

# || PERSONAL CAPITAL

## 2015 Fiduciary Survey Findings

### Trust Matters Most for Investors

Americans highly value trust and honesty when it comes to their wealth management, so much so that a majority believe their brokers are automatically held to ethical duties. However, there remains a disconnect among the American public in what they *think* should be occurring in wealth management, and what actually is:

- **Brokers Risk Being Left Behind:** An overwhelming 94% of investors would ditch their broker for a trustworthy advisor if they knew he/she were not required to provide advice in their best interest
- **Benefit of the Doubt:** Majority of American investors (51%) believe ethical standards for brokers are already the law
- **Investors All-In:** The proposed fiduciary rule won in a landslide vote among American investors as 93% said they do believe investment brokers should be legally required to act in their clients' best interests

### Investors in the Dark

Respondents continually affirm their need for trust in an advisor, but when it comes to the complicated terminology that should keep them safe, many investors lack clarity. Without this concrete understanding, it stands to reason that investors are, and will be, swayed by financial brokers who claim they adhere to "best practice" standards:

- **An Indistinguishable Detail:** 22% of U.S. investors admit that they don't know if there is any difference between a broker and a financial advisor
- **Fiduciary Clarity:** 34% of U.S. investors admit they do not know what "fiduciary standard" means
- **Fi- or Ju- diciary?:** 12% mistake "fiduciary" for "judiciary," citing the rule refers to "the system of courts that interprets and applies the law"

### Distinct Lack of Trust in Financial Providers

Finance remains an opaque arena for the majority of U.S. investors. There's a chasm between providers and their clients when it comes to trust and honesty, despite clients' showcasing a strong reliance on these professionals for financial confidence and their knowledge in navigating market volatility:

- **Uber vs. Broker:** When asked to rank various professionals, 51% ranked Uber drivers as the most or second-most trustworthy; 37% chose lawyers for one of their top two, while brokers came in third with 31% of the vote
- **Standing on Shaky Ground:** Only 17% of respondents feel very confident in the knowledge of fees they pay their financial advisors or brokers

- **Investors Are Nervous:** Majority (63%) of investors believe there is a market correction on the horizon, and 12% are confident it will happen soon

### **About The Survey**

The Personal Capital Fiduciary Survey chronicles Americans' comprehension of the fiduciary standard and their key beliefs surrounding financial brokers, advisors and wealth management. The survey highlights the high valuation of trust that respondents hold, yet also the wide confusion surrounding the fiduciary standard and specific laws financial advisors are held to. Following the release of this survey, the DOL will hold public hearings from August 10 through 12 to discuss its [proposed fiduciary rule](#). This survey was conducted online within the United States, from June 4 through 7, 2015, among 1,391 adults aged 18 and older.

### **About Personal Capital**

Personal Capital is a next generation financial advisor. The company melds technology with professional advisors to help households with complex financial lives manage their wealth. Personal Capital's free apps are available for iPhone, iPad and Android. Disclaimer: Personal Capital Advisors is an SEC registered investment advisor. Any reference to the advisory services refers to Personal Capital Advisors. SEC Registration does not imply a certain level of skill or training.