

Years of Consolidation and No-Fee Trading Forces Online Brokerage Firms to Reexamine Their Value Equation, J.D. Power FindsFidelity and TD Ameritrade Rank Highest in Respective Segments

TROY, Mich.: 4 April 2024 — What has your online brokerage firm done for you lately? For most do-it-yourself (DIY) investors whose level of satisfaction with their brokerage firm has not budged despite significant stock market growth, the answer is unclear. According to the J.D. Power 2024 U.S. Self-Directed Investor Satisfaction Study,SM released today, firms have struggled to differentiate and add value for DIY investors as the industry moves deeper into the no-fee future.

“Retail brokerages need to rethink their role in their clients’ lives and start to deliver clear, quantifiable value, particularly to younger investors,” said **Craig Martin, executive managing director and head of wealth and lending intelligence at J.D. Power**. “The one area where we are seeing increased demand across all categories of investors—even those historically characterized as strictly DIY—is for some level of personalized guidance and support. Right now, that personal connection is really missing at many firms.”

Following are key findings of the 2024 study:

- **DIY investor satisfaction stagnates:** Overall satisfaction among DIY investors this year is 708 (on a 1,000-point scale), up one point from 2023 and even with 2021. This lack of improvement amid a strong surge in stock market growth suggests that DIY investor satisfaction is no longer benefiting from the “halo effect” that typically comes with strong markets.
- **Buy-and-hold investors become defection risk:** Investor satisfaction is highest among DIY investors who are trading more actively. It is lowest among those who tend to use a buy-and-hold strategy, which can limit their ability to see the market recovery benefit or adjust their portfolio to take advantage of increased rates from products such as fixed income securities. This could put customer loyalty at risk for firms that cater to less active investors.
- **Guidance and advice become critical:** While satisfaction among DIY investors is flat, satisfaction among self-directed investors in the seeking guidance category improves 15 points in 2024, signaling the importance of personalized guidance in driving overall investor satisfaction.

“Trust is going to be a key variable for brokerage firms as they fight to attract growing ranks of Millennial¹ and Gen Z do-it-yourself investors,” said **Kapil Vora, senior director of wealth intelligence at J.D. Power**. “Right now, trust levels are flat and until firms find ways to better

¹ J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); and Gen Z (1995-2006). Millennials (1982-1994) are a subset of Gen Y.

connect with investors, they are going to struggle to forge the strong relationships they need to differentiate and add value beyond just digital prowess.”

Study Rankings

Fidelity (708) ranks highest in self-directed investor satisfaction among investors seeking guidance. **Charles Schwab** (707) ranks second, while **TD Ameritrade** (702) and **Vanguard** (702) each rank third in a tie.

TD Ameritrade (722) ranks highest in self-directed investor satisfaction among do-it-yourself investors. Charles Schwab (717) and Vanguard (717) each rank second in a tie.

The U.S. Self-Directed Investor Satisfaction Study, now in its 22nd year, evaluates key satisfaction drivers and firm performance among both investors seeking guidance (those who don't have a dedicated financial advisor but do have access to interact with a registered investment professional) and true do-it-yourself investors (those who do not interact with professional advisors). The study measures self-directed investors' satisfaction with their investment firm based on performance in seven factors (in order of importance): trust; digital channels; the ability to manage wealth how and when I want; products and services; value for fees; people; and problem resolution.

The 2024 study is based on responses from 9,875 investors who make all their investment decisions without the counsel of a full-service dedicated financial advisor. It was fielded from January 2023 through January 2024.

For more information about the U.S. Self-Directed Investor Satisfaction Study, visit <https://www.jdpower.com/business/wealth-management-platform>.

See the online press release at <http://www.jdpower.com/pr-id/2024029>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 55 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit [JDPower.com/business](https://www.jdpower.com/business). The J.D. Power auto-shopping tool can be found at [JDPower.com](https://www.jdpower.com).

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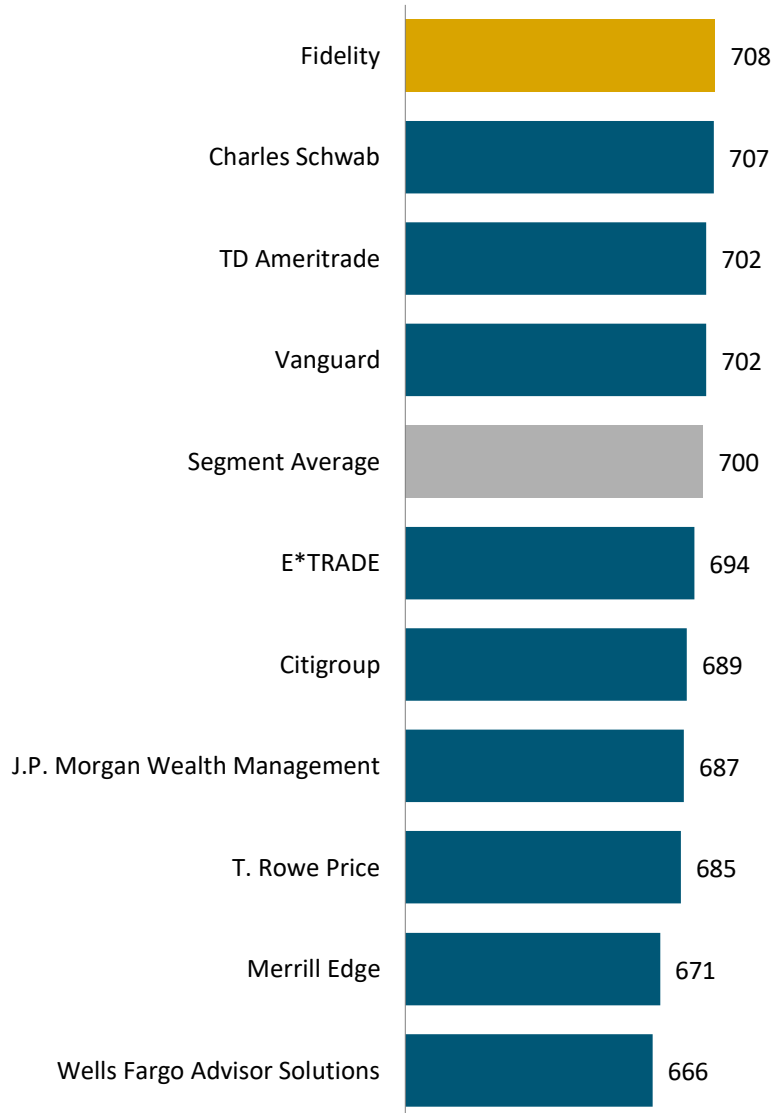
NOTE: Two charts follow.

J.D. Power 2024 U.S. Self-Directed Investor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Seeking Guidance



Source: J.D. Power 2024 U.S. Self-Directed Investor Satisfaction StudySM

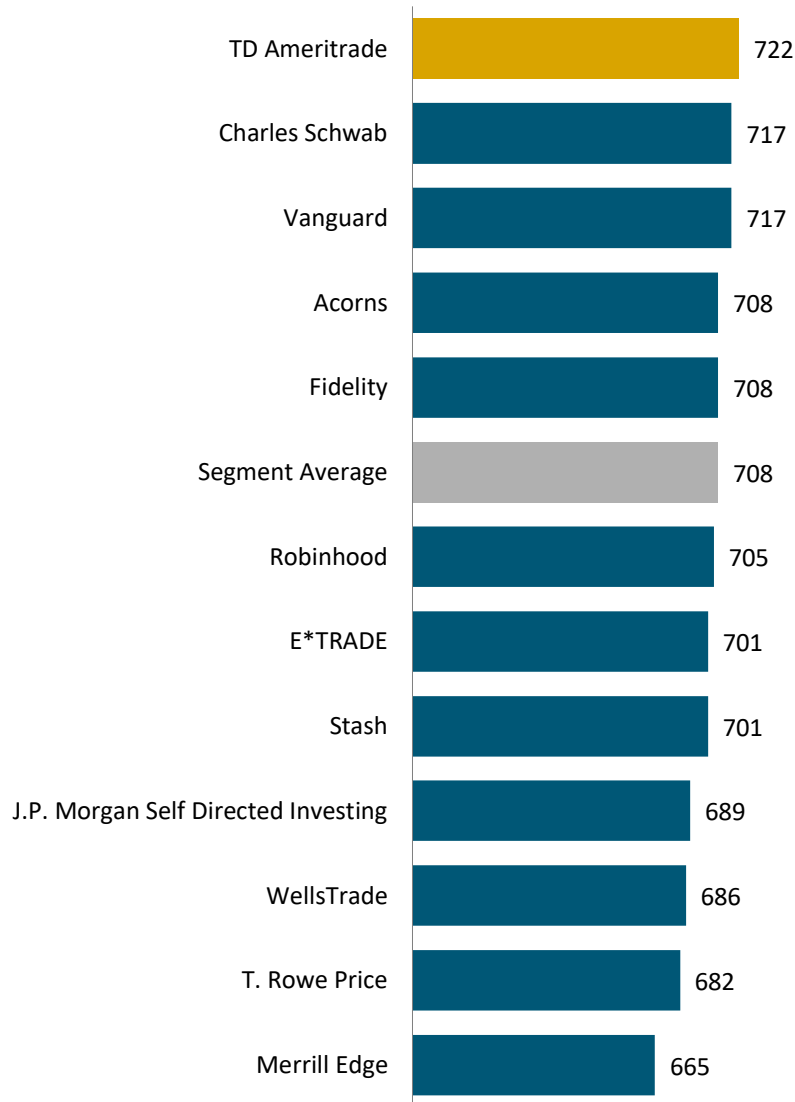
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J.D. Power 2024 U.S. Self-Directed Investor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Do-It-Yourself (DIY)



Note: TD Ameritrade is now part of Charles Schwab

Source: J.D. Power 2024 U.S. Self-Directed Investor Satisfaction StudySM

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