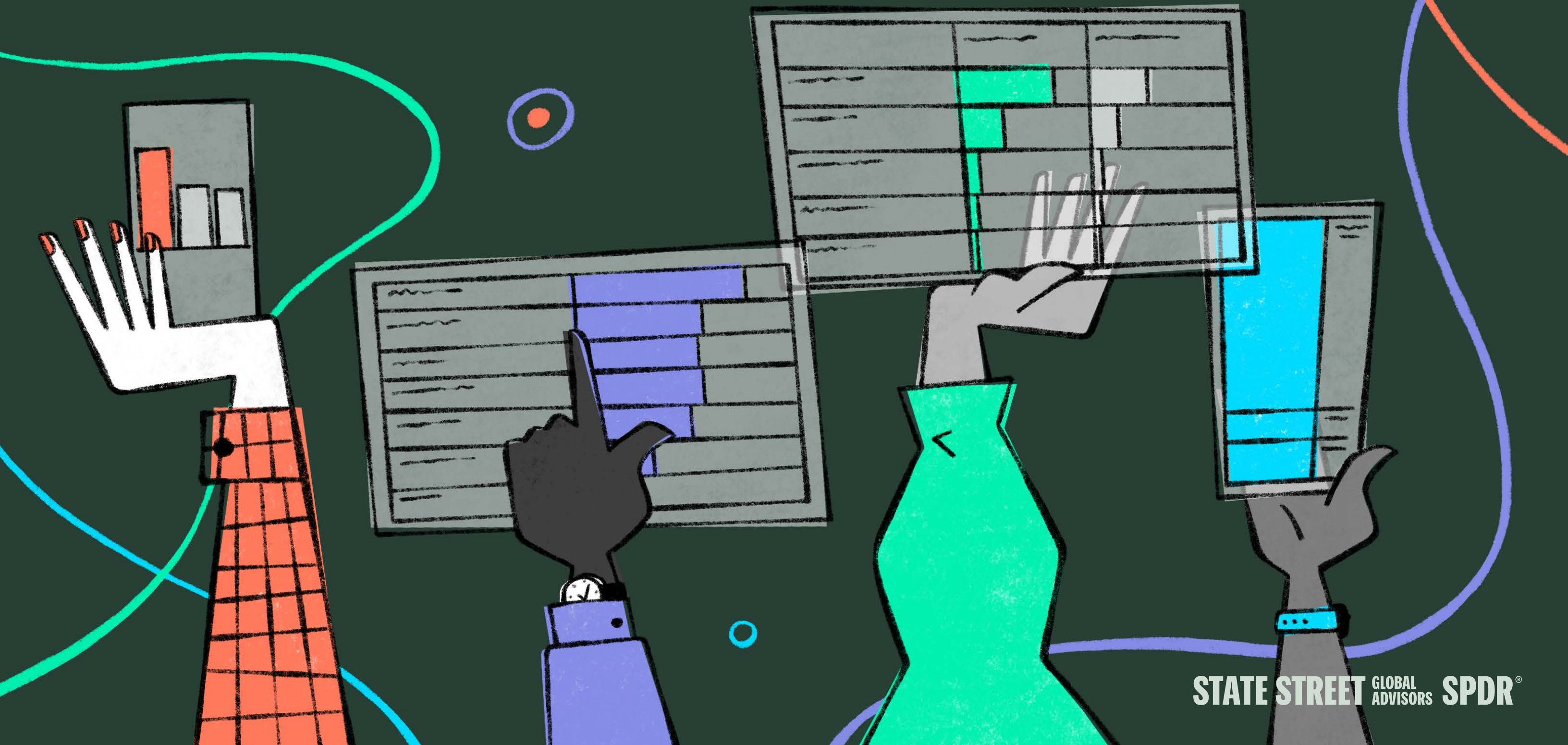


# 2024 Influential Investor Segment Study

What Millennial, Gen X, Women, and Hybrid Investors Want



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# A Letter to the Valued Advisory Community



**Brie Williams**  
Head of Practice Management  
State Street Global Advisors

You will get all you want in life, if you help enough other people get what they want.

—Zig Ziglar

Understanding your audience — knowing what they desire and serving them well — is a cornerstone of success. As a financial advisor, you recognize that attracting and retaining clients, while expanding your business, hinges on a deep understanding of investors' needs. Aligning solutions with their goals enables you to meet their expectations and also establish yourself as a trusted financial partner. This is crucial, as 56% of new advisory clients come from referrals,<sup>1</sup> highlighting the significance of strong client relationships.

To navigate today's competitive landscape with precision, it's important to grasp investors' evolving preferences, to position your practice for growth by exceeding investor expectations, and to deliver exceptional client experiences. That's because investing is a dynamic journey, shaped by personal choices, the economic landscape, and technological advancements — and each investor group brings its own unique viewpoints, challenges, and aspirations.

By staying attuned to these dynamics, you can better cater to your clients' needs and foster deeper engagement.

And so, this report aims to explore these dynamics further, providing insights and considerations to align your offerings with the evolving demands of diverse and high-growth investor segments, including millennials, Gen X, women, and hybrid investors.

Inside, you'll discover:

- How advisory industry challenges fuel demand for investor intelligence
- Detailed analysis of our 2024 Influential Investor Segment Study findings
- Key investing trends and client service preferences to help you hone your practice's client experience

It's my hope that the insights from our 2024 Influential Investor Segment Study will help you elevate your client relationships and position your business for long-term success.

Sincerely,  
Brie Williams



# How This Research Can Help You Meet the Moment

Financial advisors today face significant headwinds on multiple fronts, from fee compression and technological disruption to demographic shifts and intense competition amid ongoing industry consolidation.

A deep understanding of high-growth investor segments could be the linchpin of your success, helping you tackle new and age-old challenges as you strive to grow your business.

But with all the time spent on client engagement, portfolio management, administrative tasks, and running a business, many advisors lack the time needed to keep pace with market research and segmentation trends. That's precisely the reason State Street Global Advisors conducted its Influential Investor Segment Study — to help advisors deeply understand the preferences of key influential investor segments so that they can address the critical challenge of how to drive growth and better compete in today's market.

## At the Heart of Growth: The Client Experience

Your business' growth depends on your ability to continually attract and retain clients. That's easier said than done. In fact, 55% of advisors report that new client acquisition is the greatest challenge they currently face, according to Cerulli.<sup>2</sup> On top of this, several powerful trends have converged in recent years to make client attraction and retention a much more formidable challenge than ever before.

## Industry Consolidation

According to Cerulli, "Today's tenured advisor force signals continued industry consolidation as M&A opportunities will increase for growth-oriented firms."<sup>3</sup> As consolidation continues, competition among advisors intensifies. And smaller advisory practices, especially, face fierce competition from larger, well-resourced firms. In this environment, it's vital for smaller firms to diversify their client bases. That means keeping pace with the evolving demands of multiple high-growth investor segments, to be able to attract and retain these clients and ultimately build more stable revenue streams.

## Ascendant Demographics and Wealth Transfer

Demographic shifts, particularly the rise of millennials and the increasing prominence of women as primary investment decision-makers, are reshaping the investment landscape. For example, women currently control nearly one-third of global wealth and manage over \$10 trillion in total US household financial assets. By 2030, they're expected to inherit much of the \$30 trillion in assets that baby boomers possess.<sup>4</sup> It's also estimated that the Silent Generation and boomers will pass \$72.6 trillion in assets on to their Gen X and millennial heirs through 2045.<sup>5</sup> During this transfer of wealth over the next two decades, heirs' investing preferences may pave the way for new opportunities.

Advisors who fail to understand and respond to the unique preferences and priorities of these groups risk missing out on a significant portion of the market.<sup>6</sup> In research by Cerulli, investors between the ages of 60 and 70 cite reputation and trust as their top factors for overall advisor satisfaction.<sup>7</sup> Investors under 30, though, cite service — or the ease of doing business, responsiveness to needs, and communication quality and frequency — as a key reason for their satisfaction with an advisor.<sup>8</sup> As demographics shift and advisors lean into serving growing investor populations, aligning your services with the values and expectations of these key segments is essential to earning their trust and building long-term success.<sup>9</sup>

## Seismic Shift in Client Service Expectations

Consumer technology has dramatically impacted expectations for client service. According to a 2022 McKinsey report, 71% of affluent investors now prefer to engage with wealth managers through digital channels.<sup>10</sup> And an EY study found that millennial investors are more than twice as likely to switch providers (73%) than boomers (29%).<sup>11</sup> The preferences of younger, digital-first investors are putting tremendous pressure on human-only service models. Advisors who deeply understand the preferences of increasingly tech-savvy investors may be better-positioned to build hybrid human-digital advice models that attract and retain these investors.

## Future-proof Your Advisory Practice

By shifting focus to high-growth investor segments, advisors can unlock new opportunities and fortify their practices against the challenges currently disrupting the industry. By integrating insights from our 2024 Influential Investor Segment Study into your client segmentation strategy, you'll be able to better gauge and respond to their needs in strategic ways that help them get the most out of the client experience.

## Capture the Growth Potential of Four Influential Investor Segments

In our Influential Investor Segment Study — an online survey we conducted among a random sample of 1,503 US individual investors in September 2023 — we evaluated four investor segments poised for substantial growth in coming years that can offer advisors a wealth of emerging opportunities.

As these segments continue to build, accumulate, and inherit wealth, they represent a significant growth opportunity for advisory practices. Advisors who can adapt to evolving client demographics, and incorporate the right product-service mixes into their business plans to address a wider variety of client needs, will thrive.

**Why These Segments Now?** As the advisory landscape continues to transform, focusing on influential client segments like millennials, Gen Xers, women, and hybrid investors could prove a powerful pathway to future-proofing your business. Homing in on your client segmentation strategy to include one, two, or all four of these high-growth client segments can help you better attract, retain, and offer client experiences that set you apart from the competition. There are additional benefits to integrating these segmentation insights into your practice as well, like the ability to streamline your team's efforts, boost your bottom line performance, and sustain your success over the long term.

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## Millennials

## Shaping the Future of Financial Advice

Born between 1981 and 1996, millennials have surpassed baby boomers as the largest generational group in the US, accounting for 72.24 million individuals.<sup>12</sup> Millennials also represent the largest investor demographic — and they're rewriting the rules of financial engagement. As these digital natives continue to accumulate wealth, their preferences and expectations for advisors are redefining the wealth management experience.

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## Gen X

## An Underserved Market with a Pressing Need for Guidance

Sandwiched between baby boomers and millennials, Gen X investors approach financial advice with a bit more cynicism than other generations. Yet, they stand at a crossroads, balancing retirement planning, wealth preservation, eldercare, and funding their children's college education. Juggling a myriad of priorities amid career demands, they require a tailored financial wellness strategy.

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## Women

## Unlocking the Potential of the SHEconomy

Women currently own one-third of global wealth and manage over \$10 trillion in total US household financial assets.<sup>13</sup> And it's expected that by 2030, US women will control much of the \$30 trillion in financial assets that baby boomers possess.<sup>14</sup> Their skyrocketing wealth reminds us that women are — and will continue to be — a driving force in the global economy, and they represent today's fastest-growing client segment. With increasing financial influence and independence, women want to be even more engaged in their investment decision-making.

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## Hybrid Investors

## Navigating the Intersection of Self-service Platforms and Advisors

The influx of self-service platforms has given rise to hybrid investors, or those who seek out professional financial advice and also invest on their own. They're demanding a certain standard of service and a seamless experience across direct investing and advised accounts. While there's a level of scrutiny involved with this segment — 37% of hybrid investors would consider leaving or switching advisors if they underperformed benchmarks, according to our survey — there are ample opportunities for advisors to build more robust relationships with hybrid investors by providing an integrated experience that spans advisor-led offerings and direct brokerage platforms.

# Millennial Investors

## Shaping the Future of Financial Advice

Gone are the days of “we’ve always done it this way.” The unique sensibilities of millennial investors and their openness to exploring new ideas has led to a revolution in many industries, and personal finance is no exception. Blending their embrace of digital-first experiences and their greater appetite for investments beyond just mutual funds, this influential client segment continues to drive innovation and reshape traditional paradigms — helping to usher in a new era in wealth management.

# Millennial Investors

## Respondent Demographics

Born between 1981 and 1996, millennials are the fastest growing generation of investors, both in numbers and investable assets. Growing up alongside the internet, and later embracing smartphones and social media, they navigate the digital landscape better than any generation prior.

### Are more diverse ethnically than older generations

78% are White or Caucasian, compared to 82% Gen X and 92% boomers

### Are highly educated

91% have completed college or a graduate degree

### Are primarily working full time

88% are full-time workers  
17% are a majority owner of a business

### Are likely married

73% of millennials are married; 66% of millennials aged 27–34; 76% of millennials aged 35–42

### Often have children

67% have at least one child

### Have an average household income of \$227K

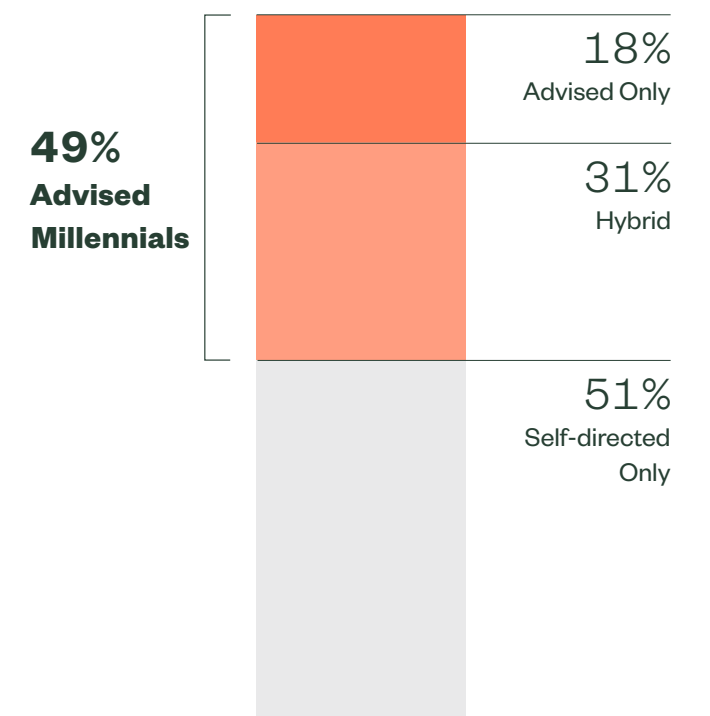
Higher than the other generations surveyed

### Have an average of \$1.3M in investable assets

Lower than the other generations surveyed

Figure 1

### Advised Millennials Are More Likely to Be Hybrid Investors



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked:

- Do you currently work with a financial advisor that you compensate to help you manage your money and/or investments on an ongoing basis? (Please select one)
- Which of the following type(s) of institutions do you currently have investment accounts with? (Please select all that apply)

25% of millennials surveyed were aged 27–34; 75% of millennials surveyed were aged 35–42.

# Millennial Investors

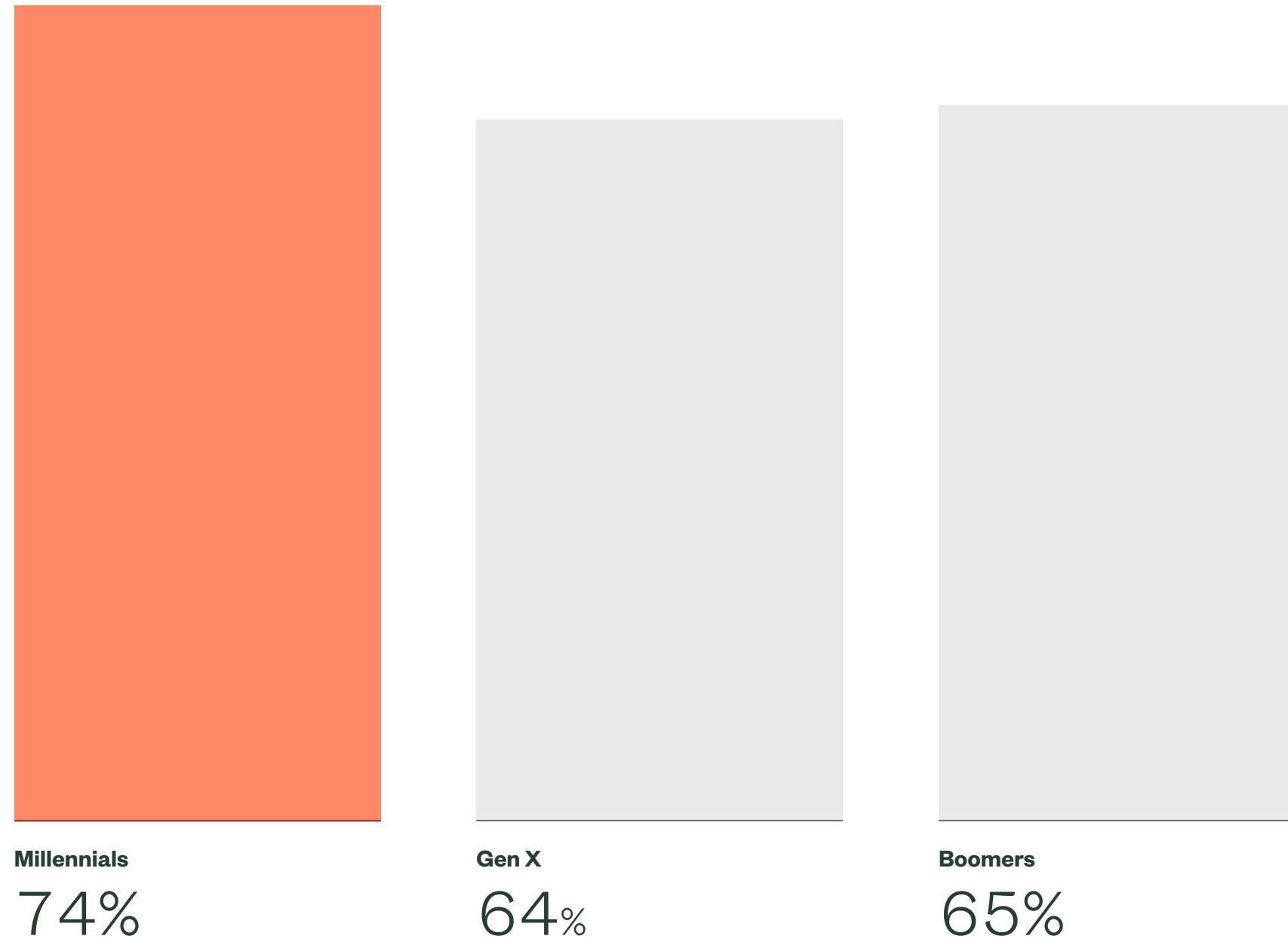
## Personal Financial Outlook

Our survey found that a greater number of millennial investors exhibit a sense of optimism regarding their personal financial outlook than their Gen X and boomer counterparts.

74% of millennials surveyed said they were optimistic about their personal financial future in comparison to 64% of Gen Xers and 65% of boomers surveyed (Figure 2). Their heightened optimism may be due, in part, to the resilience they've built growing up in an increasingly volatile market environment — and the fiscal decisions they've had to navigate as a result.

Figure 2

**Millennials Are More Optimistic About Their Personal Financial Outlook in the Next 12 Months Compared to Gen Xers and Boomers**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What is your outlook for your financial future over the next 12 months? 11-point scale: -5=Very Pessimistic to 5=Very Optimistic



# Millennial Investors

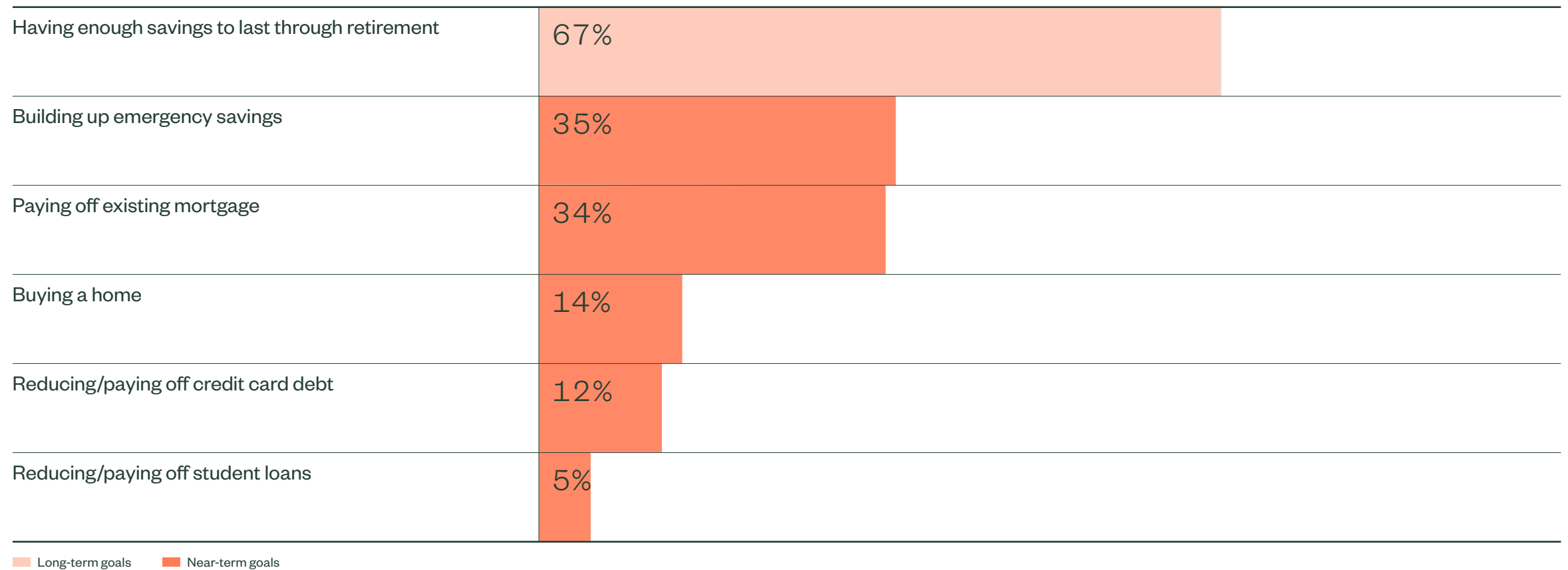
## Financial Goals

Across the generations of investors surveyed, all three ranked having enough savings to last through retirement as a top financial goal. But fewer millennials than older generations ranked this as a primary goal.

Millennials' money mindset has also largely been influenced by the world in which they grew up — a financial landscape riddled with tight budgets, economic challenges, soaring housing costs, and fierce job competition. Knowing this, it's not surprising that millennial investors are more focused on checking near-term goals off their list, like building up their emergency savings and paying off their debts (e.g., mortgage, credit card, and student loans) (Figure 3).

Figure 3

### Surveyed Millennials Rank Several Near-term Items High on Their List of Key Financial Goals



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial goals. Please select your top five financial goals. (Please select 5)

# Millennial Investors

## Financial Concerns

Millennial investors tend to be most concerned by external factors, such as rising inflation, which can impact their ability to achieve their near-term goals (i.e., building up emergency savings and managing debt).

They were more concerned with the level of household cashflow and getting household debt under control than other generational segments. And those concerns appear to correlate with four of their top financial goals: paying off an existing mortgage, buying a home, paying off credit card debt, and paying off student loans.

Millennials were much less concerned with the rising cost of healthcare than other generations, likely due to medical expenses typically increasing during one's later years in life (Figure 4).

“ For younger people, recession and inflation concerns are still hanging around given the impact these would have on a still working and financially growing population. Meanwhile, the resumption of student loan payments in the fall of 2023 means that these individuals will need to re-account for a monthly expense that was paused for over three years, potentially causing additional financial stress. Tailoring financial advice to these kinds of concerns is a key way for advisors and providers to reinforce their value.

—The Cerulli Report  
U.S. Retail Investor Advice Relationships 2023  
Cerulli Associates, 2023

Figure 4

**Surveyed Millennials Most Concerned with External Factors and Those Relating to Their Near-term Goals**

|                                      | Millennials (%) | Gen X (%) | Boomers (%) |
|--------------------------------------|-----------------|-----------|-------------|
| Rising inflation                     | 66              | 63        | 68          |
| Economic recession                   | 49              | 47        | 43          |
| Rising interest rates                | 35              | 25        | 19          |
| Rising cost of healthcare            | 34              | 51        | 58          |
| Level of cash flow for my household  | 19              | 14        | 13          |
| Getting household debt under control | 10              | 5         | 2           |

■ External factors   ■ Near-term goals

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial concerns. Please select your top five financial concerns. (Please select 5)

# Millennial Investors

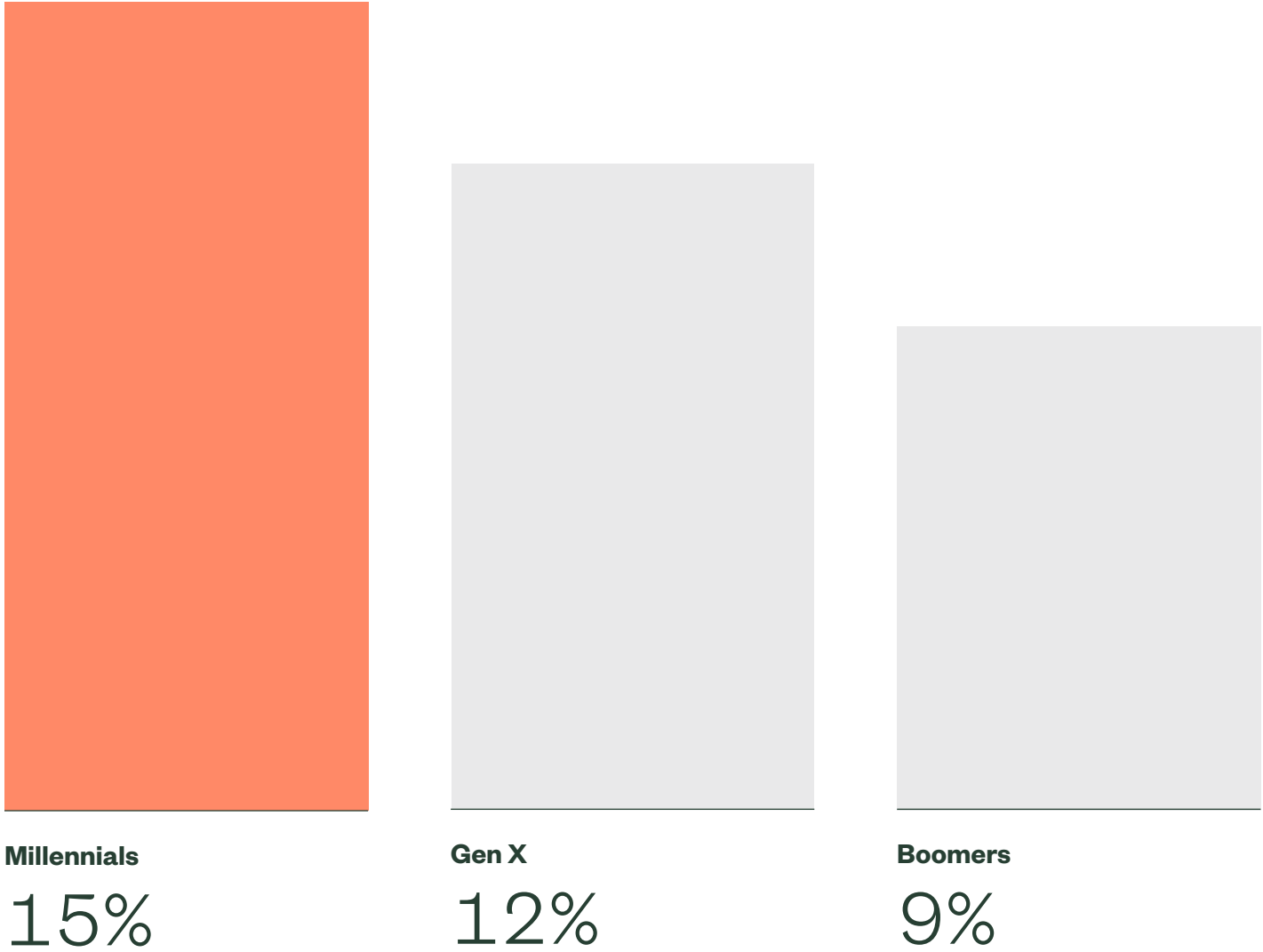
## Key Investing Trends

Millennial investors who sought financial advice were primarily looking for assistance growing wealth (26%) and were motivated by their lack of confidence in making investment decisions (16%).

Figure 5  
**Millennials More Likely\* to Work with an Advisor to Address Complex Financial Needs**

### Work with an Advisor to Address More Complex Financial Needs

As seen in Figure 5, 15% of millennials seek out financial advice on more complex financial needs, higher than other generational segments (Gen X: 12%; boomers: 9%).



\*Than the Gen X and boomer investors surveyed in our Influential Investor Segment Study.

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Thinking back to before you had a financial advisor, which of the following best describes what caused you to seek one out? (Please select one)

## Want to Involve Advisors in Their Day-to-day Finances

Given millennials' emphasis on short-term objectives, they are less inclined\* to seek long-term financial guidance, such as retirement savings and income planning. As seen in Figure 6, they're more likely\* to prefer:

- Cash flow management (28%)
- Insurance (20%)
- Private banking (18%)
- Debt management (11%)

Figure 6

### Millennials More Likely\* to Engage Advisors for Services Focused on Near-term Objectives

|                             | Millennials (%) | Gen X (%) | Boomers (%) |
|-----------------------------|-----------------|-----------|-------------|
| Retirement savings planning | 60              | 71        | 62          |
| Retirement income planning  | 50              | 66        | 62          |
| Cash flow management        | 28              | 16        | 19          |
| Insurance                   | 20              | 13        | 8           |
| Private banking             | 14              | 7         | 4           |
| Debt management             | 11              | 4         | 2           |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What services do you utilize from your financial advisor? (Please select all that apply)

\*Than the Gen X and boomer investors surveyed in our Influential Investor Segment Study.

## Have More Diversified Investment Interests

As highlighted in Figure 7, millennials surveyed have greater appetite for non-traditional investment vehicles.\*

Figure 7

### Millennials Have Greater Appetite for Alternative Investment Options Than Other Generations

|                       | Millennials (%) | Gen X (%) | Boomers (%) |
|-----------------------|-----------------|-----------|-------------|
| Stocks/Stock Funds    | 84              | 83        | 77          |
| Mutual Funds          | 66              | 76        | 71          |
| Bonds/Bond Funds      | 58              | 56        | 52          |
| Cash/Money Market     | 57              | 67        | 74          |
| ETFs                  | 46              | 37        | 29          |
| Commodity/Real Estate | 38              | 26        | 24          |
| Digital Currency      | 26              | 11        | 4           |
| Alternatives          | 20              | 11        | 8           |
| ESG                   | 15              | 9         | 9           |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Approximately what percent of your investment portfolio is allocated to each of the following?



# Millennial Investors

## Client Service Preferences

Personalization is de facto for millennials. They seek tailored financial solutions with seamless integration of technology. And so, to increase engagement with millennial investors, prioritize their service preferences:

### They Want to Be Included in Investment Decision-making

67% of millennials want to collaborate with their advisors to make financial decisions, 13% higher than boomer investors. An additional 11% of millennial investors want to use advisors as a sounding board when making investment decisions.

Their willingness to learn and collaborate with advisors lends to their 'glass half full' mindset.

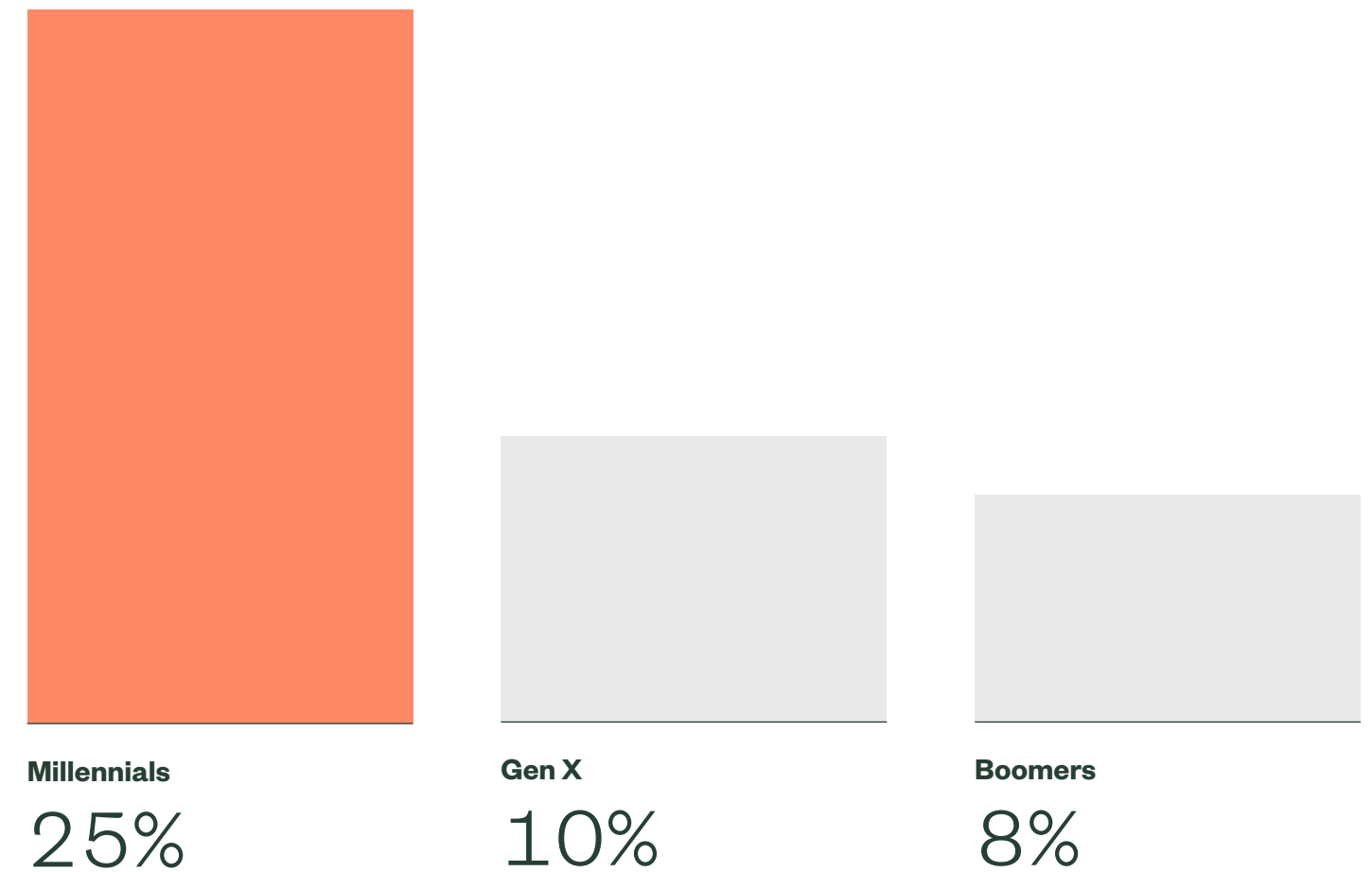
**67%**

of millennials want to collaborate with their advisors to make financial decisions

### They Desire More Frequent Communication

21% of millennial investors communicate with their advisors daily or weekly, a much higher figure than their Gen X (7%) and boomer (8%) counterparts. And given the opportunity, 25% of millennial investors would prefer to communicate with their advisor daily or weekly (Figure 8).

Figure 8  
The Percentage of Investors by Generation Preferring to Communicate Daily or Weekly With Their Advisor



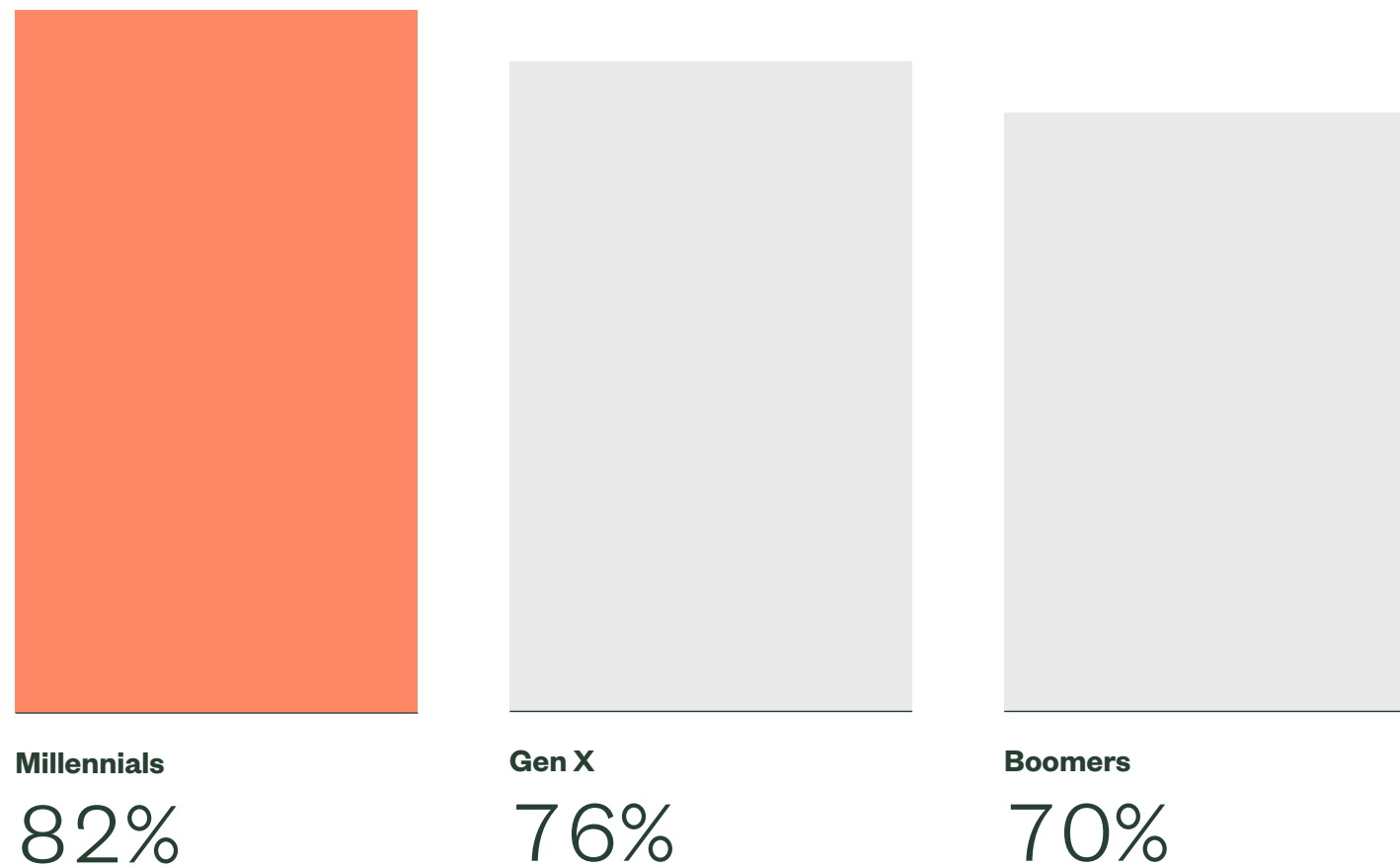
Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How often would you prefer to communicate with your financial advisor? (Please select one)

## They're Likely Hybrid Investors (Use Self-service Investing Platforms)

82% of millennials are hybrid or self-directed only investors, proving that technology is a defining factor influencing how they shop for advice and allocate their finances (Figure 9). And they're likely to use a wide range of self-service investing platforms.

Figure 9

### Millennial Investors More Likely\* to Be Hybrid or Self-directed Only Investors Than Other Generations



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked:

- Do you currently work with a financial advisor that you compensate to help you manage your money and/or investments on an ongoing basis? (Please select one)
- Which of the following type(s) of institutions do you currently have investment accounts with? (Please select all that apply)

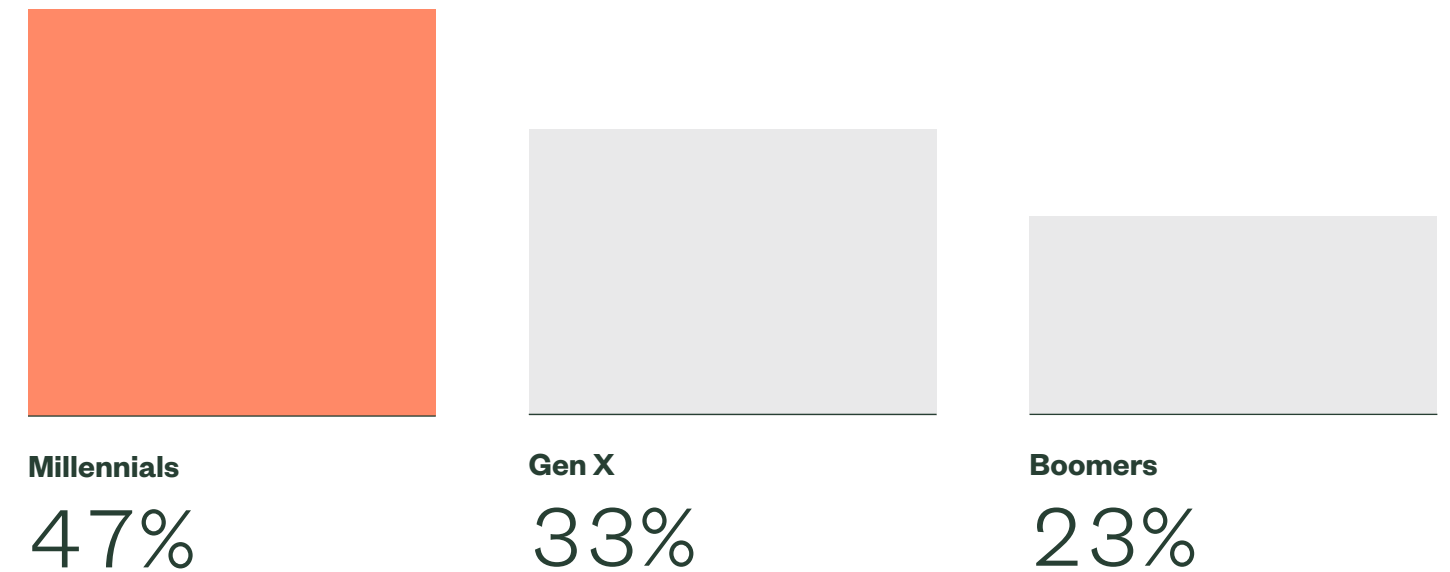
\*Than the Gen X and boomer investors surveyed in our Influential Investor Segment Study.

## They Use Online Tools and Calculators to Manage Investments

47% of self-directed millennial investors make all their investment decisions with the aid of online tools and calculators (Figure 10).

Figure 10

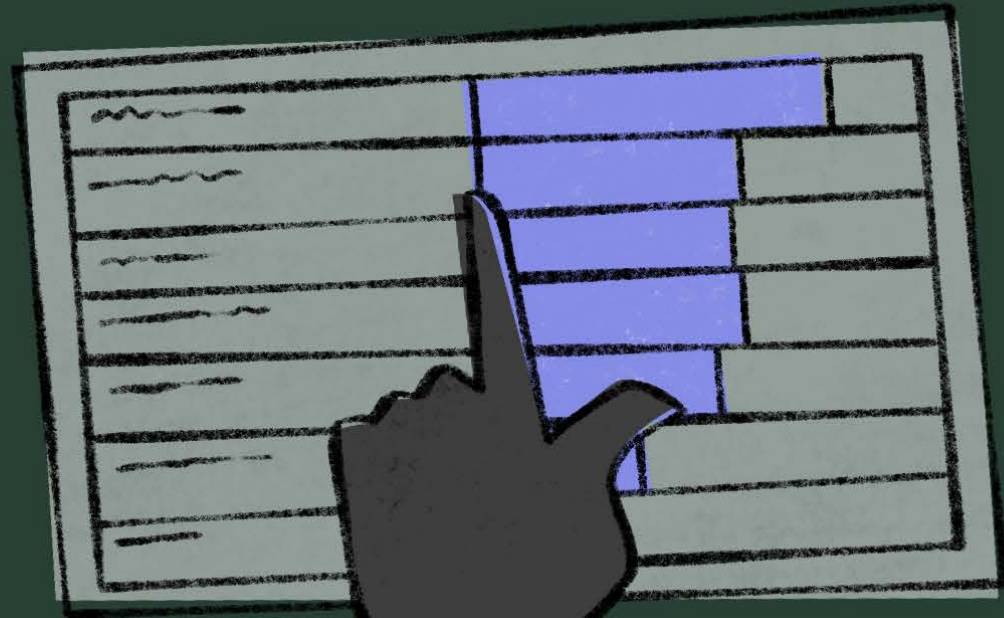
### Self-directed Millennials More Likely\* to Make All Investment Decisions With Aid of Tools and Calculators



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Which of the following best describes how you manage your investments? (Please select one)

# Gen X Investors

## An Underserved Market With a Pressing Need for Guidance



“This generation — wedged between the bigger, louder boomers and millennials — carries unique financial burdens that would make anyone say ‘Reality Bites.’”<sup>15</sup> Often stressed and overlooked, Gen X investors have a pressing need for tailored guidance as they do their best to balance a long list of competing financial demands.

# Gen X Investors

## Respondent Demographics

The first wave of Generation X, those born in 1965, will reach a significant milestone in 2024: turning 60 years old. This generation, born between 1965 and 1980, is often overshadowed by other generations (boomers, millennials, and Gen Z), yet they're dealing with several financial planning and retirement concerns that demand advisors' attention.

### Are highly educated

86% have completed college or a graduate degree

### Are likely working full time

72% are full-time workers

### Are likely married

71% of respondents said they were married

### Often have children

64% of respondents have at least one child

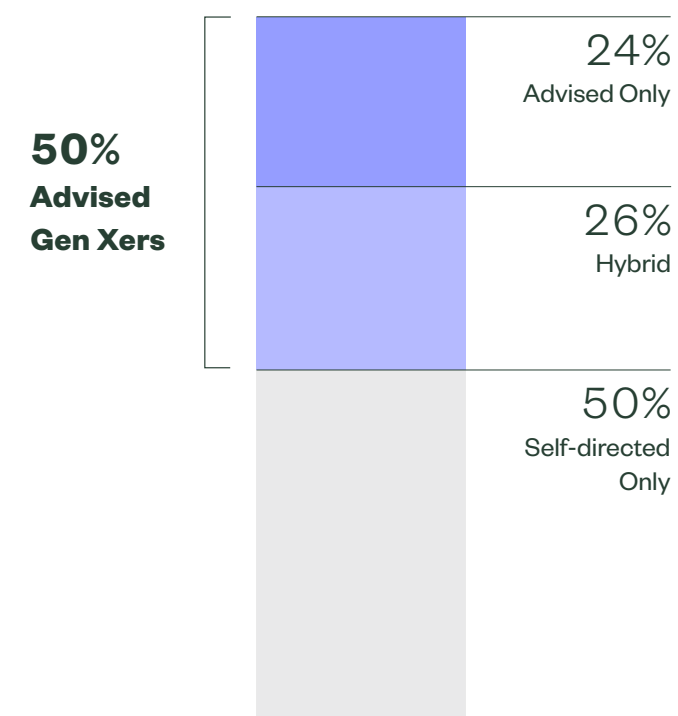
### Have an average household income of \$192K

Higher than the boomers surveyed

### Have an average \$1.5M in investable assets

Higher than the other generations surveyed

**Figure 11**  
**Gen X Survey Participants Equally Split**  
**Between Advised and Self-directed Investors**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked:

- Do you currently work with a financial advisor that you compensate to help you manage your money and/or investments on an ongoing basis? (Please select one)
- Which of the following type(s) of institutions do you currently have investment accounts with? (Please select all that apply)



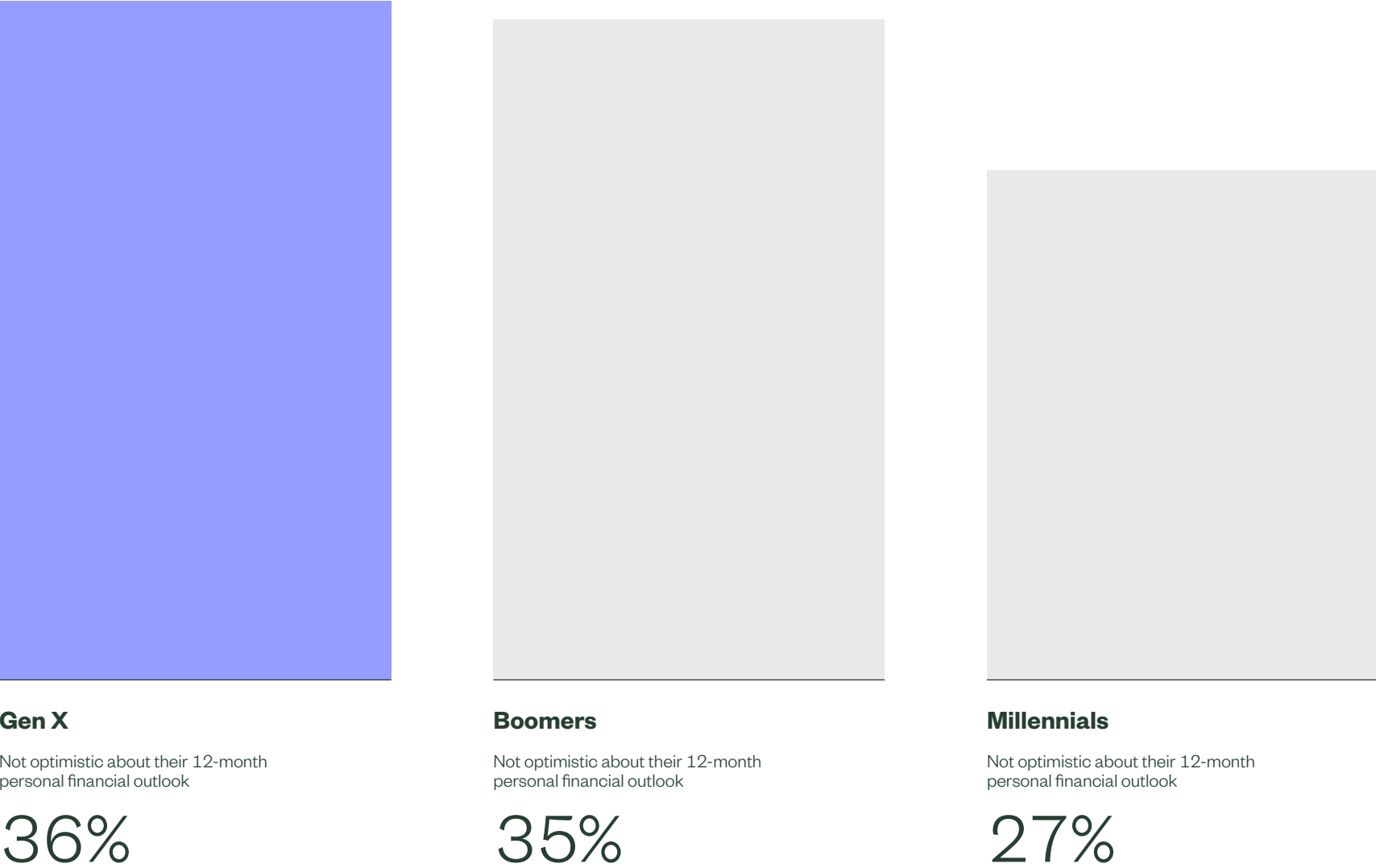
# Gen X Investors

## Personal Financial Outlook

Gen Xers are slightly more pragmatic about their personal financial outlook than other generations surveyed. Of Gen X investors, 36% said they were not optimistic about their financial outlook over the next 12 months (Figure 12). This pragmatic approach may stem from Gen Xers' tendency to focus on the long-term plan, prioritizing stability and security; their pragmatism may also be due to a lack of attention and focus given to this generational cohort and their investment strategies.

As a stop-gap measure, Gen Xers often default to mutual fund allocations via 401(k) contributions. Consequently, there are ample opportunities to recommend products that may better address their financial needs and the uncertainty they perceive in today's market — potentially improving their overall outlook.

**Figure 12**  
**More Surveyed Gen X Investors Are Not Optimistic about Their 12-month Personal Financial Outlook**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What is your outlook for your financial future over the next 12 months? 11-point scale: -5=Very Pessimistic to 5=Very Optimistic

# Gen X Investors

## Financial Goals

Gen X investors are the “sandwich generation,” middle-aged adults who now find themselves having to care for both their elderly parents and their minor (and sometimes adult) children.

28% of Gen Xers rank being able to take care of family members as a key financial goal. This competes with their other high-priority objectives, like having enough savings to last throughout retirement (79%), having the funds to travel (58%), and having enough money for future healthcare needs (57%), as seen in Figure 13.

According to a study conducted by the University of Michigan Department of Psychiatry, “nearly one quarter of adults who provide care for at least one parent over the age of 65 also take care of at least one child under 18.”<sup>16</sup> And sandwich generation caregivers, in comparison to Gen X peers acting only as a caregiver to a parent over 65, were:

- Two times more likely to report financial difficulty (36% vs. 17%)<sup>17</sup>
- More likely to report substantial emotional difficulty (44% vs. 32%)<sup>18</sup>

As a result, this generation may be stressed financially by competing goals, unsure how to balance the needs of their parents and children, all while trying their best to position themselves for financial security and retirement flexibility in the years ahead.

Advisors are particularly well placed to help Gen Xers see the importance of prioritizing their own financial well-being.

Sandwich generation caregivers are two times more likely to report financial difficulty (36% vs. 17%) than Gen X peers acting only as a caregiver to a parent over 65.<sup>19</sup>

Figure 13

### Top Financial Goals Among Surveyed Gen X Investors

|  |     |
|--|-----|
| Having enough savings to last through retirement | 79% |
| Having funds to travel                           | 58% |
| Having money for my future healthcare needs      | 57% |
| Maintaining my current lifestyle when I retire   | 57% |
| Being able to choose when I retire               | 49% |
| Keeping up with current expenses                 | 31% |
| Building up an “emergency savings” account       | 29% |
| Being able to take care of family members        | 28% |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial goals. Please select your top five financial goals. (Please select 5)

# Gen X Investors

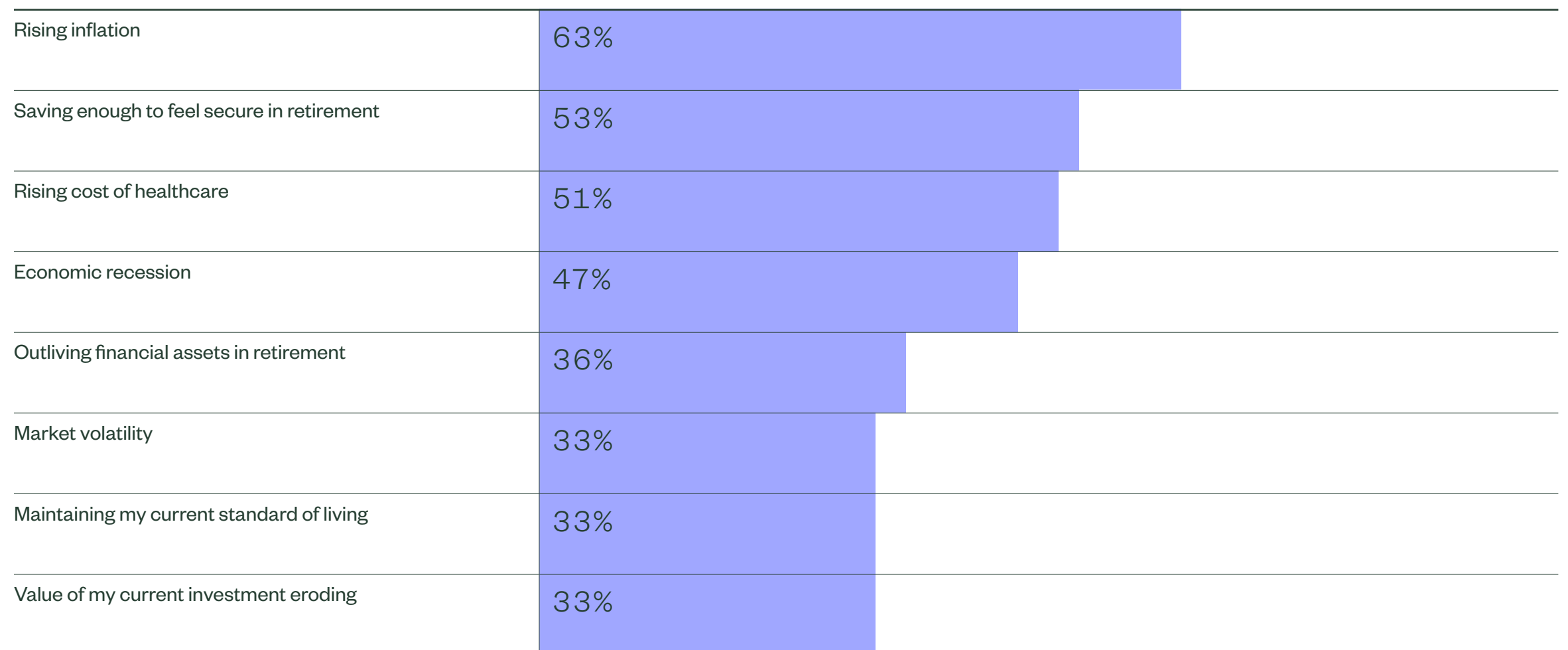
## Financial Concerns

Surveyed Gen Xers' primary concerns center around securing their financial future, saving enough to sustain them through retirement, and covering future healthcare expenses.

Multiple external factors though, such as rising inflation, economic recession, and market volatility, also rank high on their list (Figure 14).

Gen X investors are worried about the potentially erosive power of inflation, sequence risk, or market uncertainty more generally as their income-earning years diminish. In fact, the oldest Gen Xers (those born in 1965) will be 67 years old, the age requirement to take full Social Security benefits,<sup>20</sup> in less than 10 years.

**Figure 14**  
**Surveyed Gen X Investors Have a Long List of Financial Concerns**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial concerns. Please select your top five financial concerns. (Please select 5)

# Gen X Investors

## Key Investing Trends

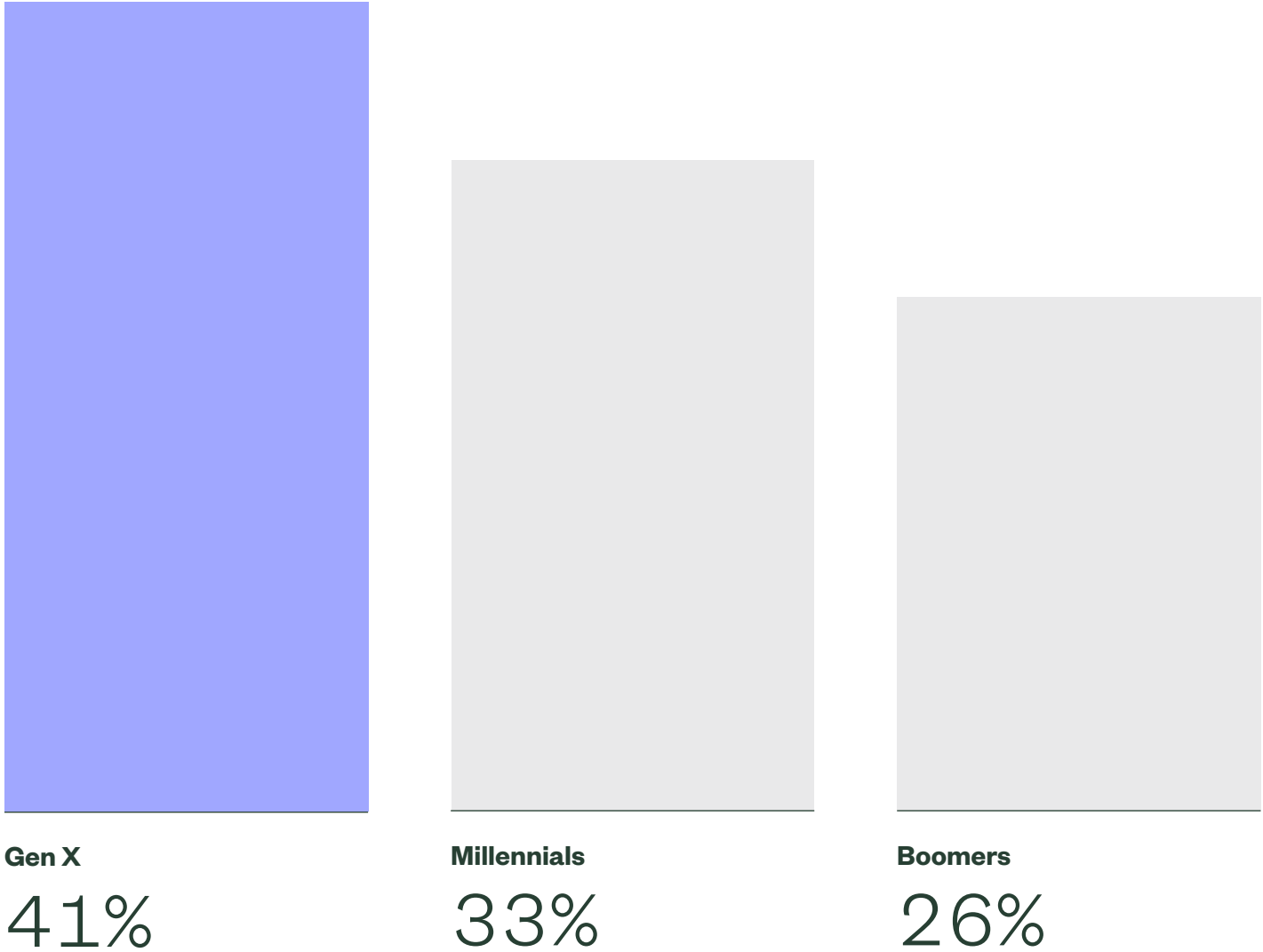
More than 50% of Gen X investors surveyed are making investment decisions truly on their own — without tools, recommendations, or guidance.

**Figure 15**  
**More Self-directed Gen Xers\* Cite “No Guidance or Sounding Board” as a Self-service Shortcoming**

### Are More Likely to Be Investing Alone, But Less Likely to Be Satisfied\*

Compared to other generations surveyed, more self-directed Gen X investors cite “no guidance or sounding board” as a shortcoming of self-service platforms (41%).

In addition, self-directed Gen Xers are less satisfied with their portfolio performance (55%) than their advised (87%) and hybrid (82%) counterparts (Figure 15) — highlighting the need for guidance from an advisor.



\*Than millennial and boomer investors surveyed in our Influential Investor Segment Study.

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What are the cons of using a self-directed brokerage account and/or an automated digital investing platform? (Please select all that apply)



## Are Largely Sensitive to Fees

Self-directed only Gen X investors' top reason for not working with an advisor was because they didn't think they were worth the fees (45%). And Gen Xers who had previously worked with an advisor said that the top reason they left was due to increased cost (37%) (Figure 16).

Figure 16

### Top Reasons Self-directed Only Gen Xers Are Not Working With an Advisor

|   |     |
|---|-----|
| I don't think advisors are worth the fees they charge     | 45% |
| I prefer to have full control                             | 44% |
| I don't trust that advisors have my best interest in mind | 36% |
| I don't have a big enough portfolio                       | 18% |
| I don't know how to find an advisor to work with          | 16% |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What are the reasons why you do not currently work with a paid financial advisor on an ongoing basis? (Please select all that apply)

## Are Looking to Increase Positions in Investment Vehicles Other than Mutual Funds

More Gen X investors (76%) than millennials (66%) and boomers (71%) own mutual fund investments, and on average, allocations to mutual funds make up 29% of their portfolios. But the opportunity is great. Figure 17 shows the top five products where they're looking to increase allocations.

Figure 17

### Top Five Products Where Gen X Investors Are Looking to Increase Allocations in the Next 12 Months

|                         |     |
|-------------------------|-----|
| ESG investments         | 34% |
| Digital currency        | 31% |
| Commodities/Real estate | 30% |
| ETFs                    | 28% |
| Stocks                  | 25% |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: And are you likely to increase, decrease, or keep the same allocation level over the next 12 months?

\*Than millennial and boomer investors surveyed in our Influential Investor Segment Study.

# Gen X Investors

## Client Service Preferences

For a generation that is more skeptical towards financial institutions, prioritizing client service and consistently demonstrating value may significantly increase engagement with them. Keep in mind that:

### Self-directed Gen Xers Are Wary of Advisors

50% of the Gen X investors surveyed are self-directed only. And we found that this subsegment of Gen X investors tends to question the value and altruism of advisors (36%).

Instead, they turn to online searches and/or investment websites for market and investment insight.

And, though they're not digital natives, they do utilize digital platforms and hold a significant share of the banking and investment market to navigate their various financial challenges.

# 36%

of self-directed Gen X investors don't trust that advisors have their best interest in mind

### They Currently Use Advisors for Traditional Financial Planning

A vast majority of advised Gen X investors surveyed are getting help with retirement savings (71%), investment management (68%), and income planning (66%).

But less than a third are receiving advanced planning services from their advisors. And, less than a quarter (22%) are being coached in an effort to remain confident in these uncertain times (Figure 18).

Figure 18

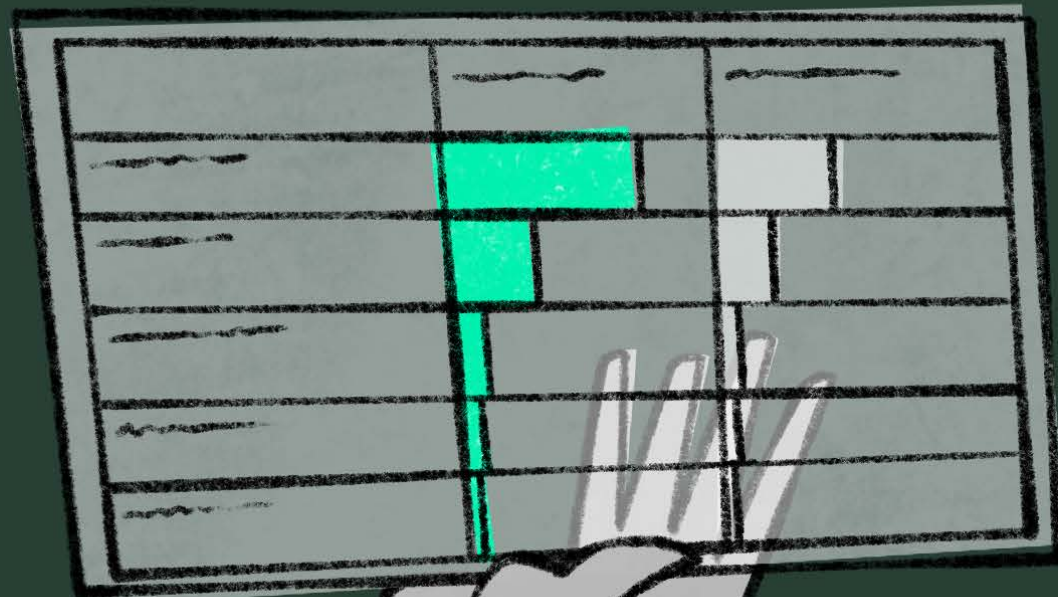
#### List of Top Advisory Services Gen X Investors Seek Out

|                                    |     |
|------------------------------------|-----|
| Retirement savings planning        | 71% |
| Investment management              | 68% |
| Retirement income planning         | 66% |
| Asset allocation                   | 38% |
| Risk management planning           | 31% |
| Tax planning                       | 23% |
| Coaching                           | 22% |
| Estate planning                    | 20% |
| Cash flow management               | 16% |
| Insurance                          | 13% |
| Education planning                 | 12% |
| Health and long-term care planning | 12% |
| Trust services                     | 8%  |
| Private banking                    | 7%  |
| Business financial services        | 6%  |
| Philanthropy and charitable giving | 4%  |
| Debt management                    | 4%  |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What services do you utilize from your financial advisor?

# Women Investors

## Unlocking the Potential of the SHEconomy



In the past, the phrase “like a woman” has been a label of limitation. But that’s no longer the case. Now, women control 32% of global wealth, set to reach \$97 trillion by 2024.<sup>21,22</sup> This influential investor segment is reshaping the economic landscape, forging a path of empowerment and driving the narrative toward a future where finance is inherently more inclusive and female-led.

# Women Investors

## Respondent Demographics

Women investors play a significant role in the world of finance, presently managing over \$10 trillion in total US household financial assets. And projections indicate that this figure will skyrocket by 2030, due to a combination of enhanced income earning power and the likelihood that they'll inherit much of the \$30 trillion baby boomers currently possess.<sup>23</sup>

### Are highly educated

83% have completed college or a graduate degree

### Are likely working

65% work full time, part time, or freelance      17% are a majority owner of a business

### Are often coupled

73% of all women respondents are married      75% of Gen X women are married  
 77% of millennial women are married      69% of boomer women are married

### Often have children

67% of women investors have at least one child

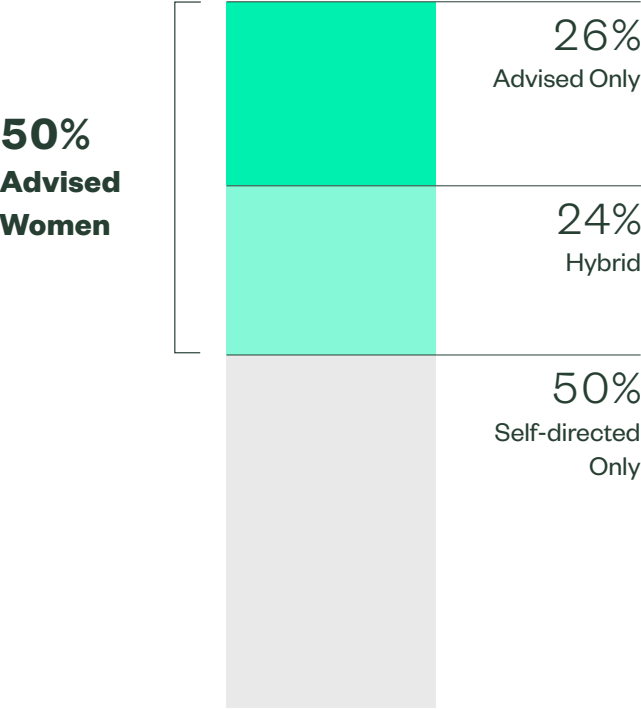
### Have an average household income of \$188K

The lowest average household income among the segments surveyed

### Have an average of \$1.4M in investable assets

Higher than millennial investors surveyed

**Figure 19**  
**Women Survey Participants Equally Split**  
**Between Advised and Self-directed Investors**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked:

- Do you currently work with a financial advisor that you compensate to help you manage your money and/or investments on an ongoing basis? (Please select one)
- Which of the following type(s) of institutions do you currently have investment accounts with? (Please select all that apply)

Women survey participants were almost equally split between generations: 34% millennials; 31% Gen X; 35% boomers.

# Women Investors

## Personal Financial Outlook

Today, women are taking the lead in financial decision-making, with a significant percentage of Gen X and millennial women fully leading financial decisions.

Women investors are resilient, yet somewhat more cautious about their personal financial outlook compared to their male counterparts (66% vs. 69%). Optimism toward their financial futures has trended down due to the disproportionate effect the pandemic had on women — causing many to rethink their goals and priorities.<sup>24</sup>

Like the broader millennial segment, millennial women are the most optimistic toward their personal financial outlook (Figure 20). Gen X women, on the other hand, appear more pragmatic, likely because they're concerned with managing competing financial demands and priorities.

Figure 20

**Women Investors Are Slightly Less Optimistic Than Their Male Counterparts**

|             | Women (%) | Men (%) | Millennial Women (%) | Gen X Women (%) | Boomer Women (%) |
|-------------|-----------|---------|----------------------|-----------------|------------------|
| Optimistic  | 66        | 69      | 70                   | 63              | 66               |
| Neutral     | 14        | 13      | 11                   | 14              | 16               |
| Pessimistic | 20        | 18      | 19                   | 22              | 18               |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What is your outlook for your financial future over the next 12 months? 11-point scale: -5=Very Pessimistic to 5=Very Optimistic

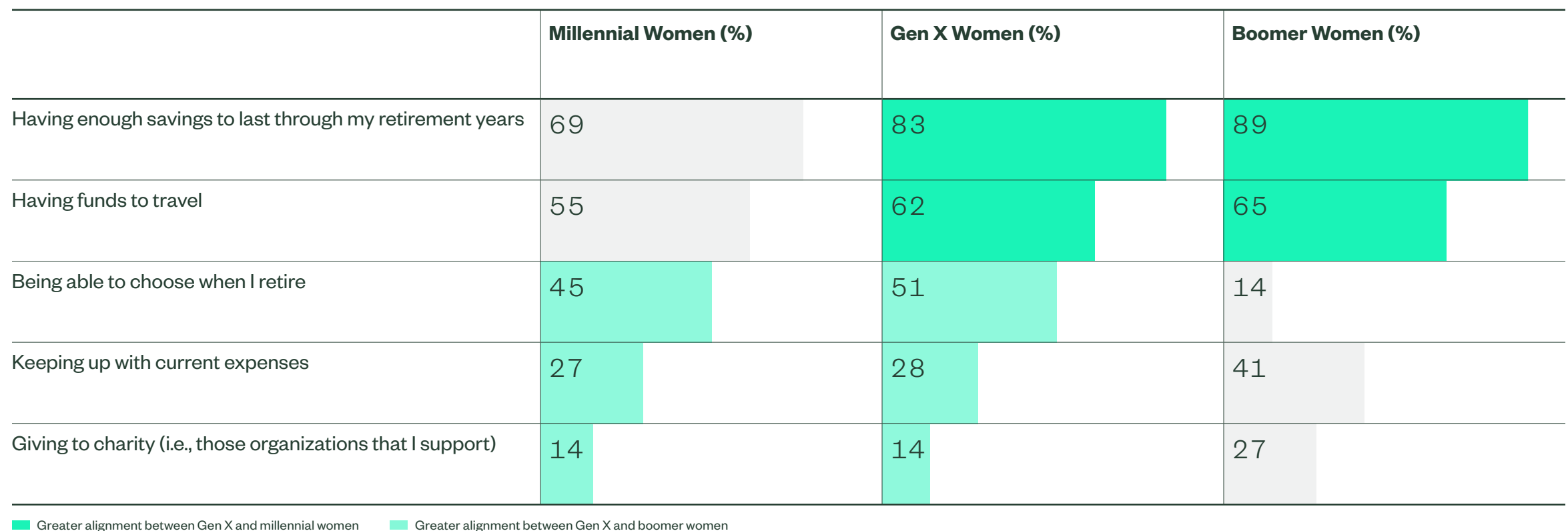


# Women Investors Financial Goals

Among the women surveyed, 80% identified having enough saved for retirement as one of their top five financial goals. Notably, this figure was highest among boomer women (89%), while millennial women were the least likely to prioritize retirement savings (69%). These generational differences may be related to life stage, which include factors such as marital status, career stage, and family responsibilities, rather than just years remaining until retirement.

Nevertheless, our findings underscore a common desire among women investors: to be financially prepared for retirement, which makes sense given their longer life expectancy compared to men.<sup>25</sup> Notably, financial goals among Gen X women were diverse, highlighting their challenge of balancing both near- and long-term financial priorities (Figure 21).

**Figure 21**  
**Women Investors' Key Financial Goals Vary Slightly by Generation**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial goals. Please select your top five financial goals. (Please select 5)

# Women Investors

## Financial Concerns

The wage-to-wealth gap between women and men has been widely documented — in fact, a 10% gender pay gap can lead to a remarkable 40% gender wealth gap.<sup>26</sup> It's no wonder, then, that women may feel less optimistic about meeting their financial goals.<sup>27</sup>

And because women often face added challenges — like career interruptions to raise a family, lower lifetime earnings (resulting in less money to invest), and a potentially longer lifespan — as a group they reach retirement with just 74% of the wealth accumulated by men, according to a global wealth equity study.<sup>28</sup>

So while men and women share many similarities in their financial approaches, some of the added challenges women face shape her unique journey to financial well-being.

Topping the list of concerns, women investors feel especially burdened by rising inflation (64%), the rising cost of healthcare (48%), and saving enough to feel secure in retirement (46%) (Figure 22) — likely because they're statistically likely to outlive men, including male spouses or partners, and have to account for that longevity risk.

Figure 22

### Women's Financial Concerns in Comparison to Men's

|  | Women (%) | Men (%) |
|--|-----------|---------|
| Rising inflation                                       | 64        | 68      |
| Rising cost of healthcare                              | 48        | 47      |
| Saving enough to feel secure in retirement             | 46        | 41      |
| Economic recession                                     | 45        | 48      |
| Outliving financial assets in retirement               | 38        | 28      |
| Maintaining my current standard of living              | 37        | 33      |
| Market volatility                                      | 35        | 36      |
| Value of my current investments eroding                | 33        | 33      |
| Rate of return in the stock market                     | 30        | 30      |
| Rising interest rates                                  | 25        | 28      |
| Global political instability                           | 21        | 30      |
| Minimizing taxes paid by my household including estate | 19        | 19      |
| Level of cash flow for my household                    | 15        | 15      |
| Cost of college tuition                                | 13        | 11      |
| Not being able to afford to pay for emergencies        | 12        | 11      |
| Loss or cutback in job                                 | 8         | 9       |
| Getting household debt under control                   | 6         | 6       |
| Decline in value for my real estate investments        | 5         | 5       |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial concerns. Please select your top five financial concerns. (Please select 5)

## Financial Concerns (Continued): A Generational Analysis

Diving deeper into our segmentation results, we found that all three generations of women are concerned with inflation, retirement savings, healthcare costs, and recession.

But, according to Figure 23, there were some noteworthy nuances:

- Millennial women are less concerned about healthcare costs (35%).
- Boomer women aren't as concerned about saving enough for retirement (32%).
- Boomer women are considerably more likely to be concerned about the value of their investments eroding (45%).
- Millennial women are far less concerned about outliving their financial assets in retirement (24%) than other generational segments (41% and 47%).

Figure 23

### Women Investors' Financial Concerns Vary by Generation

|  | Millennial Women (%) | Gen X Women (%) | Boomer Women (%) |
|--|----------------------|-----------------|------------------|
| Rising inflation                                       | 65                   | 61              | 66               |
| Rising cost of healthcare                              | 35                   | 54              | 56               |
| Saving enough to feel secure in retirement             | 52                   | 57              | 32               |
| Economic recession                                     | 45                   | 49              | 41               |
| Outliving financial assets in retirement               | 24                   | 41              | 47               |
| Maintaining my current standard of living              | 35                   | 35              | 40               |
| Market volatility                                      | 34                   | 31              | 39               |
| Value of my current investments eroding                | 20                   | 33              | 45               |
| Rate of return in the stock market                     | 31                   | 25              | 32               |
| Rising interest rates                                  | 34                   | 24              | 16               |
| Global political instability                           | 22                   | 17              | 24               |
| Minimizing taxes paid by my household including estate | 14                   | 18              | 26               |
| Level of cash flow for my household                    | 19                   | 14              | 13               |
| Cost of college tuition                                | 25                   | 14              | 1                |
| Not being able to afford to pay for emergencies        | 16                   | 10              | 11               |
| Loss or cutback in job                                 | 13                   | 10              | 1                |
| Getting household debt under control                   | 11                   | 4               | 1                |
| Decline in value for my real estate investments        | 4                    | 3               | 7                |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial concerns. Please select your top five financial concerns. (Please select 5)

# Women Investors

## Key Investing Trends

Our findings underscore a compelling story: women are taking center stage in the world of finance. As women investors continue to own their wealth, trends in their wealth management preferences are emerging.

Figure 24

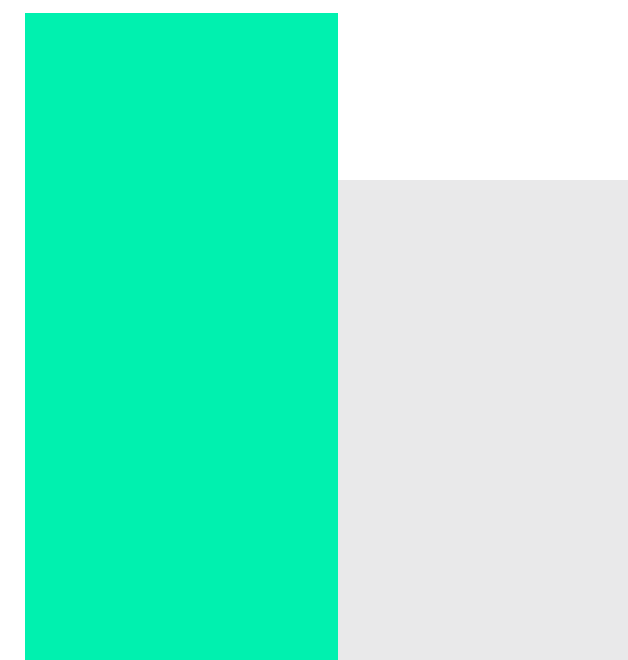
### Self-directed Women More Likely to Utilize Tools and Calculators to Make Investment Decisions

### Self-directed Women Are Particularly Thorough in Their Decision-making Approach

Among self-directed investors surveyed, women were much more likely than male investors to use online tools and calculators to aid in their investment decisions (Figure 24).

They were also more likely than men to say that access to financial planning tools was a benefit of using self-service platforms.

“I use online tools and calculators to aid investment decisions.”



Women 39%  
Men 29%

“I view access to planning tools as a benefit of self-service platforms.”



Women 25%  
Men 19%

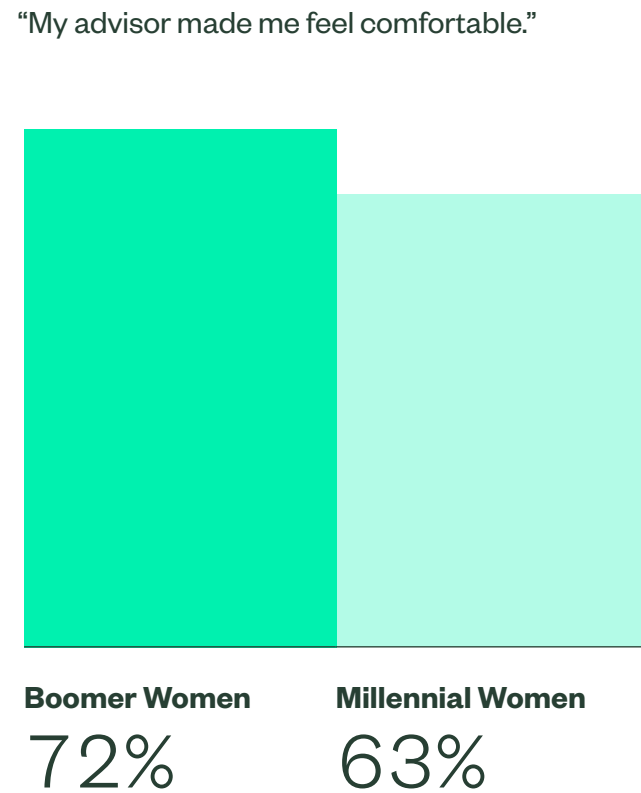
Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked: Which of the following best describes how you manage your investments? (Please select one); What are the pros of using a self-directed brokerage account and/or an automated digital investing platform? (Please select all that apply)

# Investment Confidence and Reasons for Seeking Advice Differ Across Generations

## Choosing an Advisor

72% of boomer women said an advisor making them feel comfortable — and heard — was extremely important to choosing an advisor, as opposed to 63% of millennial women (Figure 25).

**Figure 25**  
When Selecting an Advisor, Feeling Comfortable Is Especially Important for Boomer Women



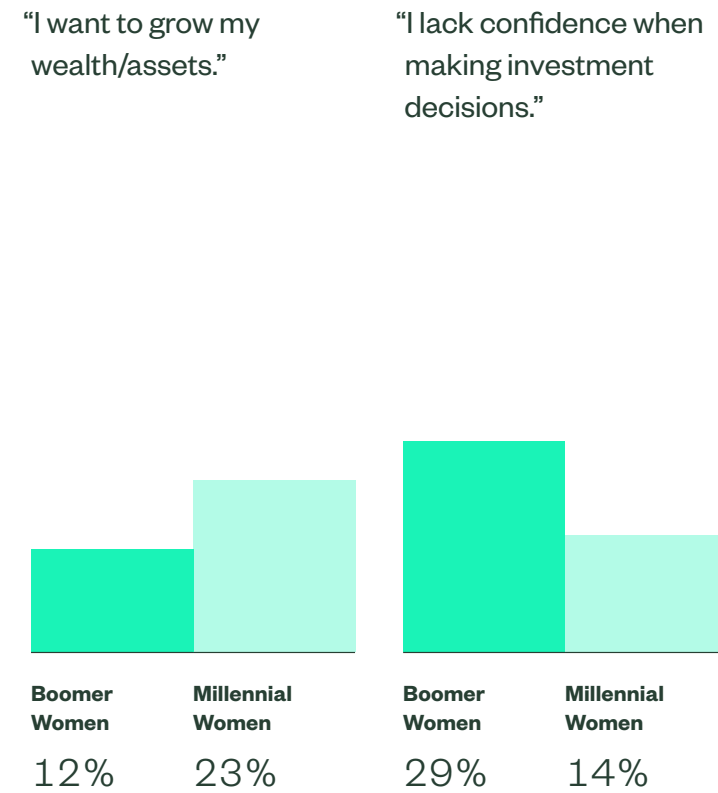
State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How important, if at all, were each of the following criteria when choosing your financial advisor? 5 -point scale: 1=Not at all Important to 5=Extremely Important.

## Seeking Advice

23% of millennial women sought collaborative financial planning advice primarily to grow wealth/assets, compared to 12% of boomer women.

Boomer women were more likely to say that lack of confidence making investing decisions (29%) was the tipping point in their decision to use an advisor (Figure 26).

**Figure 26**  
Millennial and Boomer Women’s Reasons for Working With an Advisor Differ Greatly

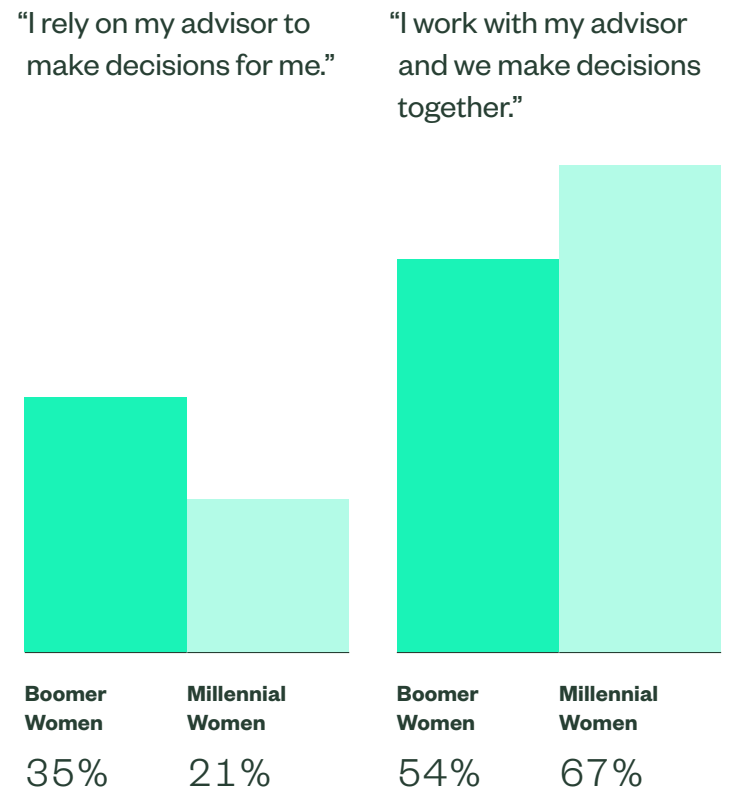


State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Thinking back to before you had a financial advisor, which of the following best describes what caused you to seek one out? (Please select one)

## Advisor Recommendations

Boomer women were more likely to lean heavily on advisor recommendations when making investment decisions (35%) compared to millennial (21%) and Gen X women (31%) (Figure 27).

**Figure 27**  
Boomer Women More Likely to Rely on Advisors to Make Decisions for Them



State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Which of the following best describes how you work with your financial advisor with respect to making decisions? (Please select one)



# Women Investors

## Client Service Preferences

While progress has been made in advisor/client relationship satisfaction, there's still room for the industry to raise the bar. Strategically incorporating services that cater to the preferences of women investors can strengthen your engagement and retention among this influential segment — which spans multiple generations.

Women investors seek both financial returns and an inclusive and personalized advisory experience that is outcome-oriented. More specifically:

### They're Focused on Long-term Value

Women, on average, have a longer life expectancy than men,<sup>29</sup> and our findings confirm that many of their goals and concerns center on achieving financial security, particularly in retirement.

With their emphasis on retirement and long-term planning goals, women investors may be inclined to seek out advisors who prioritize strategies pertaining to longevity risks and retirement income solutions.

### They're Interested in Advanced Planning Services

As women increase their wealth, and their financial lives grow more complex, they may desire additional support in managing their assets.

They also place greater emphasis on long-term planning solutions than men (Figure 28).

Figure 28

#### Women Investors More Interested in Planning-related Topics

|                                     | Women (%) | Men (%) |
|-------------------------------------|-----------|---------|
| Retirement planning                 | 55        | 43      |
| Estate planning                     | 25        | 20      |
| Multigenerational wealth management | 9         | 6       |
| Education planning                  | 7         | 3       |
| Philanthropy/legacy giving          | 5         | 3       |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What investment topics are of most interest to you? (Please select up to 5)

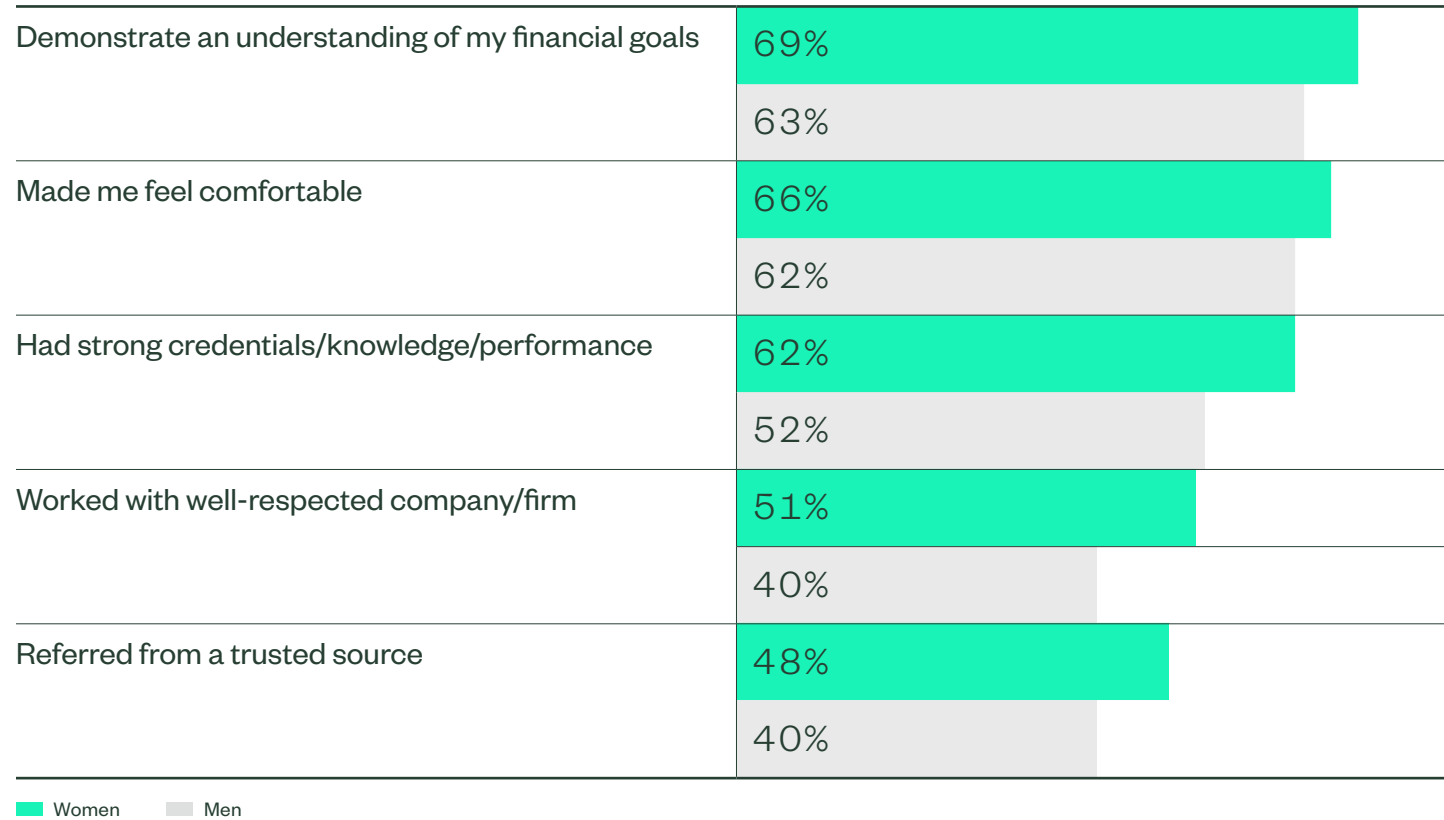
## They're Discerning When Selecting an Advisor

Like their male counterparts, women investors ranked an understanding of their financial goals and comfortability in the advisor/client relationship as two of the top factors when selecting a financial professional. But more women than men said factual attributes are extremely important (Figure 29):

- Had strong credentials/knowledge/performance (62% vs. 52%),
- Worked with a well-respected firm (51% vs. 48%), and
- Referred from a trusted source (48% vs. 40%).

Figure 29

### Factors Investors Rank as Extremely Important When Selecting an Advisor



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How important, if at all, were each of the following criteria when choosing your financial advisor? 5-point scale: 1=Not at all Important to 5=Extremely Important.

## They're More Loyal to Their Advisors Than Men

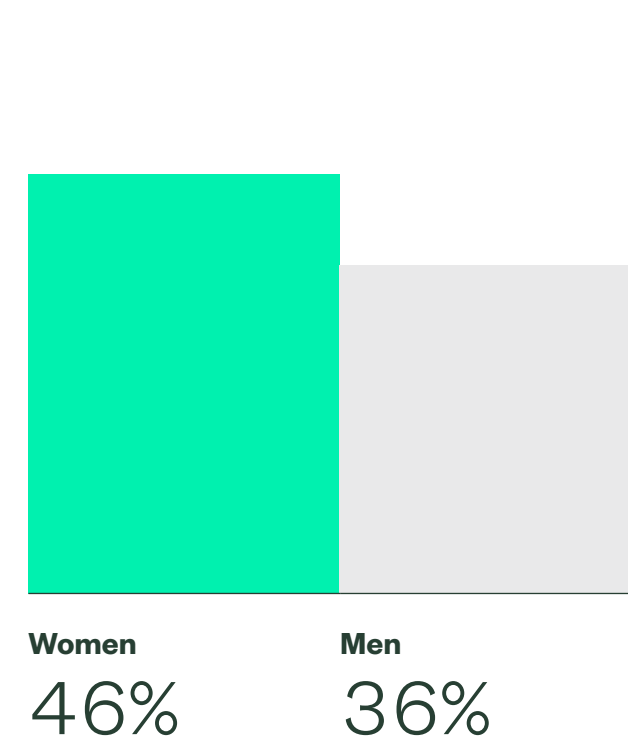
According to our study, 46% of women investors have been with their advisors for more than 10 years, compared to 36% of male investors surveyed (Figure 30).

Proving your value to women investors may be especially valuable, as they're more likely than their male counterparts to remain loyal to their advisor.

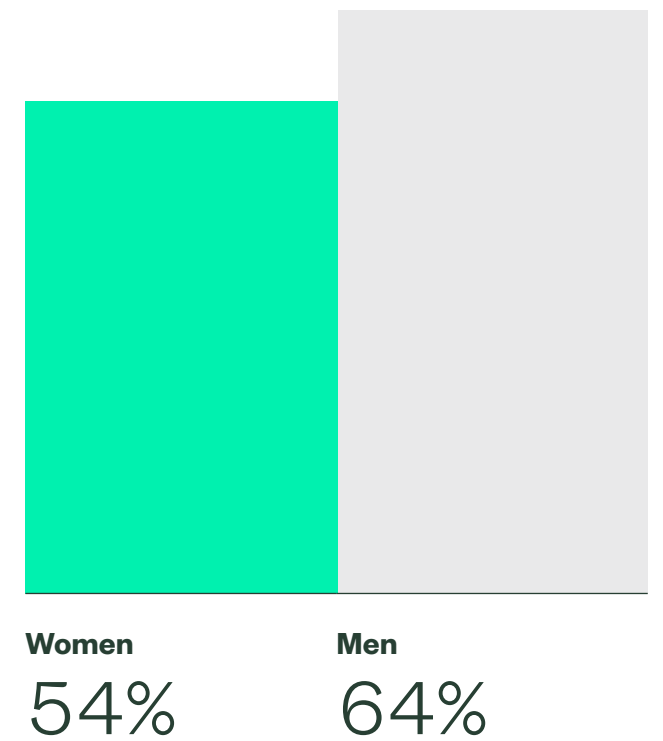
Figure 30

### More Women Investors Have Been With Their Advisor for 10+ Years

Percentage of Women vs. Men Investors With Advisor for 10+ Years



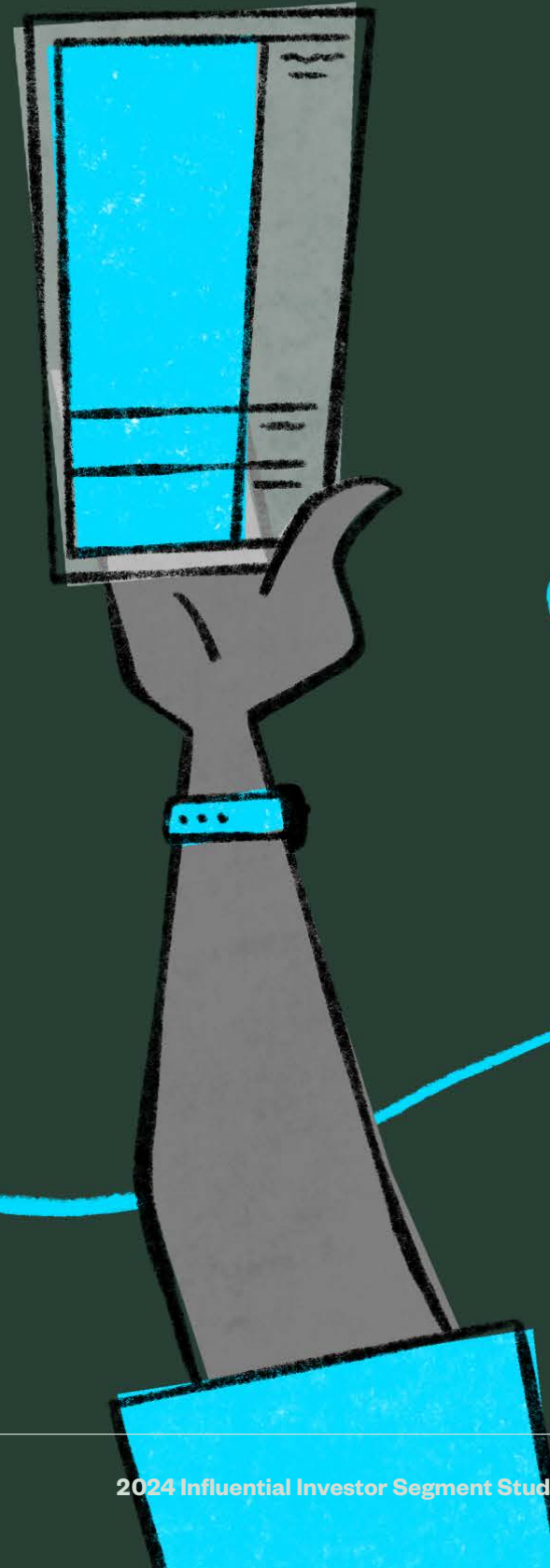
Percentage of Women vs. Men Investors With Advisor for Less than 10 Years



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How long have you been working with your financial advisor? (Please select one)

# Hybrid Investors

## Navigating the Intersection of Self-service Platforms and Advisors



“You can’t have your cake and eat it, too.” Or maybe you can. The fast-growing hybrid investor segment is hungry for both personalized human advice and the convenience and cost-effectiveness of direct investing. They are increasingly keen to blend professional advice with technology, online tools, and personal conviction — to forge their financial futures.

# Hybrid Investors

## Respondent Demographics

Hybrid investors, by definition, maintain a relationship with a traditional advisor alongside at least one self-directed account. According to our research, hybrid investors constitute 26% of the overall investor population and typically have higher incomes compared to advised-only investors.

**Not surprisingly, millennials make up a significant portion of the hybrid investor segment:**

# 40%

of hybrid investors are millennials

### Are equally male and female

51% male and 49% female

### Skew younger than advised-only investors

50 years old: Average age of self-directed investors

56 years old: Average age of advised-only investors

### Are highly educated

86% have completed college or a graduate degree

### Are more likely to be working

77% hybrid vs. 61% advised-only

### Are likely coupled

79% of hybrid investors respondents are married or living with a partner

### Often have children

70% of respondents report having at least one child

### Have a higher household income than advised-only investors

Self-directed average: \$200K

Advised-only average: \$177K

### Have an average of \$1.5M in investable assets

Figure 31

#### Surveyed Hybrid Investors' Most Commonly Used Channels and Platforms

##### Advisory Channel

- 35% Wealth Advisor or Wealth Manager
- 30% CFP
- 11% Portfolio or Asset Manager

##### Self-service Platform(s)

- 48% Fidelity
- 28% Charles Schwab
- 19% Vanguard
- 12% E\*TRADE or MS
- 9% Robinhood

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Questions asked:

- Which of the following best characterizes your financial advisor? (Please select one)
- Which self-directed brokerage account and/or an automated digital investing platform do you use? (Please select all that apply)

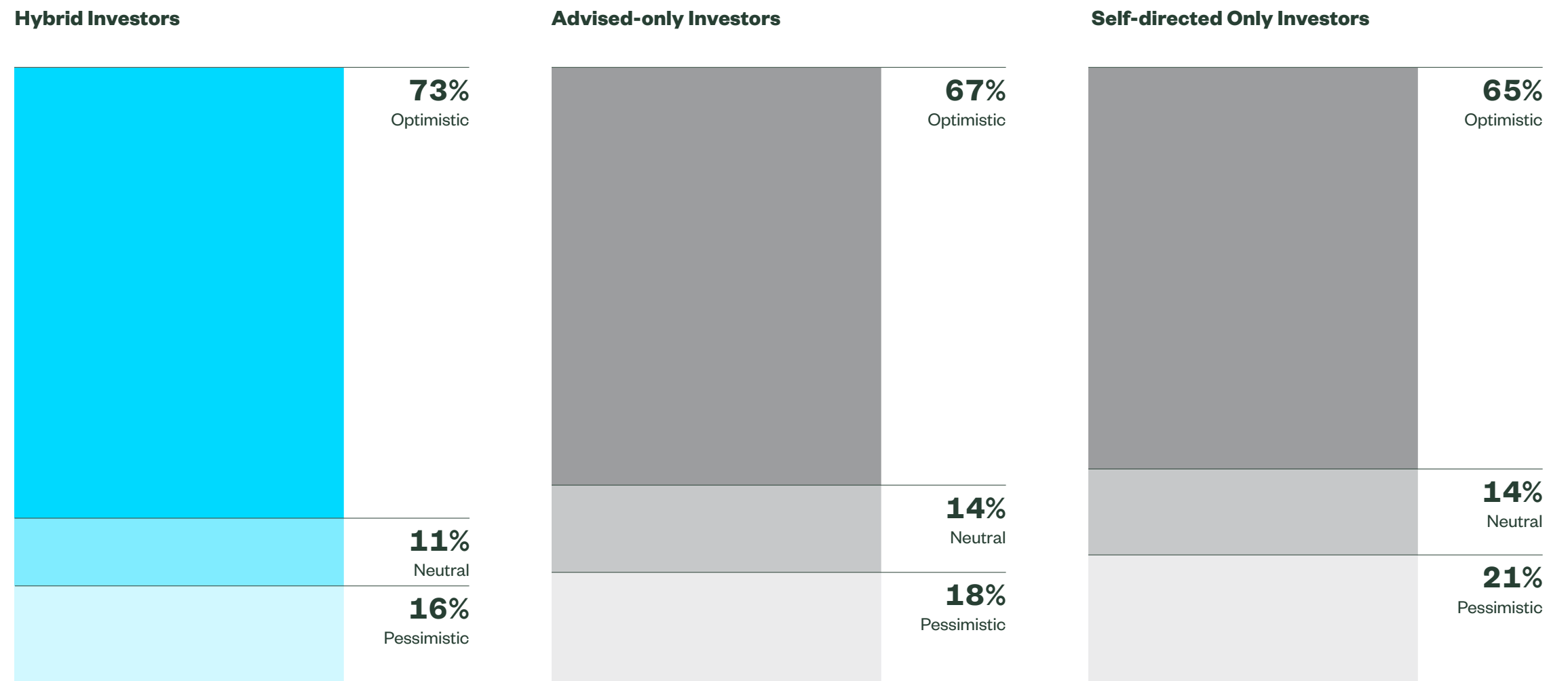
# Hybrid Investors

## Personal Financial Outlook

Hybrid investors, perhaps fueled by their sense of financial control, exhibit greater optimism compared to those who rely solely on advisory services or self-directed investing (Figure 32). Their active engagement in their finances, paired with the advice they receive from their advisors, appears to generally boost their confidence in their financial future.

Financial service providers that offer seamlessly integrated direct brokerage and advisor-led services will thrive with this engaged segment of influential investors.

Figure 32  
**Hybrid Investors Are More Optimistic Than Advised-only and Self-directed Only Investors**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What is your outlook for your financial future over the next 12 months?



# Hybrid Investors Financial Goals

In the face of market uncertainty, hybrid investors prioritize retirement savings for future security. Many also expressed aspirations for travel (55%) and maintaining their lifestyle in retirement (54%) as key goals.

While hybrid investors share similar financial goals with advised-only and self-directed only investors, one key distinction emerges, as seen in Figure 33: hybrid investors have a strong preference for maintaining control over their retirement timing (41%), a priority less emphasized by advised-only investors (31%).

Figure 33

## Hybrid Investors Share Similar Financial Goals With Advised-only and Self-directed Only Investors

|   | Total (%) | Hybrid (%) | Advised Only (%) | Self-directed Only (%) |
|---|-----------|------------|------------------|------------------------|
| Having enough savings to last through my retirement years | 78        | 76         | 81               | 79                     |
| Having funds to travel                                    | 57        | 55         | 57               | 59                     |
| Maintaining my current lifestyle when I retire            | 56        | 54         | 53               | 58                     |
| Having money for my future healthcare needs               | 53        | 49         | 56               | 53                     |
| Being able to choose when I retire                        | 37        | 41         | 31               | 38                     |
| Keeping up with current expenses                          | 34        | 31         | 41               | 32                     |

Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial goals. Please select your top five financial goals.

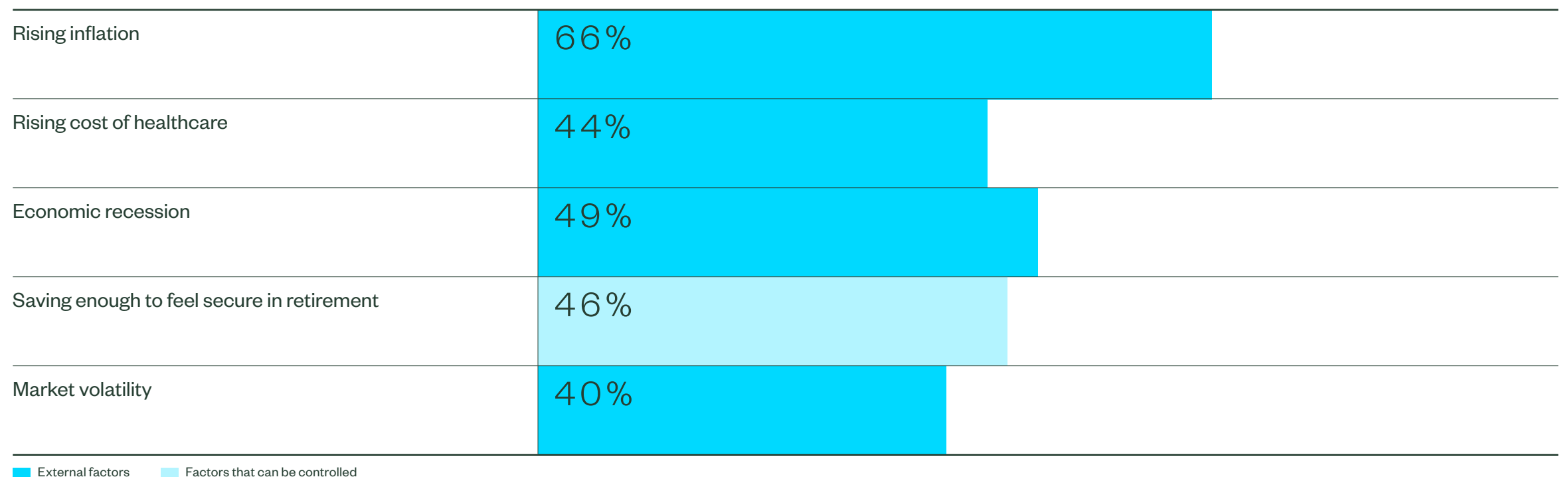
# Hybrid Investors

## Financial Concerns

Given their desire to play an active role in managing their investments, hybrid investors highly value maintaining control over their financial decisions. This preference is reflected in their top financial concerns, which predominantly revolve around external factors — like economic and financial issues — beyond their control.

Hybrid investors said inflation (66%), rising costs of healthcare (44%), economic recessions (49%), and market volatility (40%) were top concerns, alongside saving enough to feel secure in retirement (46%), a concern shared by all influential investor segments (Figure 34).

**Figure 34**  
**Key Financial Concerns Among Hybrid Investors Revolve Around External Factors**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Below is a list of financial concerns. Please select your top five financial concerns. (Please select 5)

# Hybrid Investors

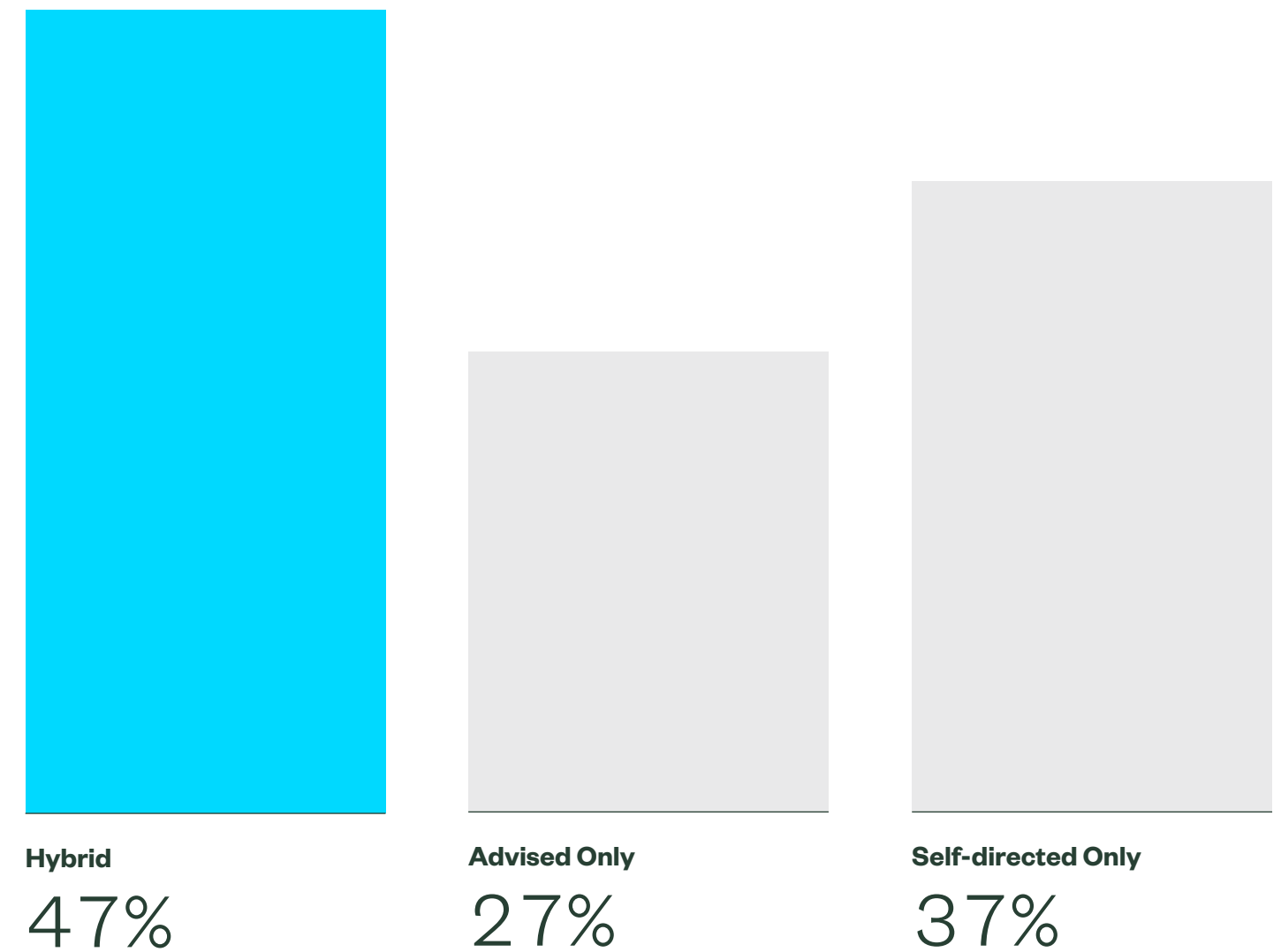
## Key Investing Trends

Our study findings reinforce that hybrid investors desire a stronger sense of control over their finances and, as a result, want to play an active role in the investment process.

Figure 35  
**Significantly More Hybrid Investors Have ETFs in Their Portfolios**

### Likely Have ETFs in Their Portfolios

47% of hybrid investors surveyed have at least one ETF in their portfolio, compared to only 27% of advised-only investors (Figure 35).



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: Approximately what percent of your investment portfolio is allocated to each of the following? (Please enter a number between 0 and 100 for each, with the total adding to 100. Your best estimate is fine.)

## Are Especially Sensitive to Fees

Compared to other segments, hybrid investors show a particular sensitivity to fees.

In fact, 45% of hybrid investors said they would consider leaving their current advisor, or switching, if they raised fees, compared to 38% for all segments surveyed.

This may be a key driver for keeping assets in low-cost, self-directed accounts.

# 45%

of hybrid investors would leave or switch advisors if they raised fees

## May Not Be Receiving Comprehensive Financial Planning via Robo-platforms

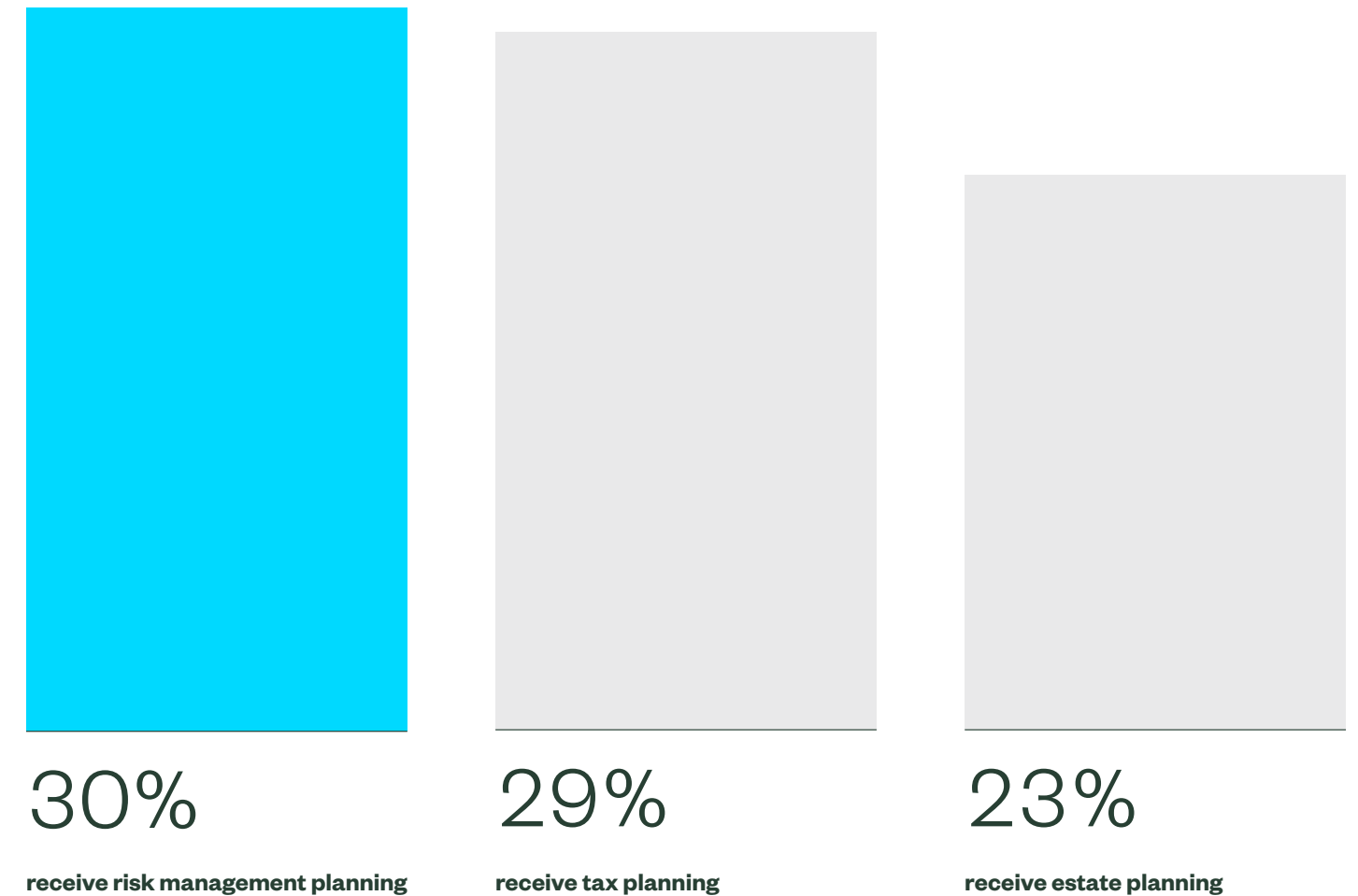
As seen in Figure 36, of the hybrid investors surveyed, only:

- 30% receive risk management planning
- 29% receive tax planning
- 23% receive estate planning

Paradoxically, engaging with advisors who offer these services could help more hybrid investors combat their top financial concerns.

Figure 36

### Services Less Than One-third of Hybrid Investors Currently Use Advisors For



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: What services do you utilize from your financial advisor? (Please select all that apply)

# Hybrid Investors

## Client Service Preferences

When working with hybrid investors, consider that while they understand the importance of holistic planning, they prefer to seek out finance advice and recommendations from multiple channels as opposed to relying on any one person's or source's guidance. Additionally, seamless integration of technology is a highly valued part of the client experience. More specifically:

### They Want Their Advisor to Be a Team Player

67% of hybrid investors make investment decisions in collaboration with their advisor.

And so, this investor segment is likely to seek out advisors that integrate team-first qualities into their client approach: understanding, collaboration, support, and the ability to listen to one's needs.

# 67%

of hybrid investors want to make investment decisions with their financial advisor

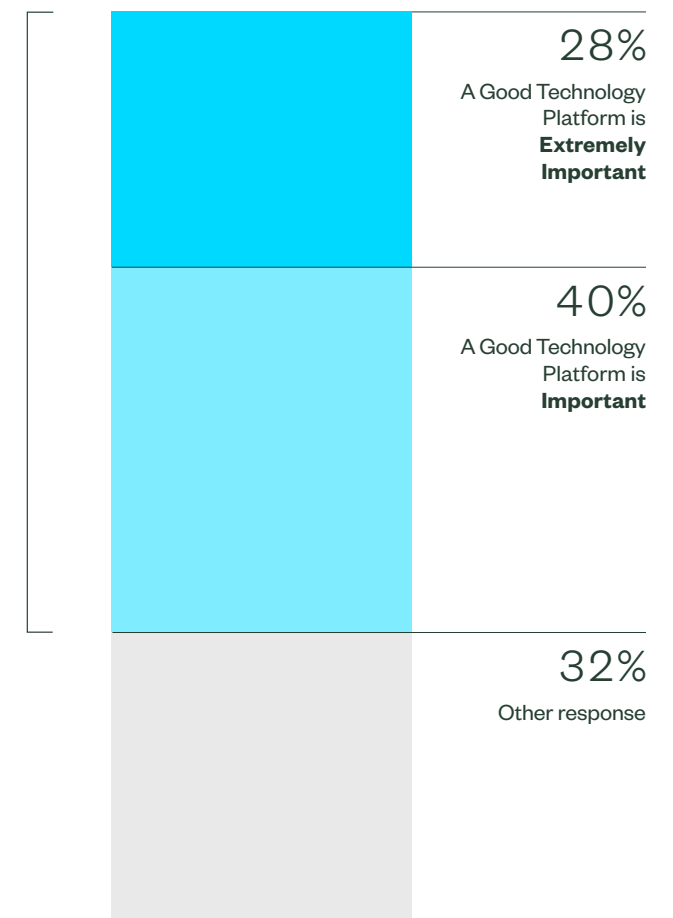
### They Want Technology Integrated into the Advisory Services They Use

More than two-thirds of hybrid investors surveyed said that when selecting an advisor, a good technology platform was either important or extremely important (40% and 28%, respectively).

For the hybrid investor, technology facilitates connectivity and transparency, creating a symbiotic relationship between human advisors and digital tools (Figure 37).

**Figure 37**  
**Two-thirds of Hybrid Investors Say a Good Technology Platform Is Important When Selecting an Advisor**

**68%**  
of Surveyed Hybrid Investors



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How important, if at all, were each of the following criteria when choosing your financial advisor? Use a scale of 1 to 5, where 1 means "not at all important" and 5 means "extremely important." (Please select one per row)

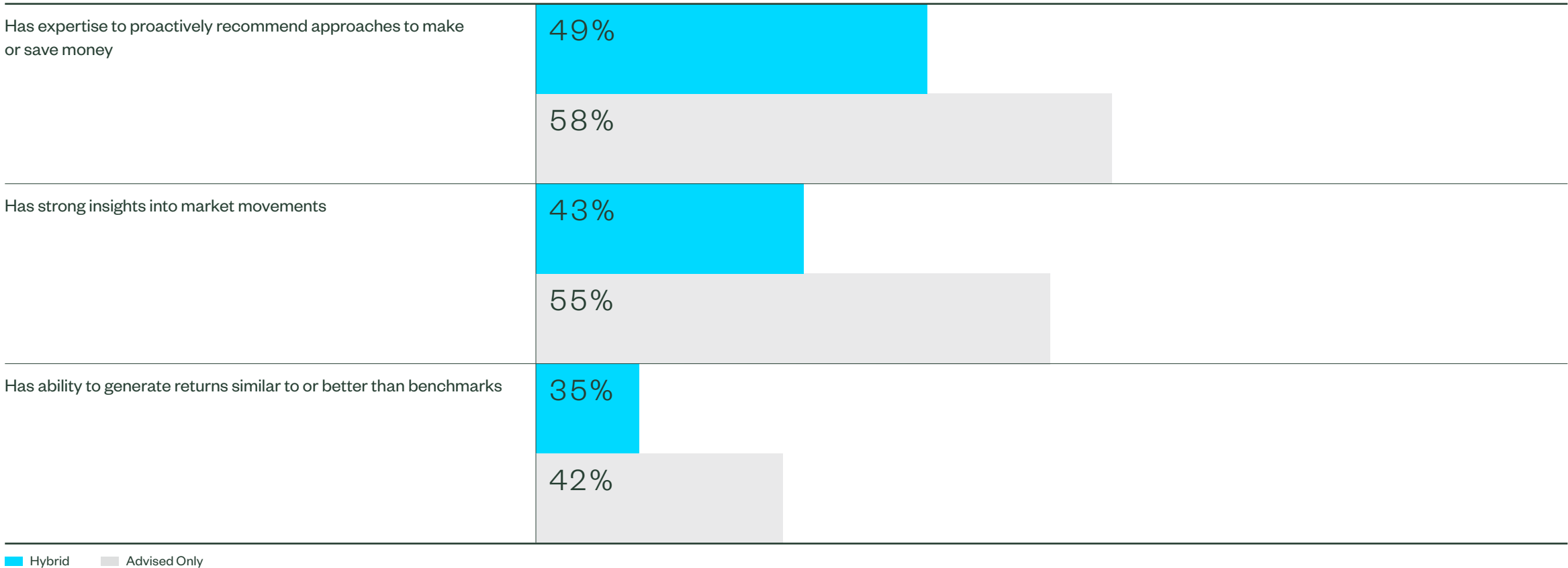


# They're Less Confident in Advisors' Guidance than Other Segments

Significantly fewer hybrid than advised-only investors rated their advisor's performance "excellent" with respect to expertise, market insights, and ability to generate returns (Figure 38).

And 37% of hybrid investors, compared to 31% of all other segments surveyed, said they would consider leaving or switching if their advisor underperformed benchmarks.

**Figure 38**  
**Percentage of Hybrid Investors Who Rate Advisory Performance as Excellent**



Source: State Street Global Advisors, Influential Investor Segment Study, September 2023. Question asked: How would you rate your advisor on each of the following? 5-point scale: 1=Poor to 5=Excellent

# Chart a Clear Path Forward

## Using Investor Segmentation Insights

Growing a financial advisory practice has never been easy. And the current advisory landscape and disruptive industry forces make it downright daunting to keep pace and drive sustainable growth.

But with our Influential Investor Segment Study insights, unlocking new opportunities and building a resilient practice becomes a little easier. Use these insights to help refine your client segmentation strategy and engagement model in ways that help you better attract, service, and retain these high-growth client segments.

The findings in this study underscore how vital it is to continuously anticipate the evolving needs of investors. Ensuring you can meet the goals of today's influential investors positions your practice for tomorrow.

It's our hope that by gaining a better understanding of influential investors' demographics, trends, and preferences, you feel better equipped to deliver on what matters most — meeting clients' needs, exceeding their expectations, and creating memorable experiences that lead to long-lasting client relationships. Because that is ultimately what will boost performance and propel your practice's long-term growth.



**Unlock the Full Potential of Your Advisory Business**

Visit our website for a wide breadth of practice management resources that can help you scale your business and manage your practice more efficiently.

# Research Methodology

## Helping Advisors Refine Their Client Segmentation Strategy

Recognizing that there are several overlooked and undervalued investor segments in the marketplace, State Street Global Advisors set out to understand the wealth management consumer demographics of millennials, Gen X, women, and hybrid investors, along with their investing trends and client service preferences.

State Street Global Advisors, in partnership with A2Bplanning and Prodege, conducted *The Influential Investor Segment Study*, an online survey among a random sample of 1,503 individual investors in the US. Investors surveyed in September 2023 were between the ages of 27 and 77. Among the investors surveyed, participants fell into the following demographic categories:

- 48% were male and 52% were female
- 33% were millennials, 34% were Gen X, and 33% were boomers
- 31% held \$250K–\$499.9K in investable assets; 35% held \$500K–999.9K; 34% held more than \$1M
- 50% used a financial advisor; 50% did not

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### Why Were the Four Influential Investor Segments Chosen?

**Millennials** Are now the largest population and greatly influencing what's next in financial advice

**Gen X** Are the least advised generational segment, but tend to be the most in-need

**Women** Are the fastest growing client segment due to the booming SHEconomy

**Hybrid Investors** Are a growing segment of investors who lean into the duality of personalized human advice and the convenience and cost-effectiveness of direct investing

## Endnotes

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