

*charles*  
SCHWAB

# Consumer Digital Demands

October 2018

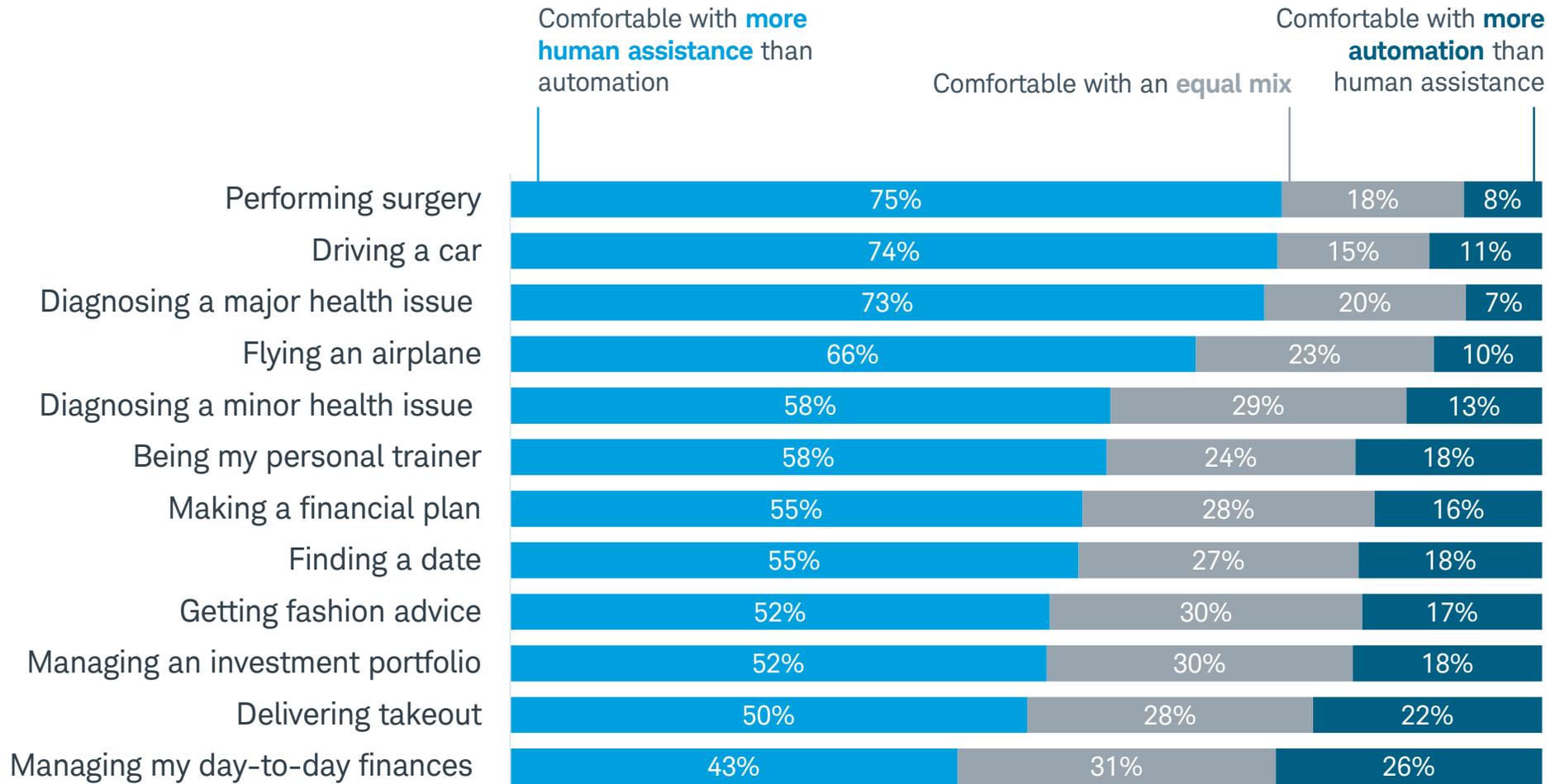
# Overview

Charles Schwab's **Consumer Digital Demands** is a survey of American consumers and robo advisor users regarding their preferences, sentiment, and experiences interacting with technology and people across a range of life activities and experiences, including investing and financial planning.

The online study was conducted by independent research firm Edelman Intelligence among 1,000 U.S. general population adults and 391 current robo advisor users over the age of 18 between July 25, 2018 and July 31, 2018. General population respondents were weighted to be nationally representative based on most-recent U.S. Census data.

Robo advisor users were collected based on mix of natural fallout among general population and oversample; users were identified through self-selection of at least one robo advisory platform. The study has a margin of error of  $\pm 3.1\%$  for the general population segment and  $\pm 5.0\%$  for robo advisor users, at the 95% level of confidence.

# Americans are more likely to automate their day-to-day finances than other daily activities, but they still prefer human assistance over automation.

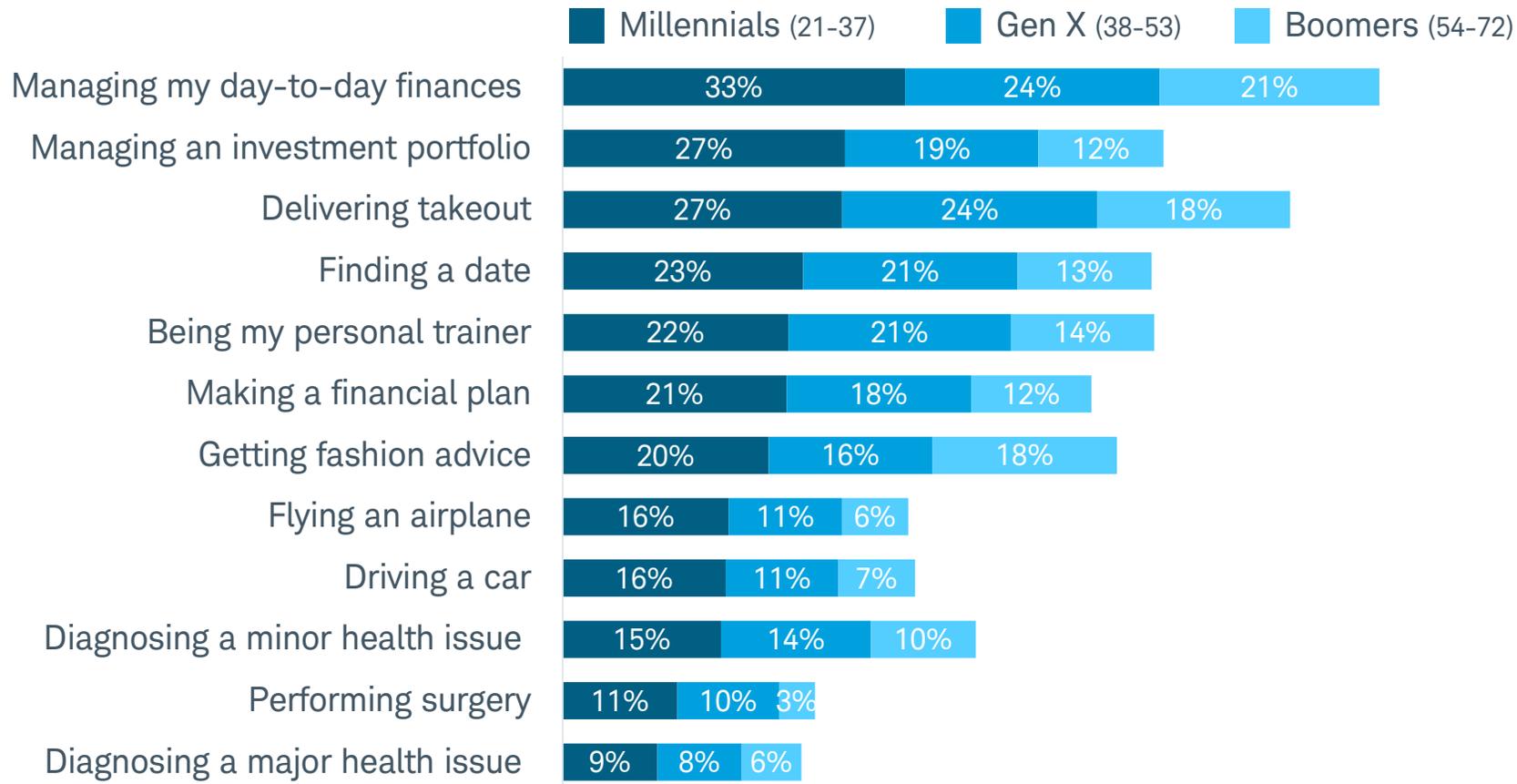


Q6: We'd now like to understand your comfort level with each of the following tasks being automated. Using the slider bar below, please indicate what level of automation you're comfortable with for each of the tasks listed [Asked on a 9-point scale where 1 means "Comfortable with this being fully automated," 5 means "Comfortable with this being a mix of automation and human assistance," and 9 means "Comfortable with this being fully human-assisted only."]

Base sizes: Gen pop = 1000, Robo-users = 391

# Boomers are the least comfortable with automation, but all generations still largely prefer human assistance.

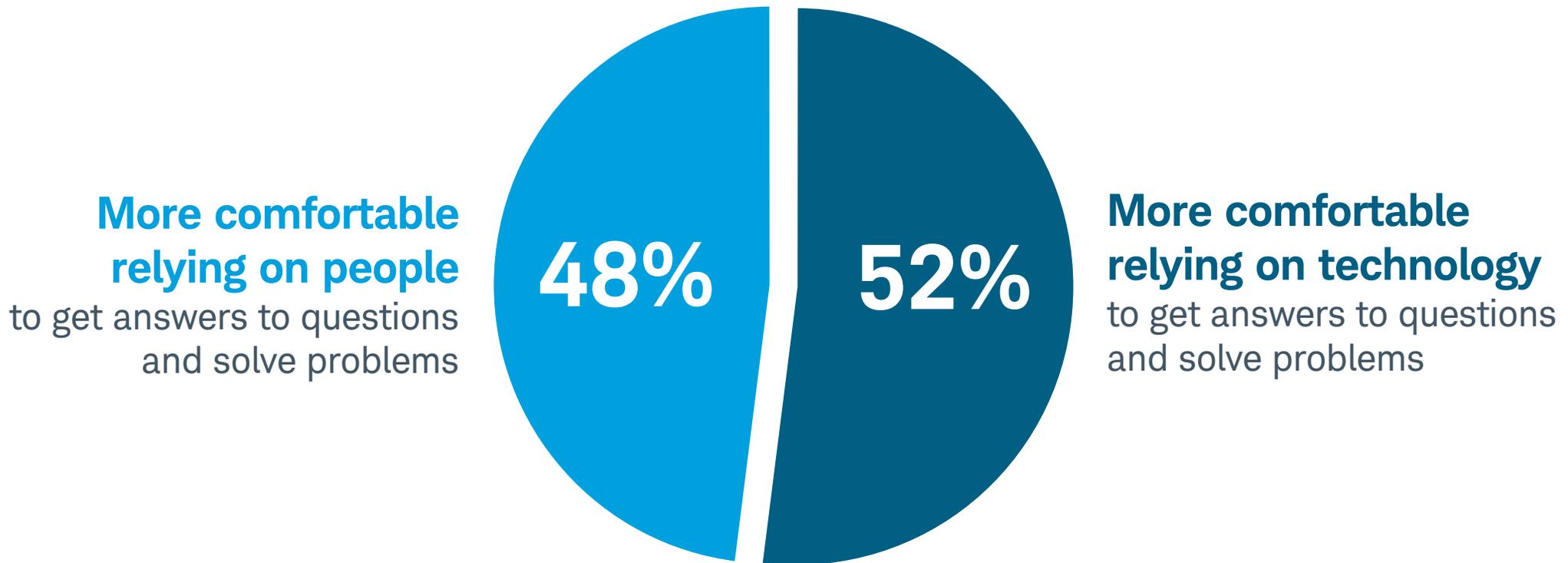
## Comfortable with more automation than human assistance



Q6: We'd now like to understand your comfort level with each of the following tasks being automated. Using the slider bar below, please indicate what level of automation you're comfortable with for each of the tasks listed [Asked on a 9-point scale where 1 means "Comfortable with this being fully automated," 5 means "Comfortable with this being a mix of automation and human assistance," and 9 means "Comfortable with this being fully human-assisted only."]

Base sizes: Millennials = 316, Gen X = 247, Boomers = 339

# Overall, Americans are split on their reliance on technology versus humans.



Q5: When making decisions - from home repairs to shopping - which statement describes you best? Please remember that most people are not 100% one or the other. Just select the statement which comes closest to describing you.

Base sizes: Gen pop = 1000, Robo-users = 391, Millennials = 316, Gen X = 247, Boomers = 339

**In the customer service journey, technology is seen as the immediate, easy, and safe first step to take when looking for answers.**

**64%**

only turn to a person when they can't find what they're looking for online

**47%**

didn't follow through on something because it would have required talking to a person rather than doing it all online

**46%**

get anxious when they have to talk to someone they don't know on the phone

Q9: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

Base sizes: Gen pop = 1000, Women = 510, Men = 490, Robo-users = 391

# This is especially true among Millennials, who are more likely to use technology to avoid picking up the phone.

	Millennials (21-37)	Gen X (38-53)	Boomers (54-72)
I only turn to a person <b>when I can't find what I'm looking for online</b>	73%	68%	53%
There have been times I <b>didn't follow through on something because it would have required talking to a person</b> rather than doing it all online	61%	52%	33%
I <b>get anxious when I have to talk to someone</b> I don't know on the phone	57%	45%	36%

Q9: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

Base sizes: Millennials = 316, Gen X = 247, Boomers = 339

**But human customer service remains a key driver in brand preference, even among tech-reliant Millennials.**



● **86% of Americans**

Prefer brands that *make it easy to get ahold of a real person*

(Millennials: 82%, Gen X: 84%, Boomers: 92%)

Q9: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

Base sizes: Gen pop = 1000, Millennials = 316, Gen X = 247, Boomers = 339

# Why? Working with people means answers and solutions when you need them in the moment.

## Drivers of trust when doing business with a professional

89%

**Easy** to get in contact with/get ahold of

88%

**Quickly** understands my problem

88%

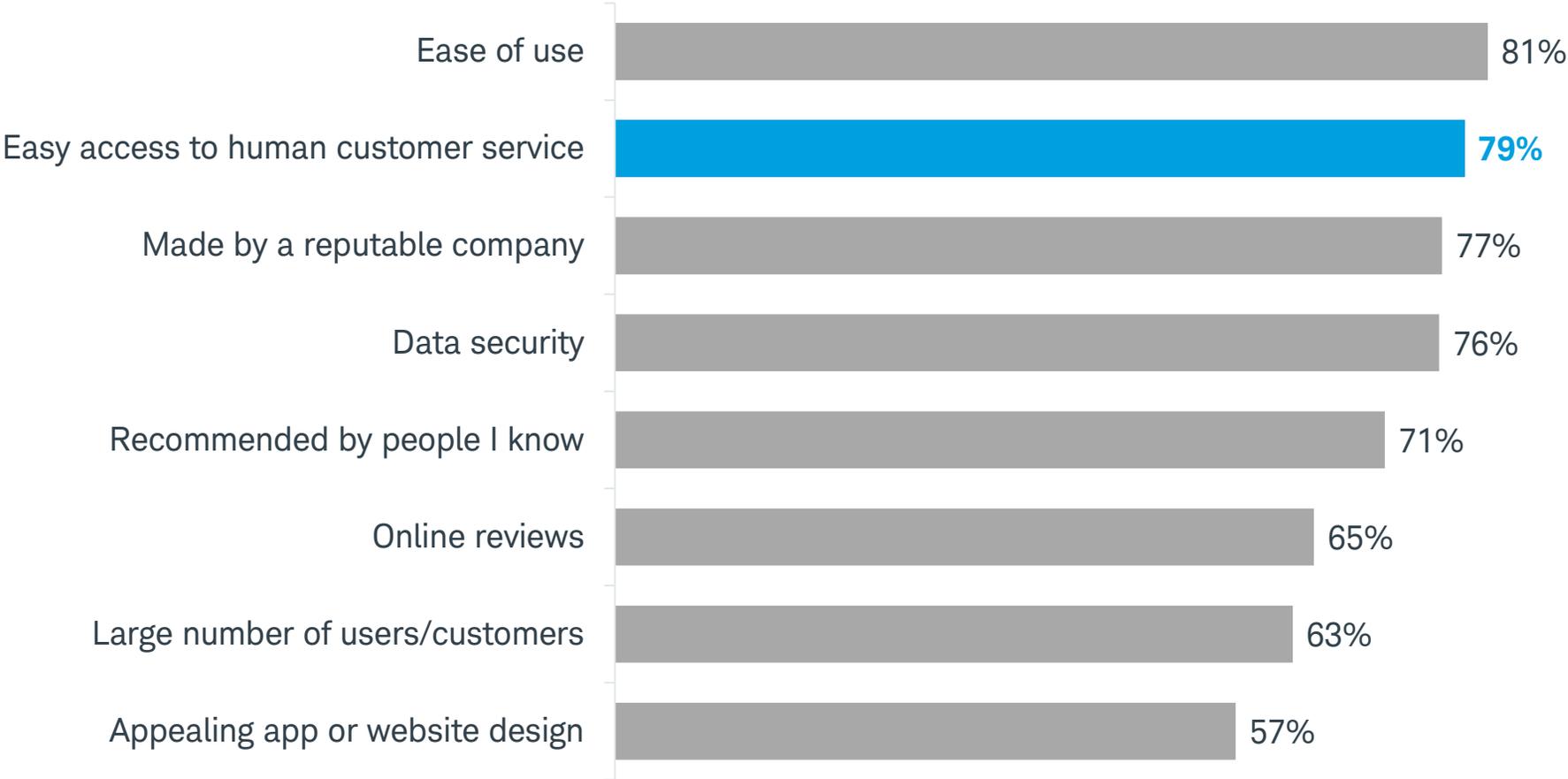
Responds to me **quickly**

Q8: Please indicate to what extent each of the following attributes drives your trust in a professional you do business with. (<Somewhat/Strongly agree> reported)

Base sizes: Gen pop = 1000

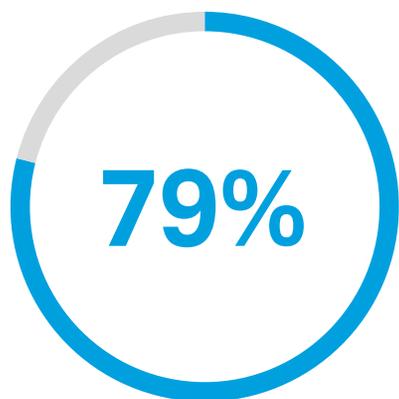
# Even within digital experiences like apps or online, the #2 driver of trust is easy access to human customer service.

## Drivers of trust in digital experiences

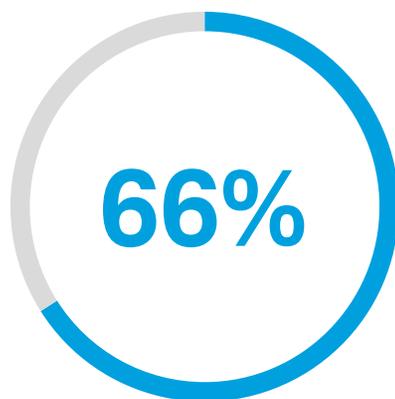


Q7: Please indicate to what extent each of the following attributes drives your trust in digital experiences (websites, apps, etc.). (<Somewhat/Strongly agree> reported)  
Base size: Gen pop = 1000, Millennials = 316

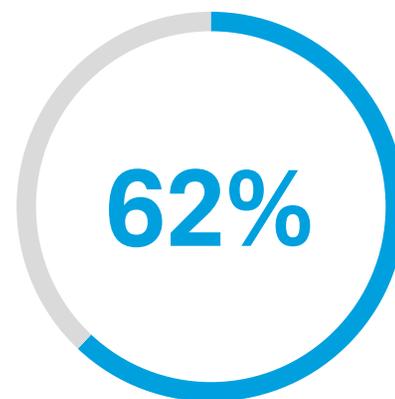
# And when it comes to their finances, Americans expect technology to make money management easier.



Technology should decrease the amount of time I spend managing my finances



Technology has given me more time to focus on my family than my finances



Technology has given me peace of mind when it comes to my finances



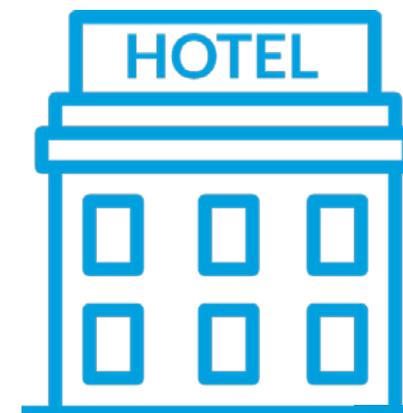
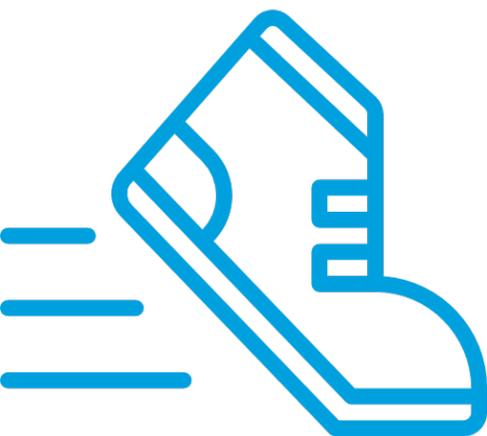
Technology has helped me to reach my financial goals

Q17: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

Base sizes: Gen pop = 1000, Robo-users = 391

# Why? They equate the level of difficulty with financial planning to running a marathon.

Most Americans (55%) think financial planning is at least as hard as training for a marathon...



...But want it to be at least as easy as booking a hotel (56%)

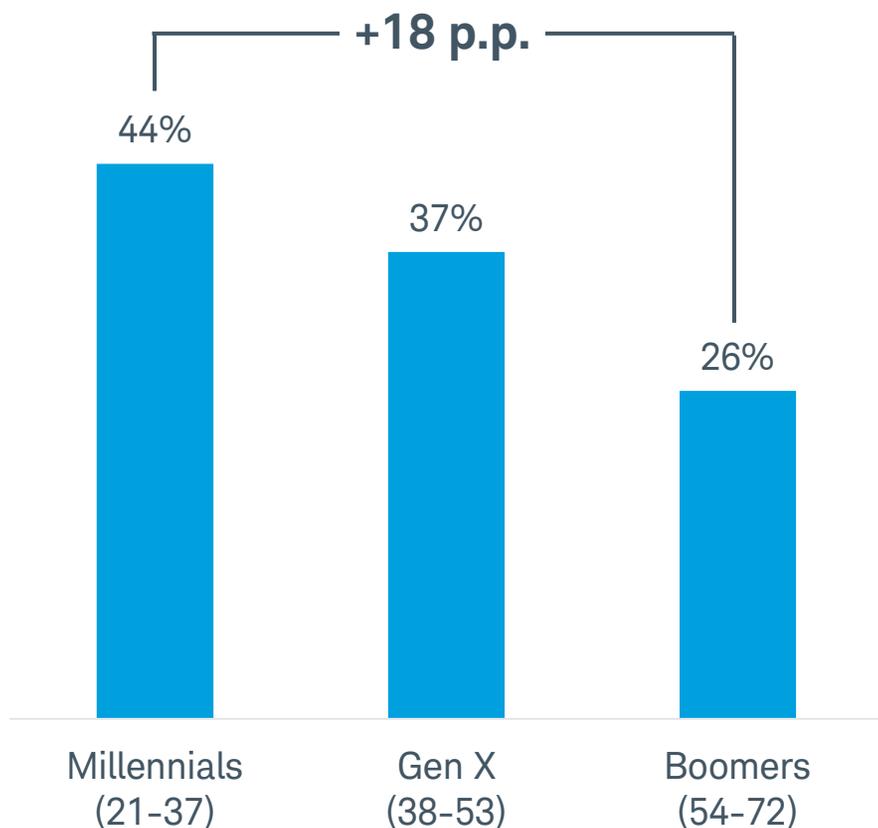
Q14: Which of the following do you think is equivalent to creating a financial plan in terms of difficulty and the time you spend doing it? (Net of the following responses: training for a marathon, planning a move across the country, planning a wedding, getting a master's degree, and raising a child)

Q15: And which of the following is what you think creating a financial plan should be equivalent to, in terms of difficulty and the time you spend doing it? (Net of the following responses: pressing a button, making a coffee, ordering take-out, and booking a hotel)

Base size: Gen pop = 1000

# The biggest barrier to investing is not knowing where to start...

## Find it difficult to manage investments



**7 in 10**

Millennials say they want to spend more time investing, but don't know where to start

*Compared to 60% Gen X and 41% Boomers*

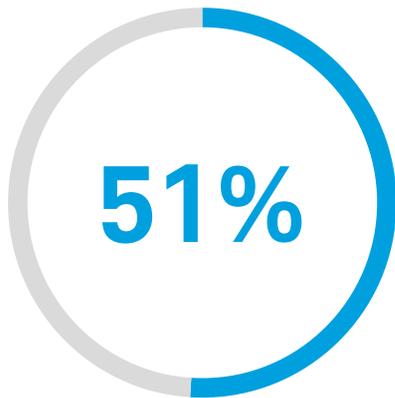
Q1: How easy or difficult do you find it (or would you find it) to deal with each of the following? (<Somewhat/Extremely difficult> reported)

Q19: How much do you agree or disagree with the following statements with regards to your investing strategy? (<Somewhat/Strongly agree> reported)

Base sizes: Total Millennials = 316, Millennials who invest = 252, Total Gen X = 247, Gen X who invest = 173, Total Boomers = 339, Boomers who invest = 222

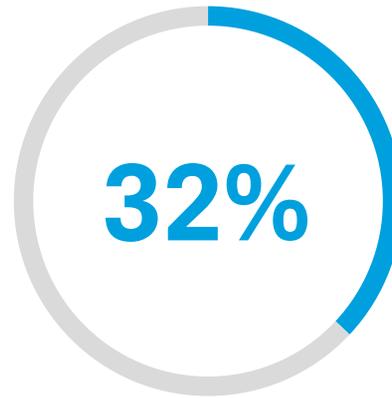
# ...Or feeling that investing is too difficult without more help.

**Half of  
Americans  
aren't investing**



Of Americans report they don't hold an investment account

**1 in 3 of those  
who do invest  
find it difficult**



Of investors say managing their investments is difficult

**They want to  
invest more but  
need more help**



Of Americans agree they want to spend more time investing, but don't know where to start

S6: Which of the following investment accounts, if any, do you currently hold?

Q1: How easy or difficult do you find it (or would you find it) to deal with each of the following? (<Somewhat/Extremely difficult> reported)

Q19: How much do you agree or disagree with the following statements with regards to your investing strategy? (<Somewhat/Strongly agree> reported)

Base sizes: Gen pop = 1000, Investors = 749

# In fact, people would rather do a range of unpleasant tasks than spend time investing.

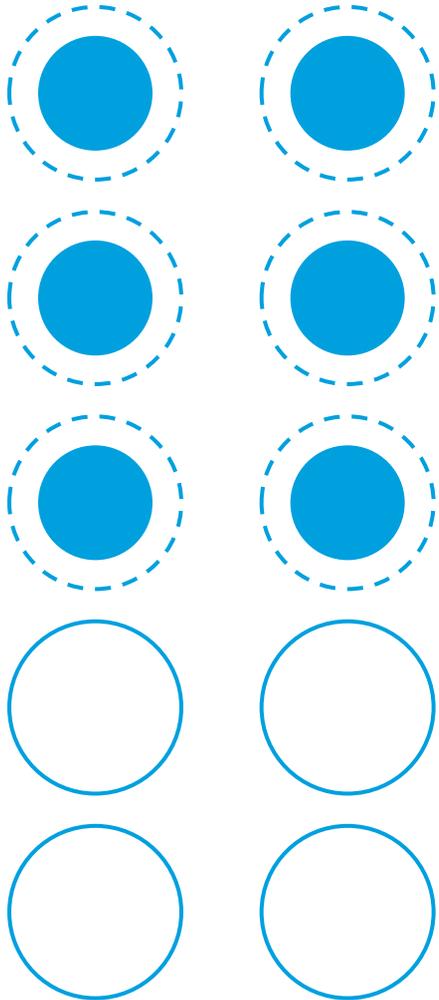
**65% of Americans would rather do at least one of the following than spend time managing their investments:**

Wait in line at the post office	18%
Clean my gutters	13%
Sit in rush hour traffic	12%
Look for a parking space in a full lot	12%
Go on an awkward first date	12%
Troubleshoot an issue with my internet service provider	11%
Go to the airport on a major holiday	11%
Be on an international flight without entertainment	8%
Get a root canal	8%
Talk to telemarketers	7%

Q16: What would you rather spend your time doing than managing your investments?

Base size: Gen pop = 1000

# Not only would tech make finances easier, it would make Americans more engaged investors.



**6 in 10**

say they would spend more time investing if:

- >>the smaller tasks were automated
- >>they had smarter online tools that guided them through the process

Q19: How much do you agree or disagree with the following statements with regards to your investing strategy? (<Somewhat/Strongly agree> reported)

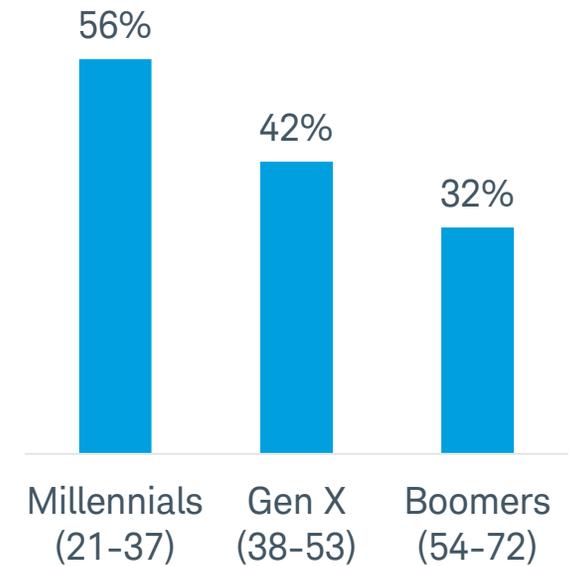
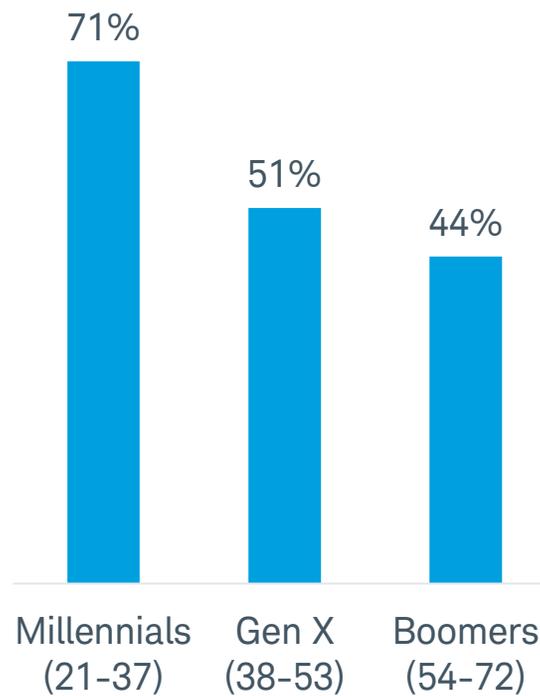
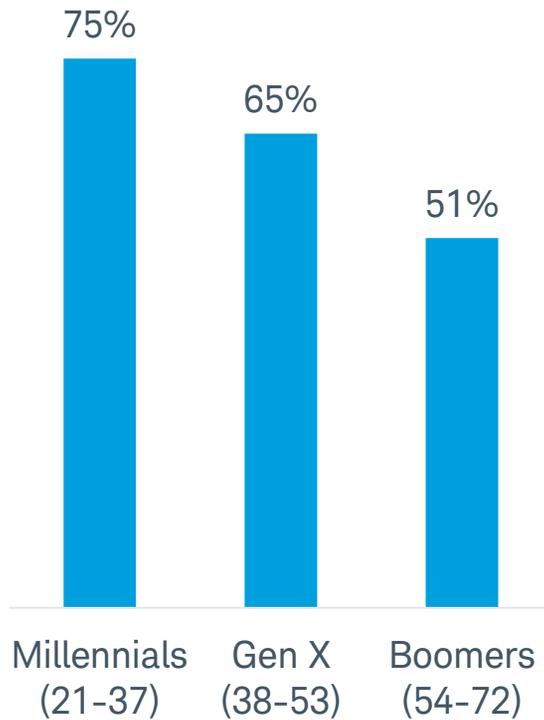
Base size: Gen pop = 1000

# Millennials have made the most use of technology with their finances, but all ages see the value.

Technology has given me peace of mind when it comes to finances

Technology has helped me to reach my financial goals

Technology has helped me get out of debt

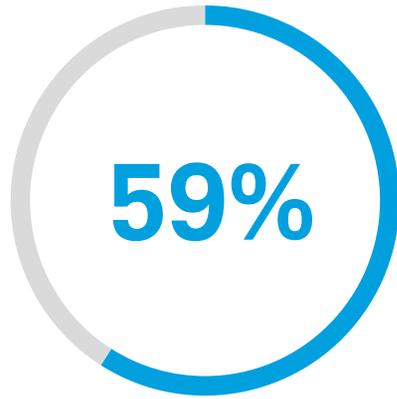


Q17: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

Base sizes: Millennials = 316, Gen X = 247, Boomers = 339

# Millennials have especially high trust in technology.

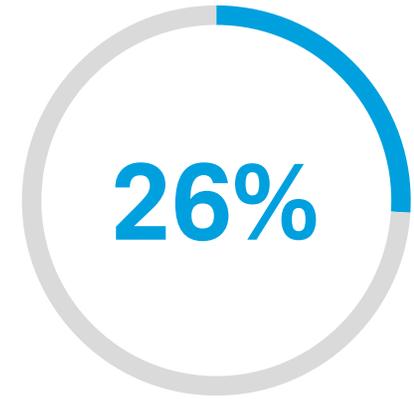
“I trust technology more than a person when it comes to managing my money”



**Millennials**  
(21-37)



**Gen X**  
(38-53)



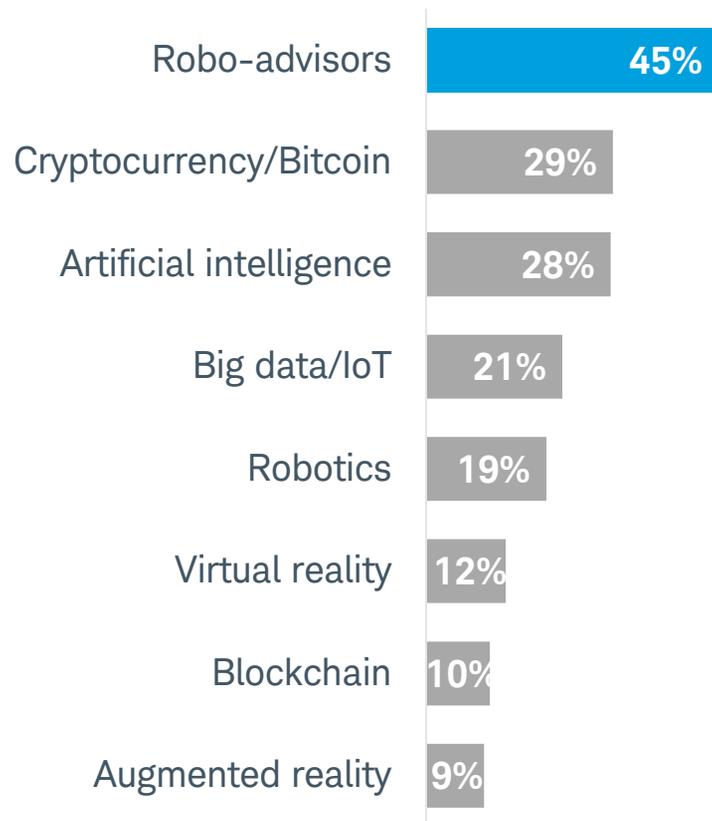
**Boomers**  
(54-72)

Q17: How much do you agree or disagree with the following statements? (<Somewhat/Strongly agree> reported)

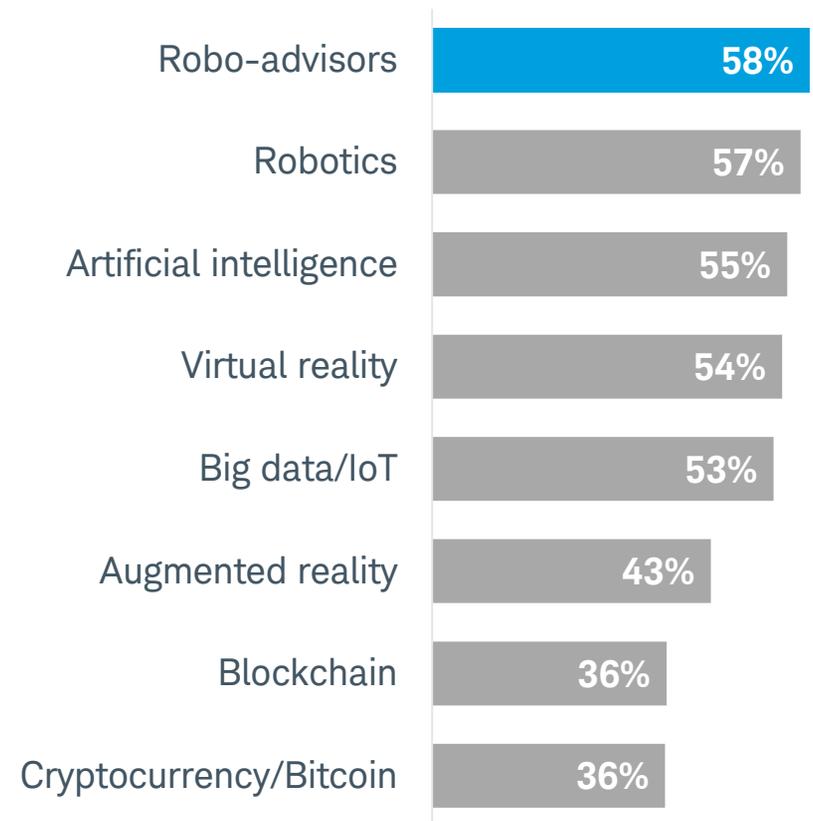
Base sizes: Millennials = 316, Gen X = 247, Boomers = 339

# Across areas of fintech, robo advisors are seen as the most impactful.

## Biggest impact on financial services



## Using on regular basis by 2025

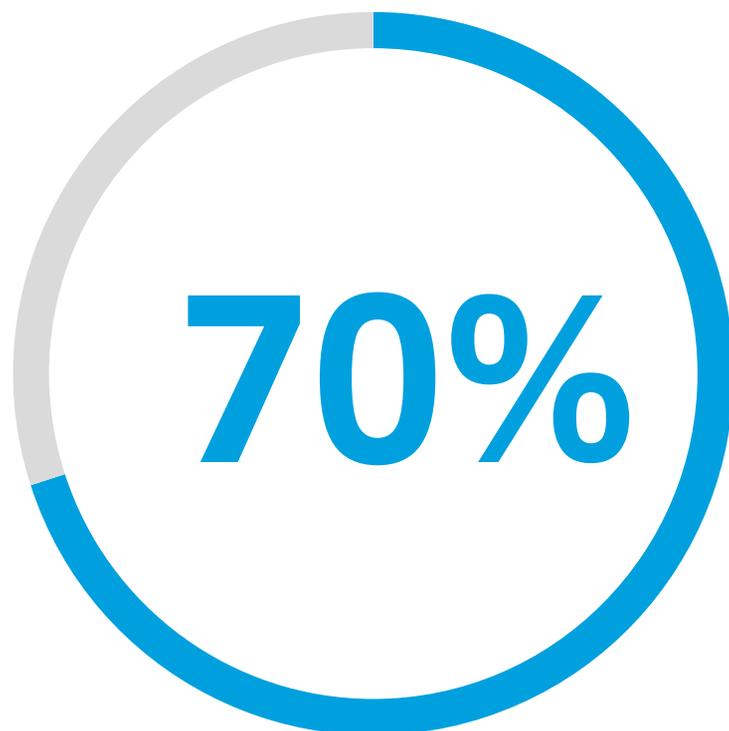


Q27: And which do you think will ultimately have the biggest impact on financial services?

Q28: Looking ahead to 2025, how likely do you think it is that you'll be using each of the following on a regular basis? (<Extremely/Somewhat likely> reported)

Base sizes: Gen pop = 1000, Millennials = 316, Gen X = 247, Boomers = 339

# But Americans want the best of both worlds – robos are great, but best with humans.



Of Americans say robos are a good start, but they expect to need more personal service for more complex situations

*Millennials: 78%, Gen X: 72%, Boomers: 64%*

Q22: How much do you agree or disagree with the following statements about robo-advisors? (<Somewhat/Strongly agree> reported)

Q23: Earlier you mentioned you don't use a robo-advisor. What would make you more likely to use one?

Base sizes: Gen pop = 1000, Millennials = 316, Gen X = 247, Boomers = 339, Non-robo users = 714, Millennial non-robo users = 191, Gen X non-robo users = 165, Boomer non-robo users = 273

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