ATTITUDES TOWARD FINANCIAL PROFESSIONALS

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KEY FINDINGS

Key findings

- **The majority of workers ages 25+ have not consulted a financial professional for advice.* Just over one in three (36%) workers ages 25+ have used one.**
 - Younger workers, lower-income workers, Hispanic workers, and Black workers are less likely to have done so.**
- **Of those who have used a financial professional, the vast majority (89%) say that the financial professional that they used most recently was helpful.**
- **Retirement planning is the most common topic discussed with a financial professional.**
 - Among those who have used a financial professional, more than half (61%) sought advice related to **retirement savings/retirement planning** during their most recent consultation. Nearly four in ten (38%) sought advice about **investment planning unrelated to retirement**, and roughly three in ten (29%) sought advice related to **managing debt**.
- **Of those who expect to work on their finances over the next 12 months, nearly three in ten (28%) expect to reach out to a financial professional for financial information or help.** Other common resources to which workers expect to turn include **friends and family (26%), their financial institution (24%), financial websites and apps (23%), and online search engines (22%).**
 - Among those who don't expect to reach out to a financial professional, **the top barriers include affordability (34%), perceived lack of need (31%), lack of comfort sharing information (22%), trust (19%), and a belief that they “don't help people like me” (18%).** Black workers and Hispanic workers are especially likely to cite barriers such as cost, lack of comfort and trust, doubts that professionals help people like them, not knowing what professionals do and not knowing how to find a professional.

*Because all respondents are either currently in the workforce (working or looking for work) or have been in the past 12 months, this report refers to all respondents as “workers.”

**Throughout this report, the term “Hispanic” is used to refer to any respondent who answered “yes” to “Are you of Spanish, Hispanic, or Latino descent?”. Among respondents who answered “no” to that question, the term “Black” is used to refer to respondents who selected only “Black or African American” when describing their race, and the term “White” is used to refer to respondents who selected only “White” when describing their race.

Key findings (cont.)

- **When all workers were asked what would increase their interest in using a financial professional in the next 12 months**, they most commonly point to free consults (39%), recommendations from a friend or family member (31%), and having a better understanding of how a professional can help (28%).
- **Nearly all workers (92%) believe it is important for financial professionals to provide advice about retirement saving and investing that is in the best interest of their clients.**
 - However, of those who have used a professional for retirement or investment planning, more than four in ten (43%) do not know if the person they spoke with was required to give advice in their best interest.
- **Referrals from friends and family are the primary means through which workers have found financial professionals. However, one's financial institution also represents a key pathway to professionals.**
 - Nearly half (45%) of those who have consulted a financial professional first learned about the professional through a friend or family member. Roughly one in four first learned about the professional through their financial institution (25%) or other trusted organization (22%).
 - **Hispanic workers, Black workers, and lower-income workers who have used financial professionals are especially likely to have found their most recent financial professional through their financial institution or a website.**
 - For example, nearly one in four Black workers (23%) and Hispanic workers (23%) who used a professional found that person through a web site, compared to just 7% of White workers.
 - **The majority (60%) of those who have used financial professionals say that the financial professional with whom they consulted most recently is affiliated with a financial institution where they hold an account.**

FINDING AND USING FINANCIAL PROFESSIONALS

Just over one in three (36%) workers ages 25+ have consulted a financial professional for advice.

Older workers, higher-income workers, and White workers are especially likely to have consulted a financial professional. Over four in ten (44%) workers ages 50+ have done so, compared to just three in ten (31%) of those ages 25-49. While close to half (46%) of those earning \$75K or more have used a professional, just one in four (25%) of those earning less than \$40K have done so. White workers are more likely than Black workers and Hispanic workers to have done so.

Percent who have consulted a financial professional for financial advice
By gender, age, income, and race/ethnicity

* Indicates a significant difference between segments at a 95% confidence level

Q17. Have you ever consulted a financial professional for advice related to financial matters besides income taxes? Base: Total Respondents (n=5,430)

Referrals from friends and family are the primary means through which people find financial professionals.

Nearly half (45%) of those who have consulted a financial professional first learned about the professional through a friend or family member. Roughly one in four first learned about the professional through their financial institution or other trusted organization. Workers ages 25-49 (17%) are three times more likely than those age 50+ (5%) to say they learned about the professional through a website.

How did you first learn about the financial professional that you used most recently?
Among those who consulted a financial professional (n=1,875)

Q25. Thinking again about the financial professional that you used most recently, how did you first learn about that person? (Select all that apply.)

Among Black, Hispanic, and lower-income workers, financial institutions and websites are especially common pathways to financial professionals.

Black workers (23%) and Hispanic workers (23%) who have used a professional are three times more likely than White workers (7%) to have used a website to find the financial professional that they most recently used. Black workers and Hispanic workers are also more likely than White workers to cite their financial institution as the referring source. Workers with incomes under \$40K (18%) are twice as likely as those with incomes of \$75K+ (9%) to cite a website.

First learned about most recently consulted financial professional through friends/ family, financial institution, or website
Among those who consulted a financial professional (n=1,875), by age and race/ethnicity

Q25. Thinking again about the financial professional that you used most recently, how did you first learn about that person? (Select all that apply.)

Of those who have used a financial professional, six in ten (60%) say that the professional used most recently is affiliated with their financial institution.

Of those who have used a professional, more than half have done so within the past 12 months. Nearly half (48%) of those who have used a financial professional say that their most recent consultation was with a financial advisor. Roughly one in five (20%) say that their most recent consultation was with a financial planner, and one in ten (9%) say their most recent consultation was with a credit counselor.

Last time a financial professional was used
Among those who have used a professional (n=1,875)

Type of financial professional used most recently
Among those who have used a professional (n=1,875)

Q18. When was the most recent time that you consulted a financial professional for advice related to financial matters besides income taxes? Q21. Thinking about the most recent time that you consulted a financial professional for advice related to financial matters (besides income taxes and getting a mortgage), what type of financial professional did you consult? Q22. Was this financial professional affiliated with a financial institution where you have a financial account?

Lower-income, Black, and Hispanic workers are more likely to use credit counselors, compared to higher-income or White workers.

Roughly one in five (21%) workers with incomes under \$40K who have consulted a financial professional say that their most recent consultation was with a credit counselor, compared to just 3% of workers with incomes of \$75K+ who have used a financial professional. In contrast, workers with incomes of \$75K+ who have used a financial professional are twice as likely as those with incomes of less than \$40K to say that their most recent consultation was with a financial advisor (55% vs. 27%).

Type of financial professional used most recently
Among those who consulted a financial professional (n=1,875), by age and race/ethnicity

Q21. Thinking about the most recent time that you consulted a financial professional for advice related to financial matters (besides income taxes and getting a mortgage), what type of financial professional did you consult? Base: Consulted a financial professional (n=1,875)

The vast majority (89%) say that the financial professional that they used most recently was helpful.

The most common reasons for perceiving a professional as helpful included that they provided helpful information, were perceived as knowledgeable, and came across as trustworthy. Those with incomes under \$40K were more likely than higher earners to feel that the professional was not helpful (17% of those with incomes under \$40K vs. 8% of those with incomes of \$75K+).

Helpfulness of financial professional consulted
Among those who consulted a financial professional (n=1,875)

Reasons the financial professional was helpful or not helpful
Among those who consulted a financial professional and provided a rating (n=1,865)

Q23. Thinking about the financial professional that you used most recently, how helpful was that person?
Q24. Please explain why you chose the words "Very/Somewhat/Not too/Not at all helpful" to describe the financial professional that you used most recently.

TOPICS DISCUSSED WITH PROFESSIONALS

Retirement planning is the most common topic discussed with financial professionals, followed by investment planning and managing debt.

Among those who have used a financial professional, more than half (61%) sought advice related to retirement savings/retirement planning during their most recent consultation, 38% sought advice about investment planning unrelated to retirement, and 29% sought advice related to managing debt. Of those who sought advice related to debt, credit card debt was the type of debt most commonly discussed.

Topics discussed in most recent consultation
Among those who consulted a financial professional
(n=1,875)

Debt discussed in the most recent consultation
Among those consulting a professional about debt (n=649)

Q19. Thinking about the most recent time that you consulted a financial professional for advice, about which types of issues were you seeking advice?

Q20. Thinking about the most recent time that you consulted a financial professional for advice related to debt, which type of debt did you discuss?

Younger workers, Hispanic workers, Black workers, and those with lower incomes are especially apt to have sought advice about debt.

Those under the age of 50 (37%) are more likely than those age 50+ (20%) to have discussed debt in their most recent consultation with a professional, as are Black workers (41%) and Hispanic workers (39%) compared to White workers (23%). Those who earn <\$40k (44%) are twice as likely as those who earn \$75K+ (22%) to have discussed debt. In contrast, workers ages 50+, those with incomes of \$75K+, and White workers are more likely than their counterparts to have discussed retirement planning.

	Gender		Age		Household Income			Race/ Ethnicity		
	Men	Women	25-49	50+	<\$40K	\$40-\$74K	\$75k+	White	Black	Hispanic
<i>Base: Used a Financial Professional</i>	942	933	1,201	674	534	493	838	533	654	636
Retirement savings/planning	62%	60%	52%	71%*	36%	61%*	74%*	71%*	44%	39%
Investment planning (not specific to retirement)	41%*	34%	37%	38%	18%	34%*	49%*	40%*	35%*	28%
Reducing your debt/ Managing your debt	27%	30%	37%*	20%	44%*	29%*	22%	23%	41%*	39%*
Budgeting or managing expenses	21%	22%	28%*	14%	27%*	24%*	17%	17%	34%*	27%*
College savings/planning	13%	11%	17%*	7%	12%	8%	15%*	11%	14%	16%*
Planning for a large purchase	13%	11%	17%*	6%	16%*	7%	12%*	9%	19%*	18%*
Financial issues related to a change in marital status	9%	10%	12%*	6%	15%*	10%	6%	8%	12%*	14%*
Financial issues related to caring for an adult relative	6%	8%	9%*	5%	10%	5%	7%	3%	14%*	15%*

Q19. Thinking about the most recent time that you consulted a financial professional for advice, about which types of issues were you seeking advice? Base: Consulted a financial professional (n=1,875)

* Indicates a significant difference between segments at a 95% confidence level

Financial professionals, friends/family, and online are the most common retirement information sources to which workers have turned in the past year.

Those ages 50+ (26%) are more likely to have consulted a professional for retirement savings information than are those ages 25-49 (15%), while those ages 25-49 are more likely to have consulted friends and family (19%, vs. 14% of the 50+). Among the 16 percent who have consulted websites or apps, financial institution websites/apps have been particularly widely used along with “other websites/apps (such as Yahoo Finance, Nerd Wallet, Motley Fool, etc.).”

Sources of retirement savings information consulted
In the past 12 months

Apps or sites visited for retirement savings information
Among those who visited an app or site (n=937)

Q39. In the past 12 months, have you consulted any of the following for information on saving for retirement?
Base: Total Respondent (n=5,430) (multiple responses allowed)

Q40. In the past 12 months, what kind of websites or apps have you used for information on saving for retirement?

NEXT 12 MONTHS: EXPECTED USE OF PROFESSIONALS, BARRIERS, AND MOTIVATORS

Of those who expect to work on finances in the next year, 75% will be seeking help, with an equal number turning to a professional and/or friends and family.

Those ages 50+ who expect to work on their finances are more likely to expect to use a financial professional (33%, vs. 26% of those 25-49), whereas those ages 25-49 are more likely to keep it closer to home with a friend or family member (30%, vs. 20% of those 50+).

Percent who will use the following as sources of financial information or help in the next 12 months
Among those who expect to work on their finances in the next 12 months (n=4,863)

Q28. Within the next 12 months, where do you expect to look for financial information or help with financial issues?

Perceptions of the cost and lack of need are the most common barriers to consulting a financial professional in the next 12 months.

Among those who don't expect to use a financial professional in the next 12 months, those who make less than \$40K are more likely than those making \$75K+ to cite affordability (41% vs. 23%) and lack of comfort sharing financial information (26% vs. 18%). Those ages 25-49 are more likely than those ages 50+ to mention affordability (37% vs. 28%), not knowing what professionals do (13% vs. 7%), and not knowing how to find a professional (12% vs. 6%).

Major reasons for not expecting to consult a financial professional in the next 12 months

Among those who will not use a financial professional in the next 12 months (n=3,516)

Q30. Please indicate whether each of the following is a major, minor, or not a reason why you do not expect to reach out to a financial professional in the next 12 months? Chart shows % who identified each as a "major" reason.

Black workers and Hispanic workers are especially likely to cite barriers such as cost, lack of comfort and trust, and doubts that professionals help people like them.

When explaining why they don't expect to use a financial professional in the next 12 months, Black workers and Hispanic workers are also twice as likely as White workers to cite a lack of knowledge, including not knowing what professionals do (17% of Black and Hispanic workers vs. 7% of White workers), and not knowing how to find one (16% of Black workers and 17% of Hispanic workers vs. 7% of White workers).

Major reasons for not expecting to consult a financial professional in the next 12 months
Among those who will not use a financial professional in the next 12 months, by race/ethnicity

Q30. Please indicate whether each of the following is a major, minor, or not a reason why you do not expect to reach out to a financial professional in the next 12 months?

* Indicates a significant difference between segments at a 95% confidence level

Although there is no consensus about how to increase use of financial professionals, many express interest in free consults and learning how they can help.

Women, those ages 25-49, those making less than \$75K, and Black workers are especially likely to say that free access would increase their interest. (41% of women vs. 36% of men, 42% of those ages 25-49 vs. 33% of those ages 50+, 42% of those making less than \$75K vs. 34% of those making \$75K+, and 42% of Black workers vs. 37% of Hispanic workers and 38% of White workers)

Percent who think the following would increase their interest in consulting a financial professional

Q31. Which of the following, if any, would increase your interest in using a financial professional in the next 12 months? (multiple responses allowed)
Base: Total Respondents (n=5,430)

THOUGHTS ON RECEIVING ADVICE IN ONE'S BEST INTEREST

The majority (92%) say it is important for a financial professional’s advice related to retirement savings or investments to be in the client’s best interest.

In fact, a full three in four say that this is “very important.” Those age 50+ and those with higher incomes are especially likely to say that this is very important (81% of those ages 50+ vs. 68% of those ages 25-49, and 82% of those making \$75K+ vs. 63% of those making less than \$40K).

Importance of financial professionals giving advice in the client's best interest

Q34. When giving advice about retirement savings or about investing, how important do you think it is that financial professionals give advice that is in the best interest of their clients?
Base: Total Respondents (n=5,430)

However, of those who have received professional retirement or investment advice, many don't know if the advice was required to be in their best interest.

Three in ten (30%) say that they have at some point consulted a financial professional for advice related to retirement or investments. Although nearly half (48%) of those who have received such advice say that the professional was required to give advice in their best interest, nearly as many (43%) don't know. Those ages 50+, White workers, and those making \$75K+ are more likely than their counterparts to have received such advice.

INTEREST IN DIGITAL/ONLINE RESOURCES

Financial websites/apps that offer personalized action steps elicit more interest than those that offer the option to talk to a financial professional.

When asked whether the presence of two different features – the option to talk to a financial professional and the ability to receive personalized action steps– would affect their likelihood to use a financial website or app, workers are more likely to react favorably to the idea of receiving personalized action steps than to the option to talk to a professional. Those age 25-49 are more likely than the 50+ to express interest in each feature, with over half of those 25-49 saying that personalized action steps would make them more likely to use an app/website (54%, vs. 39% of the 50+), and 40% of those 25-49 saying that the option to speak to a professional would increase their use (vs. 32% of the 50+). Black workers and Hispanic workers also express more interest than White workers in both features.

Change in likelihood of using a financial app or website
Due to the following features

Q29. Would you be more likely or less likely to use a financial website or financial app if it provided users with the following...
Base: Total Respondents (n=5,430)

With regard to retirement savings websites/apps specifically, those that offer customized tips and interactive tools elicit the most interest.

Those ages 25-49 express a greater interest in all features, compared to those ages 50+. Black workers and Hispanic workers express a greater interest in all features compared to White workers. Workers with incomes of \$75K+ express more interest in retirement savings tips and an online interactive tool, compared to those earning less than \$75K .

Q41. How likely would you be to use a retirement savings website or app if you learned that the website or app provided users with the following:...
Base: Total Respondents (n=5,430)

IMPLICATIONS

Implications

Just over one in three (36%) workers ages 25+ have used a financial professional for advice, but use increases with age and income. The fact that the vast majority who use professionals find them to be helpful is a testament to their potential value. However, cost concerns, distrust, a lack of comfort sharing financial information, and a perception that financial professionals “don’t help people like me” deter many from reaching out to financial professionals. Free consults, recommendations from family and friends, and information about how professionals can help may encourage the use of professionals.

Opportunities exist for educating workers about how to determine if a financial professional is a “fiduciary” who is required to provide advice in his/her client’s best interest. Even though the overwhelming majority of workers believe it is important for professionals to provide advice that is in their client’s best interest, **many who have used a professional for advice related to retirement saving or investing don’t know if the professional that they used was a fiduciary.** Furthermore, the fact that the majority of those who have used professionals say the professional that they used most recently is affiliated with a financial institution where they have a financial account suggests that many are using financial professionals who may have a conflict of interest.

Many workers express interest in online resources such as websites and apps that offer the type of information that a financial professional might offer—personalized action steps. Fewer express interest in websites and apps that offer the option to talk to an actual financial professional, possibly due to concerns related to costs, sharing information, and trust.

APPENDIX

Demographic Profile – All Respondents

	Total
Base: Total Respondents	5,430
GENDER	
Male	50%
Female	50%
AGE	
25-34	27%
35-49	36%
50-59	22%
60+	16%
RACE/ETHNICITY	
White, non-Hispanic	61%
Black, non-Hispanic	12%
Other, non-Hispanic	2%
Hispanic	18%
2+, non-Hispanic	3%
Asian, non-Hispanic	4%
INCOME	
<\$30k	24%
\$30k-<\$60k	27%
\$60k-<\$100k	24%
\$100k+	24%

	Total
Base: Total Respondents	5,430
EDUCATION	
Less than HS	8%
HS graduate	26%
Vocational/tech school/some college/ associates	26%
Bachelor's degree	24%
Post grad study/professional degree	17%
EMPLOYMENT	
Employed Full-Time	61%
Employed Part-Time	19%
Unemployed and Looking for Work or on Temporary Layoff	14%
Not Working – Retired, Disabled, or Other	6%
MARITAL STATUS	
Married	51%
Widowed	2%
Divorced	10%
Separated	4%
Never married	23%
Living with partner	10%
COVID STATUS/HISTORY	
Yes, a member of my household has	10%
Yes, I have	9%
No	83%

Financial Profile – All Respondents

	Total
Base: Total Respondents	5,430
TYPES OF DEBT	
A credit card balance	45%
A mortgage	41%
A car, motorcycle, or other vehicle loan	37%
A student loan – yours	19%
Unpaid balance on a health/medical bill	19%
Unpaid balance on a utility or phone/wireless bill	13%
Personal loan from a family member or friend	8%
A student loan for a family member	7%
Loan from a payday lender or an auto/car title loan	7%
Other installment loan such as for appliances, electronics, furniture	9%
Something else	3%
None	15%
FINANCIAL ASSETS/ACCOUNTS	
Checking accounts	81%
Savings accounts, CDs, or money market accounts	52%
Employer-provided retirement savings account	48%
Savings in cash	40%
Individual retirement account outside of an employer	31%
Bitcoins or other cryptocurrency	7%
Other personal savings or investments	24%
Other financial assets or accounts excluding real estate	3%
None of the above	9%

	Total
Base: Total Respondents	5,430
AMOUNT IN RETIREMENT SAVINGS	
Base: Owns a retirement savings account	2,777
Less than \$50,000	39%
\$50,000 to less than \$300,000	34%
\$300,000 or more	17%
Not sure	9%
VALUE OF NON-RETIREMENT ASSETS	
Base: Owns financial accounts/financial assets outside of a retirement account	4,641
Less than \$5,000	35%
\$5,000 to less than \$10,000	14%
\$10,000 to less than \$50,000	20%
\$50,000 or more	22%
Not sure	9%

Methodology

This survey was conducted by NORC at the University of Chicago on behalf of AARP. Adults ages 25+ who indicated they have been employed or have been looking for work in the past 12 months were eligible to complete the survey.

For the general sample, data were collected using NORC's AmeriSpeak® Panel, a probability-based panel designed to be representative of the U.S. household population. In addition, respondents from the Lucid non-probability online opt-in panel were invited as an oversample supplement to reach 1,911 completes overall for African American/Blacks and 1,991 completes overall for respondents of Hispanic origin.

Interviews for this survey were conducted in English and Spanish from January 13, 2021 through February 8, 2021. A total of 5,430 respondents completed this survey.¹

The final sample was weighted by age, gender, education, race/ethnicity and Census Division using February 2020 Current Population Survey benchmarks for adults who are working or looking for work. The weighted data reflect the U.S. population of adults age 25+ who are currently working, looking for work, or had worked or looked for work in the 12 months prior to the survey. In order to incorporate the Lucid non-probability sample, NORC used TrueNorth calibration services, a hybrid calibration approach developed at NORC based on small area estimation methods in order to explicitly account for potential bias associated with the non-probability sample.

The margin of error for the overall survey sample is ± 2.25 percent at the 95 percent confidence level. The margin of error for the Hispanic sample is ± 3.02 percent, and the margin of error is ± 2.67 percent for the African American/Black sample.

¹ Although a total of 5,430 respondents completed this survey, the effective base was 2,182 due to the design effect of 2.46.

About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

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