



## MDRT Study: Americans Seek Human-Tech Synergy in Financial Services

*69 percent of Americans using a robo-advisor also have a human financial advisor*

**PARK RIDGE, Ill. (March 23, 2022)** — The digitization of financial services reached its fastest pace yet with the onset of COVID-19, permanently changing business methods for thousands of financial advisors. At the same time, many advisors are growing concerned about becoming obsolete amid the increasing role of robo-advisors. The American people, however, do not see any such shift on the horizon – in fact, a new study from [MDRT](#) reveals that 56% of Americans want their finances handled by a mix of people, robo-advisors and other technological tools.

This majority includes 54% of human advisor clients, 50% of robo-advisor users and majorities of all age groups. Far from supplanting human advisors, robo-advisors may simply be the next supplementary tool.

### **Advantages and Disadvantages**

Americans see several advantages to working with human advisors, including the opportunity to build trusting relationships (chosen by 66% of survey respondents), ease of communication (65%) and high levels of human interaction (49%). Concerns about human advisors are not as strong, though minorities of Americans express concern about personal or financial security breaches (37%), the accuracy of financial assessments (35%) and human advisors' response time (32%).

Robo-advisors evoke stronger worries, with 51% of Americans expressing concern about personal or financial security breaches. Significant minorities of Americans also worry about minimal human interaction (42%) and hard-to-understand financial terminology (39%). Impressions of robo-advisor advantages are more muted, as 44 percent of Americans cite the minimized risk of human error, with another 44% listing response time and 38% listing reduced costs.

“Many Americans clearly see human financial advisors and robo-advisors as having complementary strengths and weaknesses,” said MDRT President Randy Scritchfield, CFP, LUTCF. “With the digitization of our profession only accelerating, advisors must learn to adapt in this new professional landscape.”

Importantly, 69% of robo-advisor users report having a human advisor. Most robo-advisor users do not seem to believe these digital platforms are strong enough to handle user finances alone, and it's possible combining both human and robo-advisors will become more popular going forward.

### **Technology as a Tool**

To mollify concerns about their own fallibility, human advisors must effectively incorporate technology into their practices – and effectively communicate the technologies they use to their clients. For example, 75% of Americans say that it would be extremely or very important for a human advisor to use cybersecurity tools like password managers or two-factor authentication. However, only 35% of survey respondents with human advisors said their advisor uses such tools.

Furthermore, as a seemingly permanent COVID-induced change to the business landscape, 52% of Americans with human advisors expect to meet virtually with their advisor at least half the time in 2022.

## Finance and Social Media

A whopping 68% of survey respondents reported learning about finance and investing through at least one social media platform. Facebook led the pack, with 37% of Americans saying they use it to learn about finance, followed by YouTube (35%) and Instagram (29%). There were stark differences between age groups: 90% of 18-29-year-olds say they learn about finance on social media, compared with 81% of 30-44-year-olds, 62% of 45-60-year-olds and 42% of Americans over the age of 60.

Younger Americans are more likely to use newer social platforms to learn about finance too. Significant shares of 18-29-year-olds say they learn about finance on TikTok (31%) and Discord (21%). Among 30-44-year-olds, 24% say they learn about finance on Reddit.

“Many financial advisors are rightfully concerned about financial misinformation clients might see on social media,” says MDRT Second Vice President Greg Gagne, ChFC. “The answer is not necessarily to join TikTok and add your voice to the din. Instead, educating clients about financial misinformation and scams can increase their digital literacy and your own credibility as a financial advisor.”

The pace of technological change continues to speed up in the financial services profession, and American consumers are taking note. As clients spread their financial needs and lives across more online platforms, advisors who adapt to the new digital reality will lead their clients and firms to greater success.

## Survey Methodology

This survey was fielded by G&S Business Communications on behalf of MDRT. The online survey took place on January 10, 2022, with a representative U.S. sample of 1,187 adults, ages 18+, including 489 who reported having a human financial advisor and 204 who reported using a robo-advisor. The sample has been balanced for age and gender using the Census Bureau’s American Community Survey to reflect the demographic composition of the United States.

## About MDRT

Million Dollar Round Table (MDRT), 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](http://mdrt.org) and follow them on Twitter [@MDRtweet](https://twitter.com/MDRtweet).

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