



GetSmarterAboutMoney.ca™

Report: Insights on Canadians and online investor education

**Toronto, ON
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Online investor education is a catalyst for changes in financial behaviour

New research sheds light on barriers and interests of Canadians seeking investment information

October, 2014 -- According to a new Investor Education Fund (IEF) study, online investor education can be effective in influencing investor behaviour. Survey results suggest that investor education inspires people to more actively look out for their own interests, whether working with an advisor or on their own.

About the survey

The survey was conducted online in 2014 via a link on IEF's website, GetSmarterAboutMoney.ca. The responses of 1,001 website visitors were analyzed by The Strategic Counsel on behalf of IEF.

A small segment (11 per cent) of website visitors work in the financial industry. Of the remaining survey respondents, two-thirds (66 per cent) are looking for information about investments. The majority of this report focuses on the findings related to this segment.

Research highlights

- Visits to GetSmarterAboutMoney.ca are a catalyst for investment behaviour change; learning outcomes include: asking their advisor better questions, starting or updating a financial plan and shopping around for financial products and services to get better value.
- Barriers to investing confidence exist for investors of all ages, but different age groups face different types of challenges.
- Female survey respondents experience more knowledge-related obstacles to investing confidence than men do.
- Investment advisors hold a significant amount of influence on decision-making.
- GetSmarterAboutMoney.ca is a national resource for investor education, with a high satisfaction rating.

Key findings

Online learning is a catalyst for changing investment behaviour

In the survey, investment-focused visitors were asked to identify what actions they will take as a result of their website visit. Top responses suggest that online learning inspired respondents to more actively look out for their own interests:

- Ask their advisor better questions (79 per cent)
- Try to learn more about investing (78 per cent)
- Start or update a financial plan (69 per cent)
- Shop around for financial products and services for better value (68 per cent)
- Start investing or change how they invest (63 per cent)

Investing barriers exist at all ages, but different age groups face different challenges

On average, the top barriers to investing confidence include too much conflicting information (53 per cent), a lack of investing knowledge (49 per cent) and an inability to find an unbiased source of investment knowledge (46 per cent). Interestingly, respondents of different ages report different primary challenges:

- **Under 30: lack of knowledge.** Respondents under 30 are more likely to say they don't understand most of the terms used by financial advisors and experts (64 per cent vs. 49 per cent across all ages).
- **30s and 40s: lack of time.** Respondents in their core working years are more likely to say they don't have enough time to focus on their investments (57 per cent vs. 45 per cent overall).
- **50 and older: lack of trust.** Although respondents aged 50 and older indicate less severe barriers to investing confidence than younger cohorts, their top barriers are conflicting information from too many sources and not knowing what to believe (40 per cent) and being unsure where to find unbiased information about investing (36 per cent).

Women more likely to be weighed down by lack of knowledge

Compared to men, women are more likely to have their investing confidence impeded by a lack of investing knowledge and because they do not understand investment terms (57 and 51 per cent for women, vs. 41 and 39 per cent for men, respectively). Female respondents are also more likely to categorize their knowledge as low (39 per cent vs. 24 per cent for men).

Advisors have a significant influence on investment decisions

One-third (32 per cent) of respondents state their top source of investment advice is an advisor, while a quarter (27 per cent) got their best advice from the media, and 10 per cent rely on family members.

Interestingly, compared to women, male respondents were more likely to go it alone without any investment advice (16 per cent vs. 8 per cent). Of those who work with an advisor, many say they have delegated most of the responsibility for their investing decisions: nearly half (48 per cent) say they rely completely on their advisor, or their advisor has most of the ideas about how to invest and the investor may bring a few ideas forward.

Those seeking online investor education look for tools to help them draw their own conclusions

Retirement planning and financial tools and calculators are the most commonly searched topics on IEF's website. Some of the top tools on GetSmarterAboutMoney.ca allow users to play with numbers – such as the Compound interest calculator, RESP calculator and RRSP calculator. Financial planning “how-tos” like saving money and managing debt also rank high among searches.

GetSmarterAboutMoney.ca is a national investor education resource with a high satisfaction rating

The vast majority (95 per cent) of visitors who had an opinion about the website were satisfied with the information they found, and 88 per cent of visitors said they were likely to recommend the site. Within the context of public opinion research in the financial industry, such high satisfaction ratings are considered unusually positive results and strong indicators of future action. While the majority of

website visitors are Ontario residents, nearly half (47 per cent) live outside Ontario. More than one-quarter (27 per cent) of website visitors live within the Greater Toronto Area.

About GetSmarterAboutMoney.ca

GetSmarterAboutMoney.ca is used by Canadian consumers as a resource to learn about investing, in both English and French. While the majority of survey respondents are Ontario residents, nearly half (47 per cent) live outside Ontario. GetSmarterAboutMoney.ca receives more than 1.8 million visits a year.

About Investor Education Fund

Investor Education Fund (IEF) is non-profit organization founded and supported by the Ontario Securities Commission that provides unbiased and independent financial tools to help Canadians make better money decisions. IEF offers research-based financial information to consumers via GetSmarterAboutMoney.ca and to students, parents and teachers through InspireFinancialLearning.ca and extensive classroom programs.