



## FactSet Measures COVID-19 Impact on High Net Worth Investors Globally

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**Pandemic changing high net worth investors' attitudes to risk, willingness to use technology, and views on responsible investing; women investors bear brunt of a challenging environment.**

NORWALK, Conn., April 29, 2021 (GLOBE NEWSWIRE) -- [FactSet](#)® (NYSE:FDS) (NASDAQ:FDS), a global provider of integrated financial information, analytical applications, and industry-leading service, undertook its fourth consecutive survey into the behaviors and preferences of wealthy investors to better understand the impact of the COVID-19 global pandemic on the wealth management industry. In November 2020, FactSet, in association with Aon, conducted a global online poll of investors with an average net worth of \$1.6 million. Its research surveyed the attitudes of affluent and high net worth (HNW) individuals across five markets (Canada, Singapore, Switzerland, the U.S., and UK).

### Key findings from the research study include:

- **Women investors are bearing the brunt of a challenging market environment.** Women now look at their wealth and investments differently compared to pre-crisis. 28% say they have become more risk averse because of 2020's volatility, compared to one in five men. 35% of women are under pressure to reduce daily spend. HNW women also cite a wider range of worries about their financial plans than HNW men.
- **Women clients' expectations of the investment process have also changed since the crisis.** Volatility is a primary concern for women, but not for men. Female clients have a new set of emerging portfolio priorities, including managing the risk of unsustainable levels of corporate debt (a concern for 77%), adjusting to a lower dividend environment (74%), and avoiding inflated valuations (74%).
- **The emerging threats to clients' wealth creation vary widely by market.** While there is broad consensus on the portfolio opportunities, with HNW investors in all five markets highlighting domestic and international stimulus as positive developments, different threats are perceived on the horizon. Clients in the U.S., U.K., and Switzerland are more focused on low and negative interest rates; those in Singapore worry about the changing dividend environment. In Canada, market volatility is the key concern.
- **Diversification is now considered just one of several ways to mitigate portfolio risk.** While 90% want to maintain a balanced and diversified portfolio, 85% of HNW clients prefer to invest principally in companies they know and trust. Similarly, three-quarters are seeking stocks in companies that have strong ethics.
- **72% of investors are interested in learning more about responsible investing.** Millennials are paying more attention to operational and reputation risk, demanding company insights on supply chain practices, labor treatment, and carbon emissions. Gen-X and Baby Boomers (aged 55-75) are more focused on governance insights, such as management profiles, executive pay, CSR efforts, and even political contributions.
- **Globally, investors' perceptions vary widely on the definition of responsibility.** Responsibility in wealth management is considered important by more than two-thirds of North American HNW clients. In Switzerland, investors are more focused on companies' carbon footprints, diverse and inclusive workforces, and fair treatment of employees. In Singapore, clients reference companies' corporate social responsibility (CSR) initiatives.
- **61% say a transparent investment process is the most important proof point of a responsible wealth management organization.** In 2016, this ranked second, after transparency in business performance. Millennials continue to have a broader frame of reference than other clients and are more likely to consider customer feedback and satisfaction, the use of socially responsible investing screening, and company statements on culture.
- **43% of HNW clients can point to at least one recent socioeconomic trend they want (but have yet) to discuss with their advisor.** This rises to 49% of Millennials and 53% of Generation-X (aged 35 to 54). Corporate conduct during the pandemic and environmental issues are front-of-mind global topics that clients expect to connect to their wealth management.
- **Clients want a 50:50 split in their digital and physical interactions with wealth firms once social distancing is eased.** 54% of HNW clients' wealth management activities took place online during the height of the pandemic, and now 46% say digital wealth management is a better use of their time, rising to 50% of U.S. clients. More than a third of Millennials (under-35s) value the improved access to research and insights.
- **A clear digital divide is emerging in the wealth management industry, with 42% experiencing no online pain points but the remainder seeking improvements.** For example, 30% of investors in Singapore—who tend to be younger and more likely to self-identify as "Early Adopters" of wealth technology—cite security concerns in their digital experience.

Adoption of other digital capabilities is low, with 58% of investors overall choosing not to use at least one of the tools provided to them by their wealth managers, even though those who use these analytical tools report higher financial confidence.

For more information, please visit <https://advantage.factset.com/digital-divide-in-wealth-ebook>.

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