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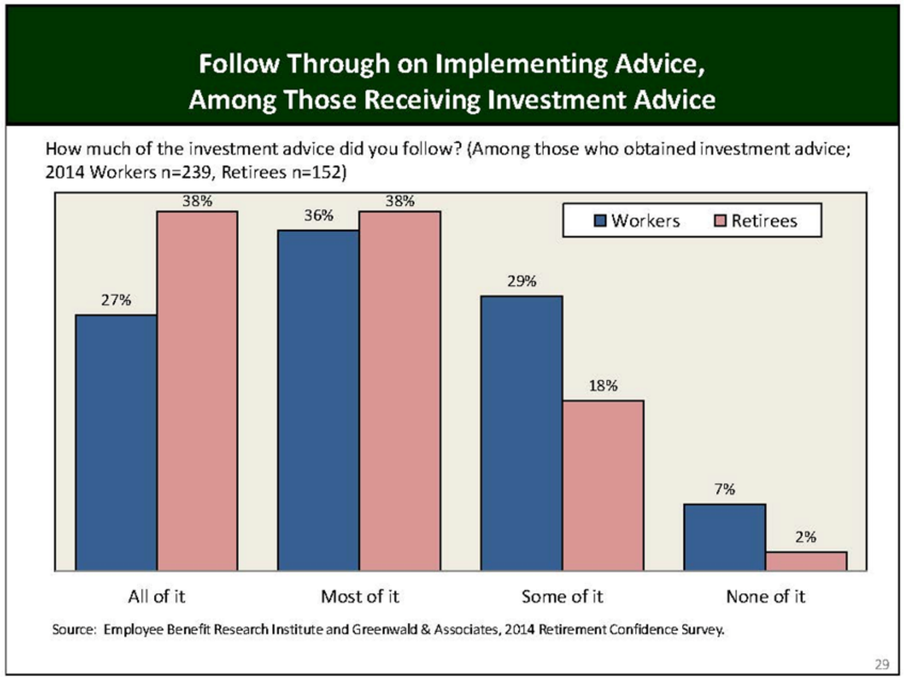
FAST Facts

# Are There Trust Issues With Investment Advice?

Only about 1 in 4 workers who obtained professional investment advice from an advisor paid through fees or commissions followed all of it—and the reason most often cited was not trusting the advice, according to a report by the nonpartisan Employee Benefit Research Institute (EBRI).




Nineteen percent of workers and 25 percent of retirees report they have obtained investment advice from a professional financial advisor who was paid through fees or commissions, according to the 2014 Retirement Confidence Survey (RCS), the longest-running survey of its kind in the nation. .

Twenty-seven percent of the workers who obtained advice say they followed all of it, but more only followed most (36 percent) or some (29 percent). Retirees are more likely to report following all of the advice (38 percent) than workers.

The reasons most often offered for not following all of the advice include:

- Not trusting the advice (34 percent of workers and 31 percent of retirees).
- Having other ideas or other plans or goals (16 percent of workers and 29 percent of retirees).
- Not being able to afford it (20 percent of workers and 6 percent of retirees).
- Circumstances changing so advice was no longer applicable (4 percent of workers and retirees).
- Getting better advice somewhere else (4 percent of workers and 9 percent of retirees).

Additional information from the 2014 Retirement Confidence Survey is available online here.

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