

Investment Decisions Today: Financial Professionals Most Influential, Reliance on Online, Employer Resources, Statements Up

Do-It-Yourself Declines as Investors Mix Growing Number of Sources with Self Reliance

(May 17, 2023, Rye, NY) –More consumers today are multi-sourcing their investment decisions, with financial professionals being most influential and reliance on online and employer resources increasing, 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: Behavioral Insights to Inform CapEx Decisions as Advice Sources

Proliferate examines use of advice and information sources, including financial professionals, employer-sponsored plans and technology. This report is based on a survey of 5,993 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 back to 2010.

Desire for More Input

Saving and investing consumers today consult an average of 6.4 different sources of information and advice, up from 4.6 in 2012. After consumers themselves (myself at 91% and spouse/partner at 84%), top sources nationally are –

Source of information and advice	2022	2012	% increase/decrease
Financial professionals ¹	73%	63%	+10ppt
Family	64%	57%	+7ppt
Online	60%	38%	+22ppt
Statements	60%	47%	+13ppt
Friends	53%	47%	+6ppt
Employer	50%	39%	+11ppt
Media	47%	43%	+4ppt

Fin pros are the external source of information and advice with the greatest influence on consumer investment decisions. 22% of U.S. households cite a fin pro as their primary source of investment advice or information. Half (49%) of all households use both online and fin pros as sources for investment information and advice. 81% of these households integrate online and live sources in ways like validating, monitoring, dividing accounts or doublechecking.

“Consumers today can access information and advice instantly,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Firms can reinforce the strong relationships built between financial professionals and clients with service models that facilitate integration of online and financial professional channels to help clients that want to satisfy their need to blend sources.”

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¹ Financial professionals are NET, including paid investment professionals who receive direct compensation for their services and other financial professionals, such as phone-based mutual fund or bank representatives.

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Use of online sources reached 60% of households, its highest level since Hearts & Wallets tracking began in 2010, but online rarely serves as the primary source. Employer-sponsored programs, increasingly a source that is “usually” consulted, are most influential with millennials.

Over half (57%) of households who use financial professionals consult them weekly or more often. Frequency of consulting online sources is up. Today, 31% of households who use online resources consults them weekly or more often, up from 20% in 2015.

Consultation is also up for employer programs. Half (50%) of households today indicate they use employer-sponsored programs as a source, up from 40% in 2015. 76% of households who rely on employer-sponsored programs today use these sources at least once a year. In contrast, only 70% of households of the 40% who relied on employer programs in 2015 used employer sources at least once a year. Most households who use statements as a source of investment information and advice consult statements monthly or quarterly.

Decline in Do-It-Yourselfers

The desire for more sources can be seen in how consumers categorize their preferred investment decision process. The preference for *Self-Direction* is at its lowest level since Hearts & Wallets tracking began, now totaling 60% of U.S. households, down -5ppt in one year and -9ppts from its peak in 2015. A growing number of households prefer “input from various sources,” or what Hearts & Wallets calls *General Contracting*, now at 26% of households, up +3ppt in one year and +7ppts since 2010. 14% of households are *Delegators*, who “rely primarily on financial professionals to make decisions for me, up +2ppt in one year and down -6ppts vs. 2010.

“Financial services firms should beef up third-party content within the firm’s website and boost online services where appropriate to address the *General Contracting* behavior,” Beth Krettecos, Hearts & Wallets Subject Matter Expert and report co-author, said. “Recognize, also, that stated decision-making process can differ from behavior. Six in 10 DIYers say they use a fin pro, so firms should have strategies for fin pros to play a role across all decision-making processes, especially for customers who want to integrate both live and online sources.”

Methodology

The *Advice & Technology: Behavioral Insights to Inform CapEx Decisions as Advice Sources Proliferate* report draws upon the Hearts & Wallets Investor Quantitative™ Database (IQ Database). The latest survey wave fielded August 15 – September 15, 2022, with 5,993 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.

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