

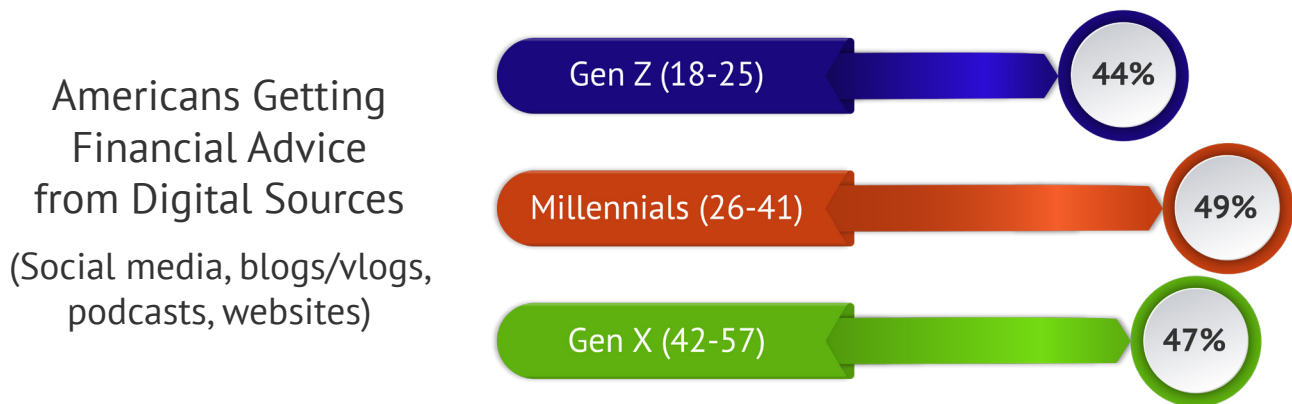
# Americans Want Financial Guidance

But How and Where do They Get Help?



Where do Americans turn when they need help with their personal finances? This question is important because, when people have trusted professionals upon whom they can rely to help them make informed money decisions, they become better able to identify financial choices that align with their short- and long-term goals. Yet in research conducted over the past few years by the National Financial Educators Council (NFEC) and others, results show that many people lack access to trusted, qualified professionals who offer financial guidance – especially younger adults.

A good example of such research can be found in a [2022 survey](#) of more than 2,000 American adults conducted by Harris Poll and published by Intelliflo. The survey findings showed that many people around the country feel a significant need for financial advice. Yet only about one in three (32%) Americans said they turn to registered financial advisors for help managing their money, while more than half (52%) said they turn to family and over two in five (41%) look online. Younger adults are particularly likely to get financial advice from digital sources like social media and podcasts.



Younger Americans in this study also were more likely to say they need help, with 71% of Gen Z (aged 18-25) and 72% of Millennials (aged 26-41) saying they strongly or somewhat agree that there are financial topics on which they want advice, but aren't sure how to get it. The top obstacle preventing people from consulting a financial advisor – cited by 35% of participants – is thinking they don't have enough money to hire one. About two-thirds (68%) of respondents said a personalized financial plan based on their goals would be an extremely or very important factor if they were considering hiring a financial advisor.

Further, Northwest Mutual conducted its latest [Planning & Progress Study in 2022](#). This online survey of 2,381 American adults aged 18+ indicated a significant increase in U.S. citizens who recognize the value of getting help with their finances from before the COVID-19 pandemic to after the pandemic. In this study, more than six in 10 of American adults (62%), and 74% of both Millennials and Gen Z participants, said their financial planning needed improvement; but only 35% reported seeking help from a financial advisor. However, seeking trusted advice appeared to be moving in the right direction – 18% of respondents said they didn't have a financial advisor before the COVID-19 pandemic, but now are either working with someone or plan to going forward.

The Northwest Mutual study also found that getting help from an advisor significantly improved people's feelings of financial stability and certainty across the board on several important factors:

## Effects of Working with an Advisor on Stability/Certainty about Financial Factors

Feelings of financial stability / certainty about:	Do not work with an advisor	Work with an advisor	Difference of working with an advisor
The stability of your current housing situation	62.7	80.8	+18.1
Your ability to manage your level of debt	60.6	80.3	+19.7
Your ability to afford healthcare	57.8	77.7	+19.9
The stability of your employment situation / career	57.2	76.2	+19.0
Your ability to achieve long-term financial security	55.1	76.7	+21.6
Your ability to plan for retirement	54.6	77.5	+22.9
Your ability to pay for an unplanned financial emergency	52.9	77.6	+24.7
Overall certainty	57.2	78.0	+20.8

This research points up a clear need for increased access to trusted, qualified financial professionals who can provide financial guidance, especially among younger American adults.



# Results of the NFEC Annual Financial Guidance Survey

For four consecutive years, the National Financial Educators Council (NFEC) conducted a nationwide survey to determine where Americans turn when they need help with their personal finances. Specifically, they wanted to learn the proportion of American adults who have someone they trust to turn to for financial guidance. The survey consists of a single question: “When you have a financial question, who do you personally turn to for trusted financial guidance?”

These findings showed that Americans’ access to trusted financial help had actually declined between 2020 and 2022. Even more importantly, a sizable proportion of participants say they have no one they trust to ask for financial guidance – and that proportion seems to be increasing.

## Survey Results: When you have a financial question, who do you turn to for trusted financial guidance?

Survey Year	Parents, Family, Friends, or Coworkers	Financial Professionals	Difference of working with an advisor
2022	37.8%	22.8%	39.3%
2021	40.8%	33.4%	25.8%
2020	39.7%	35.9%	24.4%

In the same survey conducted in 2019, the results were broken down into age groups, showing interesting differences between generations in terms of having trusted people to turn to for financial guidance.

## 2019 Survey Results by Age Group

Age Group	Financial Professionals	Parents / Guardians	Friends / Coworkers	Siblings / Extended Family	I Don't Have Anyone Trusted to Turn To
18 – 34	22.4%	37.4%	9.9%	8.0%	22.4%
35 – 54	35.0%	17.4%	14.9%	10.5%	22.2%
55+	41.4%	9.0%	14.1%	11.4%	24.3%

Across all these survey years, one key result stands out: more than one out of every five Americans has no one trusted to turn to when they need help with their personal finances. The urgent need for financial guidance in the U.S. becomes even clearer when you take the following statistics into account.

## The Need for Financial Guidance: Statistics

Individual credit card debt in the U.S. soared to a record high of \$1.03 Trillion as of the second quarter of 2023, according to data from the Federal Reserve. And Transunion reported that the average credit card debt per consumer rose from \$5,010 in Q1 2022 to \$5,733 in Q1 2023. ~[Forbes](#)

Overall financial well-being in the U.S. declined in 2022, according to the Federal Reserve's Report on the Economic Well-being of Households. More than one-third of Americans reported being worse off in 2022 than they were in 2021, and nearly one in five said they couldn't cover an expense greater than \$100 with savings. ~[U.S. News & World Report](#)

In 2022, 35% of Americans said they worked with a financial advisor; 57% said they did not, and 9% were not sure. The percentage of those saying they had approached a financial advisor declined slightly from the previous year. ~[Statista](#)

79% of Millennials and Gen Z Americans (ages 18-41) have gotten financial advice from social media, with Reddit and YouTube being the most trusted social platforms. ~[Forbes](#)

Outside of social media, Gen Z-ers and Millennials primarily get their financial advice from family (35%) and internet searches (33%). Relatively few enlist the help of a financial advisor (11%). ~[Forbes](#)

In a survey by [GoBankingRates.com](#), published in May 2023, of over 1,000 Americans:

- 52% said they have followed money advice from a well-known expert, with 26% saying they had consulted a financial expert in the last year.
- 50% said relatability was the top quality they look for in a financial expert.
- 36% said they were looking for advice on saving more, while 23% were looking for advice on how to invest.



In a February 2023 [GoBankingRates survey](#), among 1,002 Americans, 44% said they planned to use tax software to complete their tax returns, compared with 18% who said they planned to consult with a CPA. ~GoBankingRates.com

However, an earlier survey conducted by NerdWallet and Harris Poll found that many Americans are failing at basic tax knowledge, able to correctly answer – on average – only two out of eight fundamental questions on IRS rules for common deductions, retirement, and education savings plans. ~[NerdWallet](#)

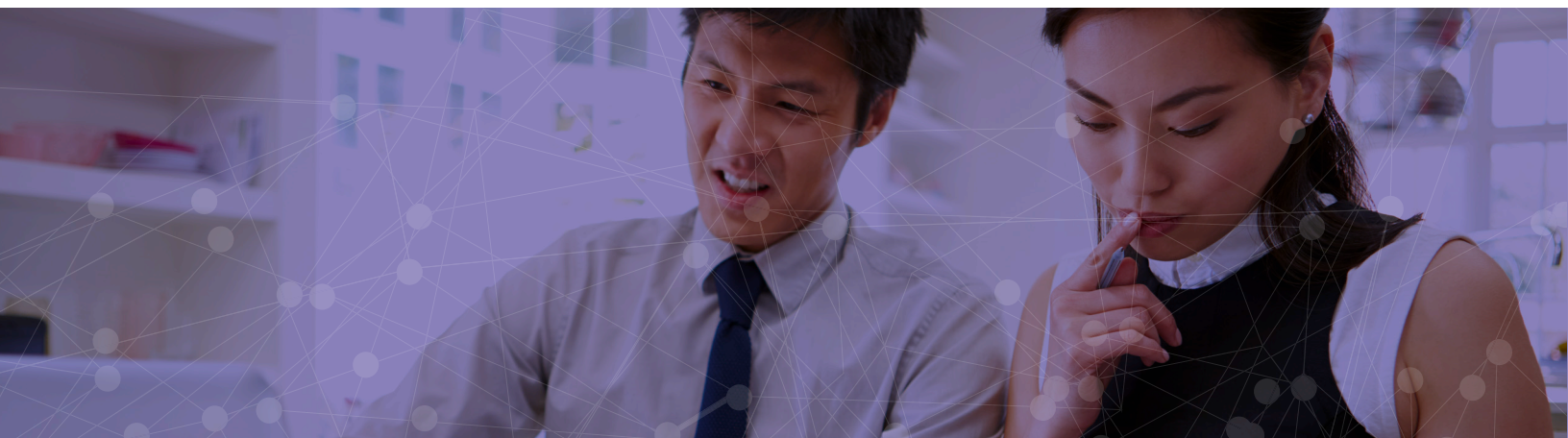
In 2021, the median annual salary for a personal finance advisor was \$94,170, and the field was projected to grow by 15% between 2021 and 2031. ~[U.S. Bureau of Labor Statistics](#)

## What's the Solution?

How do we fill the gap between the need for financial guidance and people's access to trusted help? The data cited above clearly show that Americans want help with their personal finances, but either aren't sure where to get it or are afraid they can't afford it. Steering people toward well-qualified guidance from trustworthy professionals may be the answer, and some affordable options are available.

According to [U.S. News & World Report](#), there are a few ways to obtain free or low-cost financial advice, and these options can be reliable. For example:

- Online education platforms
- Banks, credit unions, or online brokerage firms
- Employee benefit programs
- Robo-advisors
- Project-based financial advisors
- Industry pro bono groups (e.g., FFPprobono.org and financialplanningassociation.org)



- Government programs (for example, the Consumer Financial Protection Bureau (CFPB), <https://www.consumerfinance.gov/>; and for older adults, the National Council on Aging, <https://www.ncoa.org/>)
- Specialty groups (for example, the National Foundation for Credit Counseling, <https://www.nfcc.org>)

An important distinction to make when looking for a financial professional is the difference between “financial advice” and “financial guidance.” A financial advisor provides “advice” directing clients what to do, for example, which investments to include in one’s portfolio or which financial products to buy. On the other hand, a financial coach or consultant – like a [Certified Personal Financial Wellness Consultant](#) (CPFWC) credentialed by the National Financial Educators Council – offers “guidance” so clients can come up with their own solutions in alignment with their objectives.

The [guidance process](#) might include understanding clients’ needs, directing them to educational resources, helping them prioritize objectives and tasks, offering options, or providing education and direction to help them move closer to their goals. Guidance also can include developing a customized financial plan or roadmap to help a client reach his or her stated goals. CPFWCs also offer a complimentary initial 30-minute consultation phone call.

Whenever choosing a professional to provide financial guidance, it’s also key to ensure that the person is a fiduciary – meaning they have responsibility to put the client’s interests first. In addition, people should look for credentials indicating that the professional has passed rigorous training and background checks and meets top standards for financial guidance.

Having a trusted professional to guide us toward reaching our personal financial goals should be a priority for all Americans who have a vision for the future lifestyles they want to live. The information in this report is meant to help people make better-informed decisions about getting the money guidance they need, before turning to unreliable sources like social media or unqualified family members and coworkers.

