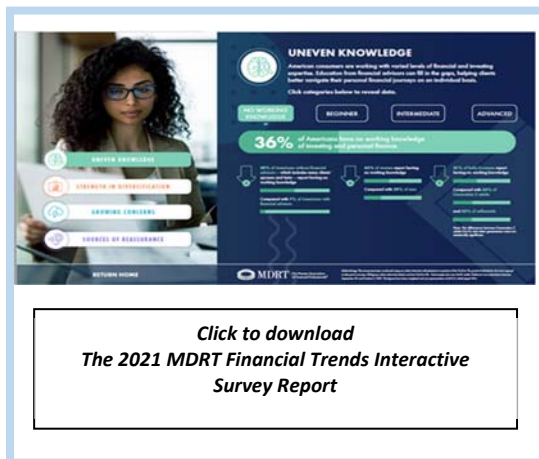


Americans seek to diversify investment portfolios amid growing financial concerns

Insights from MDRT survey find prime opportunity for financial advisors to help consumers build their financial knowledge.

PARK RIDGE, Ill. (Nov. 18, 2021) — The economic aftermath of the COVID-19 pandemic forced many Americans to revisit their finances and take a critical look at their investments. Now more than ever, consumers are seeking to sharpen their financial knowledge. A recent YouGov study of more than 3,000 U.S. adults, conducted on behalf of [MDRT](#), found that 64% of individuals with a financial advisor report having intermediate or advanced financial knowledge compared with the 24% of individuals who have never had one. As 2022 approaches, American consumers may find that partnering with an accredited financial advisor can help them gain the knowledge they need to build toward their investment goals in the new year.

Disparities in financial knowledge



American consumers are working with varied levels of financial and investing expertise, and education from a financial advisor is a major differentiator when it comes to filling in the gaps. Of the survey respondents, 49% of Americans who have never had financial advisors report having no working knowledge of investing or personal finance in comparison with 7% of those working with a financial advisor, suggesting that the counsel of a financial advisor may be a key factor for those aiming to expand their financial expertise.

While lack of financial knowledge is more common among those without financial advisors, the educational gap further widens for both women and baby boomers.

According to the study:

- 43% of women report having no working financial knowledge while only 29% of men report the same.
- 41% of baby boomers report having no working knowledge, compared with 33% of Generation X adults and 32% of millennials.

These findings suggest women and baby boomers are two demographics that present a previously untapped population for advisors to serve.

“As we head into the new year, Americans are hoping to recoup the economic effects brought on by the COVID-19 pandemic and start fresh,” said MDRT President Randy Scritchfield, LUTCF. “Financial advisors are ready to help both new and returning clients of all levels of financial knowledge to ensure they are financially prepared for the future.”

Growing financial concerns

Despite Americans' forward-looking gaze, it's clear that many are still grappling with the economic aftermath of the pandemic: the survey found that 68% and 61% of Americans, respectively, are worried about the impacts of inflation, and supply chain and delivery issues on their personal finances in the next few years.

This level of concern varies between generations, with:

- 76% of baby boomers and 72% of Generation X adults saying they are worried about the impacts of inflation, compared with 59% of millennials and 54% of Generation Z adults.
- 68% of baby boomers and 66% of Generation X adults reporting concern about the impacts of supply chain and delivery issues on their personal finances, compared with 57% of millennials and 42% of Generation Z adults.

"Ensuring consumers are both conscious of and prepared for economic instability is a top priority for financial advisors," said Scritchfield. "By working with an advisor, consumers can find peace of mind knowing they have an expert looking out for their financial wellbeing."

Diversifying investment portfolio

Traditional and mainstream investments, like stocks and bonds, remain the most popular investment vehicles among survey respondents. But American consumers want to branch out, expressing interest in both conventional and alternative investments. 66% of Americans with financial advisors report owning stocks and bonds while only 22% of individuals who have never had an advisor report owning these investments, indicating that financial advisors may help instill confidence and empower their clients to engage with a variety of investment vehicles to reach their financial goals.

In terms of alternative investments, the survey reports that 12% of Americans own cryptocurrencies, with another 20% of Americans expressing interest in owning them. Eighteen percent of Americans with financial advisors report owning cryptocurrencies, a higher percentage than Americans without advisors (11%), suggesting a need for financial advisors to be well-versed in both the opportunities and risks of cryptocurrencies to best advise their clients.

Real estate is another form of investment Americans are using to diversify their portfolios, with 23% reporting they own real estate and another 26% expressing interest in ownership. 41% of Americans with financial advisors report owning real estate investments compared with only 15% of Americans who have never had financial advisors, which may imply that those working with financial advisors are more likely to build diverse investment portfolios that can help protect them from economic turbulence.

Despite varying levels of financial knowledge, emerging economic concerns, and differing investment vehicles, one thing is certain: Americans are ready to move beyond the economic hardships of the COVID-19 pandemic and start fresh in 2022. And while there are many paths to financial freedom, financial advisors can help consumers build a financial plan that best suits their individual financial goals.

To learn more about these findings, visit the [MDRT Media Room](#).

Survey methodology: *This survey was conducted online within the United States by YouGov on behalf of MDRT from September 30 – October 7, 2021, among 3,642 U.S. adults ages 18 and older. The results have been weighted and are representative of Americans aged 18+.*

For complete survey methodology, including weighting variables and subgroup sample sizes, please contact [Jack Miller](#).

About MDRT

MDRT (Million Dollar Round Table), The Premier Association of Financial Professionals®, is a global, independent association of the world's leading life insurance and financial services professionals from more than 500 companies in 70 nations and territories. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit mdrt.org and follow them on Twitter [@MDRtweet](https://twitter.com/MDRtweet).

The Million Dollar Round Table (MDRT) is committed to celebrating and serving its inclusive, diverse constituency of members in a culture where everyone is valued, respected, appreciated and treated fairly without bias or discrimination. As a global organization, MDRT values and embraces the differences among its members. MDRT will purposefully establish and promote policies, programs and procedures that affirm diversity, equity and inclusion for the benefit of all members, aspiring members, industry partners and the financial services profession.

Contact Information

Giang Ngo
MDRT
847-993-4955
gngo@mdrt.org

Jack Miller
G&S Business Communications
312-598-3149
jmiller@gscommunications.com

###