

Share of 'advisor-reliant' investors grew since 2015: Cerulli

By Editorial Staff Thu, Nov 25, 2021

The proportion of affluent investors who consider themselves predominantly 'advisor-reliant' rose to 42% in 2021 from 37% in 2015, according to the Cerulli Edge-US Retail Investor edition.

Affluent investors are more frequently seeking advisor guidance while also becoming more involved in their portfolios, creating a complicated engagement environment for advisors, according to the latest issue of [Cerulli Edge—U.S. Retail Investor Edition](#).

The proportion of affluent investors who consider themselves predominantly “advisor-reliant” rose to 42% in 2021 from 37% in 2015. The incidence of maintaining self-managed accounts rose to 69% from 35% during the same period. More than two-thirds (69%) of affluent investors now report owning self-managed accounts, encompassing 33% of their overall investment assets.

Mid-life, affluent investors (ages 40–49) report the highest incidence (77%) of maintaining self-managed accounts. They often carry legacy accounts established earlier in life and lifecycles and have self-managed accounts as a result of rollovers from retirement plans with previous employers. Rising account balances and “taking retirement planning more seriously” in middle age increases their interest in engaging with advice professionals.

“In these cases, advisors are well served by acknowledging the progress the self-managed investor has made on their own, and then highlighting the additional value their practice can provide,” said Scott Smith, director. “Investing can seem easy with a long-time horizon and few obligations, but as these investors encounter the intersection of funding their children’s post-secondary education and their own retirement, spreading the responsibility can be a welcome relief.”

Regardless of where investors fall on the self-managed continuum, the responsibility lies with the platforms they use to make sure that these investors are provided with access to both usable and worthwhile research tools and the opportunity to easily broaden the depth of their advice relationship, Cerulli believes.

“Moving forward, self-managed accounts will increasingly serve both as an acquisition tool to develop lifetime wealth management clients and as a long-term complement to fully advised relationships,” said Smith. “To optimize their market opportunity, firms will need to both prove the value they can provide in each setting and make the interaction between

them seamless based on the user's preferences rather than their platform's limitations."

© 2021 RIJ Publishing.