

Amid Tech Push, Wealth Management Industry Loses Focus on Comprehensive Advice, J.D. Power FindsJust 14% of Full-Service Investors Receive Comprehensive Advice as Defined by J.D. Power Criteria

TROY, Mich.: 14 April 2022 — After several years of increasing focus on technology investments, the full-service wealth management industry significantly improves in investor satisfaction with digital offerings and engagement with digital channels. However, according to the J.D. Power 2022 U.S. Full-Service Investor Satisfaction Study,SM released today, the industry continues to make little or no progress on its core value proposition: delivering comprehensive advice based on a deep understanding of individual clients. Just 14% of investors evaluated in the study receive the level of comprehensive advice from their primary financial advisor as defined by J.D. Power criteria, which include making recommendations in a client's best interest; understanding their goals and needs; and having a documented financial plan.

"Firms have rightly increased their investment in client-facing technology in recent years, and we see that beginning to pay off in terms of higher engagement and satisfaction with digital channels," said **Mike Foy, senior director of wealth intelligence at J.D. Power**. "However, we don't see similar progress being made with truly delivering on comprehensive advice. Very few investors—even those with high net worth—are getting an optimum level of value from their advisors. However, advisors who aren't consistently providing comprehensive advice may not be experiencing high attrition, in part because many clients simply don't know what comprehensive advice looks like. But those advisors who do deliver it receive significantly more referrals and are far better positioned to continue to grow their practices."

Following are some key findings of the 2022 study:

- **Low investor expectations:** Although 51% of full-service investors strongly agree that their advisor provides them with comprehensive advice that addresses all their wealth management needs, just 26% of that group experience a level of comprehensive advice as defined by J.D. Power criteria.
- **Assessing the effect of comprehensive advice:** Among the minority of full-service investors who are receiving comprehensive advice from their advisors, 76% say they "definitely will not" switch investment firms in the next year. Among the same group, the Net Promoter Score®¹—which measures client advocacy and predicts business growth—is 93.
- **Digital engagement improves:** Investor satisfaction with digital channels sees the largest year-over-year improvement of any single factor in the study, rising 26 points (on a 1,000-point scale). Nearly two-thirds (63%) of clients use their wealth management firm's website at least once a month and 40% use the mobile app each month.
- **Blending digital and human interactions is optimal for young and old:** Among all age groups, satisfaction is highest when investors experience a mix of live human and digital interaction. Boomers² show a clear preference for advice and planning that is handled by a live person, while

¹ Net Promoter,® Net Promoter System,® Net Promoter Score,® NPS,® and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

² J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); and Gen Z (1995-2004). Millennials (1982-1994) are a subset of Gen Y.

Millennials prefer digital channels overall, but show greater overall engagement and satisfaction when both live and digital channels are used.

Study Ranking

UBS ranks highest in overall investor satisfaction with a score of 777. **Vanguard** (759) ranks second, while **Charles Schwab** (753) and **Northwestern Mutual** (753) rank third in a tie.

The U.S. Full-Service Investor Satisfaction Study, now in its 20th year, measures overall investor satisfaction with full-service investment firms in seven factors (in order of importance): trust; people; products and services; value for fees; ability to manage wealth how and when I want; problem resolution; and digital channels.

The study is based on responses from 4,396 investors who work directly with a dedicated financial advisor or team of advisors. The study was fielded from November 2021 through January 2022.

For more information about the U.S. Full-Service Investor Satisfaction Study, visit <https://www.jdpower.com/business/wealth-management/full-service-investor-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2022030>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit [JDPower.com/business](https://www.jdpower.com/business). The J.D. Power auto shopping tool can be found at [JDPower.com](https://www.jdpower.com).

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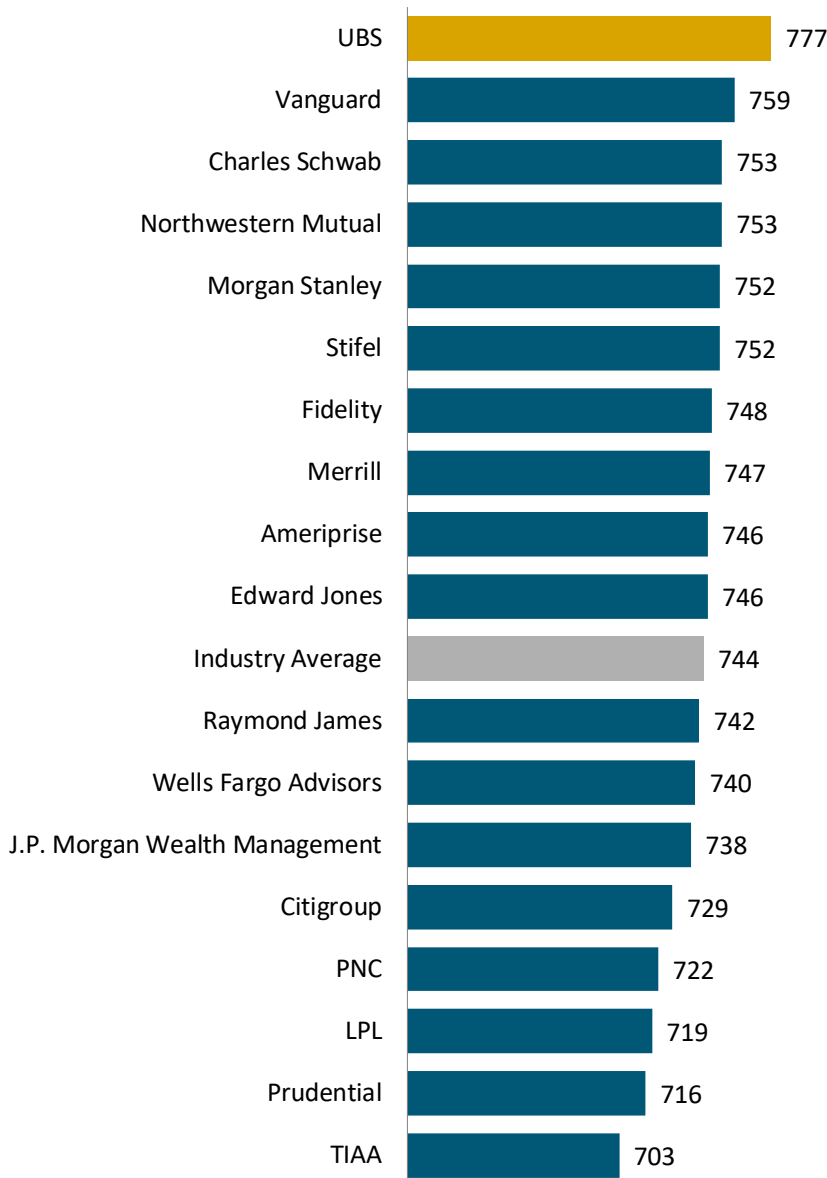
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NOTE: One chart follows.

J.D. Power 2022 U.S. Full-Service Investor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2022 U.S. Full-Service Investor Satisfaction StudySM

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