

Seventh Annual
Advisor Authority
Study

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Taxes Top Concern for Wealthy Investors

Advisors and financial professionals are uniquely positioned to guide concerned investors through potential tax changes

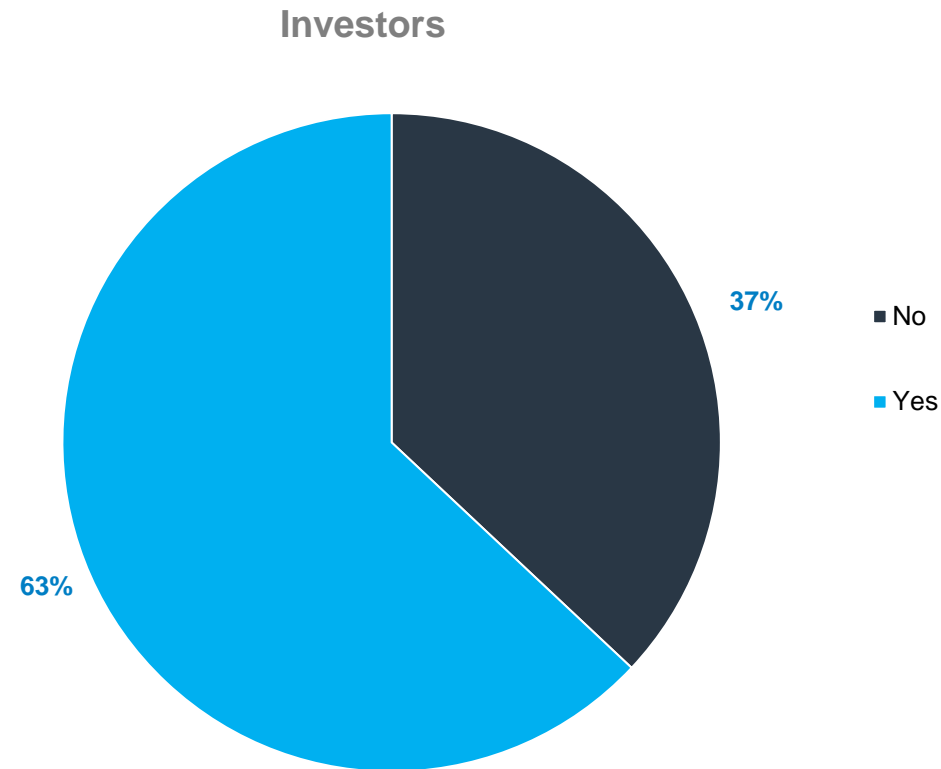
Key Findings
December 2021



Sixty-three percent of investors work with an advisor or financial professional

However, about two in five are not currently working with a financial professional.

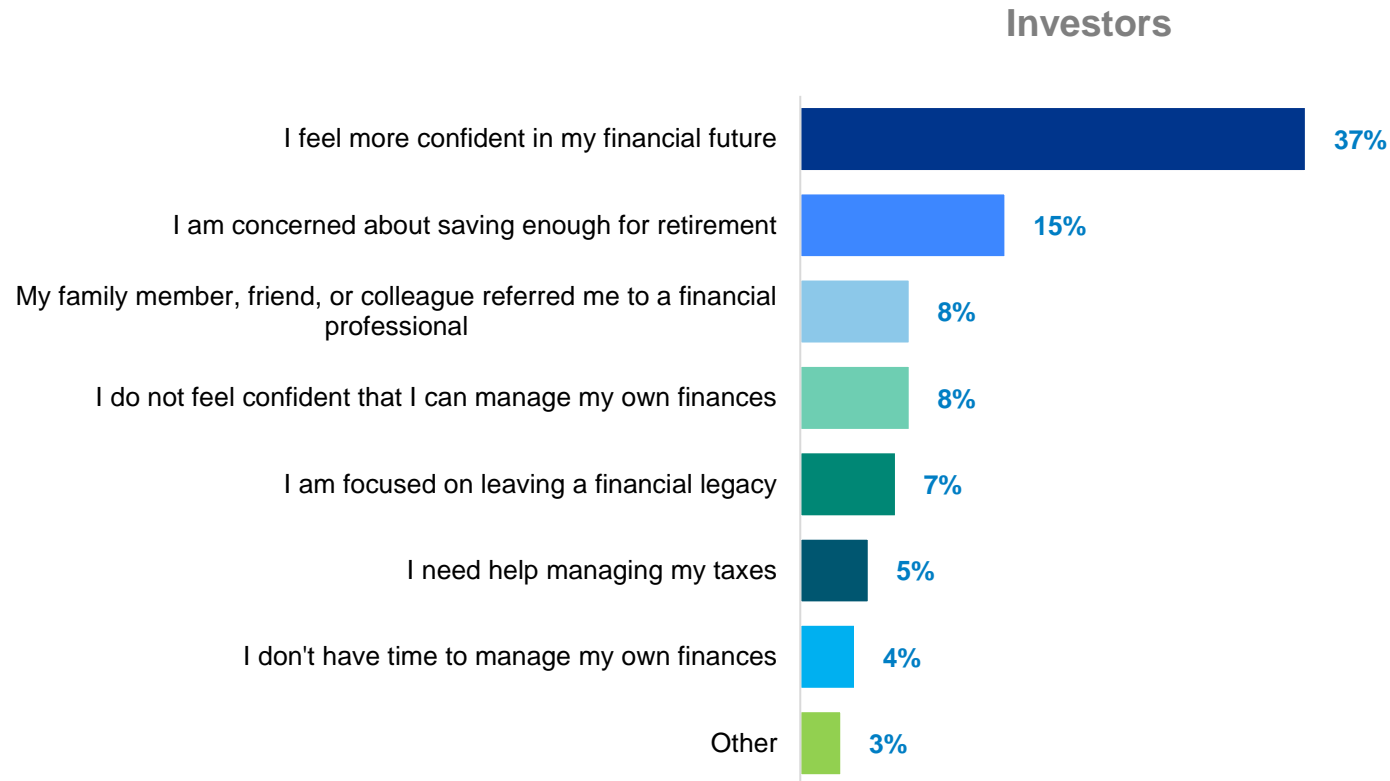
Currently work with a financial professional



Investors work with financial professionals to feel more confident about their financial future

Moreover, 37% of investors said the main reason they work with an advisor or financial professional is to feel more confident in their financial future and 5% said it is to help manage their taxes.

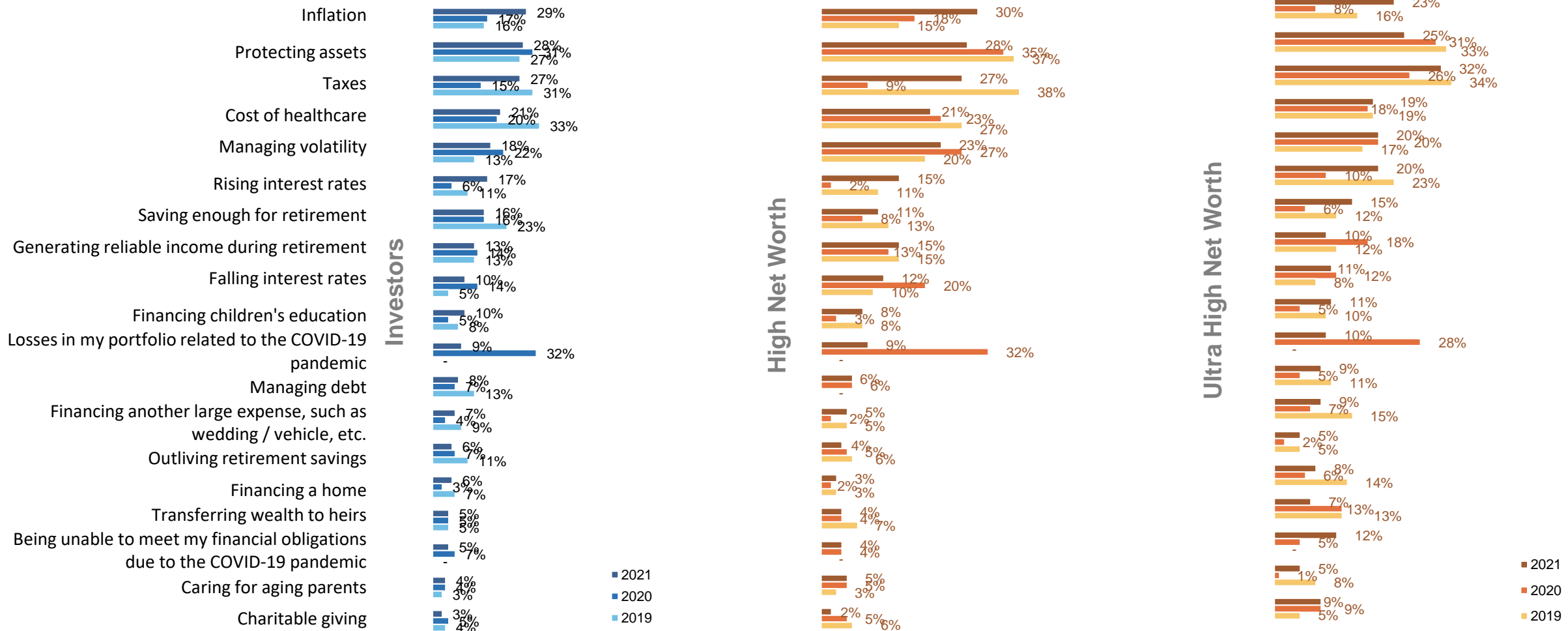
Main reasons for having a financial professional or advisor



When looking at wealthy investors, taxes move up on the list of concerns.

High Net Worth investors' (household investable assets from \$1 million to less than \$5 million) concerns about taxes nearly tripled year-over-year from 2021 to 2020 (27% vs 9%). Among Ultra High Net Worth investors (household investable financial of \$5 million or more), taxes are one of their top concerns this year (32% from 26% in 2020).

Biggest financial concerns in the next 12 months



NOTE: Other responses excluded

Q810 In the next 12 months, what are your biggest financial concerns? Please select up to three.

Base: Qualified Investors, Investors n= 839

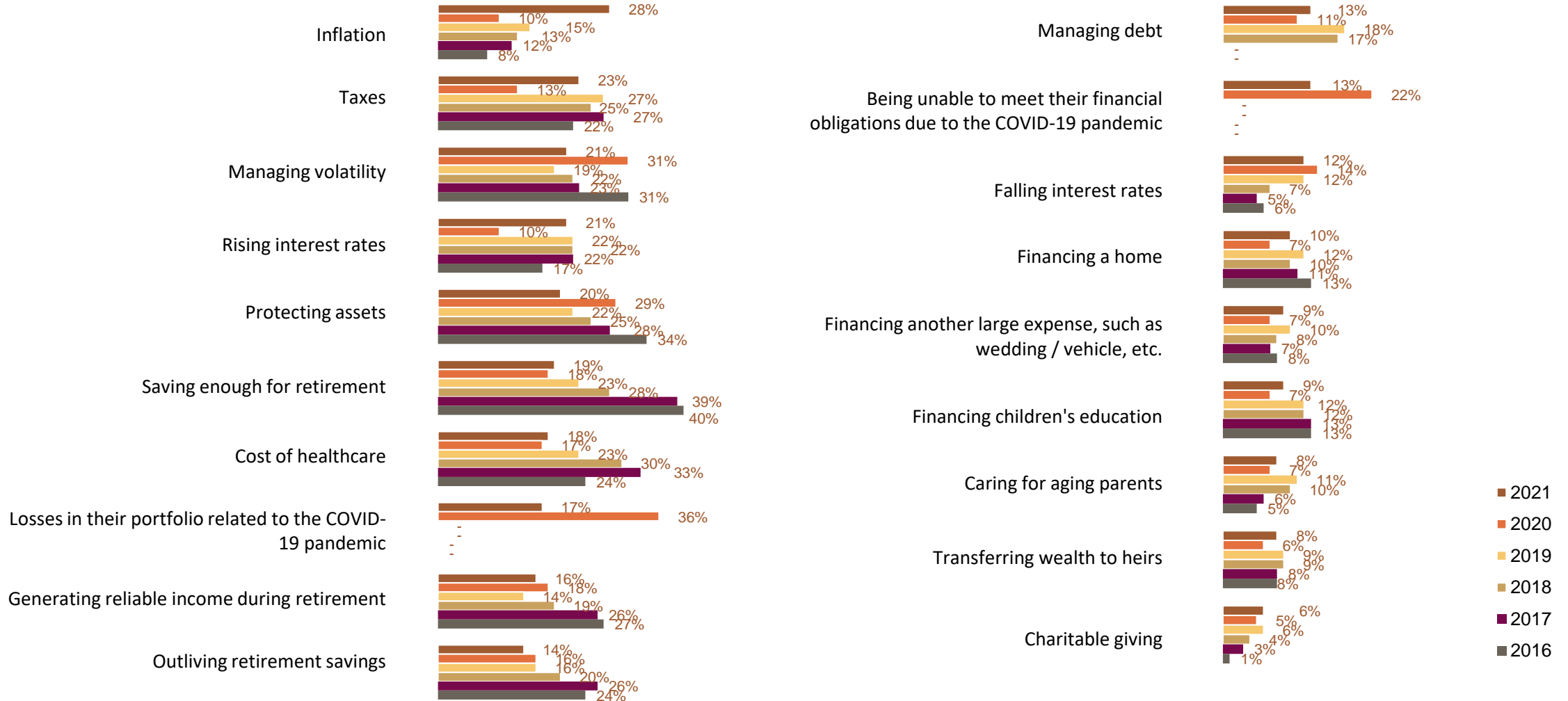


Financial professionals understand taxes are one of their clients' three biggest concerns.

Advisors and financial professionals are also aligned about inflation as a top concern.

Clients' three biggest concerns over the next 12 months

Financial Professionals



NOTE: Other responses excluded

Q815 What do you think will be your clients' three biggest concerns over the next 12 months? Please select up to three.

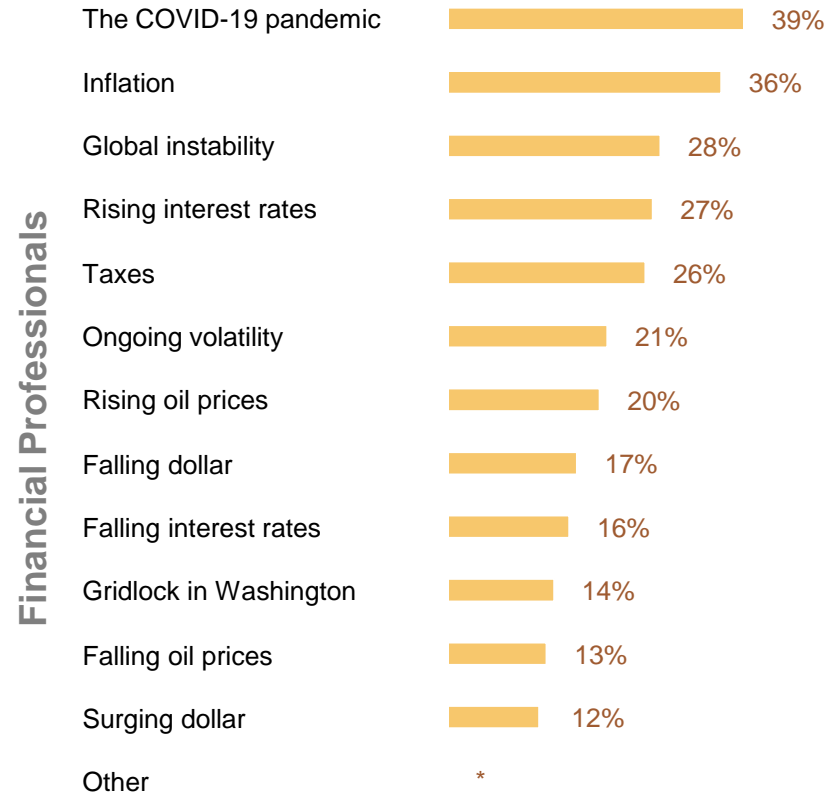
Base: Qualified Advisors, Financial Professionals n=1,632



Taxes are among the top five macro factors that will most adversely impact their clients' portfolio over the next 12 months.

Other top macro factors include the COVID-19 pandemic (39%), inflation (36%), global instability (28%) and rising interest rates (27%).

Macro issues expected to impact clients' portfolios



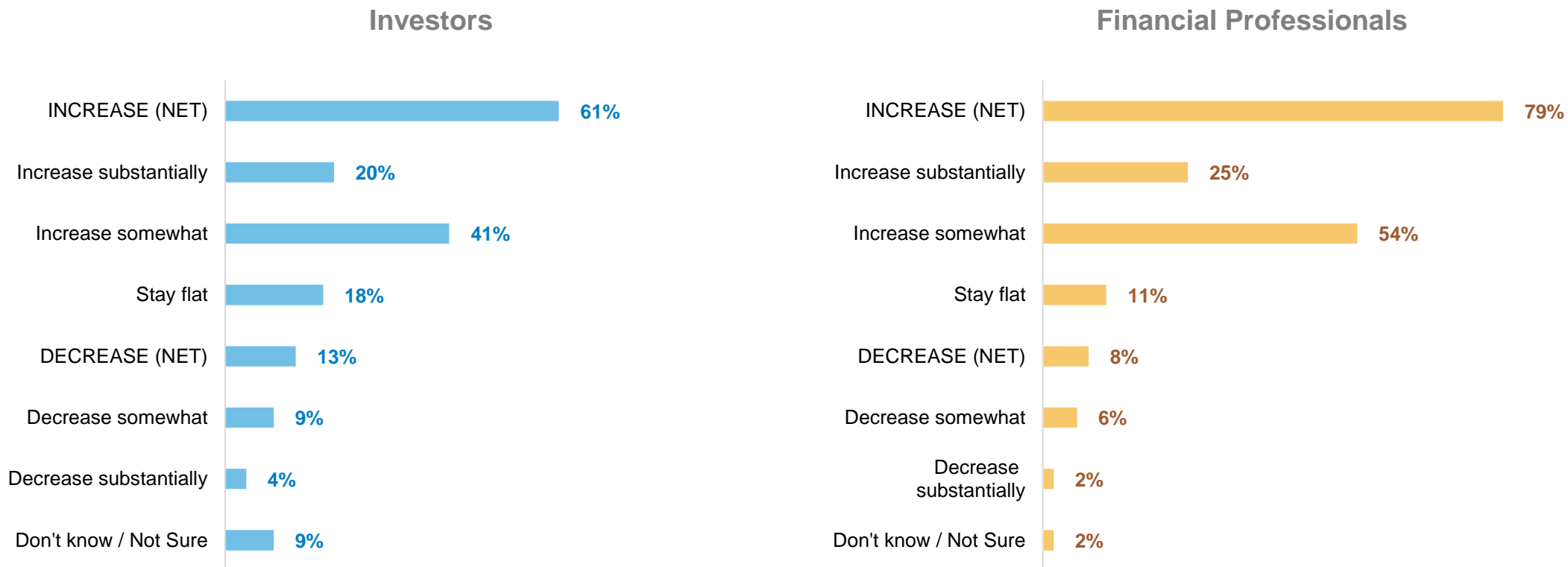
Q850. Over the next 12 months, which macro issue do you believe will most adversely impact your client's portfolio?

Base: Qualified Advisors Financial Professionals n=1,632

Taxes are among the top factors that would most likely cause market volatility in the next 12 months.

Most financial professionals, along with most investors, anticipate volatility will ramp up in general over that time period.

Expected market volatility fluctuation over the next 12 months



Q1230 To what degree do you anticipate market volatility will fluctuate over the next 12 months? It will...

Base: Qualified Investors n=839, Qualified Financial Professionals n=1,632

21% of financial professionals expect taxes to cause market volatility.

The COVID-19 pandemic, inflation and U.S. economic performance are also factors most commonly expected to cause market volatility in the next 12 months.

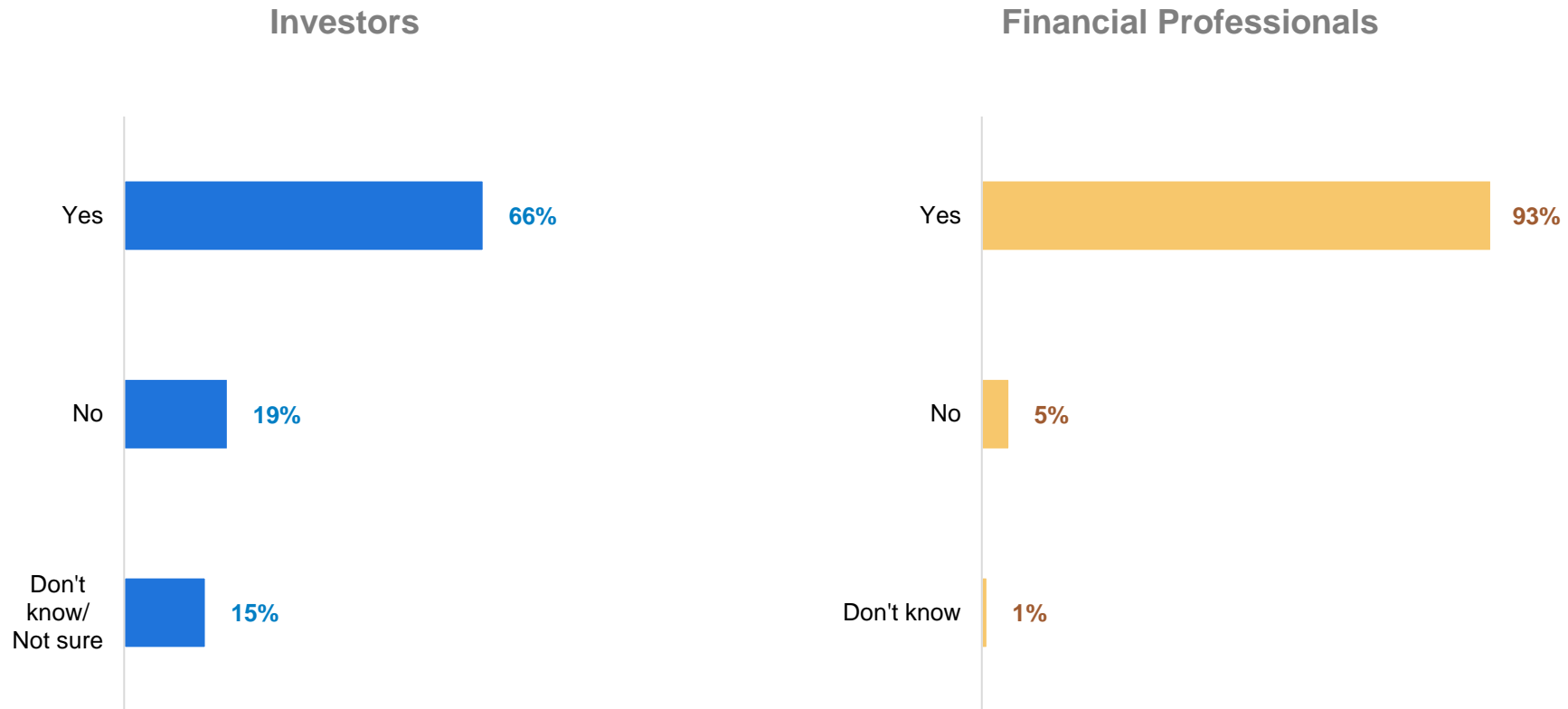
Factors most likely to cause market volatility over the next 12 months



More investors would benefit from a strategy to help protect their assets against market risk.

To prepare for unpredictability, 66% of investors and 93% of financial professionals have a strategy in place to protect their assets against market risks.

Have strategy to help protect assets against market risk



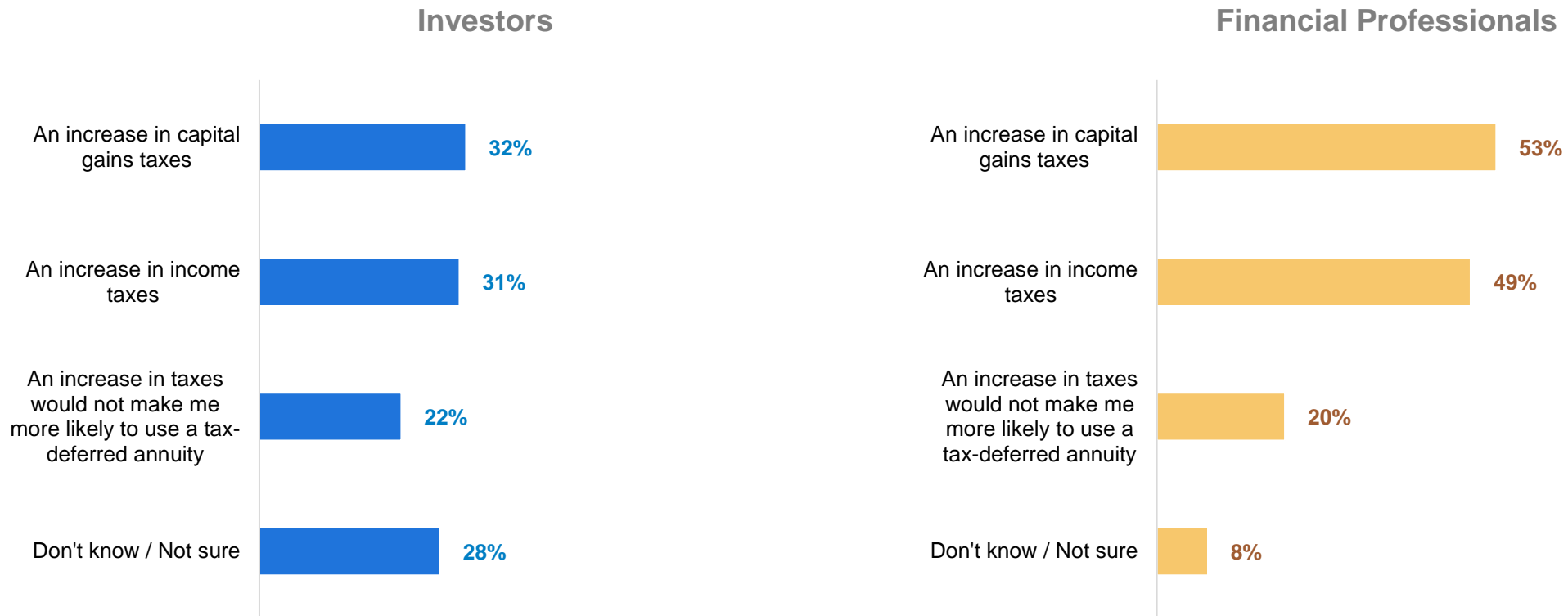
Q8010 Do you currently have a strategy in place to help/help your clients protect your/their assets against market risk?

Base: Qualified Investors n=839, Qualified Financial Professionals n=1,632

Investors, financial professionals are more likely to use a tax-deferred annuity if there is an increase in income taxes.

While nearly half of financial professionals say they are likely to do this, only around a third of investors say so.

Type of tax increases that would make investors/FPs likely to use a tax-deferred annuity



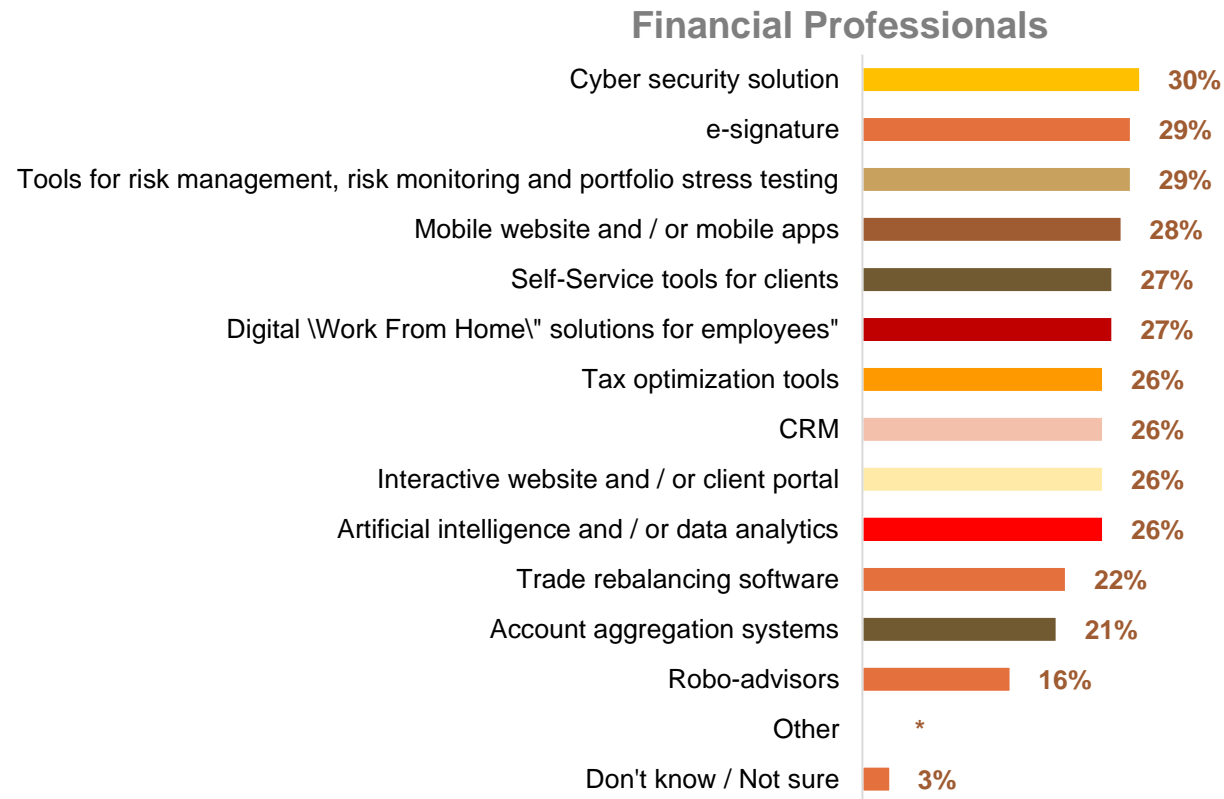
Q8430 Under the current presidential administration's proposed tax plan, which type of tax increase(s) would make you more likely to use a tax-deferred annuity / for your clients? Please select all that apply.

Base: Qualified Investors n=839, Qualified Financial Professionals n=1,632

Financial professionals are interested in taking action to help clients feel secure and in control.

With taxes being a concern for many investors, it is no surprise that one in four financial professionals said they are most interested in integrating tax optimization tools into their practice in the next 12 months.

Technologies FPs are most interested in integrating into their practice in the next 12 months



Q1200A Of the following types of technology, which are you most interested in integrating into your practice in the next 12 months?

Please select all that apply.

Base: Qualified Financial Professionals n=1,632

About Advisor Authority Methodology

The seventh annual *Advisor Authority* Survey was conducted online within the United States by The Harris Poll on behalf of Nationwide from July 22 – August 17, 2021 among 1,632 advisors and financial professionals and 839 investors, ages 18+. Among the 839 investors, there were 210 Mass Affluent, 210 Emerging High Net Worth, 210 High Net Worth and 209 Ultra High Net Worth. Investors are weighted where necessary by age by gender, race/ethnicity, region, education, income, marital status, household size, investable assets and propensity to be online to bring them in line with their actual proportions in the population. Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. Because the sample is based on those who were invited to participate in Harris Poll online research, no estimates of theoretical sampling error can be calculated.

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com.

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Nationwide, a Fortune 100 company based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide is rated A+ by both A.M. Best and Standard & Poor's. An industry leader in driving customer-focused innovation, Nationwide provides a full range of insurance and financial services products including auto, business, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; excess & surplus, specialty and surety; pet, motorcycle and boat insurance. For more information, visit www.nationwide.com. Follow us on [Facebook](#) and [Twitter](#).

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