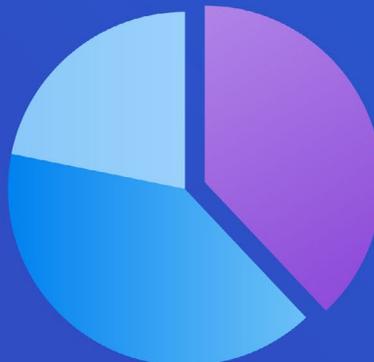


YCHARTS

Advisor - Client Communication Survey

Aligning Advisor Strategies with Evolving
Client Preferences



2024

Executive Summary

In the whirlwind of changes that swept through the wealth management industry since YCharts released its last communications survey in January 2023, the landscape has transformed dramatically. What was once characterized by a bear market, sky-high inflation rates, and turbulent volatility has swiftly shifted gears into a bull run, tempered inflation, and remarkably low volatility, with the VIX dipping below 13 in 2023. These seismic shifts, coupled with the global Covid-19 pandemic gradually receding, have undoubtedly reshaped the experiences of advisors, clients, and their investments.

While these favorable market conditions likely benefited advisors and their clients, they also ushered in a new set of challenges. Advisors find themselves navigating a complex terrain of client preferences, from virtual versus in-person meetings to the most effective methods for conveying market and investment insights. Amidst these dynamics, the goal remains to ensure clients feel heard, understood, and satisfied with their financial strategies.

Compounding these challenges is the stark reality revealed by our new survey published in Q1 2024: a staggering 75% of respondents either switched advisors or contemplated doing so in 2023. This figure marks a significant uptick from the 48% in our 2023 survey which delved into the evolving dynamics of client-advisor relationships post-pandemic.

In our latest survey involving nearly 800 clients of financial advisors, we sought to uncover what clients truly desire from their advisors, how improved communication could elevate their overall satisfaction, and communication best practices that advisors can implement to achieve higher retention rates.



Key Findings



Less communication leads to lower client confidence in plan and client retention.

- 3 out of 4 respondents considered switching or switched advisors in 2023.
- Clients who receive infrequent or rare communication from their advisor have a confidence level of only 22% in their financial plan should the US enter a recession.
- This is compared to 71% of those contacted frequently who feel very comfortable with their financial plan should the US enter a recession.



Less of your conversation is resonating with clients.

- Comprehension of advisor communication has decreased since the previous survey published by YCharts in early 2023.
- Only 64% of conversations resonate with clients, down from 70% in our last survey.
- Clients who are “rarely” contacted understood only 54% of what their advisor covers in a typical meeting, in contrast to the 71% comprehension rate among those who are “frequently” contacted.



High-value clients want more communication.

- 47% of clients with over \$500,000 under advisory prefer more frequent contact from their advisor, citing a monthly cadence. These clients appreciate their advisor’s insights, too; an overwhelming 98% expressed interest in receiving their perspectives on the market and economy.
- 85% of high-value clients believe that increased frequency and/or personalized communication could significantly enhance their confidence in their advisor.
- 88% indicate that this would sway their decision to maintain their services, and 89% suggest it would impact their likelihood of recommending their services to family and friends.



Advised clients personally manage a portion of their investments, yielding advisor opportunities.

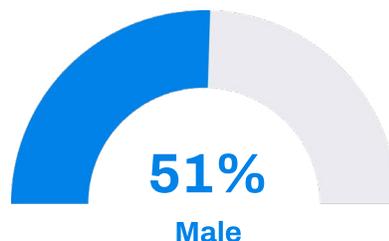
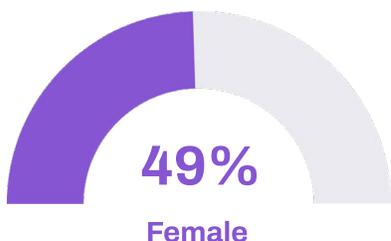
- 74% of clients personally manage a portion of their investments, with the majority managing between 10-50% of their total invested assets.
- This escalates to 85% among clients who express a desire for frequent contact from their advisor.
- 87% of clients with over \$500,000 under advisory personally manage some of their assets. Nearly half of this group personally manage between 26-50% of their total invested assets.

Background, Information and Demographics

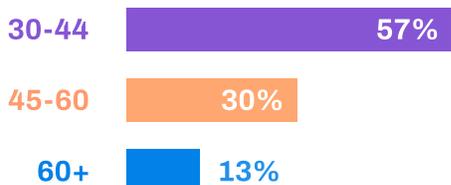
775

U.S. respondents who work with a professional financial advisor.
 Responses were sourced via SurveyMonkey in February of 2024
 and screened to ensure validity.

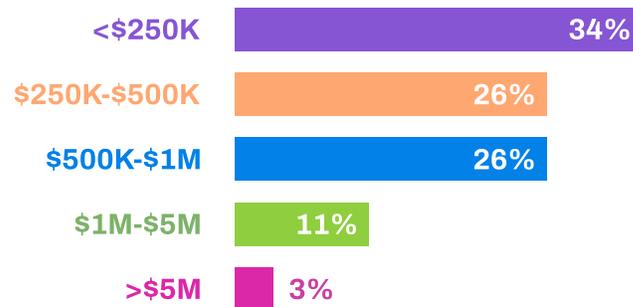
Gender



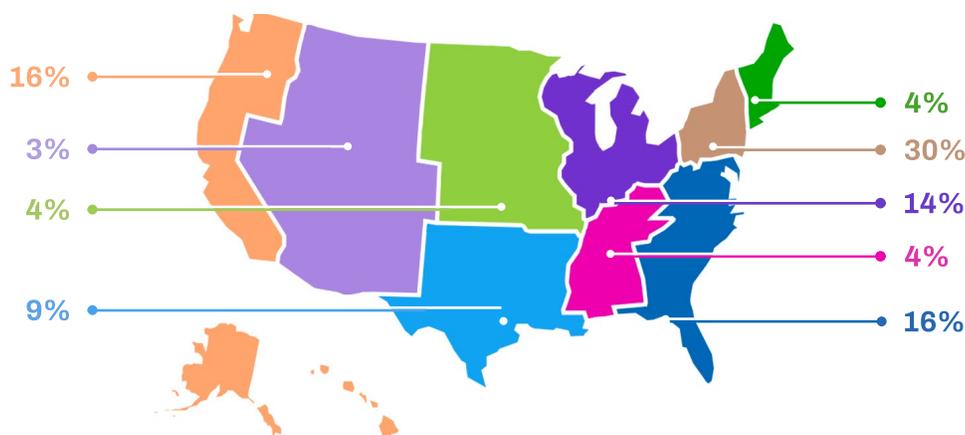
Age



Assets Under Advisor's Management



Geographical Region



3 out of 4 Respondents Considered Switching or Switched Advisors in 2023

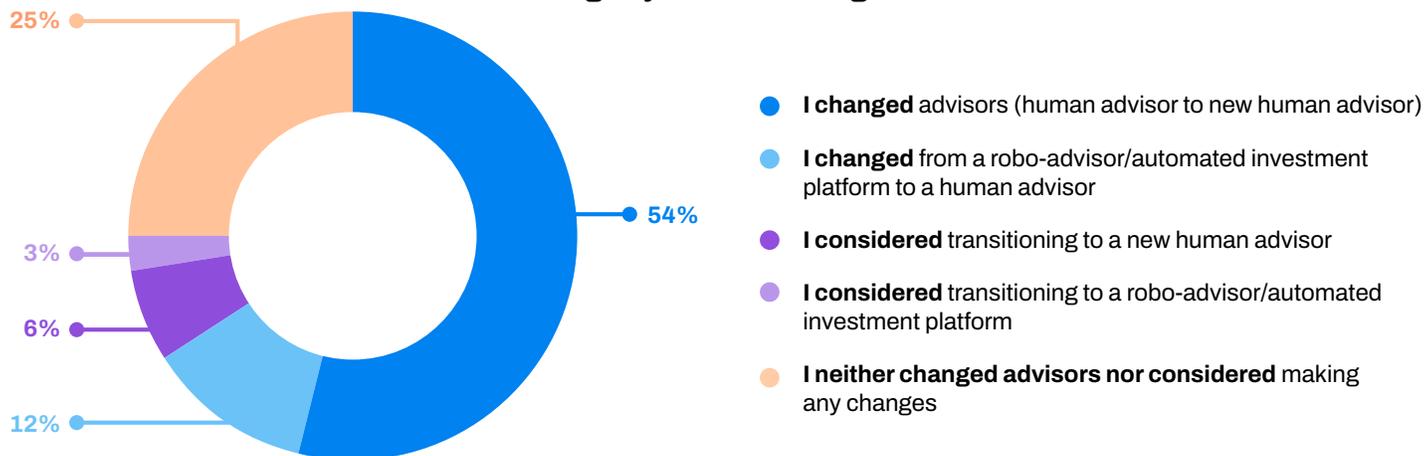
The findings from our prior survey were already striking, with 47% of respondents indicating they had either switched or contemplated switching financial advisors between 2020 and 2022.

However, the results of our subsequent survey were even more staggering, revealing a significant increase to 75% in the rate at which clients switched or considered switching advisors. This dramatic

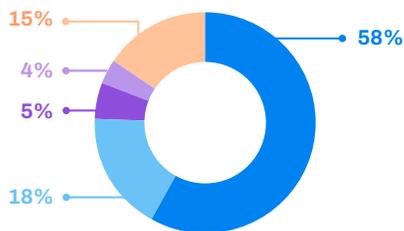
increase prompted us to conduct the survey a second time. Remarkably, the results were similar, indicating a persistent trend.

It's important for us to note that these results may not be universally applicable due to the small sample size, but the overarching theme remains clear: clients are seriously considering leaving their advisors.

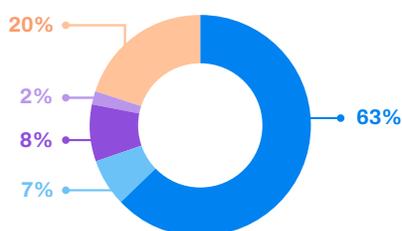
In 2023, did you make or consider making any of these changes?



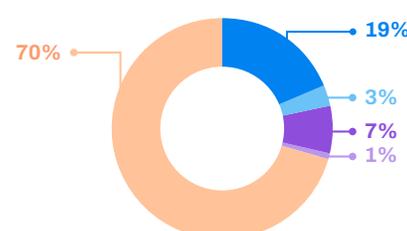
30-44 Years Old



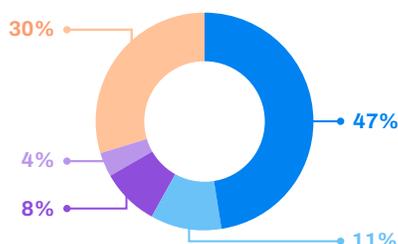
45-60 Years Old



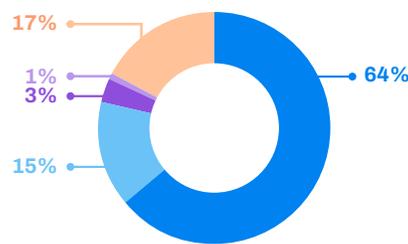
Over 60 Years Old



\$500,000 or Less Under Management



Over \$500,000 Under Management



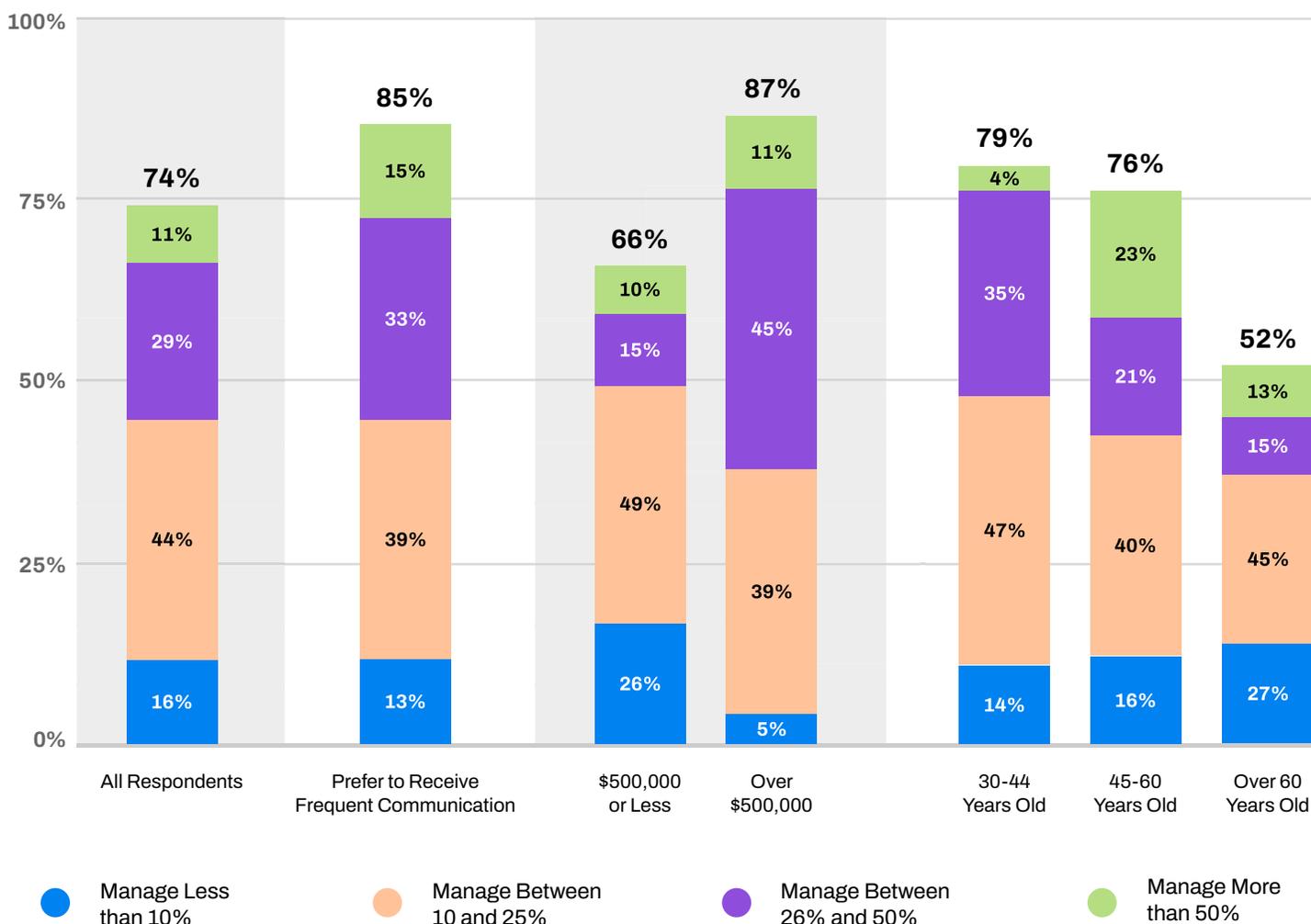
Are Advisors Leaving Potential AUM on the Table?

Clients entrust their assets to you; but how much? Overall, 74% of advised clients manage a portion of their own money. Among those who already have over \$500,000 in assets managed by their advisor, 87% manage a portion of their investments independently. Of that 87%, 39% personally manage between 10-25% of their total invested assets while 45% manage between 26-50%.

Furthermore, among respondents who prefer to receive frequent (monthly or more) communication from their advisor, 85% personally manage a portion of their investments.

Could enhancing communication sufficiently boost confidence in you as their advisor, leading to higher assets under management (AUM)?

What % of your total invested assets do you personally manage?



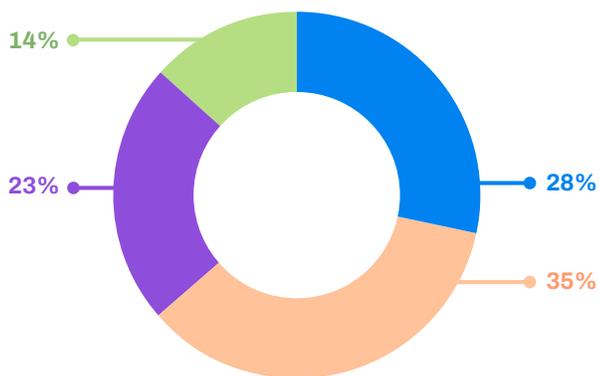
Clients Desire More Frequent Communication From You

79% of clients prefer to be contacted *at least* every three months by their financial advisor to discuss their financial plan and progress towards their goals, up significantly from our 2023 survey in which 47% of respondents wished to be contacted somewhat or much more frequently. A concerning 37% reported

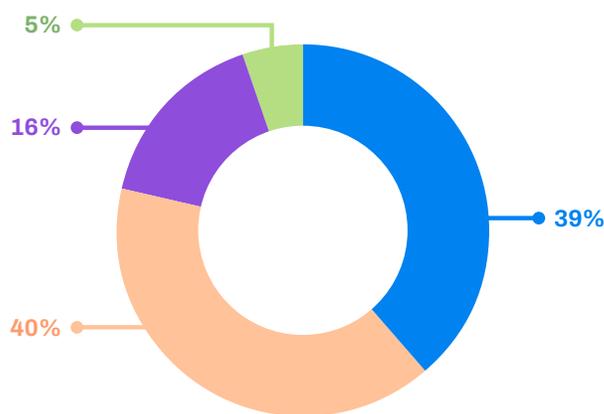
receiving infrequent or rare communication from their advisor. Additionally, we learned that those in the 45-60 age group and those with over \$500,000 under advisory prefer an even higher communication frequency.

- **Frequently**
(Monthly or More)
- **Occasionally**
(Every 2-3 Months)
- **Infrequently**
(Every 4-6 Months)
- **Rarely**
(Once a Year or Less)

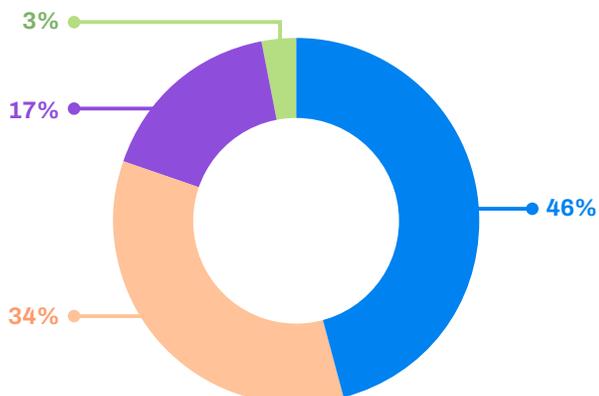
How often does your financial advisor contact you to discuss your financial plan and monitor your progress toward your goals?



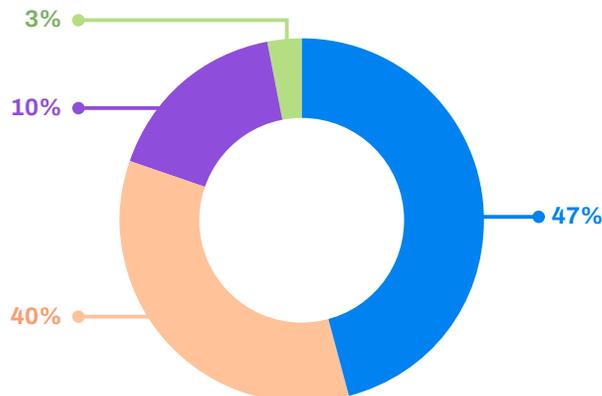
How often would you PREFER your financial advisor to contact you?



How often would you PREFER your financial advisor to contact you? (45-60 years old)



How often would you PREFER your financial advisor to contact you? (Over \$500,000 AUM)

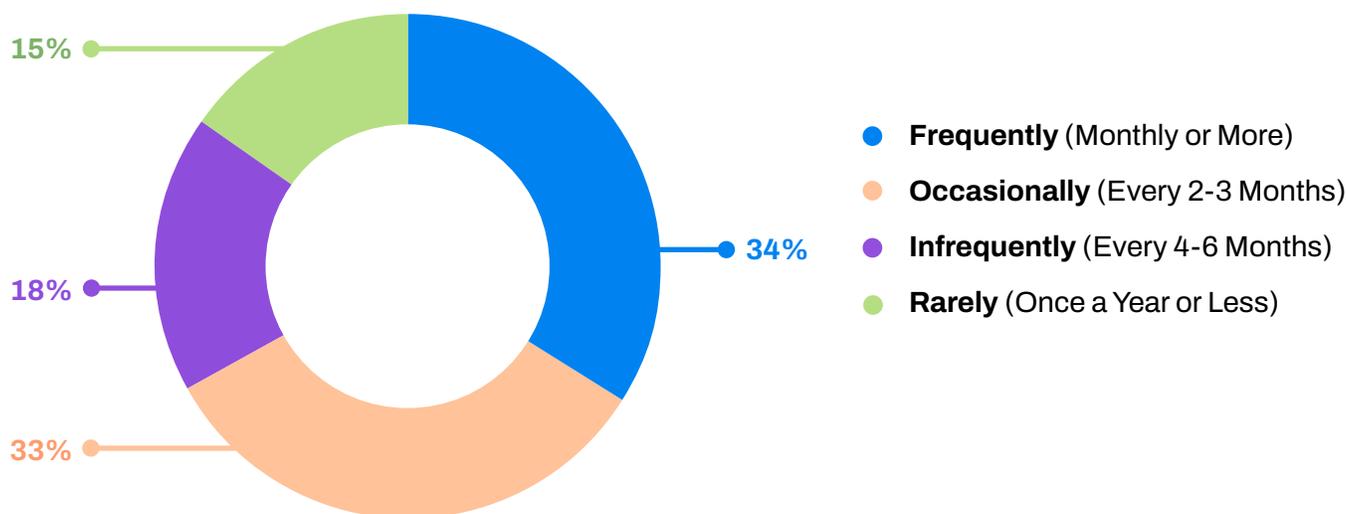


Clients Desire More Frequent Communication From You (Continued)

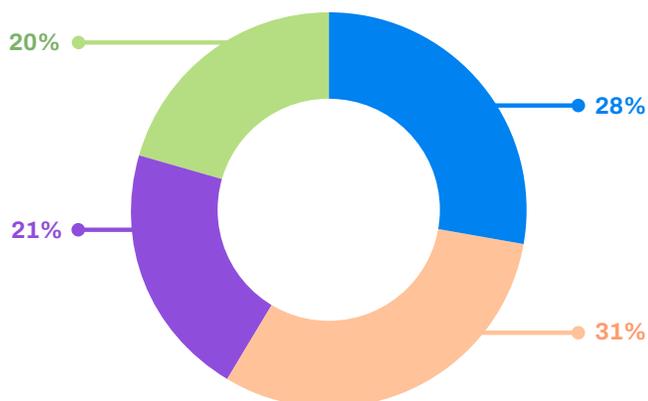
Are advisors being proactive enough? A notable 67% of advised clients indicated that they are taking the initiative to reach out to their advisor at least

every three months or more to request information, make changes to their investments, update their financial plan, or seek advice.

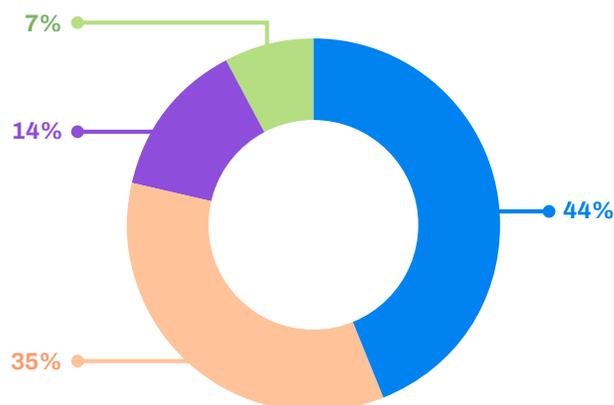
How often do YOU reach out to your advisor to request information, make changes to your investments, update your financial plan, or seek other information or advice?



Respondents with \$500,000 or Less Under Management



Respondents with Over \$500,000 Under Management

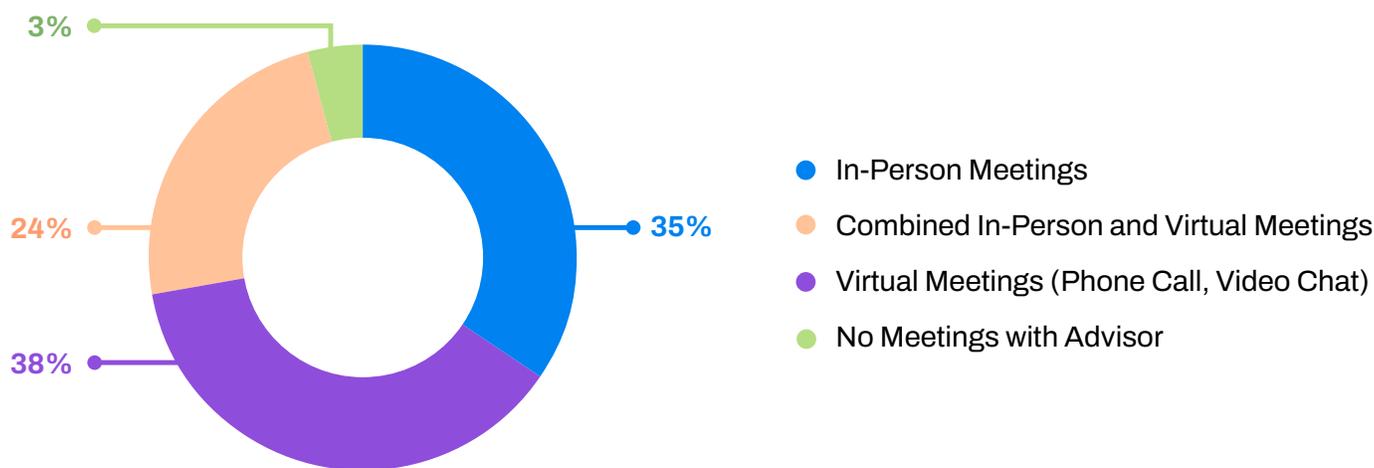


Are Virtual Meetings the New Norm, or Do Clients Prefer In-Person Interaction?

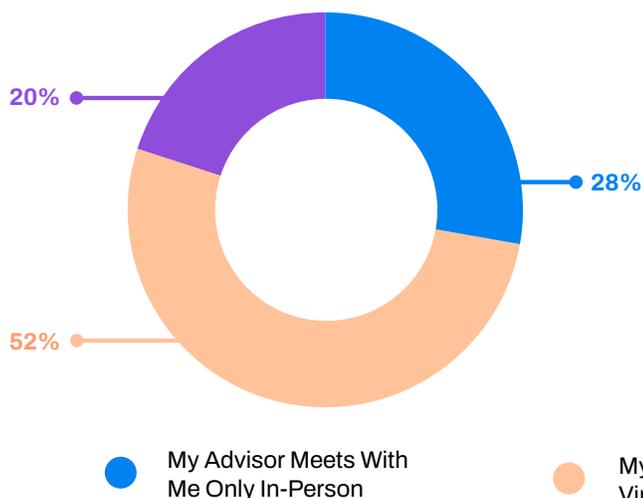
The Covid-19 pandemic forced advisors to change how they conduct meetings with clients. 38% of respondents meet with their advisor virtually, a large jump from 20% in our previous survey published in early 2023.

That survey also showed 49% of respondents meeting with their advisor exclusively in-person before Covid-19, and just 28% of those clients met with their advisor solely in-person as of early 2023. That figure jumped to 35% as of this latest survey, showing some signs of return to in-person but virtual as still the preferred meeting method.

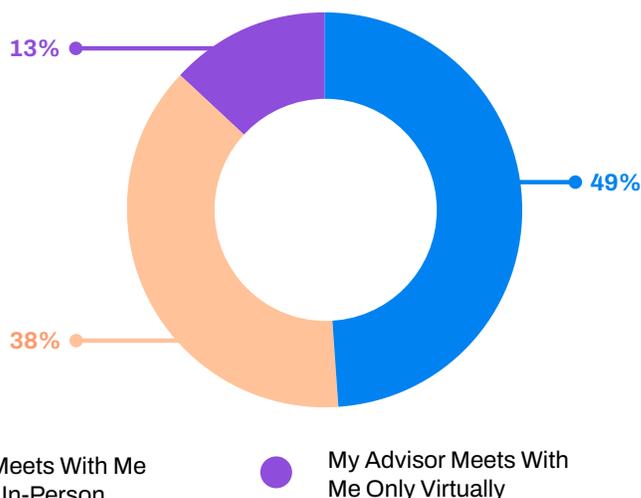
How does your financial advisor CURRENTLY meet with you regarding your financial plan and progress toward your goals? (2024 Survey)



How did clients meet with their financial advisor as of YCharts' 2023 Survey?



How did these clients meet with their financial advisor BEFORE the COVID-19 pandemic?

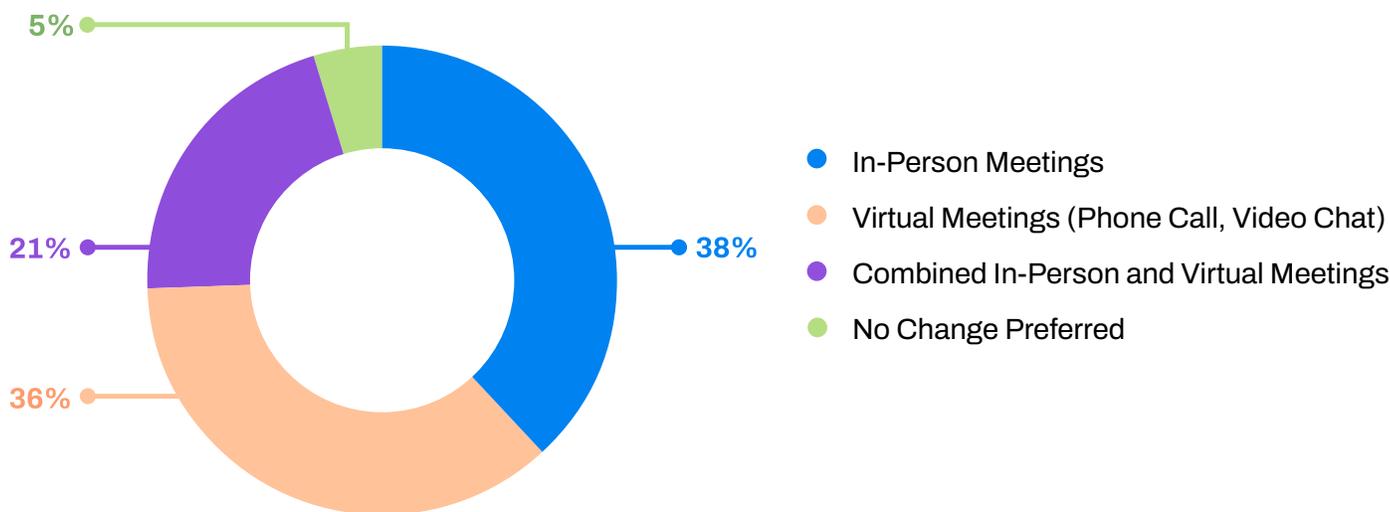


Are Virtual Meetings the New Norm, or Do Clients Prefer In-Person Interaction? (Continued)

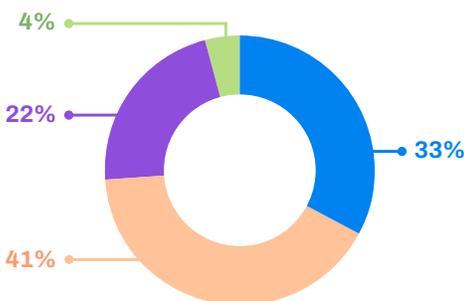
Presently, the majority of clients express a preference for either exclusively in-person or virtual meetings, with only 1 in 5 indicating a desire for a mix of both. Regardless of meeting preference, just 5% of respondents indicated they are satisfied with how they currently meet with their advisor.

Breaking down the preferences further, 41% of clients ages 30-44 prefer virtual meetings exclusively; among those with over \$500,000 in assets under management (AUM), that figure rises to 43%. In contrast, 49% of clients aged 45-60 prefer exclusively in-person meetings.

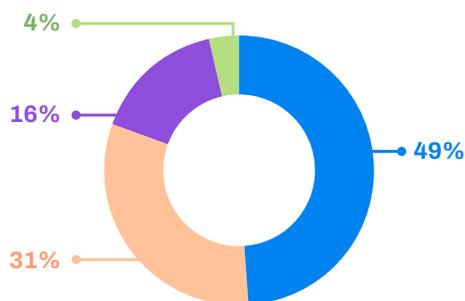
Which best describes how YOU WISH you met with your financial advisor regarding your financial plan and progress toward your goals?



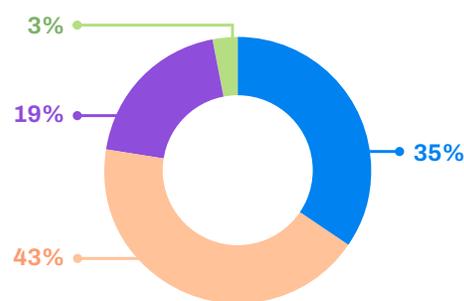
Respondents 30-44 Years Old



Respondents 45-60 Years Old



Over \$500,000 Under Management

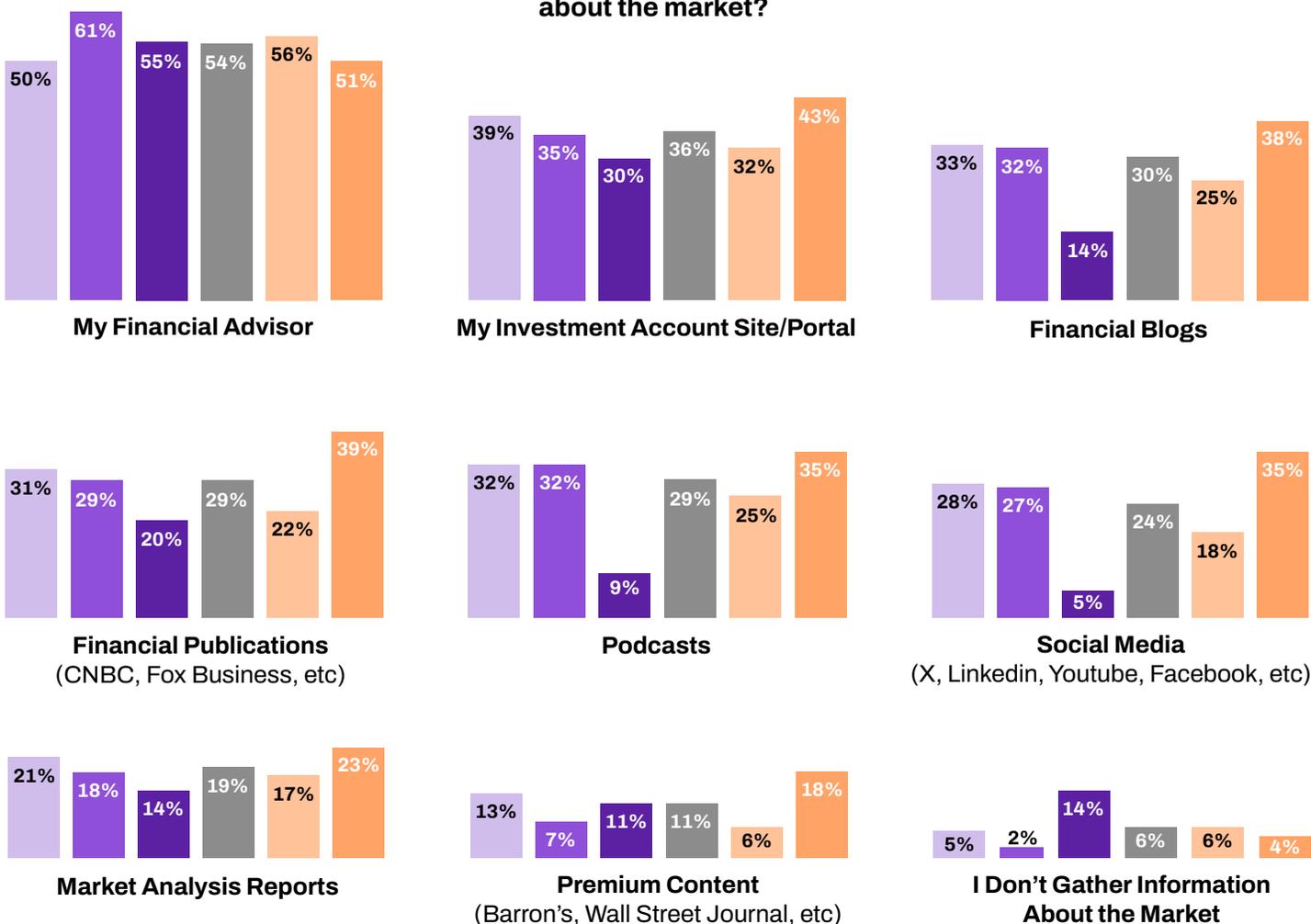


Are Your Clients at Risk of Misinformation Without You as Their Primary Source for Market Insights?

While most respondents rely on their advisor or investment account site/portal for market information, they also seek insights from various third-party sources. Clients with higher assets under management (AUM) are inclined to gather market information from external sources, particularly through podcasts and financial publications.

This trend is also notable among clients aged 30-44. There's an evident opportunity for advisors to enhance their role as a trusted source of information for clients, achieved through increased communication and experimenting with new communication channels, such as creating a blog or starting a podcast.

Where do you primarily gather information about the market?



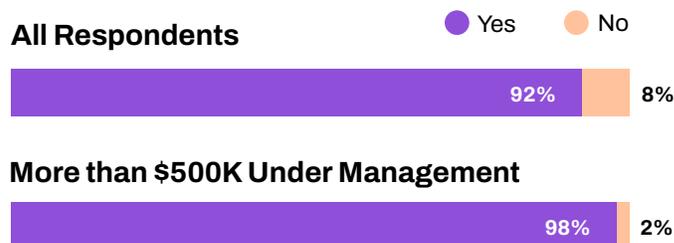
- 30-44 Years Old
- 45-60 Years Old
- Over 60 Years Old
- All
- \$500,000 or Less Under Management
- Over \$500,000 Under Management

Your Financial Perspectives Matter

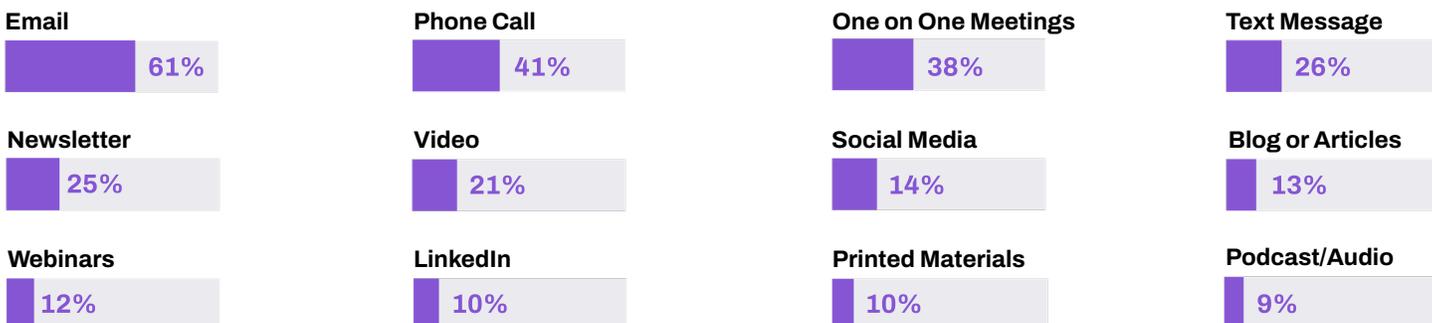
Clients place a high value on their advisor’s insights on the market, economy, and financial education. Specifically, they are interested in their advisor’s perspectives on Investment Opportunities (52%), Market Trends and News (48%), and Interest Rates & Economic Insights (43%).

Email remains the preferred communication channel for clients to hear from their advisor (61%), followed by phone calls (41%), and one-on-one meetings (38%).

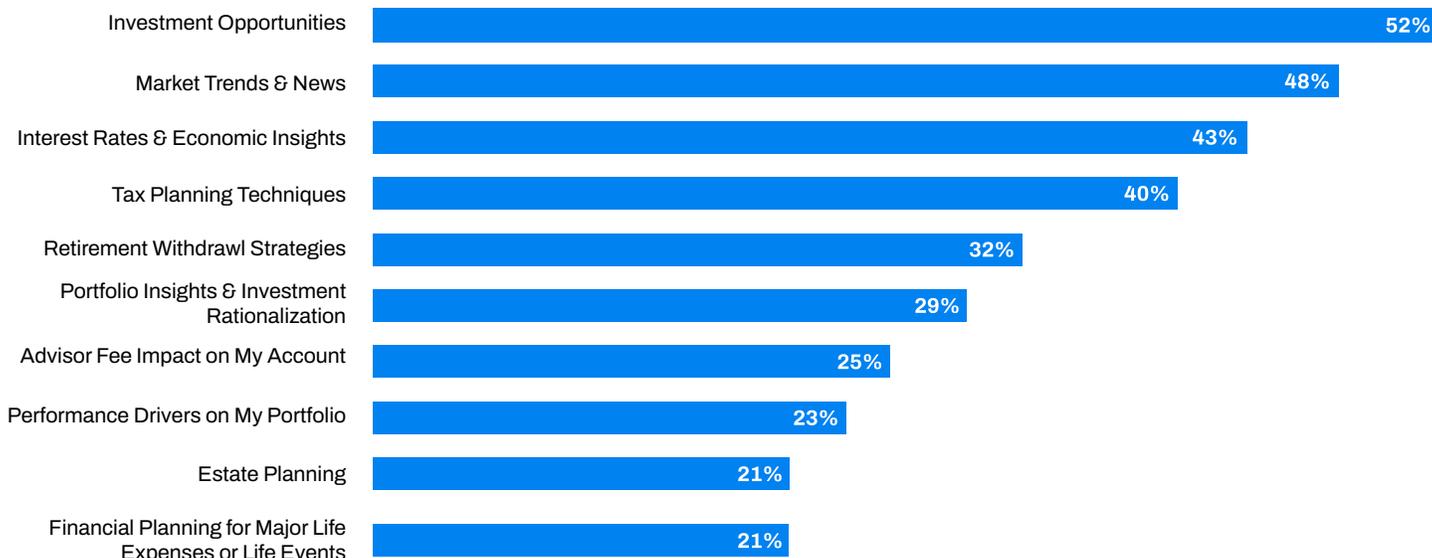
Are you interested in your advisor’s perspectives on the market and economy, saving and planning tips, or other financial education?



How would you prefer to receive your advisor’s perspectives?



What topics are you most interested in learning from your advisor?

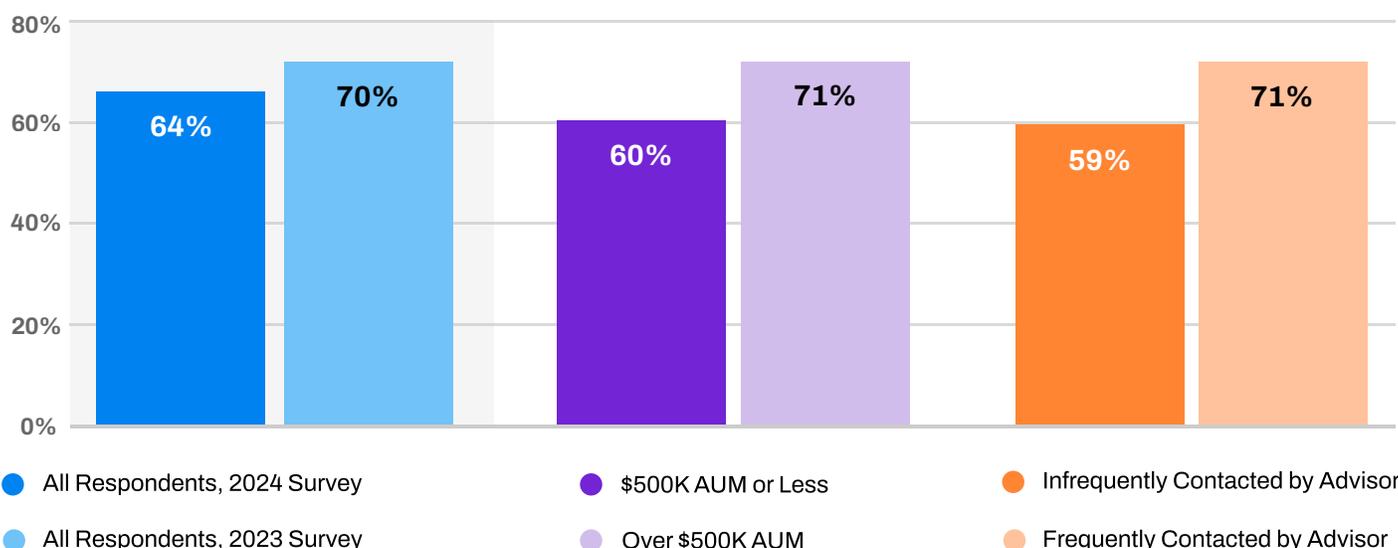


Clients Are Understanding Less Information From Conversations

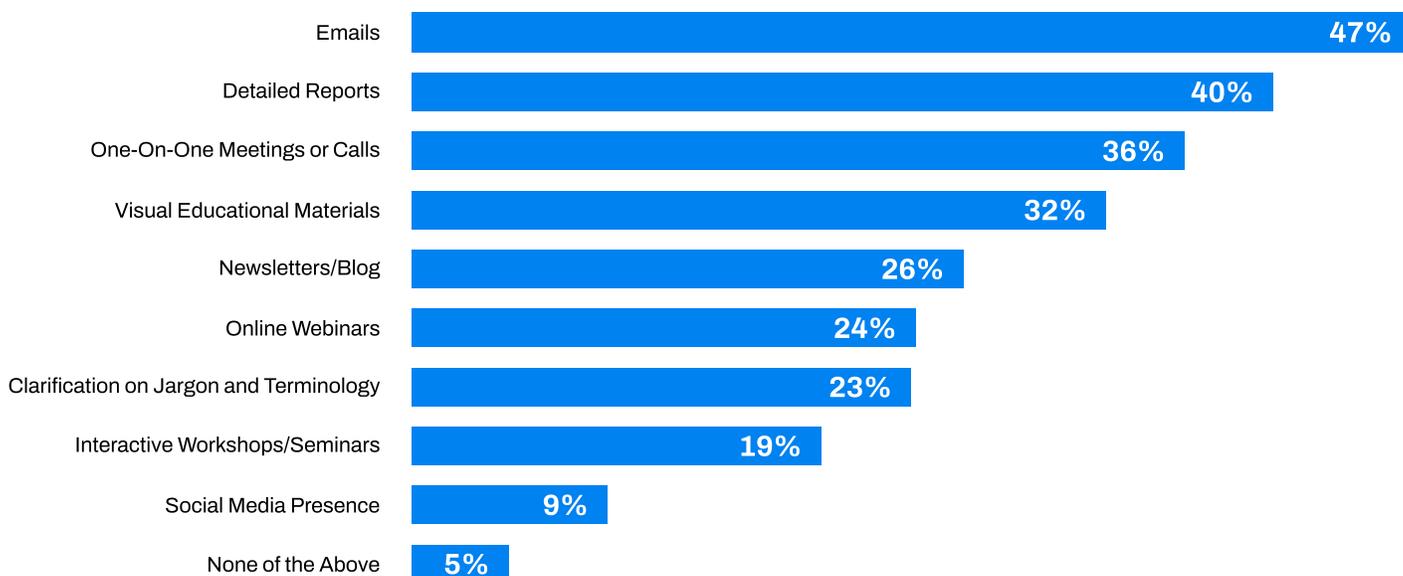
Direct conversations with clients are among the most important touch points for communicating crucial information about their investments. However, clients find that 64% of the content in a typical conversation with their advisor resonates with them, down from

70% in our previous survey. Particularly, clients with \$500,000 or less in assets under management (AUM) and those who are infrequently contacted (every 4-6 months or less) reported even lower levels of comprehension during these discussions.

In discussions with your advisor regarding your investments, what percentage (%) of a typical conversation resonates with you?



How could your comprehension of your advisor's recommendations and portfolio strategy be enhanced?



Your Communication Holds the Key to Client Retention and Referrals

Approximately 8 out of 10 respondents agreed that increased frequency and/or personalized communication with their financial advisor would boost confidence in their advisor, greater retention of their advisor's services, and an increased likelihood of recommending their advisor's services to family

members or friends. Clients ages 30-44 and clients with more than \$500,000 under management agreed at an even higher rate that increased frequency and/or personalized communication would ring true in all three of these areas.

Could increased frequency and/or personalized communication with your financial advisor boost your confidence in your advisor?

All Respondents



30-44 Years Old



More than \$500K Under Management



● Yes ● No

Does increased frequency and/or personalized communication with your advisor influence your decision to continue retaining their services?

All Respondents



30-44 Years Old



More than \$500K Under Management



● Yes ● No

Does increased frequency and/or personalized communication with your advisor influence your likelihood of recommending their services to a family member or friend?

All Respondents



30-44 Years Old



More than \$500K Under Management



● Yes ● No

Your Communication Holds the Key to Client Retention and Referrals (Continued)

Several factors influence clients' overall satisfaction with their advisor, with the top two being a Deep Understanding of Me and My Goals (56%) and Portfolio Performance (55%).

These factors were also deemed most important in last year's survey, albeit with more decisive margins, possibly reflecting the bear market's impact in 2022.

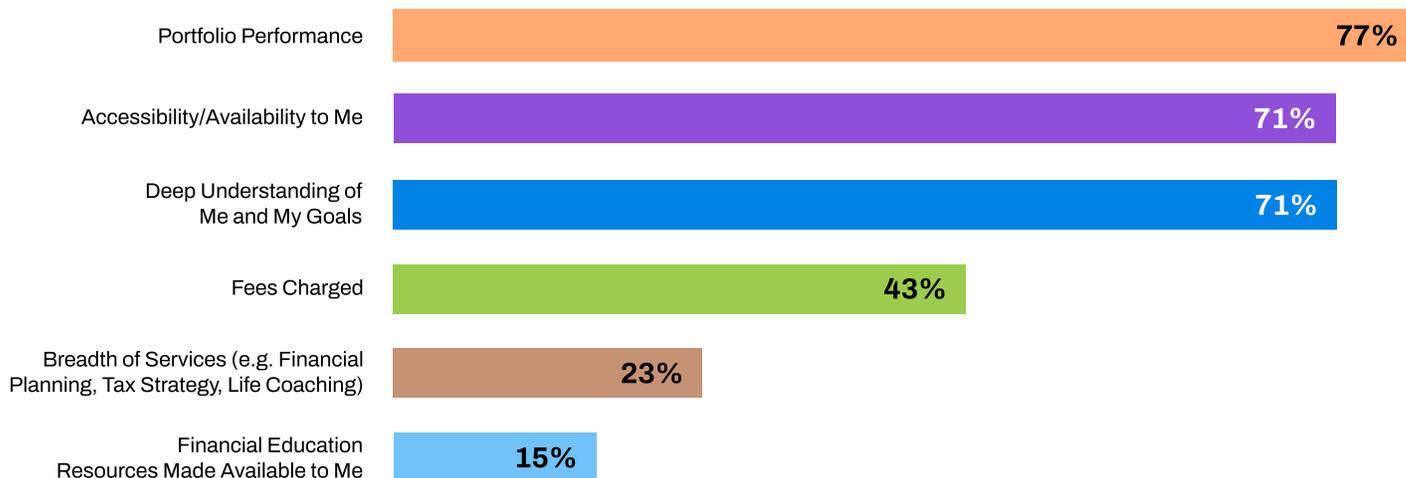
Figures shown represent the percentage of all respondents who included a given factor in their top three most important factors.

Characteristics that influence your overall satisfaction with your advisor:

2024 Survey



2023 Survey

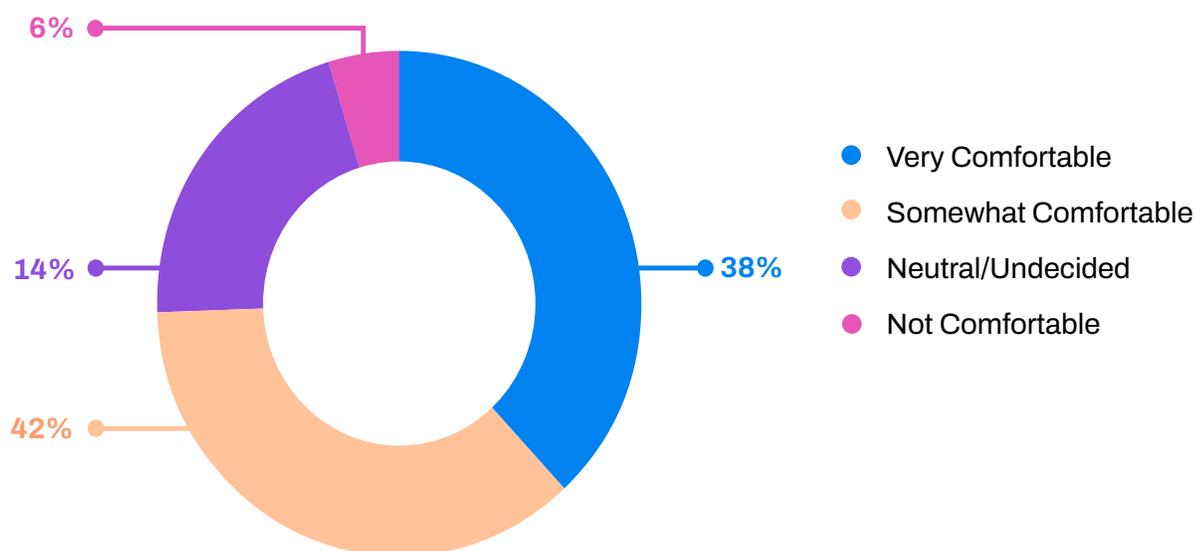


Your Communication Holds the Key to Client Retention and Referrals (Continued)

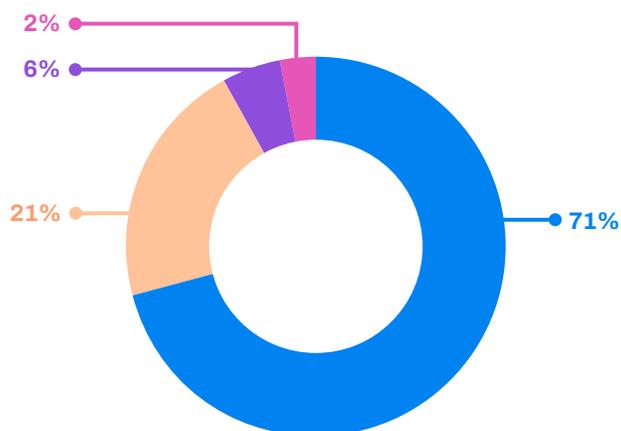
Communication is also of vital importance to client confidence, in addition to retention and referrals. Only 38% of respondents expressed feeling very comfortable with their financial plan in the event of a recession, while 42% felt somewhat comfortable,

and 6% were not comfortable. Notably, those who receive infrequent communication from their advisor displayed less confidence in their financial plan during potential economic downturns.

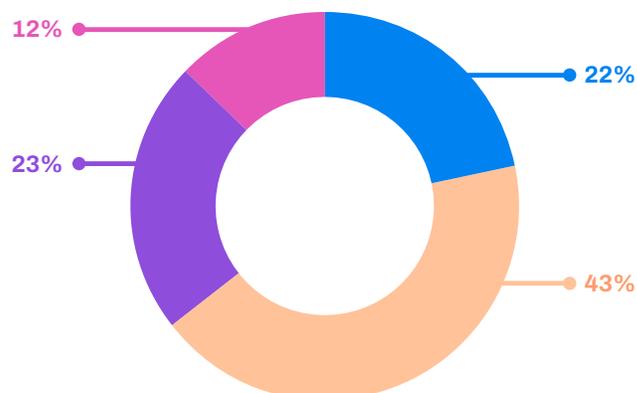
How comfortable are you with your financial plan if the United States enters a recession?



Respondents who are Frequently Contacted (monthly or more) by their advisor



Respondents who are Infrequently or Rarely Contacted (every 4-6 months or less)



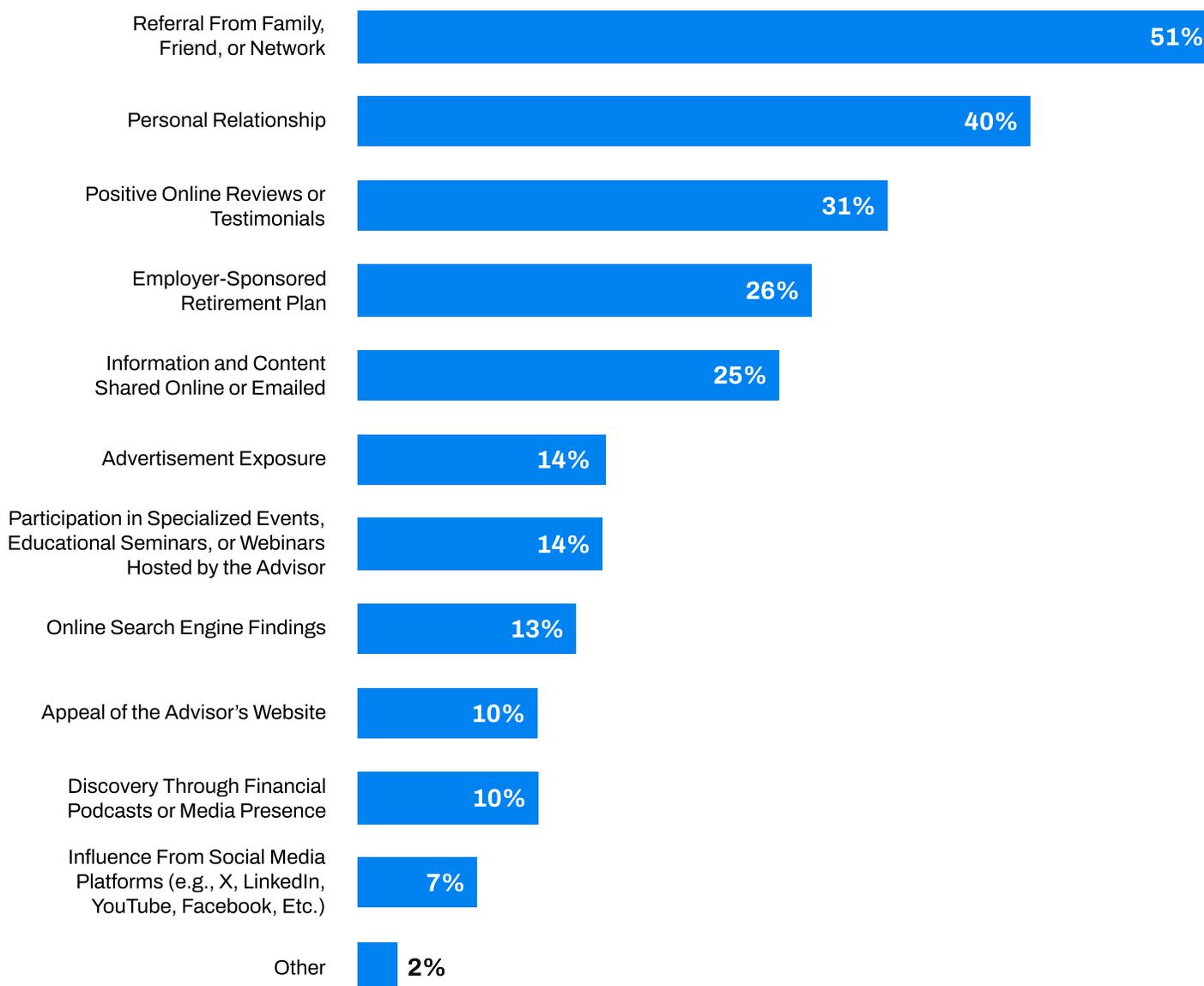
Your Communication Holds the Key to Client Retention and Referrals (Continued)

Lastly, word-of-mouth is a driving force for advisors in acquiring new business. The top three factors that influenced clients' decisions to enlist the services of their financial advisors were:

1. Referral from family, friend, or network (51%),
2. Personal relationship (40%),
3. Positive online reviews or testimonials (31%).

An advisor's existing client base is one of the best ways to attract new business, given the overwhelming majority of surveyed clients agreed that increased frequency and/or personalized communication would boost the likelihood of recommending their advisor's services to family members or friends.

What influenced your decision to enlist your financial advisor's services?



How Advisors Can Improve Communication With Clients

1 Explore new communication channels and engaging topics

The majority of surveyed clients receive market information from their advisor or their investment account site/portal. However, many respondents also indicated gathering information from financial blogs, podcasts, and social media. In addition, clients expressed interest in learning about various topics.

Experiment with new communication methods in an effort to better resonate with clients. For instance, a podcast covering market trends and news might effectively reach one group of clients, while a blog covering the latest tax planning techniques may strike a chord with older clients who are approaching retirement.

2 Serve some clients champagne, others sparkling water

Higher net-worth clients want to hear from their advisor more frequently. Adding urgency, most higher-AUM clients surveyed also switched or considered switching advisors in the past year. Your most important clients deserve the highest level of service, but that can be challenging to maintain. Enter: the “champagne or sparkling water” analogy.

It would be time-consuming to send a personal note to every client over any period of time. But serving those higher-value clients champagne (a lot of personalized communication) shows how much you value your relationship with them. Other clients might not warrant as much personalized contact, but would still appreciate sparkling water every now and then. This strategy aligns your communication efforts with the value of each client in your book, while also positioning yourself as a resource to everyone.

3 Prioritize knowing your clients and their goals

Since our first survey, we’ve learned that your clients’ priorities can fluctuate. In 2022, clients’ #2 priority was their advisor’s accessibility/availability to them. This time around, clients did not rank accessibility/availability in the top three, and financial advice given slid into third place.

Not all clients are the same; and regardless of whether you serve some clients champagne and others sparkling water, it pays to get to know each person in your book and understand what is most important to them.

4 Commit to a cadence

An advisor’s communication style was also a factor for retention and referrals among an overwhelming majority of respondents. As new clients come in and existing ones’ preferences change, a consistent communications strategy requires ongoing effort and continuous improvement.

To create accountability for increasing touch points, define a cadence for client outreach that improves upon current efforts, but is also achievable. Example goals might include: posting a weekly insight on LinkedIn, emailing a bi-weekly newsletter, writing a monthly market update blog, or calling each of your high net-worth clients once a quarter.

Discover How YCharts Can Enable Stronger Client Communications

We are on a mission to enable smarter investment decisions and better communication between financial advisors and their clients. YCharts provides research, presentation, and proposal tools to do that & more.

Interested in taking a test drive of YCharts?

→ [Start a Free Trial](#)

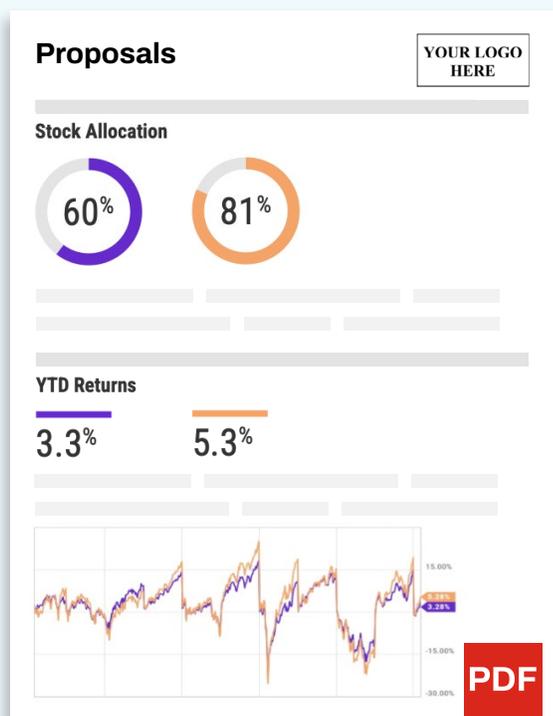
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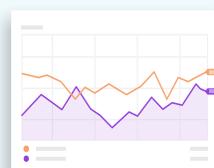
Proposals

Highlight the benefits of your recommended strategy vs. a prospect's current portfolio



Report Builder

Create your ideal reports with an intuitive drag-and-drop functionality



Charting and Scenario Tools

Interactive, downloadable visuals that illustrate the impact of market movements and real-life events



Email Reports

Set-it-and-forget-it market alerts, updates, and newsletters for clients & colleagues

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