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Investor Confusion on Fees Remains High, New DALBAR Study Reveals

(Marlborough, MA, August 14, 2024) - The investment industry's push for fee transparency may not be as effective as hoped, according to a new study by DALBAR, a leading financial services market research firm. The 2024 Investor Insights: Fees & Charges report uncovers a persistent gap in investor knowledge, with many individuals still struggling to understand the fees associated with their investments.

Key Findings:

- **Confidence Gap:** While 52% of investors feel confident about understanding fees, nearly half remain unsure or completely unaware.
- **Income Disparity:** The study found a correlation between income and fee understanding, with higher-income individuals demonstrating greater confidence. Alarmingly, 2% of respondents with under \$100K in annual household income were unaware of any fees associated with their investments.
- **Fee Importance:** 74% of investors consider fees extremely or very important when making investment decisions. However, only 66% have chosen a different investment due to lower fees.
- **Long-Term Impact:** 68% of investors believe fees can significantly impact the long-term performance of their investments.

"The findings highlight a critical need for improved communication and education around investment fees," said Jared Lickliger, Senior Research Manager at DALBAR. "Financial firms must prioritize clear and concise fee disclosures, and investors should proactively seek to understand the costs associated with their investments."

The report also reveals that investors primarily turn to the Internet and their account statements for fee information. However, many find this information difficult to locate and understand.

"The industry has made strides in fee transparency, but there's still work to be done," added Lickliger. "Simplifying fee disclosures and providing investors with the tools to make informed decisions should be a top priority for investment firms and financial professionals."

About DALBAR

DALBAR is the leading independent financial services market research firm dedicated to uncovering the needs, concerns, and behaviors of investors and financial professionals. For over



four decades, DALBAR has provided actionable insights to help firms improve their products, services, and communications.

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