



Defining Wealth for a New Generation

Client Engagement Survey



YouGov®

Younger investors in the UK do not consider building and managing wealth a priority. **Wealth managers need to consider their offering if they are to keep their future client base engaged.**

How comfortable are younger investors with Wealth?



How can Wealth Managers engage them better?

42% are uncomfortable with basic investing principles



Simplify language and help build financial literacy

47% save or invest nothing or too little of their income



Encourage good habits and illustrate long-term benefits

61% do not monitor their portfolio on a regular basis



Go digital-first with modern and intuitive client apps

51% feel they have little or no control over their finances



Combine advisory with coaching and hands-on investing

56% will not seek advice due to fees or old-fashioned practice



Drop entry barriers with transparent fees and easy onboarding

“Young investors” born after 1965, i.e. Gen X, Millennials, and Gen Z.

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We asked **2,068** consumers about their attitude towards their financial future.

Adam Weston, CMO, Founder, Invessed



Client Engagement Survey

Our 2024 Client Engagement Survey underlines the attitudes of Generation X, Millennials and Generation Z towards their financial future, showing discomfort with investment principles and a lack of active investment monitoring. With an anticipated **\$84 trillion** wealth transfer from Baby Boomers, there is significant concern about the readiness of younger generations to manage this wealth.

56% are unlikely to seek professional advice due to prohibitive fees or old-fashioned practices.

The data indicates that younger investors in the UK (born after 1965) demonstrate a significant lack of comfort and engagement with wealth management. Nearly half (42%) are not comfortable with basic investing principles, 26% save none of their income, and a majority (59%) do not actively monitor their investments. Moreover, 13% feel they have no control, and 34% have a little control over their finances.

Wealth managers must simplify their language, build financial literacy, encourage good financial habits, and illustrate long-term benefits to engage this demographic more effectively. A digital-first approach with modern and intuitive client apps and advisory and coaching services will appeal to younger investors. It's also crucial to reduce entry barriers with transparent fees and uncomplicated onboarding processes.

Regarding gender, males tend to be more comfortable with investment principles than females (62% vs. 36%). However, both genders show a lack of control over their finances and are unlikely to seek professional advice due to high fees and a preference for managing alone.

Level of comfort with basic principles of investment

Regarding comfort with the basic investment principles, the data shows a significant gap between the younger generations and the gender groups. When comparing Gen X, Millennials, and Gen Z, only 48% feel comfortable with basic investment principles. This figure highlights a considerable lack of financial literacy and comfort among these younger generations.

When examining the data by gender, more males (61%) feel comfortable with basic investment principles than females (37%). This finding suggests a gender gap in financial literacy and comfort with investment principles, with males showing a higher level of comfort and understanding. This discrepancy highlights a need for targeted education and support, particularly for younger generations and women, to promote greater comfort and understanding of investment principles.



Trend focus: **Use Investor apps and advisor client portals to educate and support clients.**

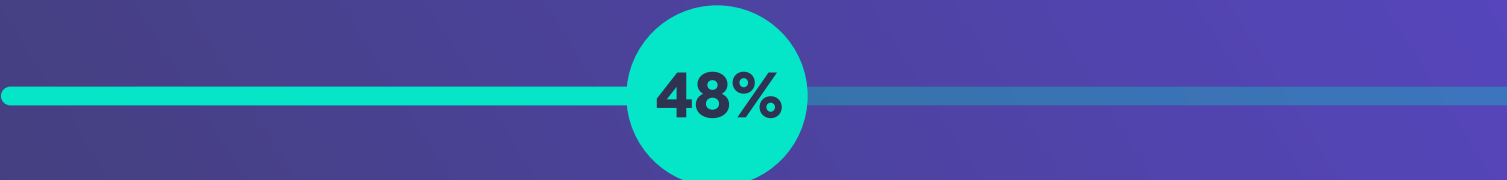
A significant **53%** of woman are not comfortable with the basic principles of investment advice.

Women



Only **48%** of younger investors feel comfortable with basic investment principles.

Gen. X, Millennials and Gen. Z



Percentage of monthly income typically invested

According to the data, almost half (47%) of Gen X, Millennials, and Gen Z typically save nothing or invest less than 5% of their monthly income. This finding indicates a significant gap in these younger generations' savings or investment habits, suggesting a need for better financial education and habits.

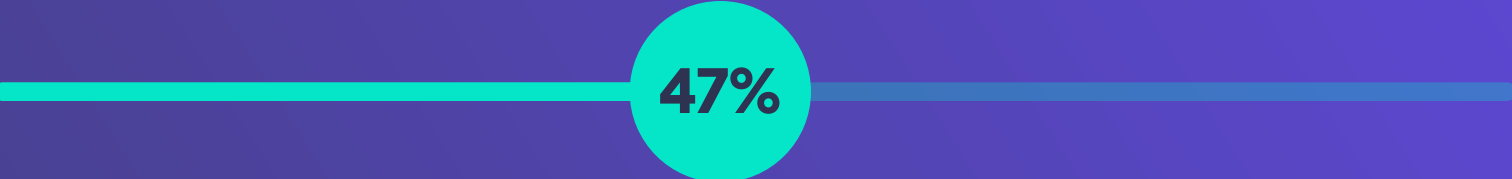
Regarding gender, there is little difference between males and females in the amount of income saved or invested. Specifically, 44% of males and 49% of females typically save nothing or invest less than 5% of their monthly income. This data suggests that both genders face similar challenges when saving or investing a significant portion of their income, indicating a universal need for improved financial education and investment strategies.



Trend focus: **Improve client engagement by tailoring financial education and investment strategies.**

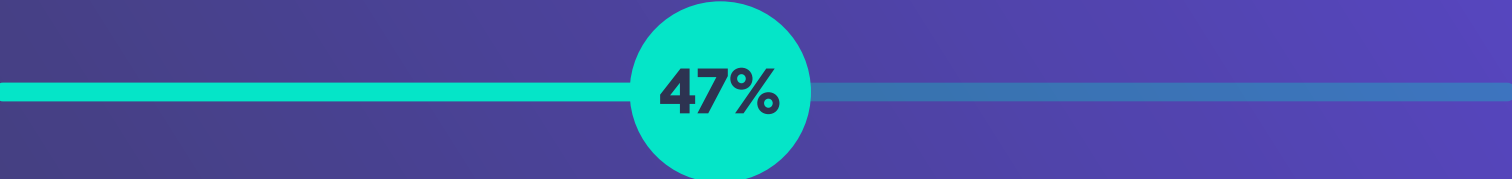
47% of younger investors typically save nothing or invest less than 5% of their monthly income.

Gen. X, Millennials and Gen. Z



44% of males and **49%** of females typically save or invest less than 5% of their monthly income.

Men and Women



Technology used to actively monitor investments

The data shows that 61% of Gen X, Millennials, and Gen Z do not actively monitor their investments, suggesting a potential lack of engagement or understanding in managing their funds.

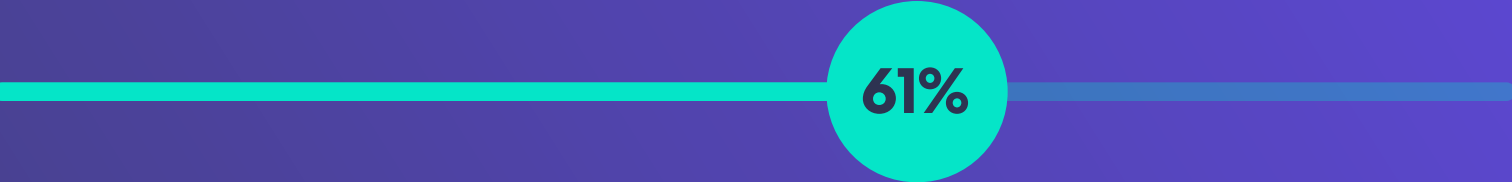
The gender divide is notable, with 50% of males and 72% of females not tracking their investments. This indicates that women might be less involved in monitoring their investments due to time constraints, lack of confidence, or perceived complexity.

Only 12% use reports to track investments, 6% employ an Advisor Client Portal, and 26% use self-investing apps, indicating a preference for more user-friendly digital tools.

These results underscore the need for wealth managers to educate their clients, especially younger generations and women, about the importance of regularly tracking investments.

61% of Gen X, Millennials, and Gen Z do not actively monitor their investments.

Gen. X, Millennials and Gen. Z



72% for women do not actively monitor their investments.

Women



Sentiment of long-term financial future

The data suggests a level of uncertainty among Gen X, Millennials, and Gen Z regarding their financial future over the next five years. Approximately 51% of these younger generations feel little control or no control over their finances. This sentiment indicates a lack of confidence and potential anxiety about financial stability and growth in the coming years.

When comparing responses by gender, both males and females share similar feelings of little or no control over their financial future, with 49% of males and 52% of females expressing this sentiment. This shared concern suggests a widespread need for increased financial education, planning, and support across all demographics, regardless of gender.



51% of Gen X, Millennials, and Gen Z feel they have little or no control over their finances.

Gen. X, Millennials and Gen. Z



49% of males and **52%** of females feel they have little or no control over their finances.

Men and Women



Intention to seek professional investment advice

Based on the data, many Gen. X, Millennials, and Gen. Z will not likely seek professional investment advice in the next five years. Specifically, 56% of these younger generations will not consider this option, mainly due to the high fees or discomfort with the idea. When examining the data by gender, both males and females show similar reluctance towards seeking professional advice, with 54% of males and 58% of females expressing this sentiment. High fees and a preference for managing finances alone are the main reasons for this reluctance.

56% will not seek investment advice in the next 5 years. **Wealth Managers must drop entry barriers with transparent fees and easy onboarding.**

56% of younger generations are unlikely to seek professional advice.

Gen. X, Millennials and Gen. Z



54% of males are unlikely to seek professional advice.

Men



Building trust and demonstrating value

In conclusion, this research highlights a significant gap in comfort and engagement with wealth management among younger generations born after 1965. This lack of engagement is further emphasized by their limited financial literacy, low savings or investment habits, and infrequent monitoring of their investments. Moreover, high fees and a preference for managing finances deter them from seeking professional investment advice.

This data underscores the urgent need for wealth managers to adapt their practices to the evolving needs of these younger investors. Simplified language, financial literacy initiatives, digital-first client apps, coaching services, and transparent fees can significantly enhance engagement. By embracing these changes, wealth managers can effectively cater to the future generation of wealth holders, ensuring their readiness to manage the anticipated \$84 trillion wealth transfer from Baby Boomers.

Regarding gender, although males tend to be more comfortable with investment principles, both genders show similar challenges regarding control over their finances and reluctance to seek professional advice. This highlights the importance of providing targeted education and support to both genders, promoting increased comfort and understanding of investment principles.

In essence, to engage these younger investors better, wealth managers need to create a more inclusive and accessible wealth management landscape that acknowledges and addresses these generations' unique challenges and needs.



Trend focus: **Utilise digital channels to engage the future generation of wealth holders.**

Invessed Wealth Engagement Platform

- ✓ Facilitate public or personalised file exchange in document libraries and data rooms.
- ✓ Transform investment data into actionable insights with clear results.
- ✓ Capture client risk profile and match with funds and model portfolios to offer investment advice at scale.
- ✓ Deliver multi-channel client experiences with secure access biometrics, face recognition or fingerprint.



- ✓ Automate workflows by connecting with the tools your teams use.
- ✓ Maximise advisor engagement and performance with client onboarding and lifecycle management software.
- ✓ Automate interactive fund factsheets to seamlessly distribute fund data to advisors and investors.
- ✓ Scale and secure your client portal, with a Cloud-native solution to instantly scale to meet demand.

Wealth Engagement Platform for Financial Advisors and Wealth Managers, including Client Experience, Advisor Productivity, and Financial Integrations.

Invessed Client Experience suite

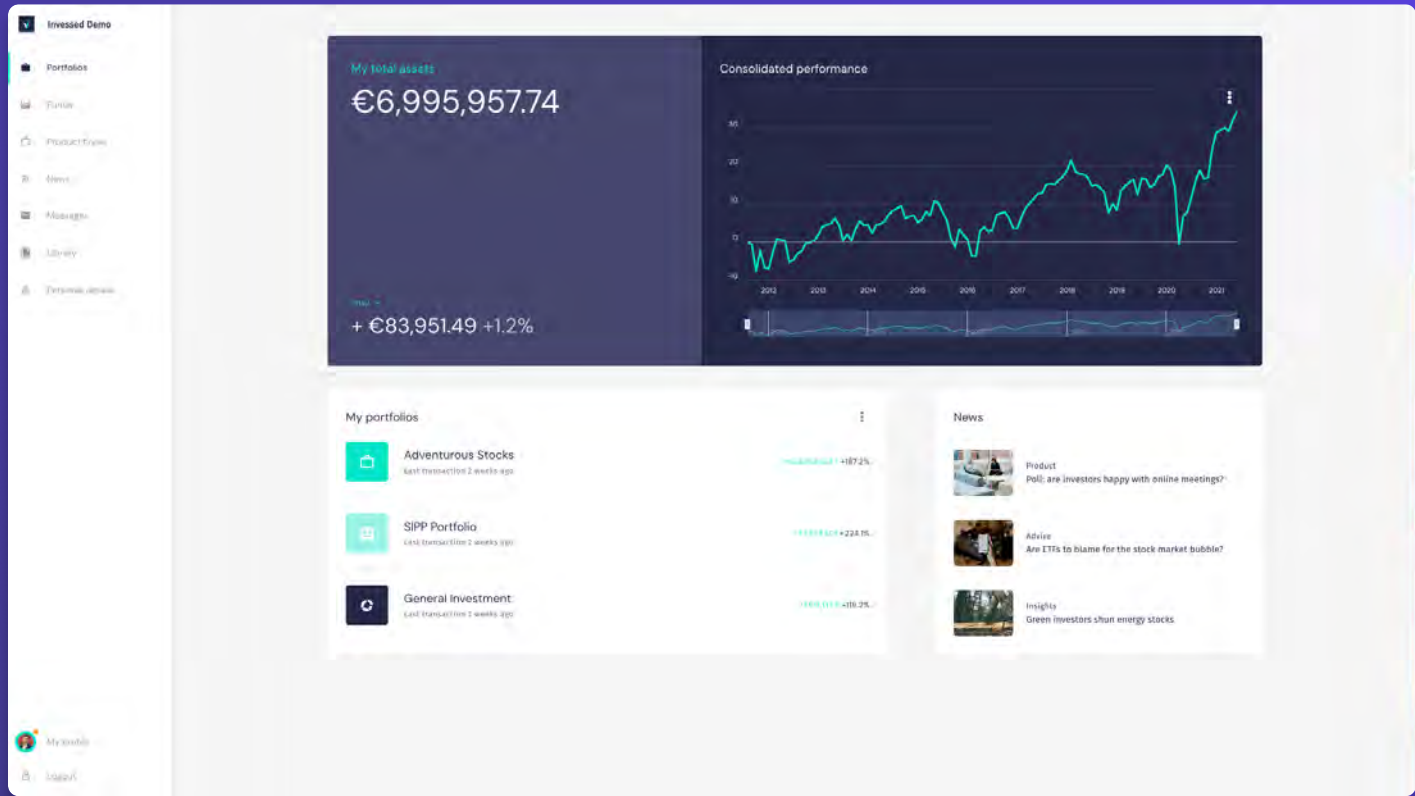
Client portals and mobile apps, designed to create client engagement and trust, branded to specification. Fully-featured suite, including onboarding, valuations and performance reporting, risk profiling, and account servicing.

Invessed Advisor Productivity suite

Empower Advisors to service clients effectively through a unified view spanning profile, investment data, and behavioural analytics. Manage clients and products and offer advice and support to clients on the same interface.

Invessed Financial Integrations suite

Flexible technical architecture for secure and efficient data exchange and unified client views. A Cloud-native library of micro-services to enable integrations between CRMs, Custodians, Data providers, and productivity systems.



Survey Methodology

Invessed conducted a client engagement survey in partnership with YouGov Plc. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,068 adults. Fieldwork was undertaken between the 29th February and the 1st March 2024. The survey was carried out online. The figures have been weighted and are representative of all UK adults aged 18+.

The survey consisted of various questions designed to gain insights into respondents' comfort level with investment principles, savings habits, methods of monitoring investments, feelings of control over their financial future, and their likelihood to seek professional investment advice in the next five years.

All survey responses were collected anonymously, and the data was analysed in aggregate. Due to the sample size and the diversity of the respondents, we believe the survey results provide a reliable indication of the attitudes and behaviours of Generation X and Millennial consumers towards investment and wealth management.

Please note that all percentages reported in this document are based on the total sample size unless otherwise stated. The margin of error for this survey is +/- 2.2% at the 95% confidence level.



About Invessed

Invessed is a technology company providing a Wealth Engagement Platform for financial advisors and wealth managers, featuring suites like Client Experience, Advisor Productivity, and Financial Integrations. The platform encourages client engagement, improves productivity, and ensures secure data exchange. Its flexible architecture integrates with CRMs, Custodians, and Data providers. Invessed aims to transform wealth management, addressing Generation X, Millennial and Generation Zs' needs.

This document is intended for general informational purposes; financial advisors and wealth managers. It provides insights for financial advisors and wealth managers about Generation X, Millennials and Generation Z. It emphasises the need to adapt services for these generations' preferences, considering the upcoming wealth transfer and changing investment habits. Key trends include advanced technology use, sustainable investments, and transparent financial services. The Invessed Wealth Engagement Platform, detailed here, caters to these needs with features enhancing client experience, advisor productivity, and data integration. Invessed disclaims liability for the document's accuracy and completeness, as well as actions based on this information. It doesn't offer legal or investment advice, which the reader should seek from licensed professionals.

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