



## **Retention Battle Underway as Account Closures Intensify**

**Cambridge, Mass., (December 9, 2010)** – Thirteen percent of affluent Americans closed at least one investment account in the last year, more than double the pace reported in the previous five years. Investors cite consolidation, rollovers, fees, or a need to access funds as the main reasons for these actions. Among those who closed accounts, 15% reported closing a Fidelity Investment account, 11% closed a Wells Fargo/ Wachovia Securities account, and 10% closed either a Merrill Lynch or E\*Trade account. These and other findings are contained in the new Cogent Research 2011 Investor Brandscape™ report to be released this month. The report is based on a nationally representative survey of 4,000 American investors with at least \$100,000 in investable assets.

About one in five (18%) investors who closed an account last year did so because of a desire to consolidate or simplify accounts. Meanwhile, 14% said their actions were the result of moving or rolling over retirement assets to another provider. Twelve percent cited either fees or the fact that they needed the assets for another purpose. Notably, the proportion citing rollover activity as their reason for closing an account, doubled last year compared to the previous five years, and the proportion citing a need to access account funds tripled.

“These numbers are a result of a confluence of events,” said Meredith Lloyd Rice, Senior Research Director and author of the Investor Brandscape™ report. “With Boomers retirement now hitting full stride, economic conditions forcing some investors to liquidate accounts, and an all-out price war among several key distributors, investors certainly have plenty of good reasons to reevaluate their current account options.”

*(continued)*

## ACCOUNT CLOSURE BY DISTRIBUTOR

(Base=Affluent Investors that Closed an Account in Past 12 Months)

<b>Fidelity Investments</b>	<b>15%</b>
<b>Wells Fargo Advisors/Wachovia</b>	<b>11%</b>
<b>Merrill Lynch</b>	<b>10%</b>
<b>E*Trade</b>	<b>10%</b>
<b>Morgan Stanley Smith Barney</b>	<b>8%</b>
<b>TD Ameritrade</b>	<b>8%</b>
<b>Charles Schwab</b>	<b>7%</b>
<b>Ameriprise</b>	<b>6%</b>
<b>Vanguard</b>	<b>6%</b>
<b>T. Rowe Price</b>	<b>5%</b>
<b>ING DIRECT/Sharebuilder</b>	<b>5%</b>
<b>Edward Jones</b>	<b>5%</b>
<b>JP Morgan Chase</b>	<b>5%</b>
<b>AXA Advisors</b>	<b>3%</b>
<b>Scottrade</b>	<b>3%</b>
<b>John Hancock</b>	<b>2%</b>
<b>UBS</b>	<b>2%</b>

*Source: Cogent Research Investor Brandscape™ 2011*

The net result is that the total number of accounts dropped from 3.54 per household in 2009 to 3.29 accounts in 2010. “Providers have long known that they would need to step-up their game if they hoped to keep their fair share of the billions of dollars in retirement assets about to become un-tethered. Well, the game is not only on, the competition just got tougher given that fewer accounts are up for grabs.”

### **About Cogent Research**

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