



MDRT 2023 Multi-Country Survey

Executive Summary

Introduction

Financial advice is often presented as ironclad and universal in nature, especially in less regulated forums like social media. In practice, life is not that simple, and the picture gets even more complicated when comparing populations across national borders. Different countries have different regulatory systems in place to handle retirement savings, investments, insurance and healthcare. There are also cultural differences which change how individuals in different countries handle their personal finances.

As part of the Premier Association of Financial Professionals®, MDRT members in both North American and Asia-Pacific markets are well-equipped to help clients navigate these complications. To help members improve their client service abilities, MDRT coordinated a series of public opinion surveys to investigate consumer opinions on personal finance, trust in financial advisors and investment preferences. These surveys took place in the following regions: the United States, Japan, South Korea, Mainland China, Hong Kong and Taiwan.

Keep reading to discover the most important insights from these surveys, including crucial statistics on trust in advisors, consumer finance resiliency and views of key financial products like life insurance.

Views of Financial Advisors

Human vs. Robo-Advisors

U.S., Japanese and South Korean consumers continue to work with human financial advisors more than they use robo-advisors, but robo-advisors are more popular in Mainland China, Hong Kong and Taiwan.

- 27% of U.S. consumers work with only a human financial advisor while 6% only use a robo-advisor. A 63% majority do not use either service, while 4% of U.S. consumers use both.
- 11% of Japanese consumers work with only a human financial advisor while 6% only use a robo-advisor. A 78% majority do not use either service, while 5% use both.
- 30% of South Korean consumers work with only a human financial advisor while 4% only use a robo-advisor. A 56% majority do not use either service, while 11% use both.
- 24% of Mainland Chinese consumers¹ work with only a human financial advisor and 13% only use a robo-advisor. A full 23% work with both services, and 40% use neither.
- A 40% plurality of Hong Kong consumers use both human and robo-advisors. Another 28% use only a robo-advisor and 17% only work with a human advisor. Just 14% use neither service.
- 23% of Taiwan consumers only use a robo-advisor while 19% only work with a human financial advisor. A 46% plurality use neither service, while 11% use both.

Trust in Human Financial Advisors

Majorities of consumers in most surveyed regions demonstrate trust in financial advisors, but in some regions, men find financial advisors more trustworthy than women do.

- 69% of U.S. consumers have at least some trust in financial advisors, while 15% have not that much or no trust. Another 16% are unsure. Men (74%) are more likely to have at least some trust in financial advisors than women (66%).
- 36% of Japanese consumers have at least some trust in financial advisors, while 27% have not that much or no trust. A 37% plurality, however, are unsure.
- 58% of South Korean consumers have at least some trust in financial advisors, while 36% have not that much or no trust. Another 6% are unsure. Trust in advisors increases with age, with 62% of consumers in their 50s and 60s having at least some trust compared to 52% of consumers in their 20s and 30s.
- 76% of Mainland Chinese consumers¹ have at least some trust in financial advisors, while 13% have not that much or no trust. Another 11% are unsure.
- 73% of Hong Kong consumers have at least some trust in financial advisors, while 26% have not that much or not trust. Just 1% are unsure.
- 71% of Taiwan consumers have at least some trust in financial advisors, while 28% have not that much or not trust. Just 1% are unsure. Men (77%) are more likely to have at least some trust in financial advisors than women (64%).

Personal Finances

Emergency Savings

Savings rates vary drastically across regions, reflecting differences in availability and popularity of various investments, income inequality and cultural values.

- Only 51% of U.S. consumers have enough savings to last at least three months without a job. Just 21% have enough savings to last over a year, while 25% have less than one month's worth of savings.
- A full 52% of Japanese consumers have enough savings to last over a year without a job. Less than 1 in 5 Japanese consumers have less than three months' worth of savings.
- 59% of South Korean consumers have at least six months of savings in case they lose their job, while 22% have fewer than three months of savings.
- A 55% majority of Mainland Chinese consumers¹ enough savings to last over a year without a job. Just 16% have less than three months' worth of savings.
- 36% of Hong Kong consumers have at least six months of savings in case they lose their job, while 33% have less than three months of savings. Another 30% have three to six months of savings.
- 65% of Hong Kong consumers have at least six months of savings in case they lose their job, while just 10% have less than three months of savings.

Financial Priorities

Annual financial priorities also differ greatly across surveyed regions, revealing important context as advisors seek to learn from colleagues in different parts of the world.

- 43% of U.S. consumers indicated 2023 would be a year of saving money for future goals, while 41% stated most of their money would go to meeting essential needs.

- 48% of Japanese consumers had no specific plans for spending or saving money in 2023. Only 18% said they planned to save for future goals, while 19% stated they would mostly spend on essential needs.
- 39% of South Korean consumers¹ indicated they would prioritize saving for future goals in 2023, while 31% said most money would go to meeting essential needs. Another 13% prioritized experiences and non-essential goods like vacations or electronics, while 11% prioritized life milestones like marriage, buying a home or having children.
- 34% of Mainland Chinese consumers¹ indicated they would prioritize saving for future goals in 2023, while 21% said most money would go to meeting essential needs. Another 20% prioritized experiences and non-essential goods like vacations or electronics, while 10% prioritized life milestones like marriage, buying a home or having children.
- 31% of Hong Kong consumers prioritized experiences and non-essential goods like vacations or electronics in 2023, while 24% prioritized life milestones like marriage, buying a home or having children. Another 23% prioritized saving for future goals, while 22% said most money would go to meeting essential needs.
- 32% of Hong Kong consumers prioritized meeting essential needs in 2023, while 29% focused on experiences and non-essential goods like vacations or electronics. Another 21% focused on saving for future goals, while 17% prioritized life milestones like marriage, buying a home or having children.

Investment Preferences

Life Insurance

In most surveyed regions, life insurance is seen as a worthwhile insurance product for those who can afford it across demographic lines.

- 75% of U.S. consumers believe life insurance is a worthwhile insurance product, with no significant differences in belief across genders, age groups or racial backgrounds.
- 32% of Japanese consumers believe life insurance is a worthwhile insurance product, with men (34%) slightly more likely to believe this than women (29%).
- 49% of South Korean consumers believe life insurance is a worthwhile insurance product, with no significant differences in belief across genders or age groups.
- 73% of Mainland Chinese consumers¹ believe life insurance is a worthwhile insurance product. This belief is somewhat stronger among younger consumers, with 78% of 18-29-year-olds believing life insurance is worthwhile compared to 65% of consumers over 70.
- 82% of Hong Kong consumers believe life insurance is a worthwhile insurance product, with no significant differences in belief across genders or age groups.
- 72% of Hong Kong consumers believe life insurance is a worthwhile insurance product, with women (66%) slightly more likely to believe this than men (60%).

Stocks

Belief in the worthwhileness of stocks as an investment varies across regions, earning strong majorities in Chinese-speaking regions but less support in the U.S., Japan and especially South Korea.



- 50% of U.S. consumers believe stocks are worthwhile investments, though men (59%) are much more likely to believe this than women (41%).
- 38% of Japanese consumers believe stocks are worthwhile investments, with men (45%) somewhat more likely to believe this than women (31%).
- 37% of South Korean consumers believe stocks are worthwhile investments, with men (42%) somewhat more likely to believe this than women (30%).
- 63% of Mainland Chinese consumers¹ believe stocks are worthwhile investments. This belief is much stronger among younger consumers, with 72% of 18-29-year-olds believing stocks are worthwhile compared to only 43% of consumers over 70.
- 82% of Hong Kong consumers believe stocks are worthwhile, with no significant differences in belief across genders or age groups.
- 78% of Taiwan consumers believe stocks are worthwhile, with no significant differences in belief across genders or age groups.

Notes:

1. The Mainland China survey respondents came from four major cities: Beijing, Shanghai, Guangzhou and Shenzhen.

About MDRT

MDRT, The Premier Association of Financial Professionals[®], is a global, independent association of the world's leading life insurance and financial services professionals from more than 700 companies in 80 nations and territories. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit www.mdrt.org.

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