

**RETIREMENT
INVESTOR
EXPECTATIONS
FROM FINANCIAL
ADVISORS
SURVEY**

Introduction

On November 3, 2023, the U.S. Department of Labor (DOL) issued for public comment the proposed “Retirement Security Rule: Definition of an Investment Advice Fiduciary.”

The proposal requires the fiduciary standard set under the Employee Retirement Income Security Act (ERISA) to uniformly apply to all advice that investors receive from financial professionals concerning the investment of their retirement assets. The DOL’s proposed retirement security rule includes in its fiduciary definition that the financial advice given must honor investors’ reasonable expectations when provided by financial professionals holding themselves out as trusted advice providers.

To better understand the level of trust and expectations Americans have for financial professionals who provide recommendations and advice on retirement savings, CFP Board engaged the Center for Economic and Social Research at the University of Southern California (USC) to conduct a study on its behalf. The study featured an 11-question survey sent to select members of USC’s Understanding America Study panel between February 1 and 13, 2024. The data collected from 736 Americans who had worked (or are working) with a financial professional serve as the basis of this report.

Key Takeaways



9 in 10 Americans

assume financial professionals **are required to act in their best interests** when recommending rollovers of workplace retirement savings into an Individual Retirement Account (IRA) or annuity.



More than 9 in 10 Americans

expect, trust and are confident that financial professionals provide recommendations and advice in their clients’ best interests.



Virtually all Americans

want financial professionals providing retirement investment advice **to be required to do so** in their client’s best interest, even if they provide advice to the client a single time.

Survey Findings

Six in 7 survey participants indicated that they had received advice from a financial professional about moving funds from a workplace retirement program (e.g., 401(k), 403(b)) into an IRA or annuity.

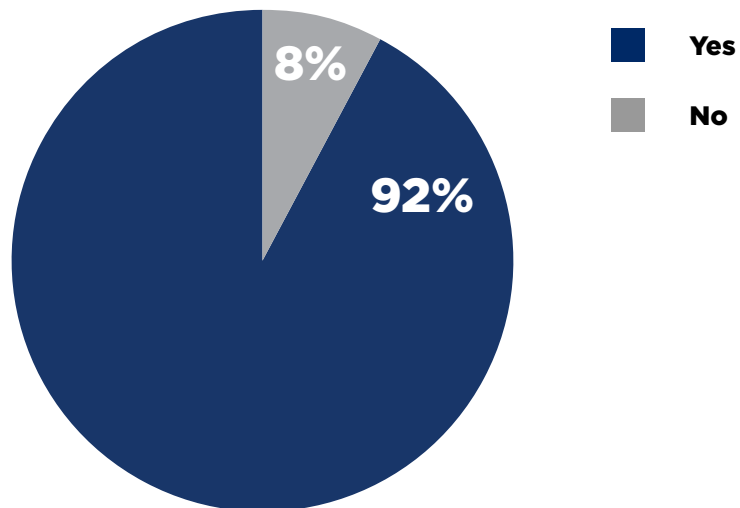
Those investors assume financial professionals gave that advice with their best interest in mind. Nine in 10 Americans who worked with a financial professional on rolling over retirement savings believed the financial professional was required to give advice in the investor's best interest.

9 in 10 Americans Assume Financial Professionals Are Required to Act in Their Best Interests When Recommending Moving Workplace Retirement Savings Into an IRA or Annuity

(Percentage Distribution)

Q:

I understood that the financial professional who recommended that I move my funds out of a workplace retirement savings program into an IRA or an annuity was required to make that recommendation in my best interest.



Similarly, Americans rely on financial professionals to provide recommendations and advice that serve their best interests as the investor. Investors who are currently working with a financial professional broadly agree that they:

- **Expect** that the financial professional who provides recommendations or other advice will do so in the investor's best interest (97% of investors).
- **Trust** the financial professional to provide recommendations or other advice in the investor's best interest. (94% of investors).
- Have **confidence** in the financial professional and the recommendations or other advice they provide (96% of investors).

More Than 9 in 10 Americans Expect, Trust and Are Confident That Financial Professionals Provide Recommendations and Advice in Their Clients' Best Interests

(Percentage Distribution of Respondents Currently Working With a Financial Professional)

Level of agreement with the following statements. "I...

...**expect** that the financial professional who provides recommendations or other advice will do so in my best interest"

Agree	Neither Agree nor Disagree	Disagree
97% 71% strongly agree 26% somewhat agree	2%	<1% 0% strongly disagree <1% somewhat disagree

...**trust** my financial professional to provide me recommendations or other advice that is in my best interest."

Agree	Neither Agree nor Disagree	Disagree
94% 65% strongly agree 29% somewhat agree	4%	2% 0% strongly disagree 2% somewhat disagree

...have **confidence** in my financial professional and the recommendations or other advice they provide me."

Agree	Neither Agree nor Disagree	Disagree
96% 67% strongly agree 29% somewhat agree	2%	2% <1% strongly disagree 1% somewhat disagree

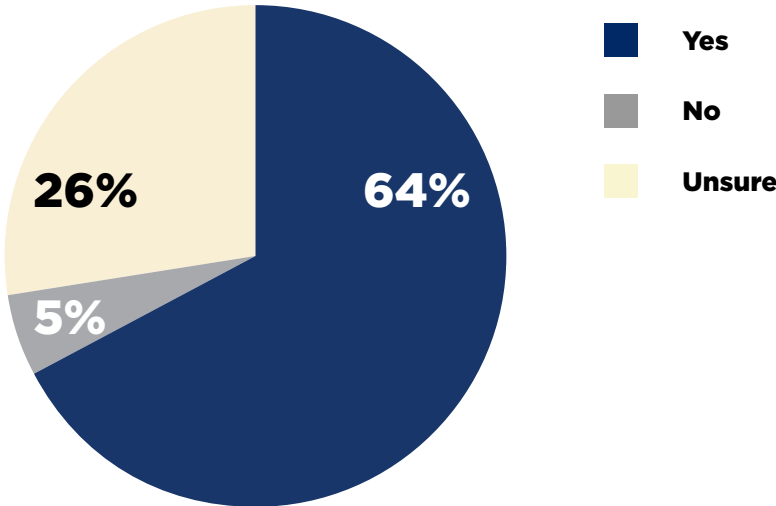
More broadly, Americans widely believe that financial professionals giving advice when rolling over workplace retirement savings into an IRA or annuity serve them as fiduciaries.

Sixty-four percent of American investors expect a financial professional giving workplace retirement savings rollover advice to serve them as a fiduciary. Only 5% of survey respondents do not expect financial professionals to have a fiduciary role. The remaining 31% of investors are unsure of what sort of fiduciary role financial professionals play when providing advice on 401(k) or other workplace retirement savings rollovers.

2 in 3 Americans Expect a Financial Professional Who Gives Advice on Rolling Over Workplace Retirement Savings to Serve as a Fiduciary
(Percentage Distribution of American Investors for Which a Financial Professional Provided Advice to Rollover Funds From a Workplace Savings Program)

Q:

I expected that the financial professional who provided recommendations or other advice would do so as a fiduciary.



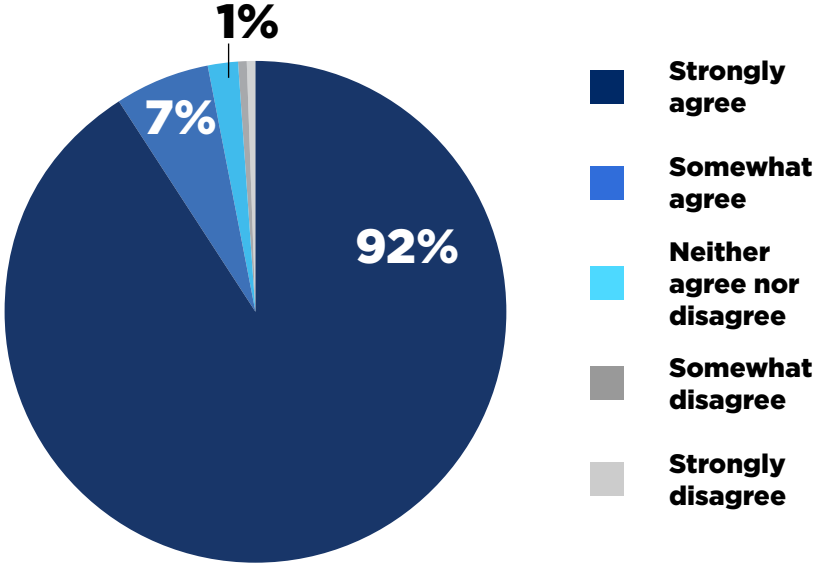
Virtually all American investors want financial professionals who provide retirement investment recommendations and advice to do so in their clients' best interest.

Ninety-eight percent of Americans agree that financial professionals providing advice about retirement investments should be required to act in their clients' best interest, including 92% of survey respondents who strongly agree with this statement.

Almost All Americans Want Financial Professionals Providing Retirement Investment Advice to Be Required to Do So in Their Clients' Best Interest
(Percentage Distribution)

Q:

Level of agreement with the statement: "Financial professionals who provide recommendations or other advice about retirement investments should be required to act in their clients' best interest."



Americans want financial professionals to be required to act in their clients' best interest when providing retirement investment advice even when the professional is giving this advice on a one-time basis.

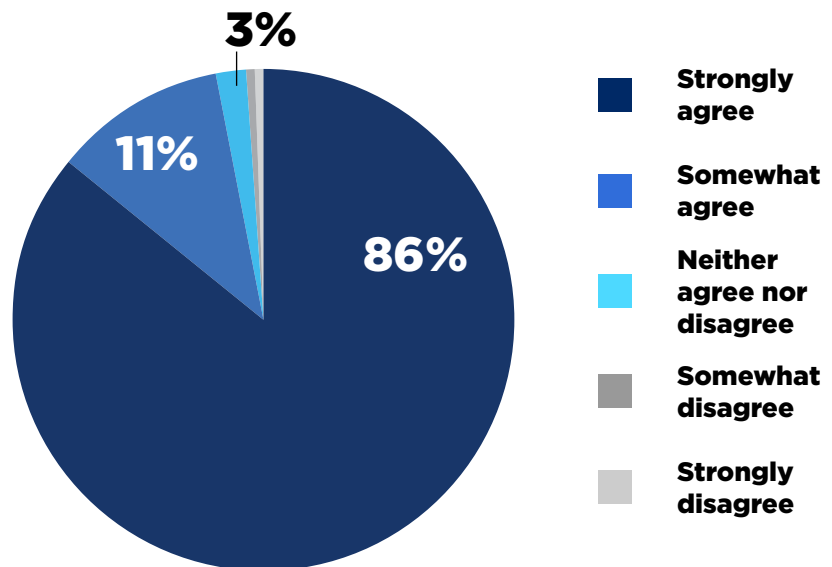
Ninety-seven percent of Americans agree that financial professionals providing advice about retirement investments should be required to act in their clients' best interest, including 88% of survey respondents who strongly agree with having the requirement.

Nearly All Investors Want Financial Professionals Providing One-Time Retirement Investment Advice to Be Required to Do So in Their Clients' Best Interest

(Percentage Distribution)

Q:

Level of agreement with the statement: "Financial professionals who provide one-time recommendations or other one-time advice about retirement investments should be required to act in their client's best interest."





Conclusions

American investors rely on the recommendations and advice provided to them by financial professionals.

This is especially true when they turn to financial professionals for assistance with rolling over 401(k) or other workplace retirement savings into an IRA or annuity. Investors assume that financial professionals provide retirement savings advice and recommendations in their clients' best interests. Further, they broadly agree that financial professionals giving retirement savings advice and recommendations should be required to act in the best interests of their clients, even if they are giving the client one-time advice.

Methodology

CFP Board engaged with the Center for Economic and Social Research at USC to survey select members of their Understanding America Study (UAS) internet survey panel.

The UAS is a nationally representative probability-based internet panel of U.S. households including over 14,000 respondents. Panel members are recruited into the UAS through priority mail using a sampling algorithm applied to a random selection of U.S. Postal Service delivery files. Once respondents consent to become panel members, they are invited to complete at least one survey per month on a computer, tablet or smartphone. Participants are provided with broadband internet access and a tablet if they do not have an existing connection. Panel members typically receive \$20 for every 30 minutes of survey time.

Between February 1 and 13, 2024, the USC Center researchers surveyed panel members who had reported working with a financial professional. The survey generated 783 responses, of which 736 had worked (or are working) with a financial professional. The 736 screened responses give a margin of error at the 95% level of confidence of +/- 3.6%. Data presented in this report reflect weights applied by USC researchers to reflect the gender, race/ethnicity, age, education and geographic location distributions of Americans who have ever worked with a financial professional.

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