

Examining the Mindset of U.S. Financial Professionals: A Survey by Schwab Independent Branch Services

June 2018

charles
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Methodology

HOW

- 15-minute online survey developed and conducted by Edelman Intelligence

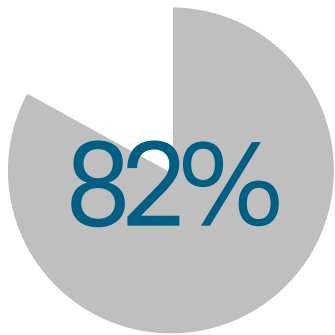
WHEN

- March 8 – March 23, 2018

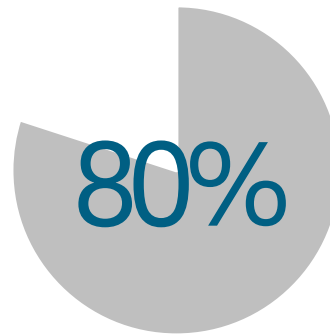
WHO

- 994 financial pros in the U.S. (margin of error: +/- 3.1%)
- To qualify, respondents must:
 - Be 18+
 - Live in the U.S.
 - Work in the financial services industry
 - Identify as one of the following job titles: Advisory Firm, Bank Financial Advisor, Bank Trust Officer, Business Development Officer, Financial Advisor, Financial Analyst, Financial Planning Specialist, Insurance Agent/Broker, Owner/Manager of Investment, Portfolio Manager, Registered Representative/Broker, Wholesaler
 - Interact with clients at least once a week
 - Have worked in the financial services industry for at least 7 years
 - Work for one of the following types of organizations: 401K/403B (e.g., TIAA), Bank Insurance, Investment Broker Dealer, Registered Investment Advisor, Retail Brokerage, Trust Division, Wirehouse

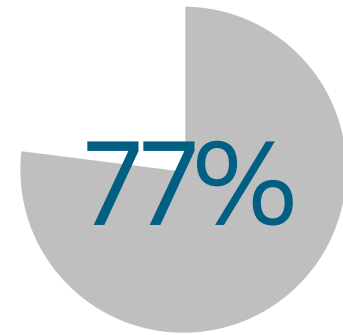
Financial pros see a bright future for the industry



Feel the industry is going in the **right direction** (vs. *wrong direction*)



Agree they are **optimistic about the future** of the industry



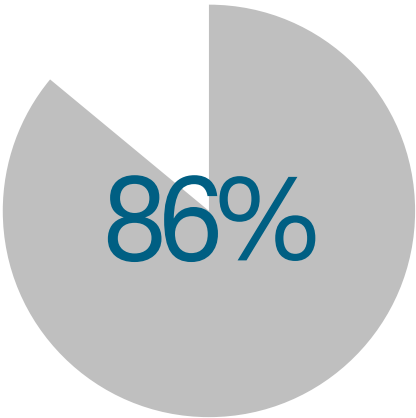
Agree they would **recommend the industry** to a recent graduate

Q1: Based on what you currently see going on in the financial services industry, would you say it is moving...?

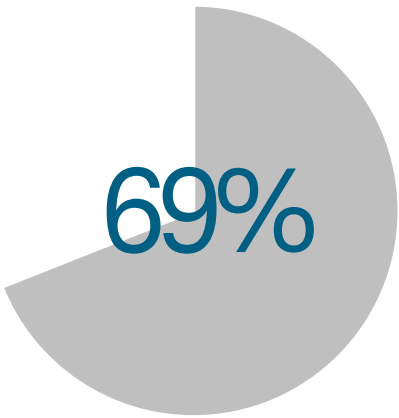
Q2: How much do you agree or disagree with the following statements about the financial services industry? (Top 2 box <Somewhat/Strongly agree> reported)

Base size: Total = 994

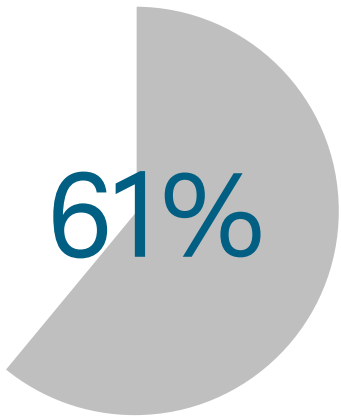
The majority are fulfilled



Agree they feel **successful**



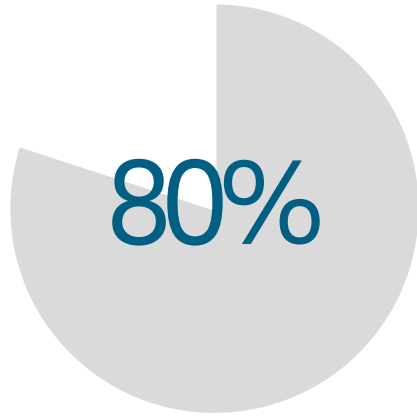
Agree they **don't regret anything** about the professional path they've taken



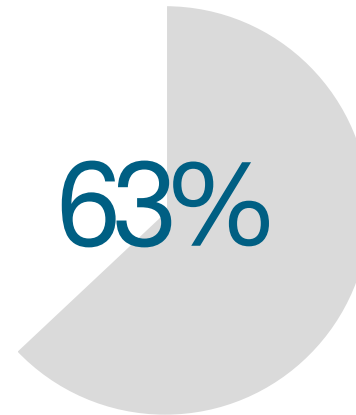
Agree their profession is the **most important thing to them**

Q4: How much do you agree or disagree with the following statements with regards to your profession ? (Top 2 box <Somewhat/Strongly agree> reported)
Q16: Thinking about your profession, how much do you agree or disagree with the following statements? (Top 2 box <Somewhat/Strongly agree> reported)
Base size: Total = 994

But there is still room for improvement



Agree they are ready to **take their profession to the next level**

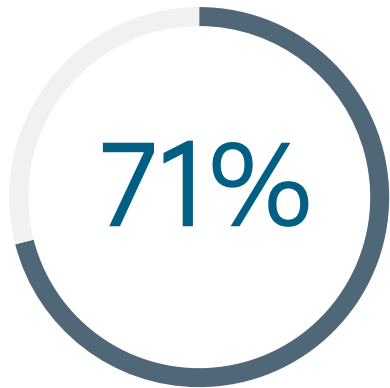


Agree they are **ready for a change**

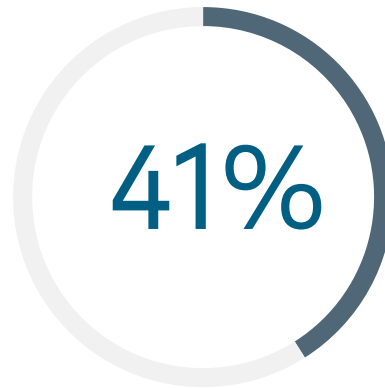
Q4: How much do you agree or disagree with the following statements with regards to your profession? (Top 2 box <Somewhat/Strongly agree> reported)

Base size: Total = 994

They express some doubt and concerns



Agree they wonder what life would be like if they had taken a **different professional path**



Agree there **are negative experiences** they've had in their profession that still keep them up at night



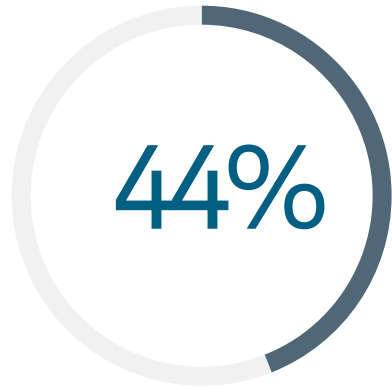
Say they've been **promised things by a firm that were never delivered**

Q2: How much do you agree or disagree with the following statements about the financial services industry? (Top 2 box <Somewhat/Strongly agree> reported)

Q16: Thinking about your profession, how much do you agree or disagree with the following statements? (Top 2 box <Somewhat/Strongly agree> reported)

Base size: Total = 994

... And admit to some frustration



Agree that if they could go back in time, they **would not work in the industry**



Fear having to **compromise their personal values**



Feel Stuck

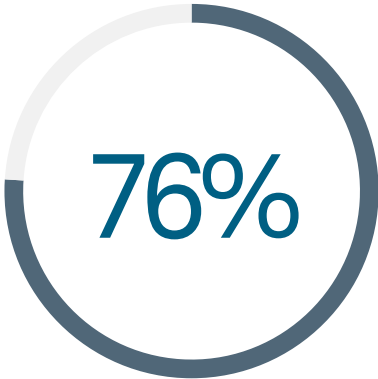
Q2: How much do you agree or disagree with the following statements about the financial services industry? (Top 2 box <Somewhat/Strongly agree> reported)

Q7: What are your biggest fears when it comes to your profession? (Multi-select)

Q16: Thinking about your profession, how much do you agree or disagree with the following statements? (Top 2 box <Somewhat/Strongly agree> reported)

Base size: Total = 994

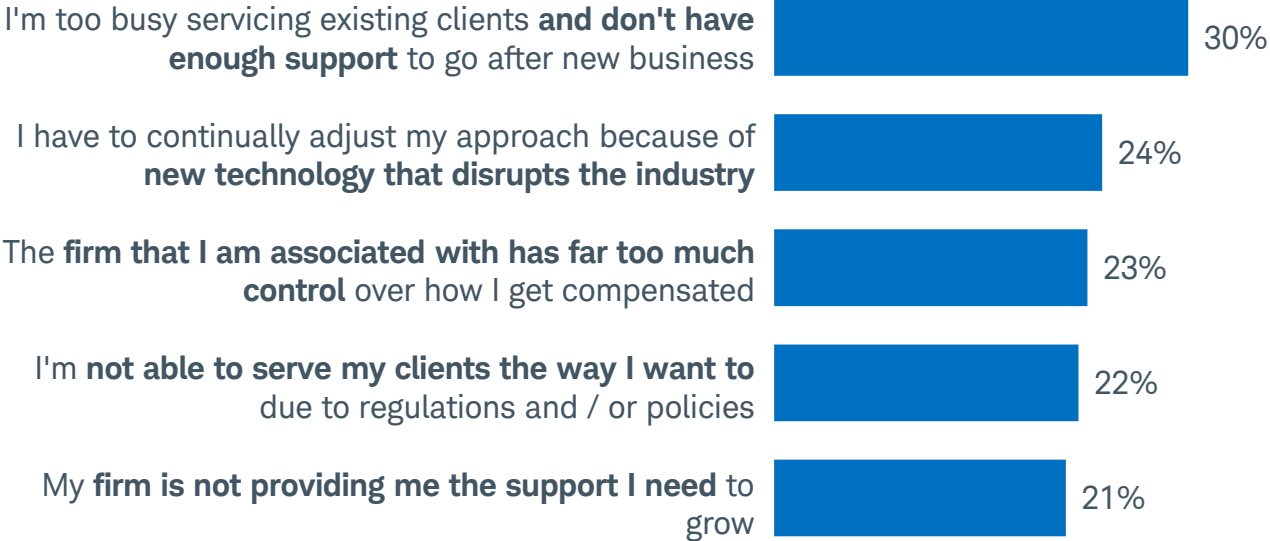
Three in four experience professional obstacles, ranging from lack of support to limited autonomy



Feel they have **obstacles** to becoming more successful

PROFESSIONAL OBSTACLES

(SHOWING TOP 5 AMONG THOSE WHO EXPERIENCE OBSTACLES)

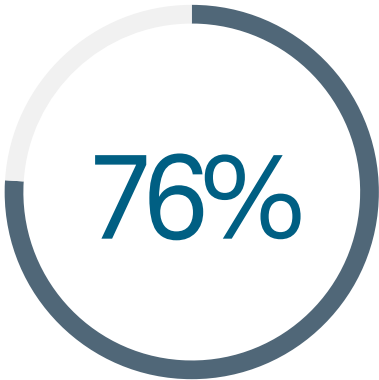


Q14: Which of the following do you feel are obstacles to becoming more successful in your business? (Multi-select)
Base size: Total = 994, Those who feel they have obstacles to becoming more successful = 754

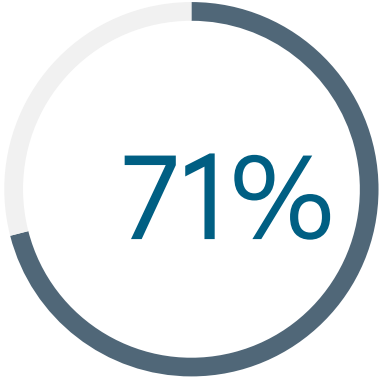
The Industry is Changing Rapidly, Thanks to New Technology and Regulations



Agree the financial services industry has **changed more in the last 5 years than in the previous 15**



Agree new technology is changing the industry to the point where it will be **unrecognizable in 10 years**

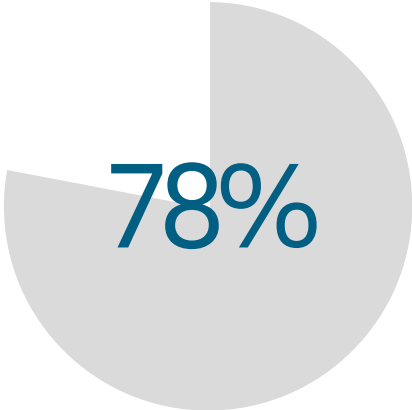


Agree recent & upcoming regulations are having a **positive impact on clients**

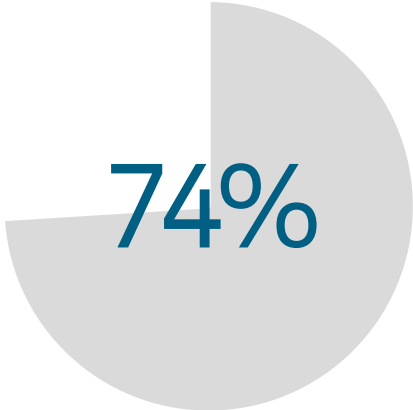
(67% agree they are having a positive impact on advisors)

Q2: How much do you agree or disagree with the following statements about the financial services industry? (Top 2 box <Somewhat/Strongly agree> reported)
Base size: Total = 994

They recognize the importance of technology for themselves and their clients



Agree that constantly improving the client experience through **innovation** is important



Agree having **high quality technology** both for their clients and themselves is important

Q9: How important is each of the following to you in your profession? (Top 2 box <Very important/Critical> reported)
Base size: Total = 994

Client happiness and honesty rank high

IMPORTANT FACTORS TO THEIR PROFESSION

(SHOWING TOP 5)



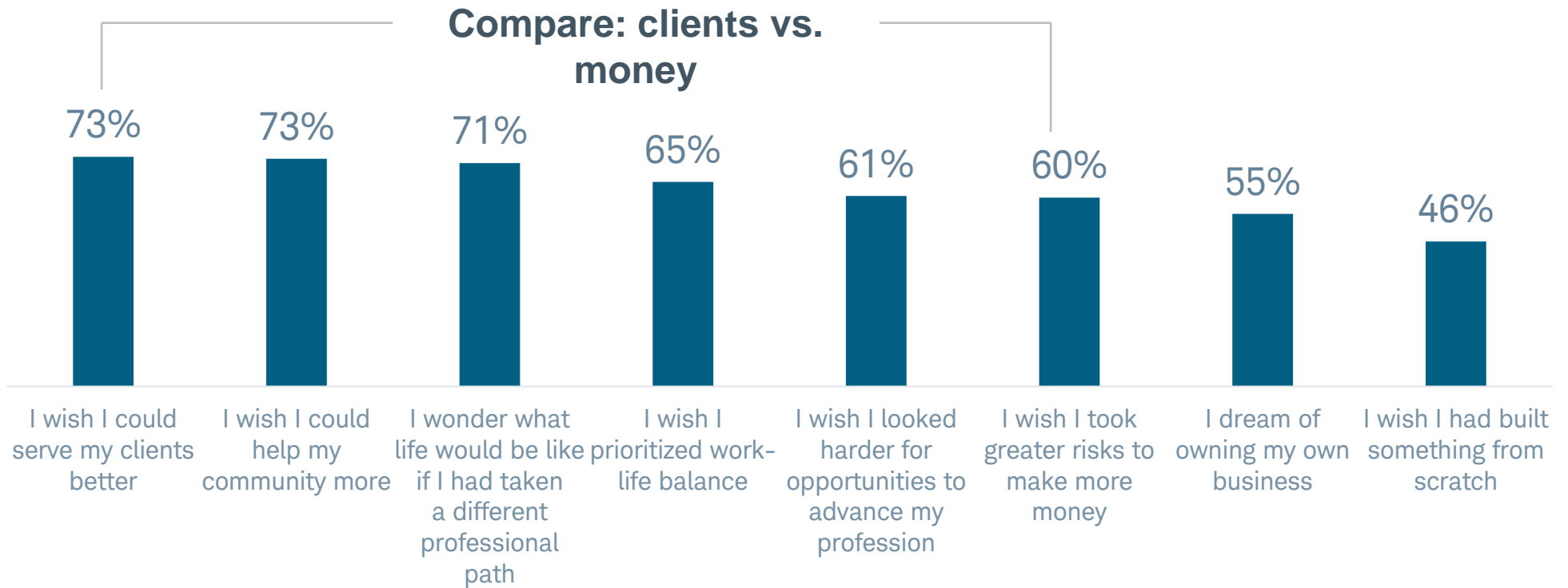
Q9: How important is each of the following to you in your profession? (Top 2 box <Very important/Critical> reported)

Base size: Total = 994

Their top desire is to better serve their clients and communities

STATEMENT AGREEMENT

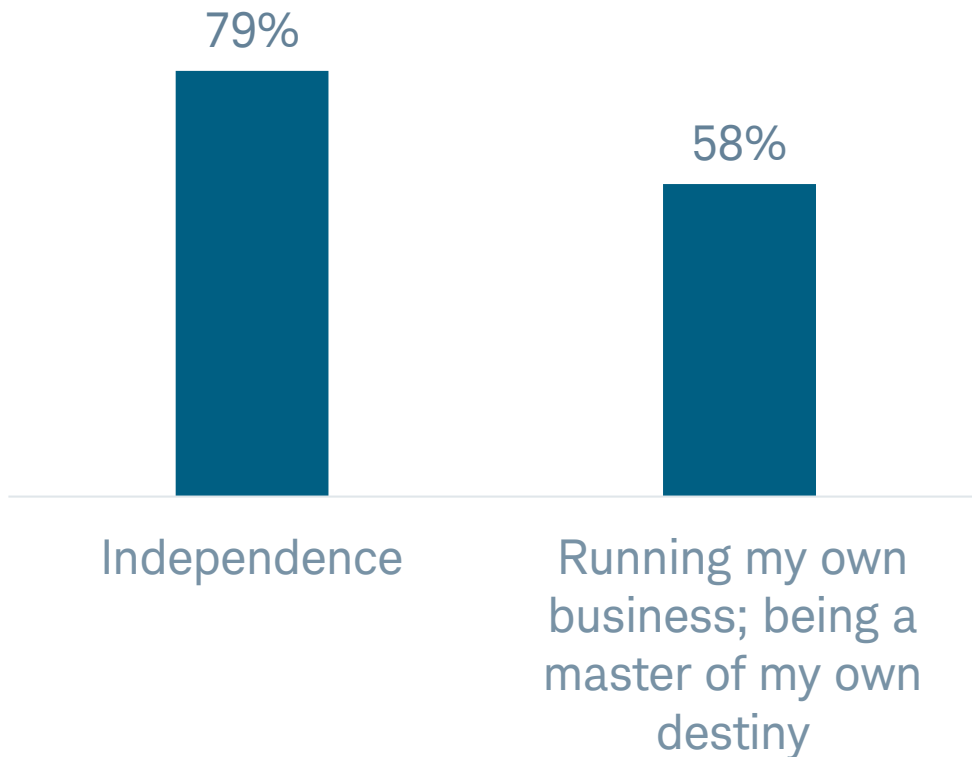
(SHOWING TOP 8)



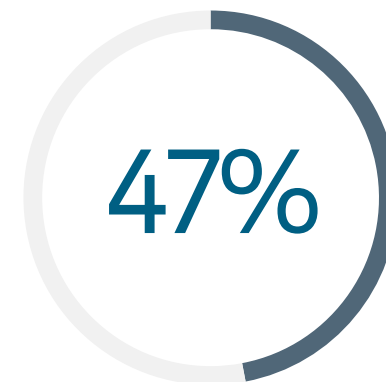
Q16: Thinking about your profession, how much do you agree or disagree with the following statements? (Top 2 box <Somewhat/Strongly agree> reported)

Base size: Total = 994

Independence is seen as important and desired



Agree they dream of owning their own business



Say they want to **build something new** (vs. wanting to be part of something established)

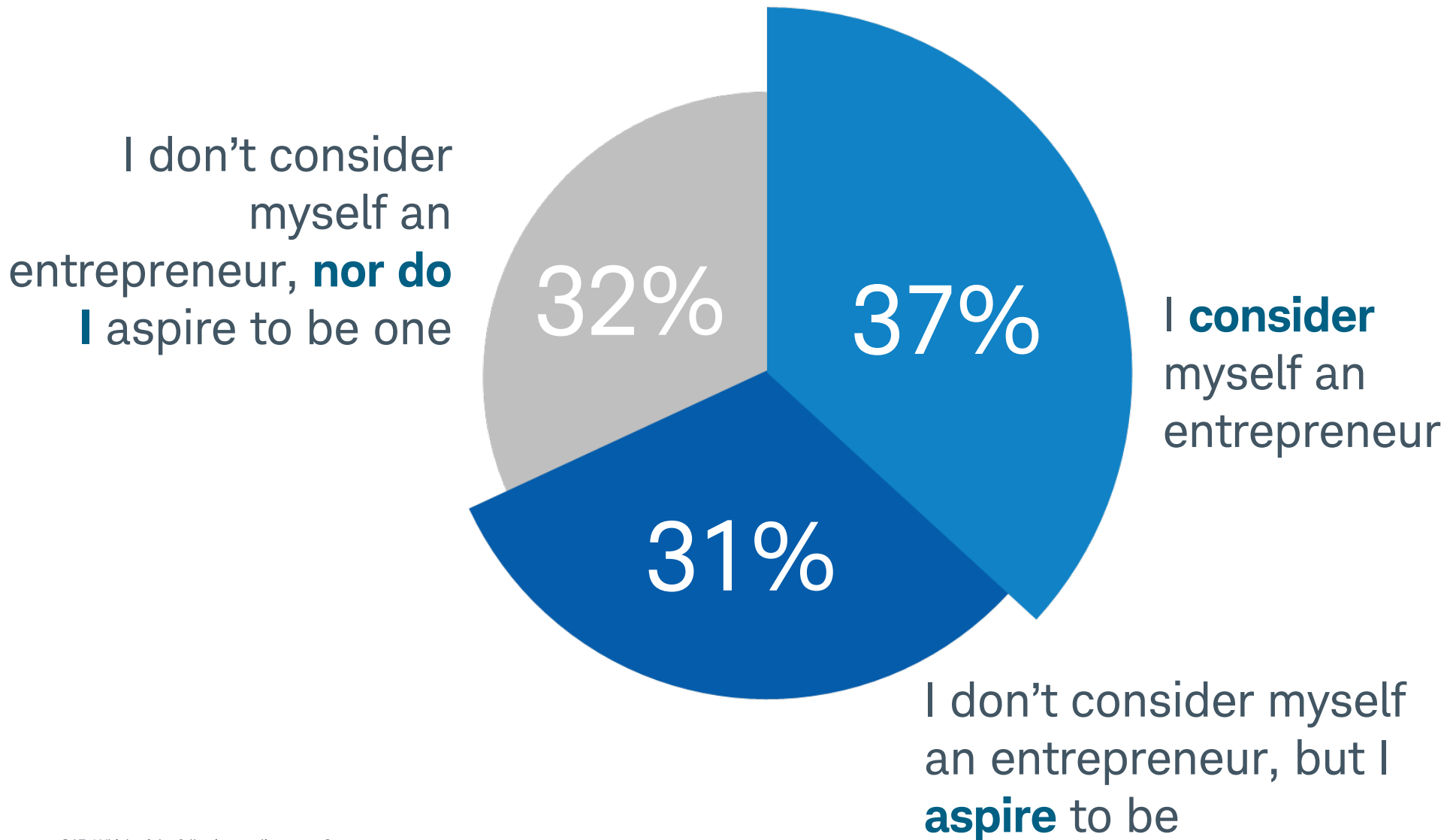
Q8: From each pair below, please select the word or phrase that best describes you.

Q9: How important is each of the following to you in your profession? (Top 2 box <Very important/Critical> reported)

Q16: Thinking about your profession, how much do you agree or disagree with the following statements? (Top 2 box <Somewhat / Strongly agree> reported)

Base size: Total = 994

Entrepreneurialism is in their DNA



Q17: Which of the following applies to you?

Base size: Total = 994

Important Information

This online survey of U.S. financial professionals was conducted by Edelman Intelligence for Schwab Independent Branch Services. Edelman Intelligence is neither affiliated with, nor employed by, Charles Schwab & Co., Inc. The survey is based on 994 interviews and has a 3 percent margin of error. Survey respondents are U.S. residents over 18 years old who have worked in the financial services industry for at least seven years. All data is self-reported by study participants and is not verified or validated. Respondents participated in the study between March 8 and March 23, 2018.

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