

Broadridge Study: 2 in 3 Millennials Likely to Begin Working with FAs

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65% of millennial investors now use a self-directed brokerage account

76% of millennials familiar with, but not currently using robo-advisors, likely to begin using one in the next 12 months

Over half of investors hold a positive outlook on the stock market over the coming year

NEW YORK, Aug. 25, 2021 /PRNewswire/ -- An overwhelming majority (96%) of investors who work with a financial advisor are satisfied (very or somewhat) with their advisor, according to a new survey of 1,000 U.S. investors released today from **Broadridge Financial Solutions, Inc.** (NYSE: BR), a global Fintech leader.

Of those who do not work with a financial advisor, 44% of all investors and 65% of the millennial investors say that they are likely (very or somewhat) to begin working with an advisor over the next two years.

Of the millennial investors who do not work with a financial advisor, but plan to, 53% state that they are likely to work with an advisor due to the concern of not being on track to meet financial goals. Further, almost half (46%) of all investors who do not work with a financial advisor, but plan to, state that they are likely to work with an advisor to reduce financial stress, demonstrating that working with a financial advisor can help investors feel more confident about their financial goals and provide peace of mind.

"The last year in finance has been defined by a high-touch, high-tech experience, with technology making markets increasingly accessible. Everyday investors are demanding a say in when and how they invest and are increasing their focus on financial planning, especially in the wake of unprecedented market volatility. Financial advisors now sit at a critical juncture where they need to directly demonstrate their value by providing client-centric tools, products and advice," said Andrew Guillette, Vice President of Distribution Insights, Americas at Broadridge. "Asset and wealth managers have a prime opportunity to provide the most up-to-date technology tools and new products

to help advisors meet this shifting demand."

While financial advisors remain highly relevant, preferences for interacting with financial providers are evolving. Across all generations, investors indicate a preference for online or mobile access for financial education, buying and selling investments, reviewing their financial accounts and day-to-day banking, illuminating the fact that many investors now seek a digital-first experience.

Investor-Directed Trading Expected to Increase

Half (52%) of all investors and two-thirds (65%) of millennials now use a self-directed brokerage account. Self-directed brokerage account usage is highest among high-net-worth investors (64%), followed by mass affluent (52%) and mass market (49%) investors.

Self-directed trading is expected to increase in the next 12 months, with one third of investors planning to increase trade frequency, while only 5% plan to decrease.

Over a quarter (28%) of investors use both a financial advisor and a self-directed brokerage account, showcasing investor demand for longer-term financial planning advice coupled with the ability to invest on demand. Of these investors, 57% report that they also use a self-directed brokerage account because they enjoy investing, while 33% cite diversification.

Self-directed brokerage accounts remain more popular than robo-advisors, as only 33% of investors are familiar with the concept of robo-advisors, and only 6% currently use one. However, demand among younger investors appears high. Among millennials familiar with but not currently using a robo-advisor, 76% are likely (very or somewhat) to begin using a robo-advisor in the next 12 months.

Investors Express Positive Outlook Despite Volatile Year

Sixty-six percent of investors report having a positive (very or somewhat) outlook about their personal financial situation over the next year (compared to 13% with a negative outlook), and 39% of investors feel better (somewhat or much) about their financial situation today compared to 12 months ago (compared to 17% who feel worse).

About half (49%) of investors have a positive (very or somewhat) outlook on the U.S. economy, and 53% have a positive outlook (very or somewhat) on the stock market for the next 12 months. Sixty-one percent report that they are open (very or somewhat) to investing in the stock market.

Methodology

The Broadridge survey was conducted by 8 Acre Perspective to assess the current sentiment of U.S. investors. A total of 1,000 U.S. investors with investable assets of \$10K+ and a household income of \$25K+ completed the survey, which was fielded in April and May 2021. Wealth tier definitions: High Net Worth (\$1M+ investable assets), Mass Affluent (\$100-999K), Mass Market (<\$100K). For further details on survey methodology, please contact a Broadridge media representative.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions to banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. In addition, Broadridge's technology and operations platforms underpin the daily trading of on average more than U.S. \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is a part of the S&P 500® Index, employing over 13,000 associates in 21 countries.

For more information about Broadridge, please visit www.broadridge.com

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