

FSI and Broadridge Release Study Highlighting Independent Advisor Growth Opportunities

January 31, 2022

83% of advisors say better technology tools would improve client acquisition

64% of advisors report an increased interest in cryptocurrency from clients

Client-facing tools are the number one area for technology improvement for advisors under the age of 45

Broadridge Financial Solutions, Inc. (NYSE: BR), a global Fintech leader, and the Financial Services Institute (FSI) today released a joint study of over 400 U.S. financial advisors that sheds light on growth opportunities within the wealth management industry. Specifically, the study demonstrates the opportunity to leverage digital technology, explore new investment vehicles, expand business, and make stronger connections with previously underserved communities and the next generation of investors. The survey highlights the upward opportunity the advisor community has to drive impact around ESG, DEI, financial literacy and wealth transformation.

According to the survey, a majority (92%) of advisors report satisfaction with their technology capabilities, but advisors still see opportunities for improved technology to better meet their practice goals. Eighty-three percent of advisors argue that better technology tools would greatly improve new client acquisition, especially as 32% of advisors express interest in prospecting outside of their current geographic location and will rely on improved technology tools to reach prospects virtually.

“This joint study with FSI highlights the growth opportunities for financial advisors and the heightened role technology tools play in enabling advisors to provide a better service experience, foster deeper relationships and reach new constituencies,” said Chris Perry, President of Broadridge Financial Solutions and a board member of FSI. “Advisors are taking advantage of this wave of digital transformation to provide investment ideas, offer financial literacy tools, discuss ESG trends and connect with clients and their families in new ways.”

Video conferencing is alive and well and not expected to go offline anytime soon, as 51% of advisors report that they are still conducting formal client meetings virtually – either via phone or video conferencing. Advisors expect to increase their video conferencing usage in the next 12 months (39%, versus 21% currently using video conferencing). At the same time, 88% of advisors expect to either increase or maintain their current rate of in-person, formal client meetings in 2022.

The Rise of Crypto, ESG and More Financial Literacy

As the market remains in a low interest-rate environment and investors are seeking creative ways to find returns, 64% of advisors report that they have seen an increased interest in cryptocurrency from clients. Further, 33% of advisors report that they have seen an increased interest in ESG investments from clients as the asset class gains popularity.

“With the rise of DIY investing and clients’ growing interest in branching out to new asset classes, financial literacy is of the utmost importance and advisors have a clear role to play,” said Dale Brown, President & CEO of FSI. “There is a significant opportunity for advisors to educate current and prospective clients and empower them to make better financial decisions, and technology tools can enable them to be informed and connected.”

Social Media, Teaming and Holistic Financial Planning

LinkedIn (77%) and Facebook (67%) are the most widely used social media platforms by advisors for both business and personal use, providing other channels where advisors can reach their clients virtually.

Over half (58%) of advisors describe their practice as a “solo” practice, and of the advisors who describe their practice as a “team” practice (42%), the average team size is four, demonstrating that advisors are increasingly reliant on technology tools to service clients and fill the personnel gap.

The study also found that most advisors (60%) are equally focused on financial planning and investment management, yet advisors under the age of 45 cite client-facing tools as the number one area for technology improvement as they increasingly focus on holistic financial planning.

Expanding Family Connections to the Next Generation

Eighty-nine percent of advisors have engaged or plan to engage with additional generations of existing clients, such as children or grandchildren. Of the advisors currently or planning to engage with those additional generations, 79% directly raise the topic with their clients and 55% offer to build the financial literacy of clients’ children or grandchildren.

While a majority of advisors recognize the importance of building relationships with the next generation of investors through existing clients, many also prioritize engaging their client’s spouse in financial discussions, as 9 in 10 advisors consider it important to maintain a strong relationship with both spouses. Further, advisors say that on average, 68% of formal client meetings include both spouses.

Methodology

This survey was conducted as a joint initiative between Broadridge and FSI by 8 Acre Perspective Corp. A total of 493 financial advisors and employees of financial advisory firms completed the survey, which was fielded in November 2021. 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 that drive business transformation for 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. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work[®], Broadridge is part of the S&P 500[®] Index, employing over 13,000 associates in 21 countries. For more information about us, please visit broadridge.com.

About the Financial Services Institute

The Financial Services Institute (FSI) is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education and public awareness, FSI has successfully promoted a more responsible regulatory environment for nearly 90 independent financial services firm members and their 130,000+ affiliated financial advisors – which comprise over 60% of all producing registered representatives. We effect change through involvement in FINRA governance as well as constructive engagement in the regulatory and legislative processes, working to create a healthier regulatory environment for our members so they can provide affordable, objective advice to hard-working Main Street Americans. For more information, please visit financialservices.org.