

Key Influences on Investor Decisions: In a Multi-Source World, Do-it-Yourselfers Use Financial Professionals; Role of Phone Reps Grows **Millennials Turn to Employer Programs; Family First for Gen Z**

(Sept 29, 2022, Rye, NY) – Most Americans say they are do-it-yourself investors, but 60% of DIYers also use financial professionals, according to a new research report by [Hearts & Wallets](#), the independent research and benchmarking firm that specializes in saving, investing and financial advice.

Advice & Technology: Opportunities for Hybrid Models, Workplace Resources and Differentiation Among Financial Professionals covers use of information sources, including financial professionals, employer-sponsored plans and technology. For example, 84% of millennials with \$100,000 or more in assets use 7 or more sources. This report is 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 120 million data points on saving, investing and advice behaviors from 70,000 U.S. households dating from 2010.

Decision-Making Preferences

65% of households now say they want to make decisions and manage money on their own with the preference to delegate investing decisions dropping to 12% in 2021 from 20% in 2010. Saying and doing are two different things, however. 60% of households who prefer self-direction use some type of financial professional. An increasing number of Americans rely on multiple sources of investing information and advice. 43% of households use 7-plus sources today, triple the 14% of households in 2010.

Role of Financial Professionals

More households turn to financial professionals above other source of investing information and advice except for “myself” or spouse/partner, with use of financial professionals up to 71% in 2021 vs. 68% in 2010. Use of paid financial professionals is now at 47%. Use of “other” types of financial professionals is at 64% today, including phone-based mutual fund company or online brokerage representatives, accountants, bank representatives and insurance representatives. Among “other” financial professionals, phone-based reps (mutual fund or online brokerage) have doubled in influence over the past decade, with use jumping from 16% in 2010 to 31% in 2021.

“Customers and prospects are interacting with more sources than ever to make investing decisions,” Laura Varas, CEO and founder of Hearts & Wallets, said. “To craft service models and distribution strategy, firms will want to understand investor behaviors at the national level, but more importantly for their specific design targets. It’s essential to recognize the differences by generation and other segmentation variables on channels that influence investor purchasing decisions.”

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Financial professionals are most likely to be the source with the “greatest amount of influence on” household decisions. 20% of U.S. households cite a financial professional (paid or other) as their primary source of investment information and advice. Millennials and Gen Xers use of paid investment professionals is at its highest since tracking began in 2010, but more often as a “usual” source than the primary source.

Sources Growing in Use

Online, statements and employer-sponsored resources show the biggest increases in use over the past decade, although not necessarily as primary sources. Online increased 15 percentage points to 57% in 2021. Financial statements are up 10 percentage points to 57%, and employer-sponsored plans are up 10 percentage points to 49%.

“Use of online as a source of information and advice continues to increase, although we see a drop in reliance on online as a primary source,” Beth Krettecoc, Hearts & Wallets Subject Matter Expert and report co-author, said.

Generational Divides

Family is the primary source of investing information and advice for 1 in 7 Gen Z and millennial households but rarely for older households. 2 of 3 Gen X and millennials households rely on employer-sponsored programs to at least some degree vs. only 1 in 3 Baby Boomer households. By generation and wealth, Boomers with \$100,000-plus and the most affluent Gen X are the only groups with a significant number of households whose preference is to rely primarily on financial professionals. Even among these groups, this preference occurs in only about one third of households.

Methodology

The *Advice & Technology: Opportunities for Hybrid Models, Workplace Resources and Differentiation Among Financial Professionals* report is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ Database) that analyzes how investors make investment decisions and their reliance on sources of information and advice. The latest survey wave fielded in September 2021 includes 5,794 participants. The full IQ™ Database is recognized as the largest single dataset with over 120 million data points on consumer buying patterns from over 70,000 U.S. households.

About Hearts & Wallets

Hearts & Wallets is the independent research and benchmarking firm that specializes in saving, investing and financial advice. Leading firms rely upon Hearts & Wallets research reports, software and benchmarking to make strategic decisions that lead to growth by improving products, distribution, pricing, positioning and targeting. For more information visit www.heartsandwallets.com.

Media Contact

Lynn Walters lynn@heartsandwallets.com
800-930-0966 ext. 704

Hearts & Wallets, CEO & Founder

Laura Varas laura@heartsandwallets.com
800-930-0966 ext. 700

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