

Demographic Variations in the Perception of the Investment Services Offered by Financial Advisors

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With varying levels of complexity, diversity, and differing needs among individuals' investment situations, it can be challenging for Financial Advisors (FAs) to know how the investment services that they offer are perceived by prospective and existing clients. Utilizing data from the National Financial Capability Study (NFCS), this study examines the demographic perceptions of utilizing FAs for specific investment services. The findings, generally, show females, non-whites, higher levels of education and net worth are associated with valuing the investment services offered by FAs.

Keywords: financial advisors, investments, demographic perceptions

INTRODUCTION

Demographic factors such as higher levels of net worth (Hanna, 2011), income (Lusardi & Mitchell, 2007; Raskie et al., 2017; Elmerick et al., 2002), education (Agnew & Szykman, 2005; Lusardi & Mitchell, 2007), age (Barber & Odean, 2001), and being female (Bluethgen et al., 2008; Finke et al., 2011) have all been associated with the use of financial advisors (FAs). Little research, however, has examined the associations between the specific investment services that FAs offer and the perceptions among varying demographic groups.

The objective of this study is to provide a better understanding of how the investment related services that FAs offer are perceived by clients and potential clients. The intent of this study is not to provide an over generalization between the use of FAs among varying demographic groups; rather, the intent of this study is to provide insight into the demographic variation surrounding the specific investment related services FAs may offer their clients. The investment related services that this study investigates are the use of FAs in helping clients avoid losses, in helping clients improve investment performance, in helping clients learn about investment opportunities, and in helping clients get access to investments that clients could not get on their own.

BACKGROUND

Acquiring the knowledge of complex financial markets requires a significant investment of human capital, and, as an alternative, it may be more beneficial to outsource investment management to a FA (Larson, 1993; Chang, 2005). Utilizing the Survey of Consumer Finances, Elmerick et al. (2002) show that the highest ranked reasons for using a FA is to garner investment recommendations.

FAs can add objective value and confidence to their clients when helping them make investment related decisions. When compared to the general public, FAs are less likely to hold on to lower

performing stocks (Shapira & Venezia, 2001). FAs can help clients avoid selling investments under distress and manage their clients' panic levels during volatile market conditions (Haslem, 2010). The use of FAs is associated with higher levels of stock market participation (Georgarakos & Inderst, 2014). FAs can help clients overcome feelings of investment insecurity (Haslem, 2008).

Heterogeneity among a FA's clients may provide insight in explaining who is willing to pay to use a FA. Females and older individuals are more likely to pay for financial services (Bluethgen et al., 2008; Finke et al., 2011). Barber & Odean (2001) suggest that younger individuals and individuals that are male may be subject to overconfidence bias and are less likely to utilize FAs. Elmerick et al. (2002) show a negative association between an increase in age and the use of FAs for advice on saving, investment, credit, and borrowing. An individual's income also has been associated with the use of FAs. Lower income levels are associated negatively with the use of FAs (Lusardi & Mitchell, 2007; Raskie et al., 2017).

Lower levels of education have been associated with lower level of financial literacy (Agnew & Szykman, 2005; Lusardi & Mitchell, 2007); however, the literature is divided on if those with lower levels of financial literacy seek financial and investment advice. Some argue that individuals with lower levels of financial literacy are less likely to obtain financial and investment advice (Hackethal, 2010; Collins, 2012) and others suggest that they are more likely to obtain financial and investment advice (Joo & Grable, 2001; Fischer & Gerhardt, 2007). Bluethgen et al. (2008) show an association between an increase in an individual's financial and investment complexity and the use of FAs.

Other associations and the use of FAs are also found in the literature. The perception of trust (Hung et al., 2008; Burke & Hung, 2015), the perception of analytical ability (Nofsinger & Varma, 2007), humor (Bergeron & Vachon, 2008), and the FA's obtainment of education and certifications (Bae & Sandager, 1997) have all been associated with the use of FAs.

Much of the prior literature on demographic variation in the market for financial and investment advice has focused on the use of FAs. To the author's knowledge, this is the first study that focuses on the association between demographic variations and the perception of specific investment services offered by FAs.

DATA

This paper uses the 2015 wave of the investor survey of the National Financial Capability Study (NFCS). The 2015 wave is used because the data of interest are only available in the 2015 wave. The NFCS is a project of the FINRA Investor Education Foundation. The survey is self-administered by respondents on a website. Respondents are screened to confirm that they had investments in non-retirement accounts and that they are the primary or shared decision-maker regarding investments for their household. No additional weighting is used to account for non-response bias (FINRA, 2015).

Four questions from the NFCS are analyzed. Survey participants are asked, "Below are some reasons that people might use a financial adviser. How important is each of the following to you, personally?" The following four reasons are analyzed: (1) to help avoid losses, (2) to help improve investment performance, (3) to learn about investment opportunities, and (4) to have access to investments I couldn't get on my own. For each of the questions, the survey participants could answer: "Not at all Important," "Somewhat Important," "Very Important," "Don't know," and "Prefer not to say." Each of the question responses serve as separate dependent variables. A detailed breakdown of the questions are provided in the appendix.

The demographic data utilized are the survey participants' non-retirement account size, income, age, education, gender, and whether or not the survey participant is white. The responses for non-retirement account size, income, and age are categorical. Gender and whether or not the survey participant is white are binary responses. Education is a binary response based on the predication that the survey participant has a Bachelor's degree or higher. A detailed breakdown of the demographic questions are provided in the appendix.

The 2015 wave of the investor survey has a total sample size of 2,000. The sample is refined by dropping individuals that respond, “Don’t know” or “Prefer not to say” when asked about the value of their non-retirement accounts. There are no missing values for the other demographic variables in this study. The sample size is 1,894.

Table 1 provides the descriptive statistics of the sample. The mean value of survey participants’ non-retirement accounts falls in the \$50,000 - \$100,000 category and the average income falls in the greater than \$100,000 category. Survey participants’ average age falls in the 55+ category, 38.5% have Bachelor’s degrees or higher, 56% are male, and 79.8% are white.

**TABLE 1
DESCRIPTIVE STATISTICS**

	Mean	Std. Dev.	Min	Max
Non-Retirement Accounts ¹	6.3289	2.4095	1	10
Income ²	2.1399	0.7319	1	3
Age ³	2.3495	0.7471	1	3
College Degree (no degree as base)	0.3849	0.4867	0	1
Gender (female as base)	0.5591	0.4966	0	1
White (non-white as base)	0.7978	0.4018	0	1

N = 1,894

¹What is the approximate total value of all of your investments in non-retirement accounts?

- 1 Less than \$2,000
- 2 \$2,000 to less than \$5,000
- 3 \$5,000 to less than \$10,000
- 4 \$10,000 to less than \$25,000
- 5 \$25,000 to less than \$50,000
- 6 \$50,000 to less than \$100,000
- 7 \$100,000 to less than \$250,000
- 8 \$250,000 to less than \$500,000
- 9 \$500,000 to less than \$1,000,000
- 10 \$1,000,000 or more

²Household income [from State-by-State Survey]

- 1 <\$50K
- 2 \$50-\$100K
- 3 \$100K+

³Age

- 1 18-34
- 2 35-54
- 3 55+

An additional point of note is that the NFCS asks survey participants, “Is there a specific person who is your broker or investment adviser?” 894 of the 1,894 sample (47.2%) respond “yes.” Although roughly half of this study’s sample report that they do not use a FA, they are kept in the sample because the

objective of this study is to provide clarity surrounding the perception of existing clients and potential clients of FAs. A sensitivity analysis is conducted and discussed later that addresses the perception of the 894 who responded “yes.”

MODEL

To examine the demographic variations in the perception of the investment services offered by FAs, this study utilizes four ordered probit models on each of the four investment related reasons for using a FA. The data are cross-sectional. Each of the models is estimated via maximum likelihood. Average marginal effects are calculated to determine the magnitude of the effects. The error term is assumed to follow the standard normal distribution.

The beginning sample size for each reason is 1,894. “Don’t know” and “Prefer not to say” responses are dropped before each reason is regressed. This is done so that the sample size for each reason can only be: “Not at all Important,” “Somewhat Important,” or “Very Important.” These data serve as the dependent variables for each model. Table 2 is a frequency distribution that shows the breakdown of responses for each reason.

TABLE 2
FREQUENCY DISTRIBUTION

	To Help Avoid Losses		To Improve Investment Performance		To Learn About Investment Opportunities		To Have Access to Investments I Couldn't Get on my Own	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Not at All Important	150	7.92	139	7.34	183	9.66	286	15.10
Somewhat Important	476	25.13	437	23.07	689	36.38	686	36.22
Very Important	1,218	64.31	1,277	67.42	975	51.48	843	44.51
Don't Know	42	2.22	36	1.9	41	2.16	74	3.91
Prefer Not to Say	8	0.42	5	0.26	6	0.32	5	0.26
Total	1,894	100	1,894	100	1,894	100	1,894	100

The (sample size) for each reason is as follows: helping clients avoid losses (1,844), in helping clients improve investment performance (1,853), in helping clients learn about investment opportunities (1,845), and in helping clients get access to investments that clients could not get on their own (1,815).

The survey participants’ demographic variables serve as the independent variables. Non-retirement accounts, income, and age enter the model categorically, with the reference groups of less than \$2,000, less than \$50,000, and 18-34, respectfully. Survey participants’ education, gender, and whether or not the survey participant is white enter the model dichotomously, with the reference groups of no degree, female, and non-white, respectfully.

RESULTS

The average marginal effects from the four ordered probit regressions are reported in Table 3. It is important to note that this study only examines the demographic variations in the use of FAs for the four mentioned investment related services, which is distinctly different than the use of FAs for comprehensive advice, general investing advice, and other services. The results of this study should only be discussed as they apply to the four investment related services.

TABLE 3
ORDERED PROBIT REGRESSION RESULTS

	To Help Avoid Losses			To Improve Investment Performance			To Learn About Investment Opportunities			To Have Access to Investments I Couldn't Get on my Own		
	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important
Non-Retirement Accounts (> \$2,000 as base)												
\$2,000 to \$5,000	-0.0669* (0.0401)	-0.0529 (0.0324)	0.1198* (0.0712)	-0.0593 (0.0404)	-0.0465 (0.0322)	0.1058 (0.0717)	-0.0152 (0.0464)	-0.0054 (0.0168)	0.0206 (0.0631)	0.0058 (0.0570)	0.0001 (0.0010)	-0.0059 (0.0579)
\$5,000 to \$10,000	-0.0803** (0.0371)	-0.0686** (0.0303)	0.1499** (0.0657)	-0.0551 (0.0384)	-0.0422 (0.0287)	0.0974 (0.0663)	-0.0776* (0.0397)	-0.0456* (0.0236)	0.1232** (0.0610)	-0.0807 (0.0496)	-0.0145 (0.0114)	0.0951 (0.0578)
\$10,000 to 25,000	-0.0890** (0.0356)	-0.0801*** (0.0288)	0.1691*** (0.0624)	-0.0757** (0.0359)	-0.0649** (0.0281)	0.1406** (0.0627)	-0.0713* (0.0387)	-0.0399* (0.0207)	0.1113* (0.0575)	-0.1123** (0.0463)	-0.0286** (0.0138)	0.1410** (0.0552)
\$25,000 to 50,000	-0.1001*** (0.0349)	-0.0963*** (0.0286)	0.1964*** (0.0611)	-0.0875** (0.0351)	-0.0802** (0.0281)	0.1676** (0.0614)	-0.0911** (0.0374)	-0.0593*** (0.0222)	0.1504*** (0.0567)	-0.0958** (0.0463)	-0.0205** (0.0111)	0.1163** (0.0535)
\$50,000 to \$100,000	-0.0697** (0.0345)	-0.0561** (0.0228)	0.1258** (0.0565)	-0.0867*** (0.0338)	-0.0791*** (0.0242)	0.1657*** (0.0567)	-0.1110*** (0.0353)	-0.0842*** (0.0194)	0.1952*** (0.0515)	-0.1452** (0.0425)	-0.0505* (0.0122)	0.1957** (0.0486)
\$100,000 to \$250,000	-0.0929*** (0.0336)	-0.0856*** (0.0227)	0.1786*** (0.0550)	-0.0994*** (0.0333)	-0.0977*** (0.0235)	0.1971*** (0.0552)	-0.1119*** (0.0350)	-0.0854*** (0.0176)	0.1973** (0.0498)	-0.1324** (0.0423)	-0.0410*** (0.0097)	0.1735*** (0.0471)
\$250,000 to \$500,000	-0.1124*** (0.0337)	-0.1171*** (0.0247)	0.2295*** (0.0562)	-0.1175*** (0.0334)	-0.1296*** (0.0253)	0.2471*** (0.0563)	-0.1204*** (0.0353)	-0.0982*** (0.0197)	0.2186*** (0.0516)	-0.1607*** (0.0425)	-0.0640*** (0.0130)	0.2246*** (0.0491)
\$500,000 to \$1,000,000	-0.1216*** (0.0342)	-0.1348*** (0.0279)	0.2565*** (0.0592)	-0.1241*** (0.0339)	-0.1433*** (0.0282)	0.2674*** (0.0591)	-0.1421*** (0.0357)	-0.1385*** (0.0251)	0.2806*** (0.0555)	-0.1510*** (0.0445)	-0.0553*** (0.0151)	0.2062*** (0.0534)
\$1,000,000 or more	-0.1138** (0.0354)	-0.1197*** (0.0303)	0.2335*** (0.0629)	-0.1174** (0.0348)	-0.1296*** (0.0305)	0.2470*** (0.0625)	-0.1093*** (0.0381)	-0.0817*** (0.0250)	0.1910*** (0.0597)	-0.1527*** (0.0459)	-0.0568*** (0.0176)	0.2095*** (0.0572)
Income (<\$50k as base)												
\$50-100k	0.0030 (0.0115)	0.0045 (0.0174)	-0.0075 (0.0288)	-0.0025 (0.0112)	-0.0038 (0.0170)	0.0064 (0.0281)	0.0030 (0.0126)	0.0039 (0.0168)	-0.0069 (0.0294)	0.0080 (0.0172)	0.0055 (0.0120)	-0.0135 (0.0292)
\$100k+	0.0122 (0.0133)	0.0174 (0.0193)	-0.0296 (0.0325)	0.0054 (0.0128)	0.0079 (0.0189)	-0.0132 (0.0317)	0.0073 (0.0144)	0.0093 (0.0186)	-0.0166 (0.0330)	0.0155 (0.0196)	0.0102 (0.0132)	-0.0257 (0.0327)
Age (18-34 as base)												
35-54	0.0355*** (0.0111)	0.0599*** (0.0196)	-0.0954*** (0.0303)	0.0248** (0.0101)	0.0452** (0.0191)	-0.0699** (0.0290)	0.0275*** (0.0101)	0.0577*** (0.0221)	-0.0853*** (0.0319)	0.0415*** (0.0146)	0.0481*** (0.0182)	-0.0897*** (0.0324)
55+	0.0385*** (0.0107)	0.0639*** (0.0192)	-0.1024*** (0.0295)	0.0421*** (0.0104)	0.0698*** (0.0186)	-0.1119*** (0.0284)	0.0829*** (0.0116)	0.1256*** (0.0209)	-0.2085*** (0.0309)	0.1168*** (0.0159)	0.0937*** (0.0170)	-0.2105*** (0.0313)
College Degree (No degree as base)	-0.0177** (0.0093)	-0.0255** (0.0132)	0.0433** (0.0225)	-0.0160* (0.0089)	-0.0240* (0.0132)	0.0401* (0.0220)	-0.0220** (0.0101)	-0.0282** (0.0128)	0.0502** (0.0228)	-0.0477*** (0.0137)	-0.0308*** (0.0089)	0.0784*** (0.0224)
Gender (female as base)	0.0419*** (0.0090)	0.0601*** (0.0123)	-0.1020*** (0.0209)	0.0370*** (0.0086)	0.0554*** (0.0123)	-0.0924*** (0.0205)	0.0429*** (0.0096)	0.0549*** (0.0120)	-0.0978*** (0.0212)	0.0524*** (0.0129)	0.0338*** (0.0083)	-0.0862*** (0.0208)
White (non-white as base)	-0.0073 (0.01529)	-0.0105 (0.01529)	0.0179 (0.0259)	0.0063 (0.0103)	0.0095 (0.0154)	-0.0159 (0.0257)	0.0121 (0.0118)	0.0156 (0.0151)	-0.0277 (0.0268)	0.0354** (0.0161)	0.0229** (0.0104)	-0.0582** (0.0264)

*** Significant at the one-percent level ** Significant at the five-percent level * Significant at the ten-percent level.
N = helping clients avoid losses (1,844), in helping clients improve investment performance (1,853), in helping clients learn about investment opportunities (1,845), and in helping clients get access to investments that clients could not get on their own (1,815).

Non-retirement Account Size

The results for non-retirement account size follow somewhat intuitive results. When less than \$2,000 serves as the reference category, increases in non-retirement account sizes are associated positively with “Somewhat Important” for all four reasons for using a FA for investment related services. Generally, as the size of non-retirement accounts increase the magnitude of the marginal effects increases.

Hanna (2011) finds higher levels of net worth are associated with the use of FAs and recommends that future research analyze different components of net worth and their association with the use of FAs. This study helps to answer part of this question by showing that larger non-retirement account sizes increase the demand for FAs investment related services. Another study could examine the association between other components of net worth, such as home values, retirement account values, education account values, and the use of FAs.

Income

Income is not statistically associated with using a FA for any of the four investment related reasons. Prior studies have shown that lower levels of income have been associated negatively with the use of FAs (Lusardi & Mitchell, 2007; Raskie et al., 2017). Elmerick et al. (2002) show that when using a FA for advice on saving or investing, those with incomes of \$75,000 or more is associated positively with the use of a FA. It is possible that the lack of statistical significance is a result of only having the categorical responses from the NFCS. Having more variation for the income variable, such as a continuous measure, could yield improved insight.

Age

When the age range 18-34 serves as the reference category, the 35-54 and 55+ category are associated negatively with “Very Important” for all four reasons for using a FA. The results contradict Barber & Odean (2001), who suggest that younger individuals are less likely to utilize FAs.

Elmerick et al. (2002), however, show a negative association between an increase in age and the use of FAs for advice on saving, investment, credit, and borrowing. This could suggest that older individuals do not have as great of a need for FAs for investment services, but, perhaps, other comprehensive services the FA may offer, such as insurance, tax, or estate planning advice and services.

Education

An individual that holds a Bachelor’s degree or higher is associated positively with “Very Important” for all of the investment services offered by FAs. Higher levels of education and the use of financial advisors aligns with prior studies (Elmerick et al., 2002; West, 2012; Collin, 2012; Hanna, 2011).

Yuh & Hanna (2010) suggest that education may be associated with individuals who are more future oriented. This future orientation may lead individuals to their having less propensity to operate under a discounted utility function. This may result in more educated households placing a higher value on the investment related services of FAs. In addition, Bluethgen et al. (2008) show an association between an increase in an individual’s financial and investment complexity and the use of FAs. A more educated household may have a greater ability to recognize complexity in their investment situations and use a FAs for their investment related services.

Male

Being male is associated negatively with greater levels of importance for all of the investment related services this study examines. Hanna (2011) shows that there is a substantial difference between single female and single male households in the likelihood of using a financial planner, citing that the greater self-confidence of males and their reluctance to seek help as reasoning for greater use of FAs among single females. Other studies have found that females are more likely than males to pay for financial services (Bluethgen et al., 2008; Finke et al., 2011). The findings of this study support this notion across the range of specific investment related services this study examines

White

Being white is associated negatively with greater levels of importance for using FAs to have access to investments clients could not get on their own. This may suggest that exclusivity may entice non-whites to use a FA compared to whites.

No other reasons were associated statistically. The results contradict West's (2012) study, which shows a positive association between being white and the use of FAs for investment advice and comprehensive advice.

SENSITIVITY ANALYSIS: AN ANALYSIS ON THOSE WHO CURRENTLY USE FAS

As noted in the data section of this study, 894 of the survey respondents (47.2%) confirm using FAs. The same analysis is conducted on this sample to see if the results differ when separating and examining respondents who currently use a FA. Table 4 provides the descriptive statistics of the sample that currently use a FA. The mean value of this samples' non-retirement accounts falls in the \$50,000 - \$100,000 category and the average income falls in the greater than \$100,000 category. This samples' average age falls in the 55+ category, 34.5% have Bachelor's degree or higher, 53% are male, and 83.2% are white.

TABLE 4
DESCRIPTIVE STATISTICS OF THOSE CURRENTLY USING FAS

	Mean	Std. Dev.	Min	Max
Non-Retirement Accounts ¹	7.0336	2.0847	1	10
Income ²	2.2327	0.7080	1	3
Age ³	2.4888	0.6934	1	3
College Degree (no degree as base)	0.3445	0.4755	0	1
Gender (female as base)	0.5291	0.4994	0	1
White (non-white as base)	0.8322	0.3739	0	1

N = 894

¹What is the approximate total value of all of your investments in non-retirement accounts?

- 1 Less than \$2,000
- 2 \$2,000 to less than \$5,000
- 3 \$5,000 to less than \$10,000
- 4 \$10,000 to less than \$25,000
- 5 \$25,000 to less than \$50,000
- 6 \$50,000 to less than \$100,000
- 7 \$100,000 to less than \$250,000
- 8 \$250,000 to less than \$500,000
- 9 \$500,000 to less than \$1,000,000
- 10 \$1,000,000 or more

²Household income [from State-by-State Survey]

- 1 <\$50K
- 2 \$50-\$100K
- 3 \$100K+

³Age

1 18-34

2 35-54

3 55+

As with the original sample, this analysis drops “Don’t know” and “Prefer not to say” responses before each reason is regressed. Table 5 provides a frequency distribution that shows the number of “Don’t know” and “Prefer not to say responses” for each reason. The (sample size) for each reason is as follows: helping clients avoid losses (884), in helping clients improve investment performance (890), in helping clients learn about investment opportunities (883), and in helping clients get access to investments that clients could not get on their own (866).

TABLE 5
FREQUENCY DISTRIBUTION OF THOSE CURRENTLY USING FAS

	To Help Avoid Losses		To Improve Investment Performance		To Learn About Investment Opportunities		To Have Access to Investments I Couldn't Get on my Own	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Not at All Important	11	1.23	9	1.01	30	3.36	82	9.17
Somewhat Important	171	19.13	134	14.99	301	33.67	313	35.01
Very Important	702	78.52	747	83.56	552	61.74	471	52.68
Don't Know	8	0.89	4	0.45	11	1.23	26	2.91
Prefer Not to Say	2	0.22	0	0.00	0	0.00	2	0.22
Total	894	100	894	100	894	100	894	100

The regression results are reported in Table 6. The results deviate when separating and examining individuals who currently use a FA. Most notably, the statistical association is not significant for all questions when analyzing the association between increases in non-retirement account balances and all reasons analyzed. Having a Bachelor’s degree or higher remains associated positively with higher levels of importance for all of the investment services offered by FAs for this subsample.

When analyzing those who currently use FAs, being male is negatively associated only for the reason of helping clients get access to investments that clients could not get on their own. When compared to the original sample, negative associations are found for all reasons analyzed. Whether or not an individual is white is associated negatively for the reasons of helping clients learn about investment opportunities and helping clients get access to investments that clients could not get on their own. The results from the original sample show this association for whether or not an individual is white for only the reason of helping clients get access to investments that clients could not get on their own.

**TABLE 6
ORDERED PROBIT REGRESSION RESULTS FOR THOSE CURRENTLY USING FAS**

	To Help Avoid Losses			To Improve Investment Performance			To Learn About Investment Opportunities			To Have Access to Investments I Couldn't Get on my Own		
	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important	Not at All Important	Somewhat Important	Very Important
Non-Retirement Accounts (>\$2,000 as base)												
\$2,000 to \$5,000	0.0075 (0.0180)	0.0570 (0.1366)	-0.0645 (.1543)	0.0004 (0.0148)	0.0029 (0.1212)	-0.0033 (0.1360)	0.0214 (0.0624)	0.0366 (0.1105)	-0.0580 (0.1722)	0.1231 (0.0808)	0.1317 (0.0968)	-0.2548 (0.1659)
\$5,000 to \$10,000	0.0003 (0.0134)	0.0027 (0.1226)	-0.0030 (0.1360)	0.0122 (0.0173)	0.0776 (0.1136)	-0.0898 (.1301)	-0.0196 (0.0501)	-0.0478 (0.1119)	0.0673 (0.1615)	0.1146 (0.0690)	0.1278 (0.0958)	-0.2424 (0.1562)
\$10,000 to 25,000	0.0050 (0.0136)	0.0398 (0.1169)	-0.0449 (0.1304)	0.0138 (0.0156)	0.0853 (0.1062)	-0.0991 (0.1209)	0.0151 (0.0514)	0.0271 (0.0998)	-0.0422 (0.1510)	0.0855 (0.0563)	0.1102 (0.0958)	-0.1957 (0.1483)
\$25,000 to 50,000	0.0050 (0.0132)	0.0401 (0.1146)	-0.0451 (0.1277)	0.0084 (0.0139)	0.0569 (0.1043)	-0.0653 (0.1179)	-0.0238 (0.0474)	-0.0608 (0.1025)	0.0845 (0.1494)	0.0482 (0.0507)	0.0759 (0.0972)	-0.1241 (0.1468)
\$50,000 to \$100,000	0.0106 (0.0132)	0.0757 (0.1109)	-0.08628 (0.1237)	-0.0013 (0.0120)	-0.0112 (0.0998)	0.0125 (0.1118)	-0.0407 (0.0462)	-0.1273 (0.0995)	0.1680 (0.1446)	0.0246 (0.0464)	0.0445 (0.0960)	-0.0691 (0.1422)
\$100,000 to \$250,000	0.0073 (0.0123)	0.0555 (0.1085)	-0.0629 (0.1206)	0.0002 (0.0119)	0.0018 (0.0979)	-0.0020 (0.1097)	-0.0399 (0.0460)	-0.1237 (0.0965)	0.163659 (0.1417)	0.0370 (0.0455)	0.0622 (0.0944)	-0.0992 (0.1395)
\$250,000 to \$500,000	-0.0026 (0.0117)	-0.0258 (0.1081)	0.0284 (0.1198)	-0.0041 (0.0117)	-0.0385 (0.0976)	0.0426 (0.1093)	-0.0356 (0.0461)	-0.1044 (0.0967)	0.1400 (0.1422)	0.0200 (0.0450)	0.0373 (0.0949)	-0.0572 (0.1399)
\$500,000 to \$1,000,000	-0.0018 (0.0119)	-0.0176 (0.1096)	0.0194 (0.1215)	-0.0038 (0.0119)	-0.0351 (0.0990)	0.0388 (0.1108)	-0.0528 (0.0462)	-0.2000 (0.0989)	0.2528 (0.1434)	0.0263 (0.0464)	0.0472 (0.0962)	-0.0735 (0.1424)
\$1,000,000 or more	0.0009 (0.0123)	0.0084 (0.1119)	-0.0094 (0.1242)	0.0018 (0.0125)	0.0138 (0.1021)	-0.0156 (0.1146)	-0.0235 (0.0473)	-0.0600 (0.1004)	0.0836 (0.1473)	0.0299 (0.0478)	0.0524 (0.0974)	-0.0823 (0.1449)
Income (<\$50K as base)												
\$50-100k	0.0041 (0.0040)	0.0353 (0.0348)	-0.0394 (0.0386)	-0.0029 (0.0045)	-0.0218 (0.0328)	0.0246 (0.0373)	0.0013 (0.0089)	0.0052 (0.0370)	-0.0065 (0.0459)	0.0211 (0.0181)	0.0317 (0.0290)	-0.0527 (0.0469)
\$100k+	0.0046 (0.0045)	0.0389 (0.0382)	-0.0435 (0.0424)	-0.0023 (0.0050)	-0.0171 (0.0361)	0.0193 (0.0410)	0.0024 (0.0098)	0.0096 (0.0404)	-0.0119 (0.0502)	0.0237 (0.0202)	0.0351 (0.0315)	-0.0588 (0.0514)
Age (18-34 as base)												
35-54	0.0042 (0.0048)	0.0360 (0.0421)	-0.0401 (0.0467)	0.0026 (0.0048)	0.0207 (0.0379)	-0.0234 (0.0426)	0.0127** (0.0067)	0.0828** (0.0442)	-0.0954** (0.0504)	0.0387** (0.0171)	0.0799** (0.0386)	-0.1186** (0.0549)
55+	0.0043 (0.0044)	0.0368 (0.0401)	-0.0411 (0.0444)	0.0008 (0.0043)	0.0070 (0.0361)	-0.0078 (0.0404)	0.0313*** (0.0080)	0.1582*** (0.0420)	-0.1895*** (0.0480)	0.0663*** (0.0169)	0.1161*** (0.0372)	-0.1824*** (0.0527)
College Degree (No degree as base)	-0.0066* (0.0038)	-0.0513** (0.0261)	0.0579** (0.0295)	-0.0057* (0.0035)	-0.0454** (0.0239)	0.0511** (0.0269)	-0.0184** (0.0073)	-0.0742*** (0.0270)	0.0926*** (0.0337)	-0.0315** (0.0148)	-0.0423** (0.0196)	0.0738** (0.0341)
Gender (female as base)	0.0036 (0.0032)	0.0282 (0.0240)	-0.0318 (0.0271)	0.0041 (0.0030)	0.0324 (0.0219)	-0.0366 (0.0246)	0.0099 (0.0064)	0.0400 (0.0249)	-0.0499 (0.0310)	0.0346** (0.0137)	0.0466*** (0.0181)	-0.0811*** (0.0313)
White (non-white as base)	0.0051 (0.0044)	0.0400 (0.0330)	-0.0451 (0.0373)	0.0048 (0.0041)	0.0381 (0.0300)	-0.0429 (0.0338)	0.0143 (0.0088)	0.0575* (0.0343)	-0.0717* (0.0428)	0.0344* (0.0188)	0.0462* (0.0250)	-0.0806* (0.0435)

*** Significant at the one-percent level ** Significant at the five-percent level * Significant at the ten-percent level.
N = helping clients avoid losses (884), in helping clients improve investment performance (890), in helping clients learn about investment opportunities (883), and in helping clients get access to investments that clients could not get on their own (866).

CONCLUSION

The results of this study suggest that the demographic variation surrounding the use of FAs for specific investment related services differ somewhat from the prior literature on the use of FAs. Results that align with the prior literature show associations between larger non-retirement account sizes, having at least a Bachelor's degree, and being female are generally associated with higher levels of importance when using FAs for all investment related services that this study examines. This study finds deviation from the prior literature on age, suggesting a negative association with higher levels of importance when using FAs for all investment related services.

The complexities surrounding investing are not understood by the general public (West, 2012). Coupled with the fact that FAs may be reluctant, or even have a disincentive, to work with certain socioeconomic groups such as low-income families is a neglected issue that needs attention. Public and private sector incentives and cost effective robo-advisors may provide solutions to encourage individuals to seek financial advice.

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APPENDIX

4 Questions Analyzed

Question: Important from a FA - To Help Avoid Losses

Below are some reasons that people might use a financial adviser. How important is each of the following to you, personally? - To help avoid losses.

- 1 Not at all important
- 2 Somewhat important
- 3 Very important
- 98 Don't know
- 99 Prefer not to say

Measurement Level: Nominal

Question: Important from a FA - To Improve Investment Performance

Below are some reasons that people might use a financial adviser. How important is each of the following to you, personally? - To improve investment performance.

- 1 Not at all important
- 2 Somewhat important
- 3 Very important
- 98 Don't know
- 99 Prefer not to say

Measurement Level: Nominal

Question: Important from a FA - To Learn About Investment Opportunities

Below are some reasons that people might use a financial adviser. How important is each of the following to you, personally? - To learn about investment opportunities.

- 1 Not at all important
- 2 Somewhat important
- 3 Very important
- 98 Don't know
- 99 Prefer not to say

Measurement Level: Nominal

Question: Important from a FA - To Have Access to Investments I Couldn't Get on my Own

Below are some reasons that people might use a financial adviser. How important is each of the following to you, personally? - To have access to investments I couldn't get on my own.

- 1 Not at all important
- 2 Somewhat important
- 3 Very important
- 98 Don't know
- 99 Prefer not to say

Measurement Level: Nominal

Explanatory Variables

What is the approximate total value of all of your investments in non-retirement accounts?

- 1 Less than \$2,000
- 2 \$2,000 to less than \$5,000
- 3 \$5,000 to less than \$10,000
- 4 \$10,000 to less than \$25,000

- 5 \$25,000 to less than \$50,000
- 6 \$50,000 to less than \$100,000
- 7 \$100,000 to less than \$250,000
- 8 \$250,000 to less than \$500,000
- 9 \$500,000 to less than \$1,000,000
- 10 \$1,000,000 or more

Household income

- 1 <\$50K
- 2 \$50-\$100K
- 3 \$100K+

Age

- 1 18-34
- 2 35-54
- 3 55+

Education

- 1 Some college or less (incl. Associate's degree)
- 2 College grad (Bachelor's) or more

Gender

- 1 Male
- 2 Female

Ethnicity

- 1 White Alone NH
- 2 Non-White