

Investment in Technology Key to Winning War for Financial Advisor Talent, J.D. Power FindsEdward Jones, Commonwealth Financial Rank Highest in Financial Advisor Satisfaction

TROY, Mich.: 7 July 2020 – Wealth management firms have been making huge investments in new advisor workstation technologies designed to coalesce market data, client information, account servicing tools and AI-powered analytics into a single interface. According to the J.D. Power 2020 U.S. Financial Advisor Satisfaction Study,SM released today, the successful execution of that investment will be key to firms' ability to attract and retain advisor talent.

"Advisor reliance on technology to manage all aspects of their practice has been growing for many years, but it has been accelerated considerably during the COVID-19 pandemic," said **Mike Foy, senior director of wealth and lending intelligence at J.D. Power**. "While firms are investing heavily, many have been missing the mark on delivering technologies that truly meet advisor needs. In fact, just 48% of advisors say the core technology their firm currently provides is 'very valuable.' That needs to change if firms want to win the talent war."

Following are some key findings of the 2020 study:

- **Improvements in technology key differentiator for advisors:** Whether advisors perceive their firm's technology is improving has become the most significant indicator of advisor satisfaction among both employee and independent advisors.
- **Disconnect between reliance on technology and value of technology:** Most advisors (92%) say they currently rely on core planning, portfolio allocation, portfolio management and customer relationship management technologies provided by their firm. However, just 48% of advisors say that technology is "very valuable."
- **Predictive analytics show promise:** Predictive analytics tools, such as AI-driven technologies to predict client needs or identify at-risk clients, still have relatively low levels of adoption among advisors. However, when they are used, they have a powerful positive effect on advisor satisfaction. Just 9% of advisors currently use AI tools, for example, but advisor satisfaction with technology is 95 points higher (on a 1,000-point scale) when they use AI tools and find them valuable than when they rely only on basic planning tools.
- **Integration matters:** As the number of advisor tools and technologies continues to expand, the importance of integration becomes more critical for usability. Currently, just 21% of advisors in both the employee and independent channels say their platform is "completely integrated" with features such as single sign-on, data-synching and workflow. Those platforms with complete integration score significantly higher on technology satisfaction vs. those that don't have it (276-point increase among employees and 193-point increase among independents).

Study Rankings

Among employee advisors, **Edward Jones** ranks highest in overall satisfaction with a score of 920. **Raymond James & Associates** (867) ranks second and **Ameriprise** (743) ranks third.

Among independent advisors, **Commonwealth Financial** ranks highest in overall satisfaction with a score of 942. **Cambridge** (866) ranks second and **Raymond James Financial Services** (850) ranks third.

The U.S. Financial Advisor Satisfaction Study was redesigned for 2020. The study now measures satisfaction among both employee advisors (those who are employed by an investment services firm) and independent advisors (those who are affiliated with a broker-dealer but operate independently) based on six key factors (in alphabetical order): compensation; leadership and culture; operational support; products and marketing; professional development; and technology.

The study is based on responses from 3,262 employee and independent financial advisors and was fielded from January through April 2020.

For more information about the U.S. Financial Advisor Satisfaction Study, visit <https://www.jdpower.com/business/resource/us-financial-advisor-satisfaction-study>.

To view the online press release, please visit <http://www.jdpower.com/pr-id/2020077>.

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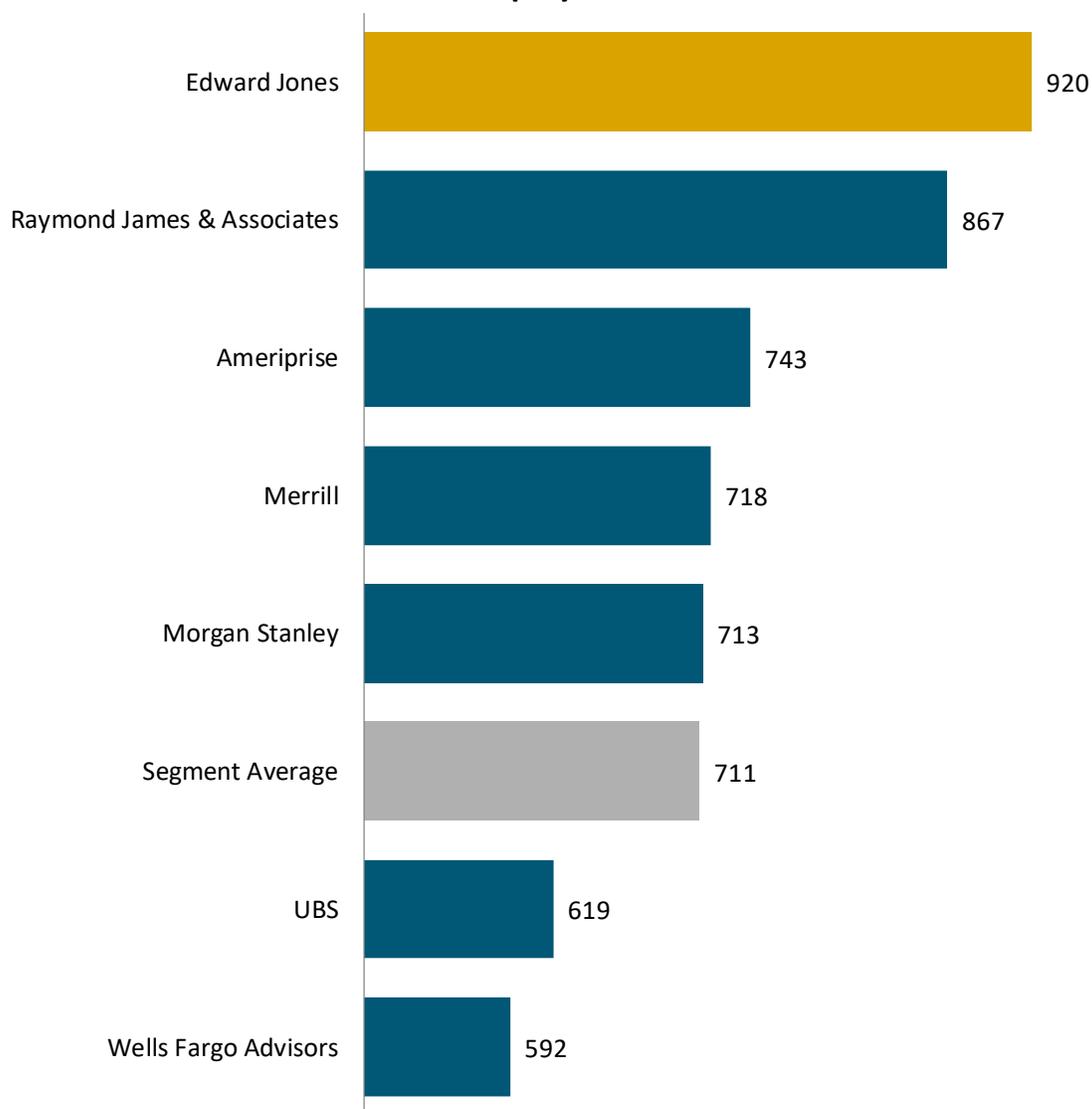
NOTE: Two charts follow.

J.D. Power 2020 U.S. Financial Advisor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Employee



Source: J.D. Power 2020 U.S. Financial Advisor Satisfaction StudySM

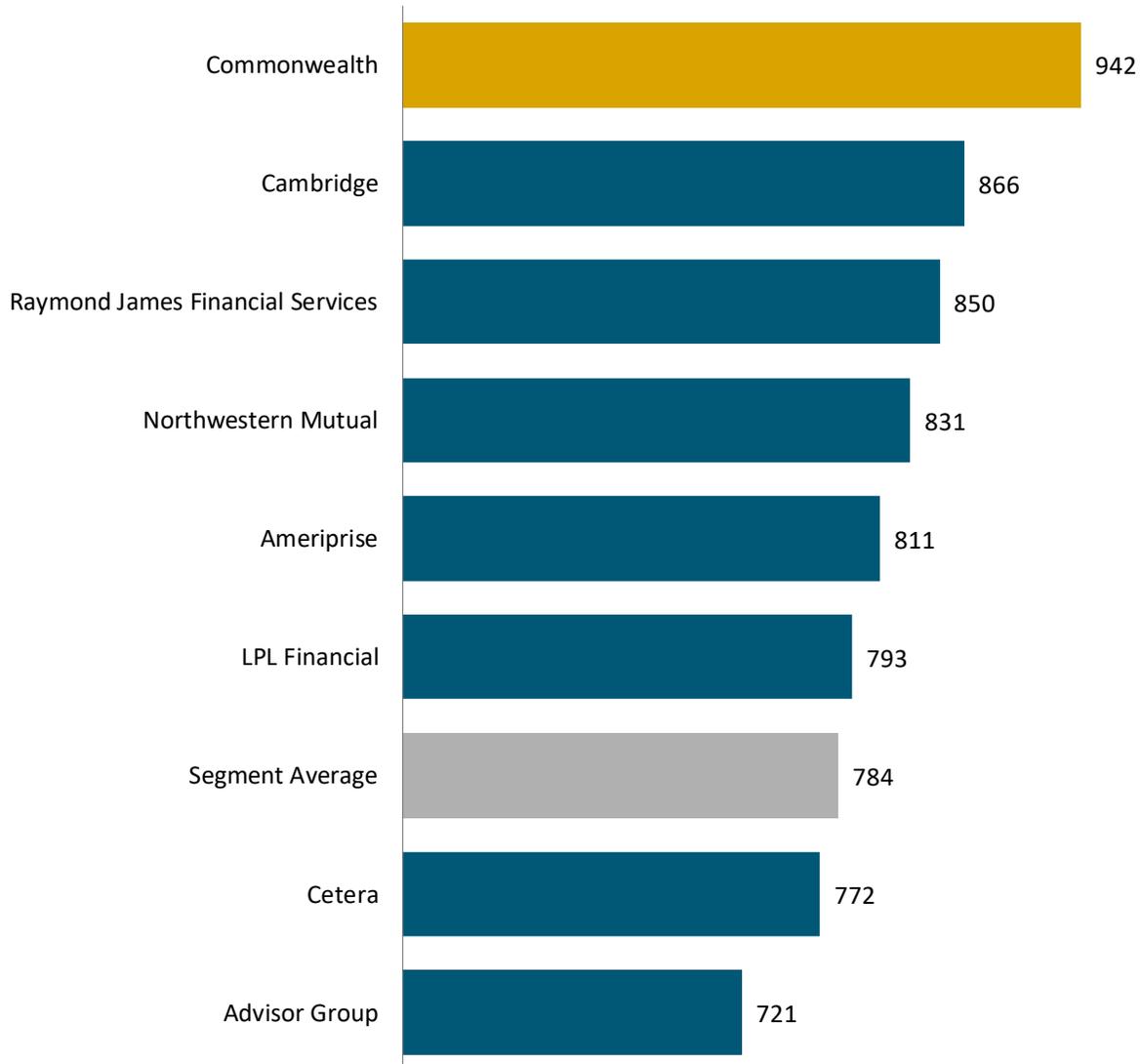
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J.D. Power 2020 U.S. Financial Advisor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Independent



Source: J.D. Power 2020 U.S. Financial Advisor Satisfaction StudySM

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