



# Pre-/Post-Retirees 2016: Digital Habits Revealed

## Explore Qualitative Report

### Report Overview

The new **Digital Habits Revealed: How Older Affluent Investors Blend Live and On-line Advice & Reactions to Best Interest Contract and Concepts for Aging** report reveals how older investors are **blending live and digital** advice and information, and what they consider is worth paying for. This multi-sponsor qualitative report also probes how to best communicate the pending **Fiduciary Rule** and two concept tests to help investors and their families **cope with aging**. This study illuminates trends first identified in the 2016 Investors Quantitative Database™ (IQDB), the most comprehensive resource on consumer behavior for the retail saving and investing industry. IQDB found that older investors are relying more on digital information and advice, and many are blending digital and live professional resources.

### Select Key Findings

- Consumer “blending” behavior, meaning consulting both digital and live resources, spikes for emotionally charged, high-impact decisions, like optimizing Social Security, when no one source provides confidence.
- Of the three types of investors studied – *Light Digital*, *Heavy Digital* and *Financial Professionals Only* – *Heavy Digital* investors are least likely to be open to “robo-advisors.”
- Investors respond positively to many aspects of a fiduciary, but both the fiduciary standard and Best Interest Contract (BIC) raise questions.
- Many aspects of the “Support for Aging” concept, one of two concept tests for new ways to help aging consumers, holds appeal to older investors.

### Who Should Read This Report

- **Marketing:** Customer Segment Manager, Marketing Communications, Advertising
- **Product:** Product Manager, Product Development
- **Delivery:** Advice/Solutions, Digital Content, Sales, Branch Management, Phone Management
- **Research:** Consumer Insights, Market Research, Data Scientist

### Sample Page

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**Some consumers are beginning to identify with the term “passive” positively to describe themselves as investors**

**I'm more of a passive investor.** In that I am by no means chasing investments. I have a financial advisor, I meet with him once, sometimes twice a year and we take a look around at what I have, see if it needs any rebalancing – *Light Digital, Boston (Male)*

**I'm a pretty passive investor. I don't make a lot of changes.** I'm a big believer in index funds. Schwab have a calculator on their website, and they have other research tools that you can use. Occasionally I'll look at Morningstar. – *Light Digital, St. Louis (Male)*



**I'm sort of a put it there and park it and leave it kind of guy. I don't tinker with it a lot.** But he does look at it when I ask him to. – *Fin Pro Only, Boston (Male)*

**I'm very much a buy and hold investor.** – *Light Digital, San Francisco (Male)*

I have to say I'm **passive** because it's not what I do for a living. So Fidelity does come to my job, and I probably look at it maybe once a quarter. Look at sort of the trend. And try to make sure that what's there is still staying there. **Consistency is the key.** – *Light Digital, Boston (Female)*

I am a pretty conservative investor and, like I said, I kind of have a habit of buying and holding what I believe in. A decade is not a problem. Fifteen years isn't even a problem. I think that's kind of how I was raised. So, I've found that I've been pretty successful, particularly the last decade. – *Heavy Digital, St. Louis (Male)*

► **Develop positive emotional ties to self-identification for active investing: smart, engaged, active**

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### How This Research Helps

- Understand how and why older investors **blend digital and live** advice and information – and their visions for future needs.
- Use insights into what different segments of older investors believe is **worth paying for** to develop solutions
- Understand what investors mean when they say they are “**passive investors**”
- Acquire **relevant and actionable insights** into the investor mindset to **stay in the forefront** of marketing, product and service delivery



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### About Explore Qualitative

Each spring and fall, Hearts & Wallets conducts qualitative research to **discover new insights straight from consumers** and get **feedback on concept tests**. Concept tests are developed with input from subscribers, ensuring that Explore Qualitative is a forum for probing on the most important new developments facing the industry. Building on insight from prior years, the Explore Qualitative series studies **behavioral and attitudinal segments**, dividing consumers into homogenous groups around key behaviors and attitudes such as use of digital/live advice, or attitudes to pricing or parenthood, in order to **uncover nuances of specific consumer types** that pertain to these important new trends. Although only subscribers are invited to influence and attend groups, the report is available for purchase to non-subscribers.

### About Hearts & Wallets

Hearts & Wallets is the resource for retail investor data and insights. Combining a consumer marketing framework with financial services operating experience, the company has a mission to be a catalyst for consumer-driven innovation in retail investing and saving. Hearts & Wallets data and insights are used by leading financial services firms to improve the effectiveness of their marketing communications, solution design and service delivery for retail investors. For more information visit [www.heartsandwallets.com](http://www.heartsandwallets.com).



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### Consider a Subscription....

The most effective way to engage with Hearts & Wallets is through an annual subscription that provides access to the following, along with a dedicated relationship manager to consult on current research and the vast vault of historical work. A subscription includes:

- 14 reports
- Monthly exclusive client-only webinars and Pulse insights newsletter
- Participation (input and attendance) in multi-sponsor Explore focus groups
- Discounted pricing on custom projects
- Permission to cite a few findings externally, subject to Hearts & Wallets approval (content licensing available for more extensive citing or program development)

### About the Investor Quantitative Database™

The Hearts & Wallets Investor Quantitative Database™ (IQDB) is the comprehensive resource for understanding and analyzing behaviors and attitudes of retail savers and investors. With over 1,000 fields and derived variables, the breadth and depth of topics covered is designed with decades of hands-on experience in the marketing, product, service and research functions it serves. Its large sample size of 35,000 U.S. households permits sizing and profiling of virtually any demographic, behavioral or attitudinal definition for consumer groups. National weighting allows for comparisons across years and customer/shareholder bases of leading firms.

### IQDB Insight Module Reports

Each year Hearts & Wallets produces a series of Insight Module reports covering highlights from each section of the IQDB. Insight Modules can be purchased for \$10,000 each and are available together through an annual subscription. The first three sections are year-over-year, while transformative topics change annually, reflecting current trends and subscriber interests. Together, the series of Insight Modules provides a complete picture of consumer behavior, competitive data and trends that shape the future of the retail saving and investing industry.

#### Mindset and Behaviors

- Attitudes & Sentiment
- Pain Points & Actions
- Advice & Technology
- Wants & Pricing

#### Buying Patterns and Ratings

- Store Share & Success Metrics
- Product Use & Trends
- Money Movement

#### Household Finance

- Income & Net Worth
- Retirement Funding

#### Transformative Topics\*

- State of Active/Passive
- Socially Responsible Investing
- Retirement Wealth Management

*\* topics change annually*

### About Inside Advice

Each year, Hearts & Wallets collects advice and guidance experiences from the eyes of a prototypical hypothetical **consumer profile**. Over 100 factors are tracked for online resources and confidential submissions in four categories – Engagement, Self-Service, Middle and Full Service – for both Retail and Workplace experiences. Executive summary **benchmarks and best practices** reveal the range of current options available to consumers. **Participants who submit experiences receive customized feedback** of strengths and weaknesses plus expert recommendations to support future development. This one-of-a-kind offering is a favorite with industry leaders.



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