

Financial Services Leaders in Growth and Loyalty Metrics

Number of Relationships Up, Average Share of Wallet Decreasing; High Trust Increasing

(May 15, 2024, Rye, NY) – Exploding consumer engagement with financial services firms is requiring competitors to fight harder for their share of wallet, according to a new market intelligence report that identifies metric leaders by [Hearts & Wallets](#), the independent data and benchmarking firm that specializes in saving, investing and financial advice.

Stores & Success Metrics 2024: As Banks Acquire Relationships, the Race for Primacy and Loyalty Is On analyzes “stores,” or the firms where retail consumers purchase and hold investments, on household penetration, share of wallet, share of assets, customer trust and other loyalty measures. The report identifies industry market leaders, drawing from the Hearts & Wallets Investor Quantitative™ (IQ) Database, the largest single dataset with over 120 million data points on saving, investing and advice behaviors from over 76,000 U.S. households dating back to 2010.

Customers Spread Wallets Around

One in 4 (25%) of U.S. households now has 4 or more saving and investing relationships vs. 10% in 2013. One in 3 households with \$1 million-plus in investable assets (33%) has 5-plus competing relationships today. As consumers spread their wallets across more stores, earning the role of primary store, or highest share of wallet (SOW), has become more difficult. Average industry SOW is falling, reaching a new low of 37%, down from 45% in 2020.

Trust Up, Especially in Workplace

High trust is improving with 45% of primary/secondary relationships being high trust today, up from 39% in 2013. Higher-asset customers are more likely to be in high-trust relationships. Workplace providers achieved a notable increase in trust, now at 47%, up from 34% in 2013.

Likelihood to recommend is up nationally. 44% of customers are now likely to recommend their stores, up from 36% in 2013. However, high likelihood to invest more is flat. Intensifying competition is seen in fewer millionaire households with high intent to invest more at existing stores, falling from 47% in 2013 to 34% in 2023.

Paths to Growth

Average share of wallet is nearly 3 times higher when a store is the customer’s main source of retirement advice (71%) than when it is not (24%). But competition to be the main source of retirement advice (MSRA) is heating up. Firms serve as MSRA in 1 in 4 customers relationships (25%) on average, down 18 percentage points from the industry average of 43% a decade ago.

Customer experiences that deliver both service and advice are 4 times more likely to be MSRA (43% of relationships) than experiences that do not (11%), as demonstrated through Hearts & Wallets’ Inside Advice® Grid, the proprietary, fact-based framework for industry-wide comparison of personal finance advice and guidance options.

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“As consumers spread their assets across more stores, the firms that win will be the ones who stay on top of the trends,” said Laura Varas, Hearts & Wallets CEO and founder, said. “Becoming the main source of retirement advice is a known way to grow SOW, but that’s getting more competitive. Providing a combination of service and advice on Inside Advice® Grid is the way to gain the customer’s ear and earn higher share of wallet.”

Success Metric Leaders

Industry leaders for success metrics related to size include –

- Household penetration – **Bank of America Merrill NET** (NYSE: BAC), **JPMorgan Chase** (NYSE: JPM), **Fidelity**
- New customer acquisition – (for top 10 biggest stores) JP Morgan Chase, **Capital One**; (beyond the top 10 stores) **Robinhood** (NASDAQ: HOOD), **Coinbase** (NASDAQ: COIN), **Truist** (NYSE: TFC), **Fifth Third Bank**, **Goldman Sachs** (NYSE: GS) and **Nationwide**
- Asset share – Fidelity, **Charles Schwab TD Ameritrade NET** and Bank of America Merrill NET

Leaders in loyalty and primacy are –

- Highest share of wallet – **Ameriprise** (NYSE: AMP), **Edward Jones**, Fidelity
- Primacy rate leaders – Ameriprise, Edward Jones, Fidelity
- High trust, all account types – Edward Jones, **USAA** (all account types)
- High trust, workplace accounts – JPMorgan Chase
- High likelihood to recommend – **E*TRADE** (NYSE: MS), Edward Jones, USAA, **Vanguard**
- High likelihood to invest more – **Ally** (NYSE: ALLY), **Charles Schwab** (NYSE: SCHW), **Morgan Stanley** and **E*TRADE** (NYSE: MS), USAA
- Hearts & Wallets Loyalty Score (high likelihood to recommend and invest more) – E*TRADE

“With intensifying competition, average share of wallet across all customers has declined at most stores since 2020,” Beth Krettecoc, Hearts & Wallets Subject Matter Expert, said.

“Firms need to better understand trust drivers and success metrics to maintain and grow their customer bases.”

Methodology

Stores & Success Metrics 2024: As Banks Acquire Relationships, the Race for Primacy and Loyalty Is On analyzes retail financial services firms across select key metrics. This report is based on the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 76,000 U.S. households dating back to 2010. The latest wave was fielded Sept. 11 – Oct. 6, 2023, with 5,846 U.S. households.

About Hearts & Wallets

Hearts & Wallets is the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses. Leading firms rely upon Hearts & Wallets market intelligence reports, software and benchmarking to make strategic decisions that lead to growth by improving products, distribution, pricing, positioning and targeting. The power of 2.5x: over 70% of Hearts & Wallets subscribers experienced positive net flows in 2022 as compared to just 30% of non-subscribers. For more information, visit www.heartsandwallets.com.

Media Contact

Lynn Walters lynn@heartsandwallets.com
800-930-0966 ext. 704

Hearts & Wallets, CEO & Founder

Laura Varas laura@heartsandwallets.com
800-930-0966 ext. 700