of wallet.