



## Advisers overestimate Generation D

Financial advisers are overestimating the average investor's knowledge of financial markets and this has been reflected in a recent survey by Accenture.

And although the survey was conducted in the USA, Claudio O. Pannunzio president and founder of US based i-Impact Group believes the findings have global ramifications, especially in sophisticated mature markets such as Australia.

The Accenture survey was conducted among advisers and an emerging investor population called Generation D (D for Digital) – a diverse group spanning multiple demographics and representing more than 75 million people with \$27 trillion in assets.

While advisers believe 42% of investors are extremely knowledgeable about investing, only 12% of investors regard themselves as such.

“This creates both a challenge and an opportunity for advisers,” says Pannunzio.

At the moment, clients tend to regard advisers' communication on investment topics and products as promotional and frequently beyond their real comprehension capabilities, he says. However, advisers also have the opportunity to increase the frequency of client communication.

“This can be achieved by establishing consistent flow of communication focused on educational content, which will resonate with clients and help advisers address their fears and concerns about their investments.”

The survey revealed that advisers in the USA tend to misconstrue their clients' risk tolerance, often assuming a threshold for risk higher than what the client can actually endure.

This appears to be particularly true with Millennials of Generation D, a segment of the investor population with a pronounced lack of trust in the financial system – consequence of the recent global financial crisis (GFC) – and a subsequent prudent and conservative attitude toward their investments.

Here too, the situation presents a great opportunity for advisers. According to the Accenture study, Generation D is by far the most technology and social media savvy.

This gives advisers an exceptional opportunity to tap this vast audience in a cost – effective manner by simply maximizing their use of digital tools and platforms.

<http://www.wealthprofessional.com.au/news/advisers-overestimate-generation-d-177472.aspx>