



Technology Redefines Traditional Notions of Investor Behavior

16 December 2021 By: Greg O'Gara, William Trout

Advised and self-directed investors are embracing technology and proactively getting involved with their assets and advisors. These efforts include online research, portfolio management, financial planning, trading, and digital communication. Anything they cannot accomplish, enjoyably use, or flexibly integrate from their primary provider, they will seek out for a better digital experience and enhanced functionality. The development and deployment of third-party digital tools continues to fill a needs gap for investors. Open-tech-ecosystems have become fertile ground to nurture new client behaviors, skills, and interests.

A decade of rapid change has blurred the lines between traditional investor segments. Investors are more proactive, curious, and tech-savvy than they have ever been. Advisors, platform providers, and financial institutions must do better in aligning with and delivering value to these newly evolved retail investors.

Key questions discussed in this report:

- What channels of digital engagement do investors use and prefer?
- How do investors use their self-directed and advised account portals?
- Why are investors seeking third-party financial tools?
- How have the traditional lines between the advised and self-directed blurred?

In a recent survey from Javelin Strategy & Research, investors surveyed were comprised of individuals with \$250,000 or more in investable assets located in the U.S. Participants were screened to make sure they had an investment advisory relationship, a self-directed account or both. The total survey sample was 1,506. "Investor" results generally refer to the entire sample (N=1,506). "Self-directed investors" refers to those who have a self-directed brokerage account, but do not have an advised relationship with a wealth manager (N=501). "Advised investors" refers to individuals that maintain an advisory relationship with a wealth manager (N= 1,005).

Respondents were stratified across generational segments, with the largest representations across Millennials (34%), Gen X (20%) and Baby Boomers (38%). The survey covered key questions on investor behavior, financial products, technology use, the advisor relationship and robo-advisors. The research was fielded in the spring and summer of 2021. This report highlights key findings of investor behavior through the lens of a self-directed and advised clients.

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