



Digital Assets Council  
of Financial Professionals

survey conducted  
exclusively for

abra

# The Level of Understanding and Interest in Digital Asset Services Among Financial Advisors and Their Clients

August 2024

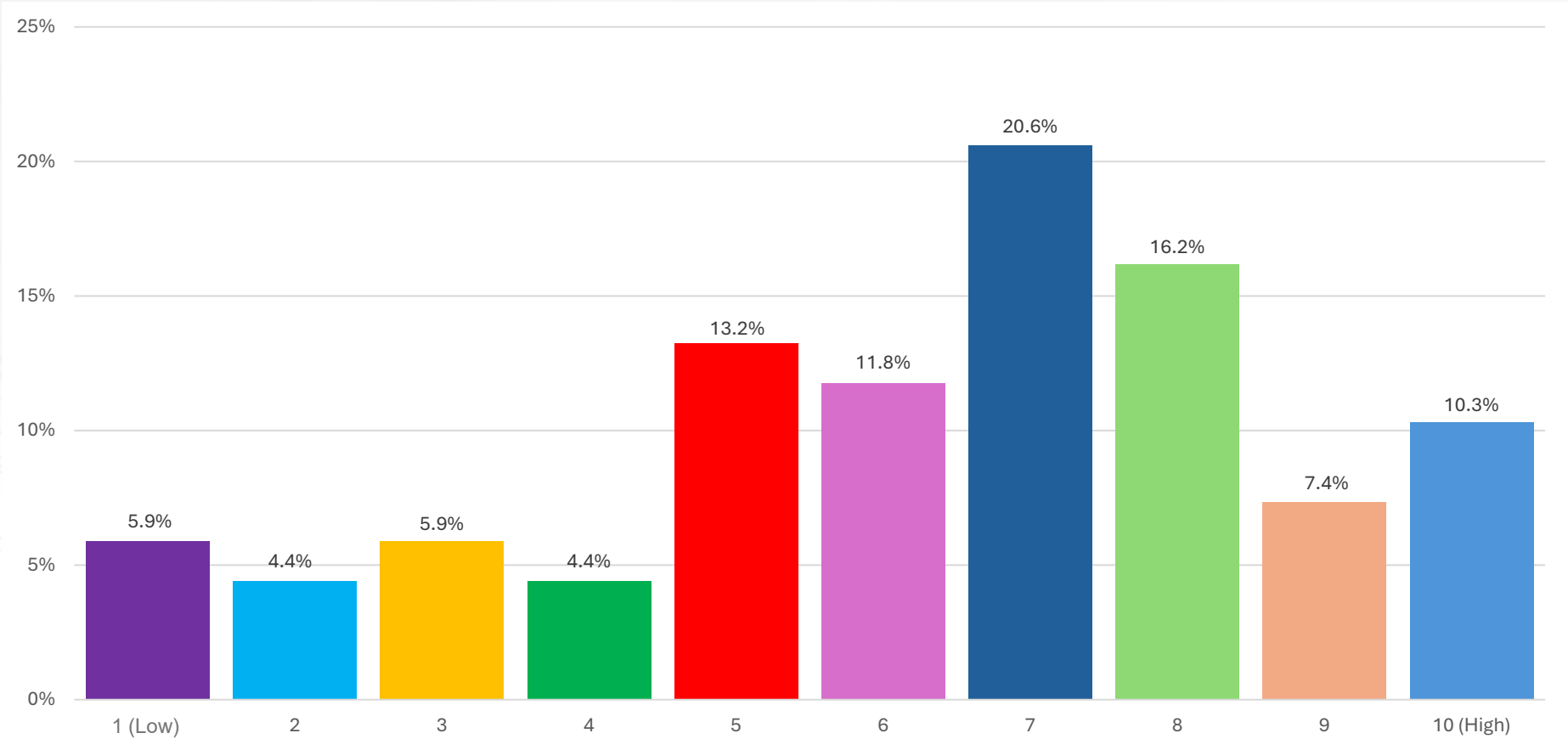
Total Respondents: 225 | Qualified Respondents: 71

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## High-Level Findings:

- ***Moderate Knowledge of Blockchain, Limited DeFi Understanding:*** Most financial advisors rated their blockchain knowledge as moderate to high, but many expressed low understanding of DeFi, highlighting a need for education in this area.
- ***Low Client Interest in Crypto Investments:*** While some clients are asking about digital assets, most advisors reported that only a small portion of their clients are expressing interest in crypto investments.
- ***Cautious Approach to Crypto Recommendations:*** Nearly half of advisors are not recommending crypto to their clients due to advisors' concerns about regulatory issues, cybersecurity risks, and market volatility.
- ***Minimal Engagement with Advanced Crypto Strategies:*** The respondents say most clients are not engaging in sophisticated crypto investment strategies, preferring simpler options such as spot ETFs or direct ownership of digital assets.
- ***Barriers to Adoption:*** Regulatory concerns, lack of knowledge, and client disinterest are key factors preventing most advisors from recommending crypto investments.

# Rate your knowledge of blockchain and digital assets

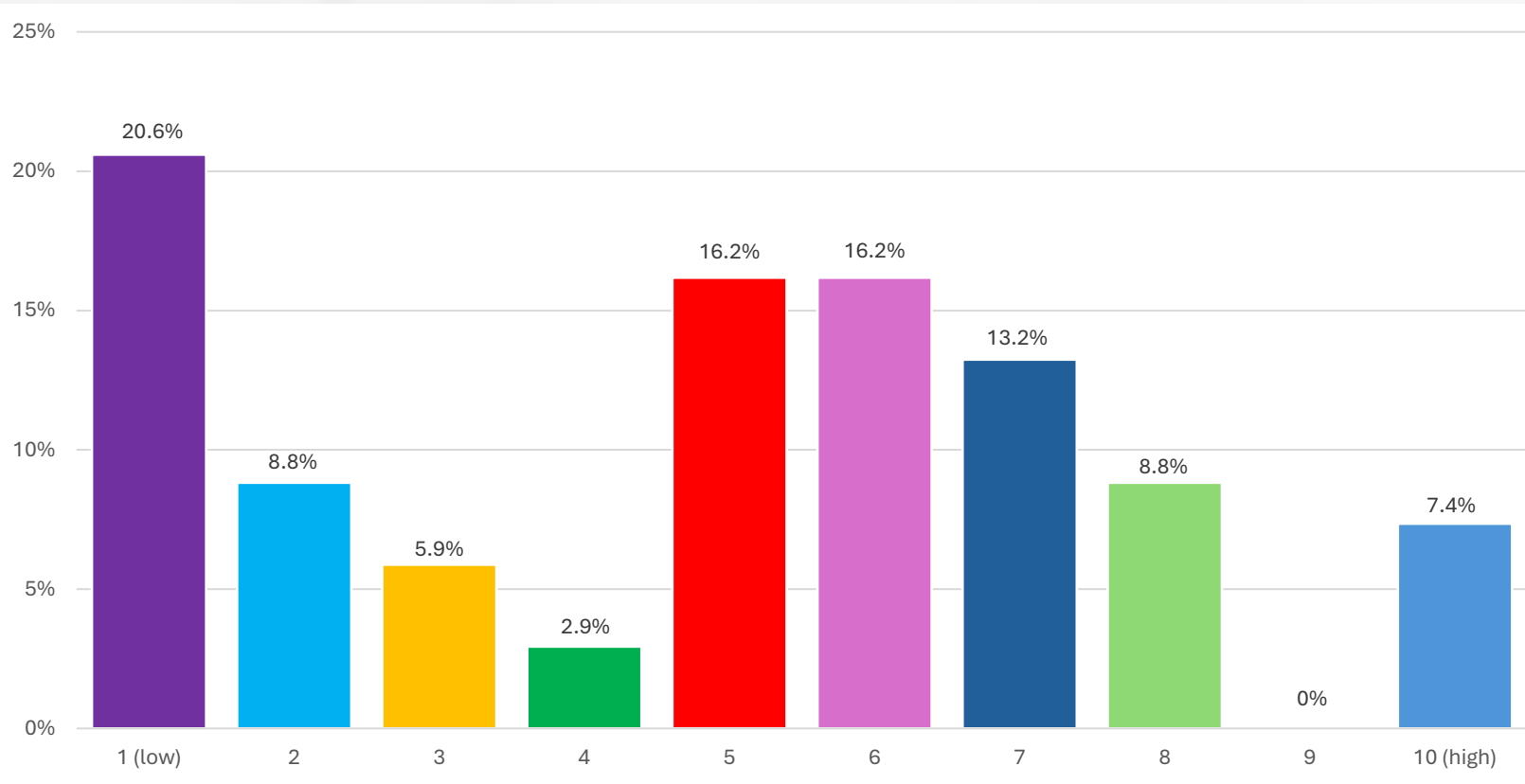


Respondents generally regard themselves as having a moderate to high level of knowledge of blockchain and digital assets, with the largest group rating themselves 7 of 10.

A higher portion consider themselves highly knowledgeable (8 to 10) than not very knowledgeable (1 to 4). The respondents are either well-informed or deceiving themselves.



# Rate your knowledge of DeFi

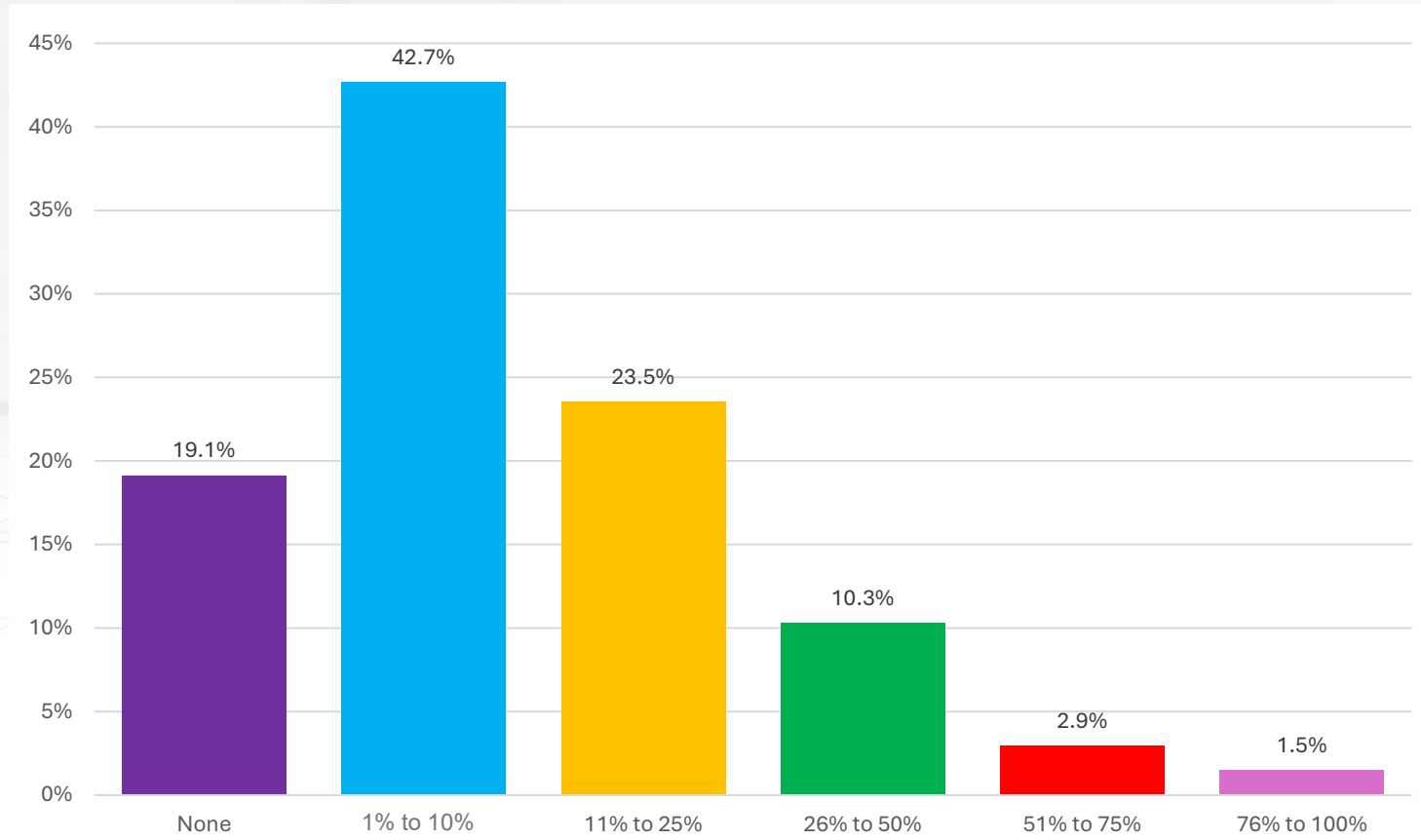


In contrast with the prior slide, fewer than half of respondents rated their knowledge of DeFi as above average, with 21% saying their knowledge is low.

The data reveal a large portion of respondents having low or moderate knowledge of DeFi. Only 7.4% gave themselves the highest rating.

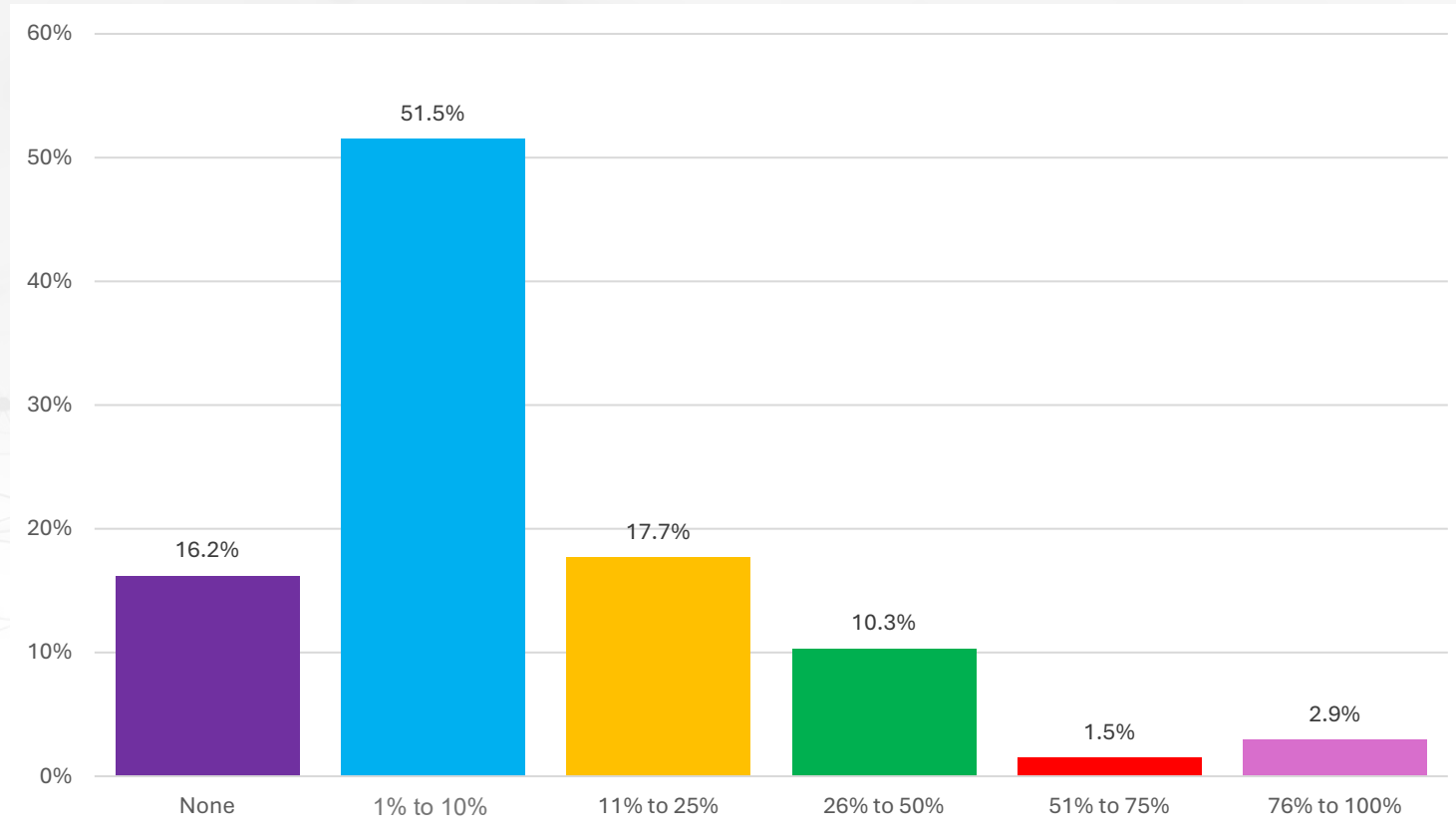
The data show that advisors could benefit from education or training on DeFi.

# What percentage of your clients have asked you about crypto investments in 2024?



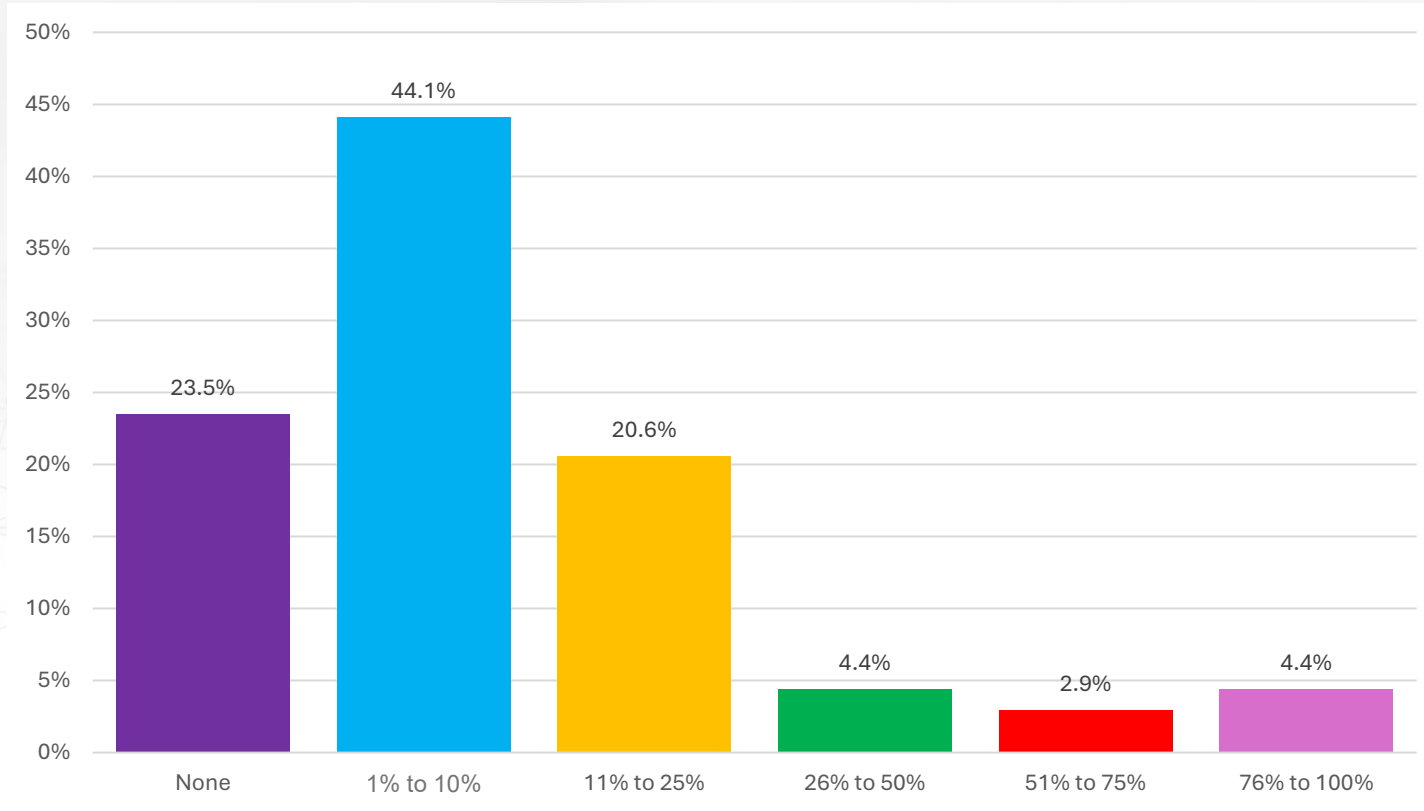
- Most respondents (61.8%) said none or only a small portion of their clients (1% to 10%) have asked them about crypto investments.
- Nearly a quarter of respondents (23.5%) said a minority (11% to 25%) of their clients have expressed interest in crypto investments to them.
- Only 4.4% of respondents said a majority of their clients (51% to 100%) have inquired about crypto investments.

# What percentage of your clients own or have expressed interest in owning digital assets such as bitcoin and Ethereum directly?



- Two-thirds of respondents (67.7%) said a small portion (1% to 10%) or none of their clients own or have shown interest in owning bitcoin or Ethereum.
- 17.7% said 11% to 25% of their clients own or are interested in owning digital assets.
- Only 4.4% of respondents said that a majority of their clients (51% to 100%) own or are interested in owning digital assets.

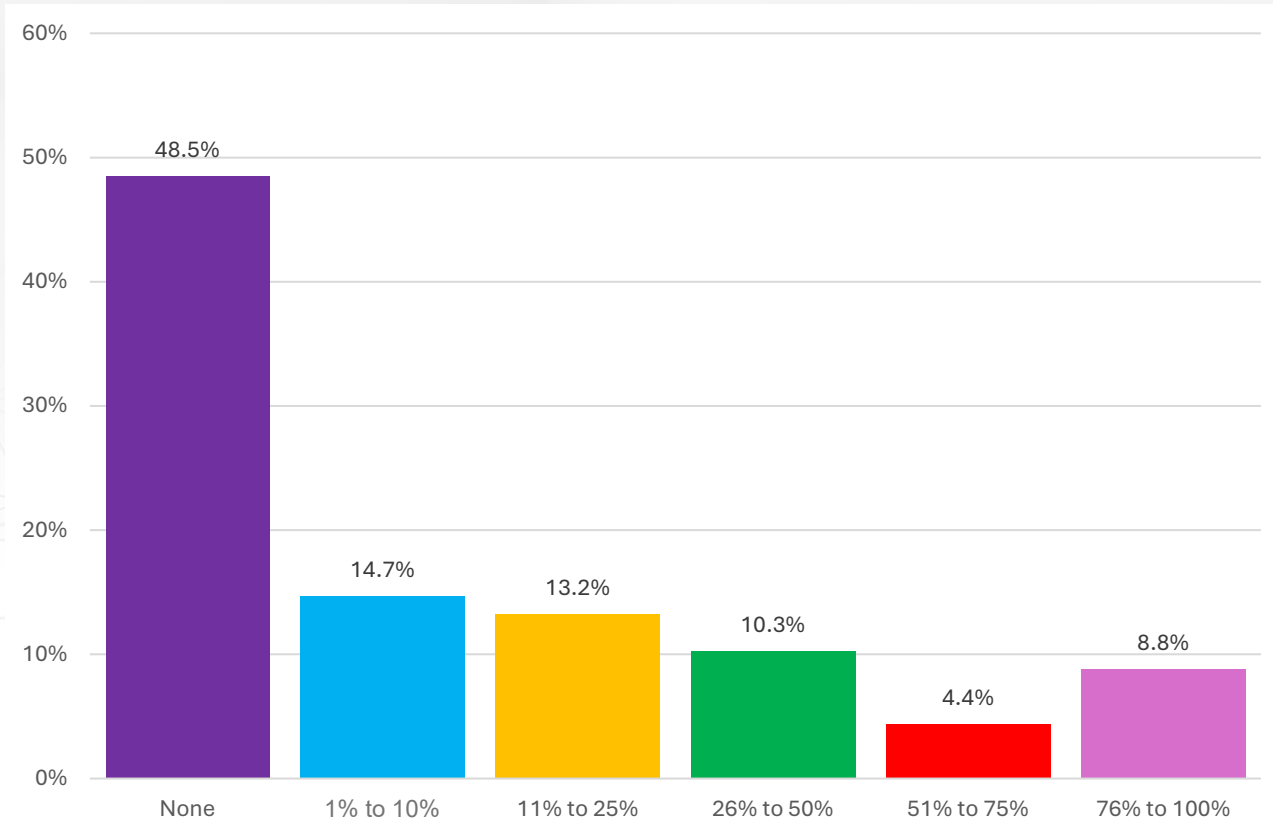
# What percentage of your clients own or have expressed interest in owning a bitcoin or Ethereum spot ETF?



- Two-thirds of respondents (67.6%) said none or only 1% to 10% of their clients own or have shown interest in owning bitcoin or Ethereum spot ETFs.
- One in five respondents said a minority (11% to 25%) of clients own or have shown interest in owning these ETFs.
- More than one in 10 said 26% to 100% of their clients are interested in or own these products.



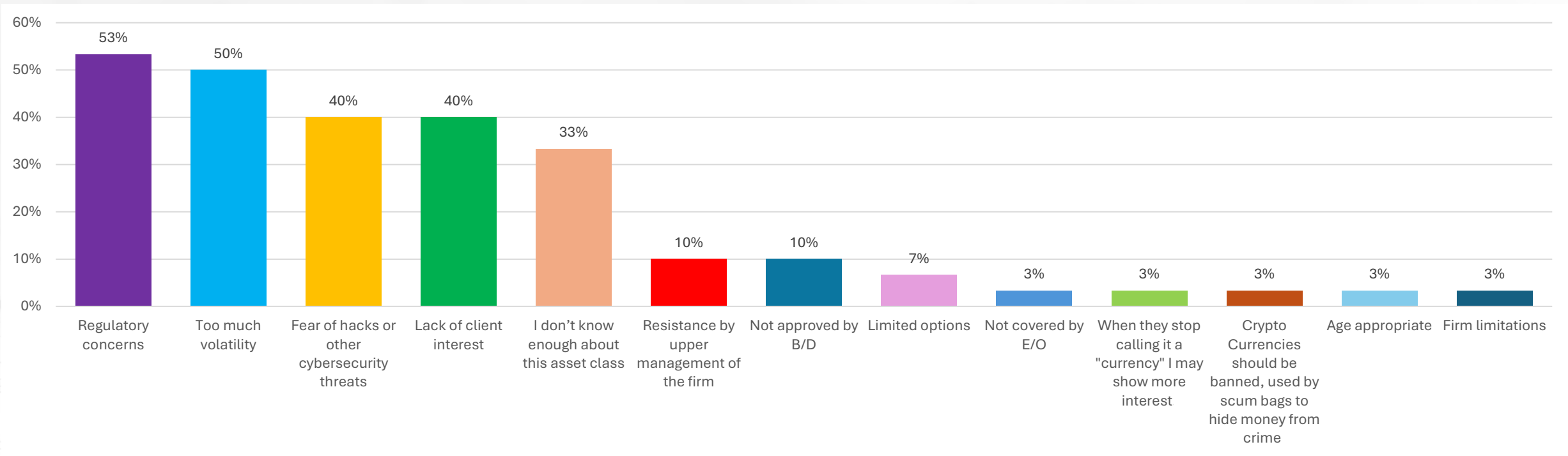
# To what percentage of your clients are you recommending crypto investments?



- Nearly half of respondents (48.5%) are not recommending crypto investments to any of their clients.
- A minority of respondents (14.7%) are recommending crypto to a small portion of their clients (1% to 10%), while 13.2% are engaging with 11% to 25%.
- One in 10 respondents (10.3%) are engaging with 26% to 50% of their clients. Nearly as many (8.8%) are recommending crypto to nearly all of their clients (76% to 100%).

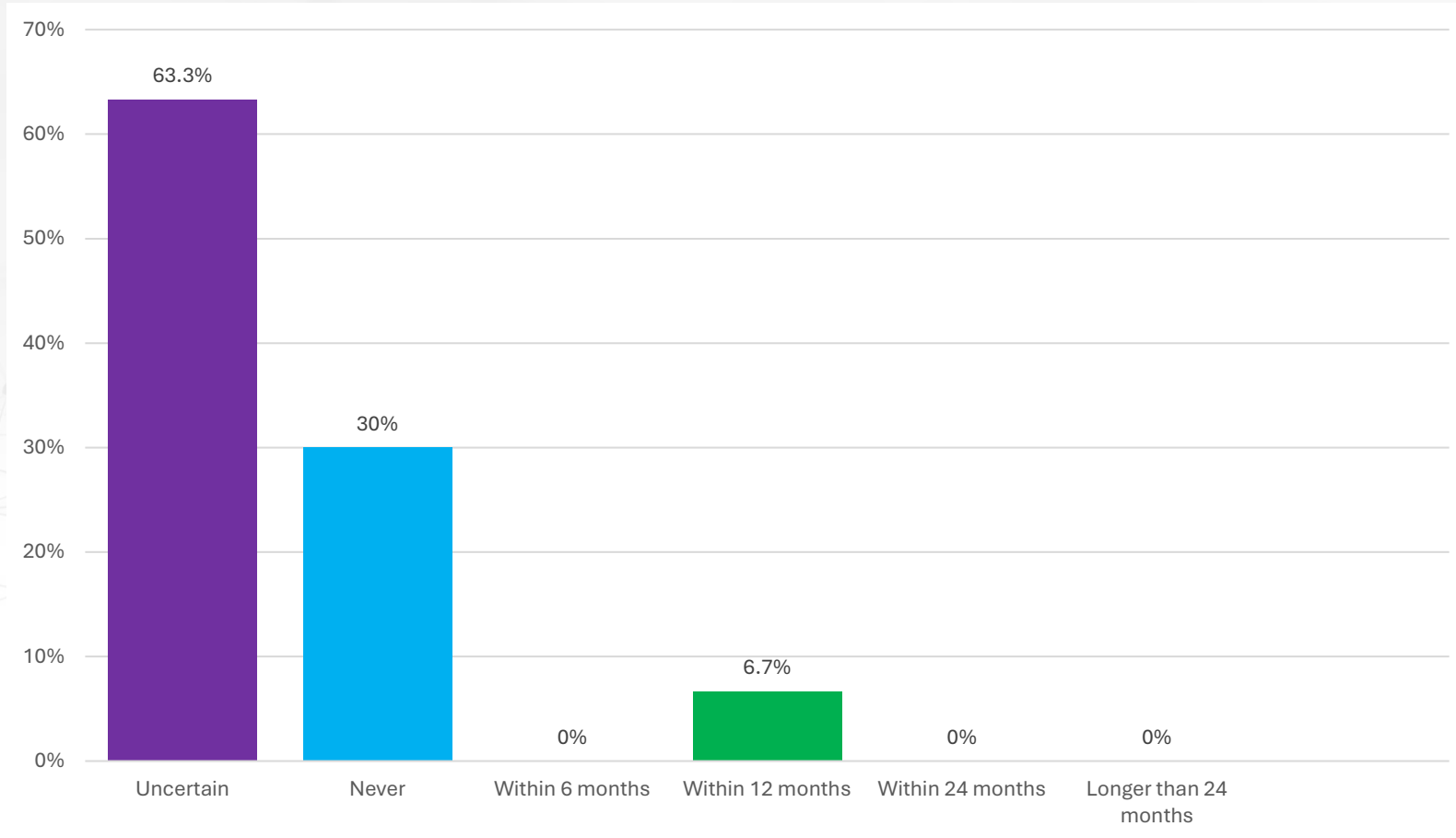


# Why aren't advisors recommending digital assets?



- Regulatory concerns and volatility are the most significant barriers, each cited by half or more of respondents.
- Cybersecurity concerns and lack of client interest are also substantial factors.
- A third of respondents said they lack the knowledge to confidently recommend crypto. Further education might increase their adoption.

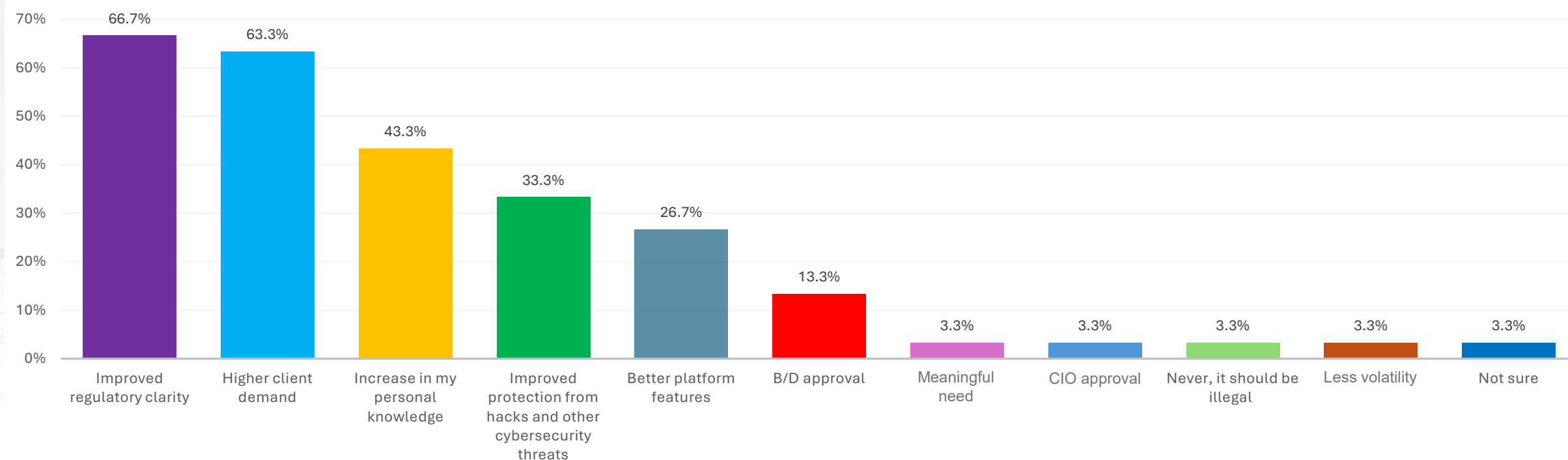
## *For advisors who are not recommending digital assets:* **When do you plan to start recommending crypto investments to clients?**



- The prevailing sentiment is one of uncertainty regarding when or if to recommend crypto investments, with nearly two-thirds (63.3%) of respondents expressing indecision.
- Nearly a third of respondents (30%) said they will never recommend crypto.
- Only a small percentage said they are likely to start recommending crypto within the next year.

*For advisors who are not recommending digital assets:*

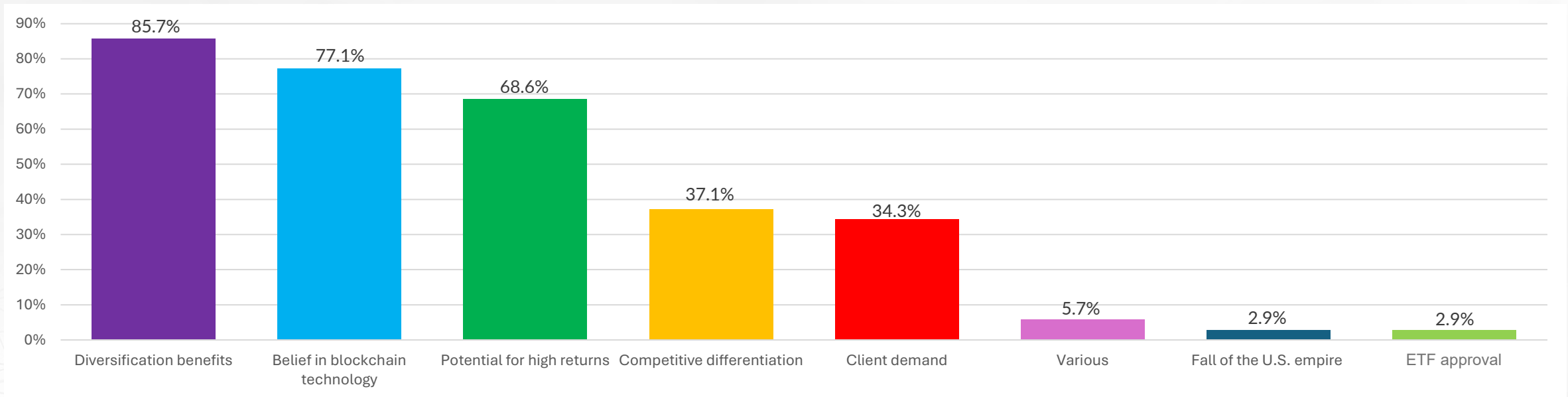
## What factors would influence your decision to recommend or not recommend crypto investments in the future?



- Two-thirds of respondents said regulatory clarity and greater levels of client demand would increase their interest in recommending crypto.
- More knowledge and reduced security risks were also cited frequently as significant factors.

*For advisors who are recommending digital assets:*

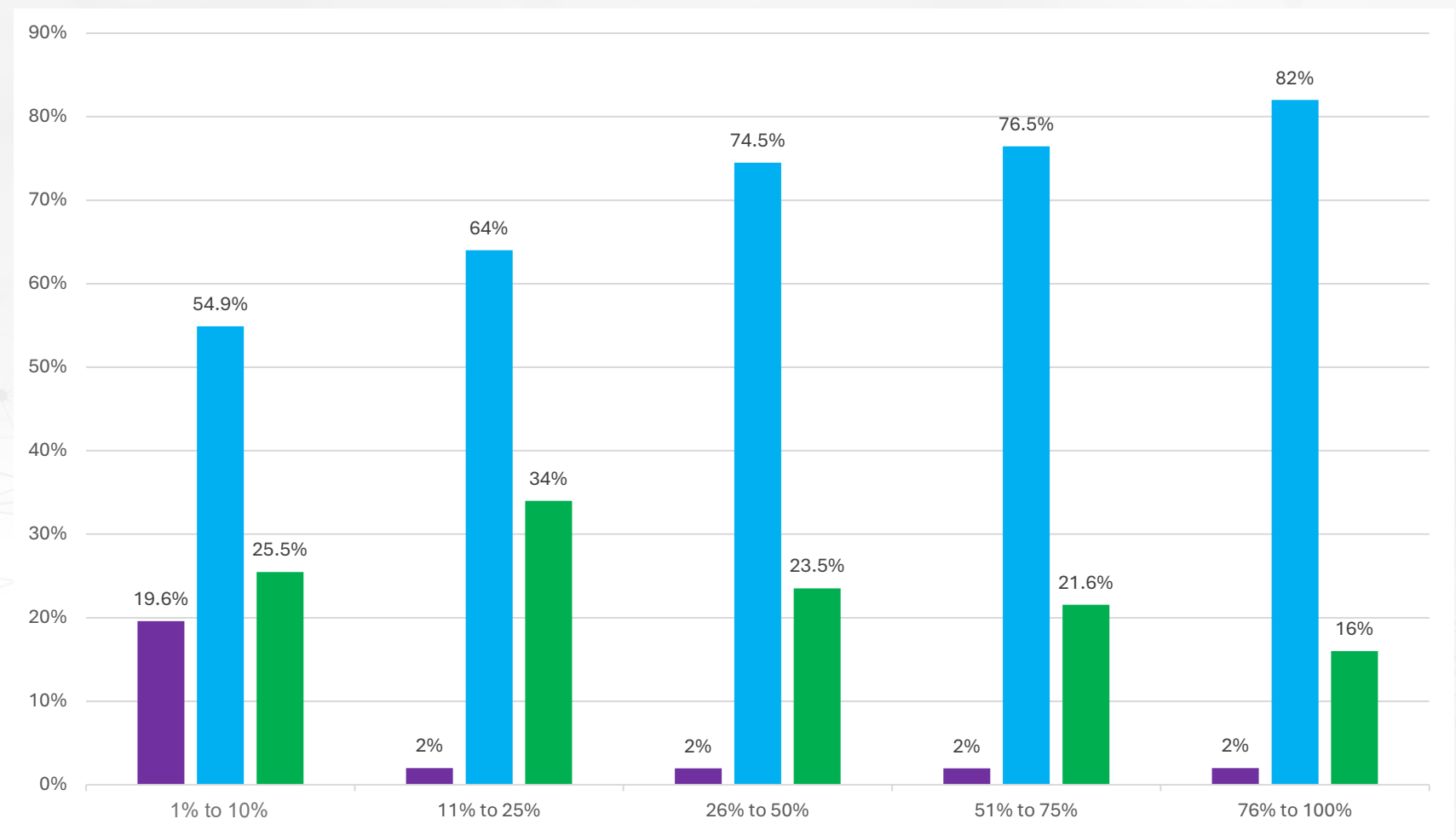
## What are the main reasons you're recommending crypto investments to clients?



Diversification, belief in blockchain technology, and potential for high returns were cited by 69% to 86% of respondents as the reasons they recommend crypto investments.



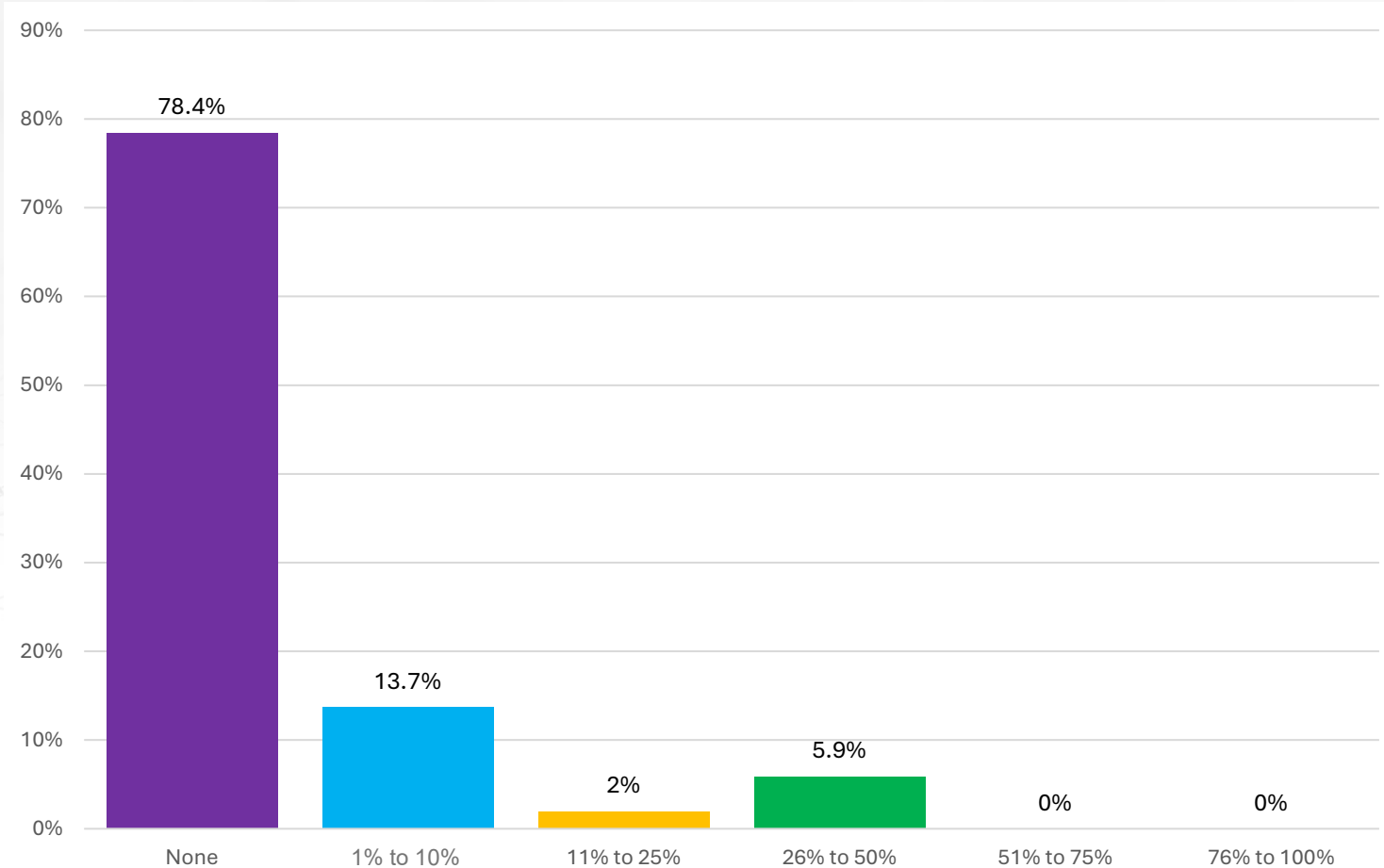
# For your clients who are engaged with digital assets, what percentage of them:



- Actively Trade
- Buy & Hold
- Mix of Both

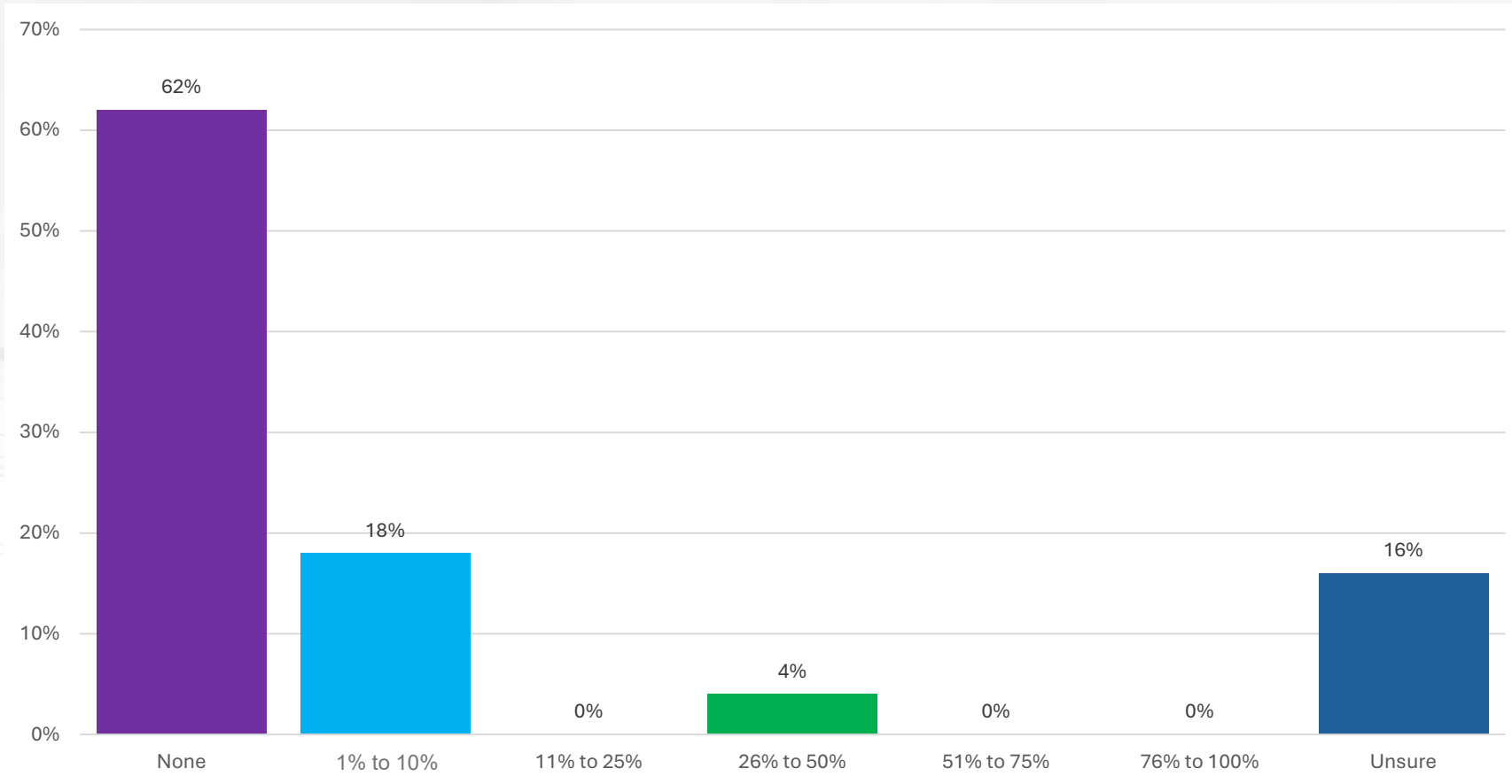
Buy & Hold is the overwhelmingly preferred strategy. The more clients to whom an advisor recommends crypto, the more likely this is the case.

# What percentage of your clients have expressed interest in trading options as part of their digital asset investment strategy?



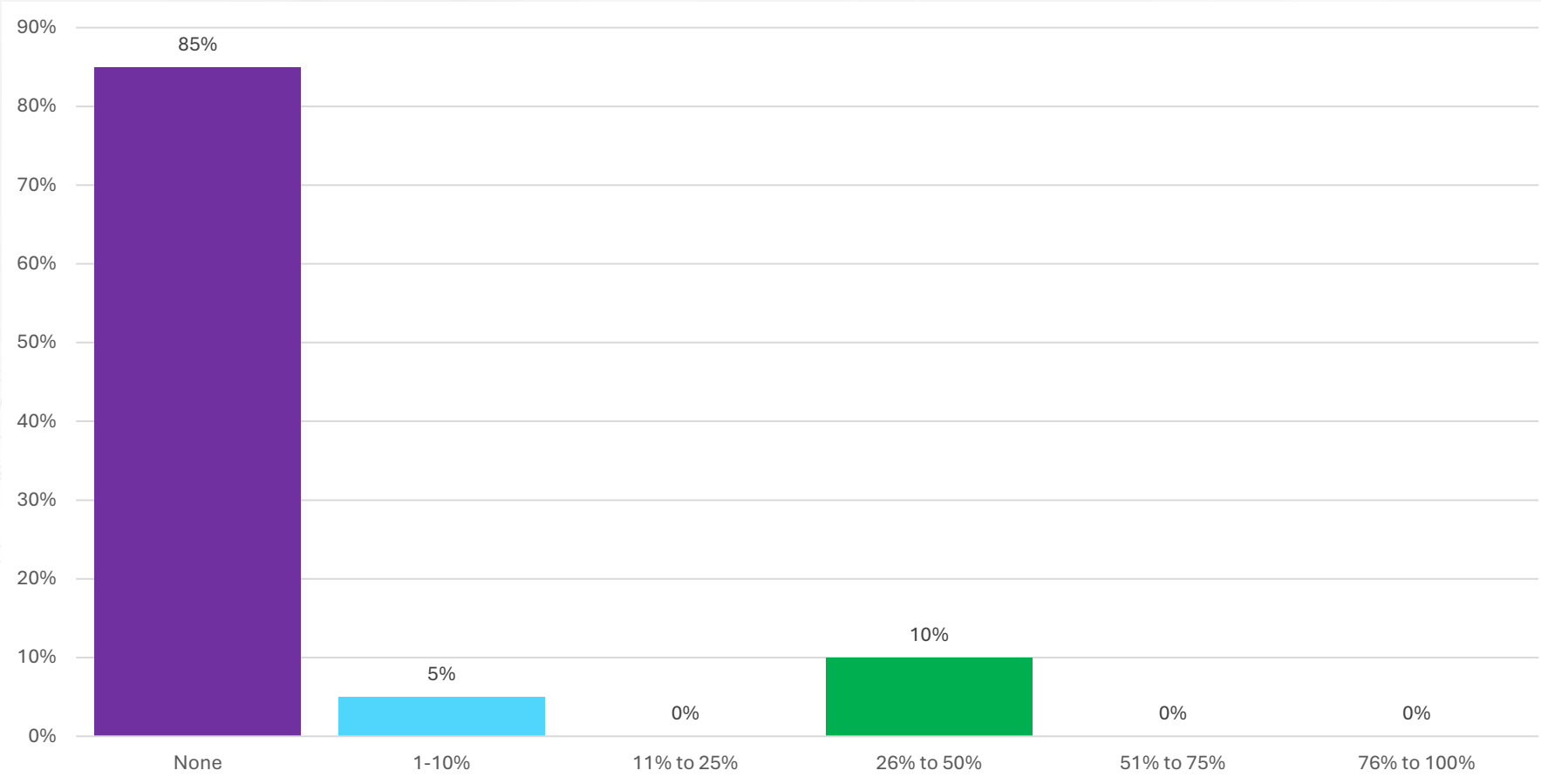
Nearly eight in 10 respondents reported no interest among clients in trading options.

# What portion of your clients are aware that they can borrow against their digital asset holdings?



From the respondents' answers, it seems that most clients are unaware that borrowing is a financial option. A significant portion of advisors (16%) said they don't know if clients are aware, suggesting that these advisors have not discussed it with them.

# What portion of your clients have expressed interest in borrowing against their digital asset holdings?

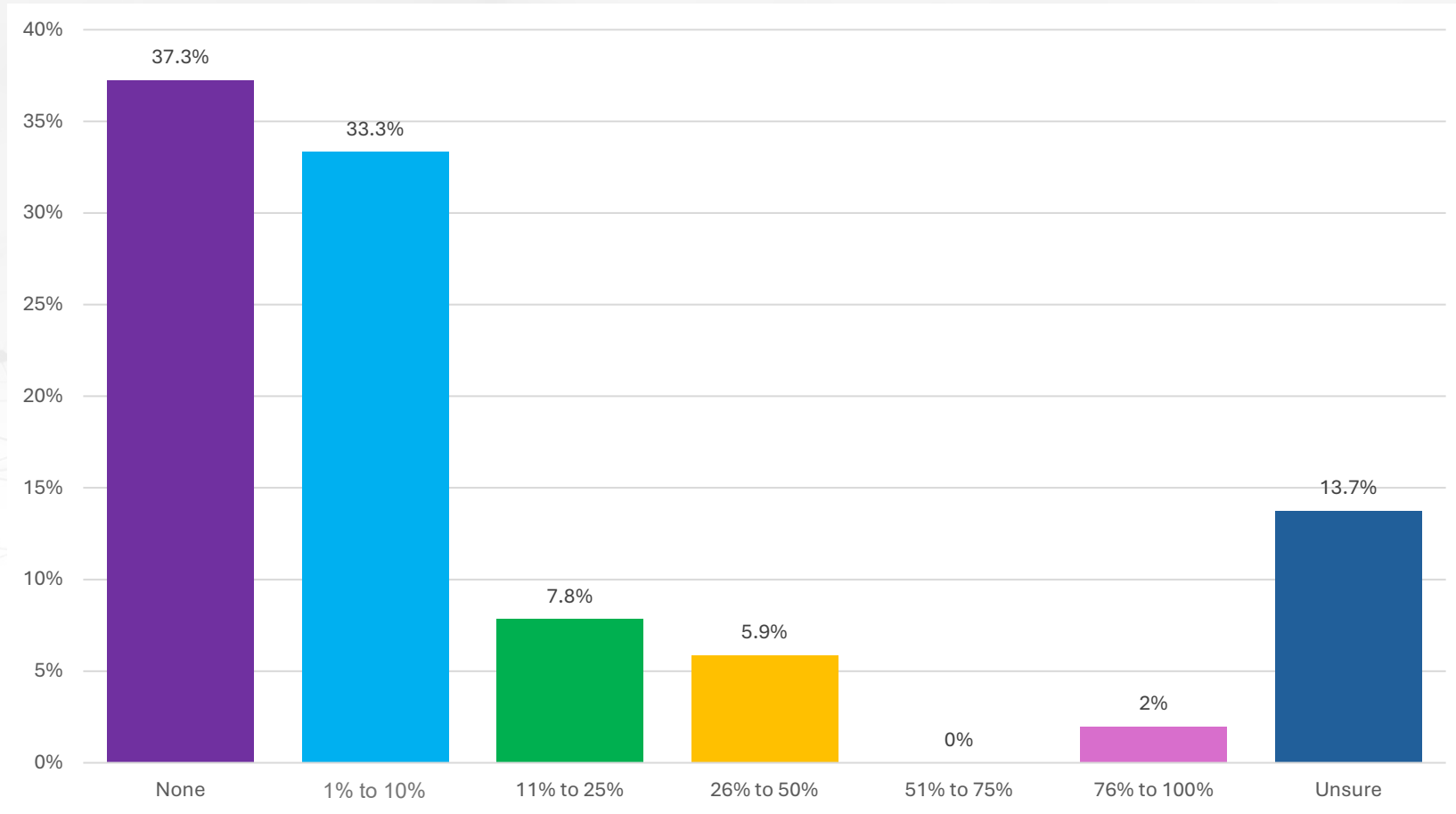


The respondents said that clients have expressed little interest in borrowing against their digital asset holdings.

Only one in 10 respondents said a quarter to half of clients have expressed interest.

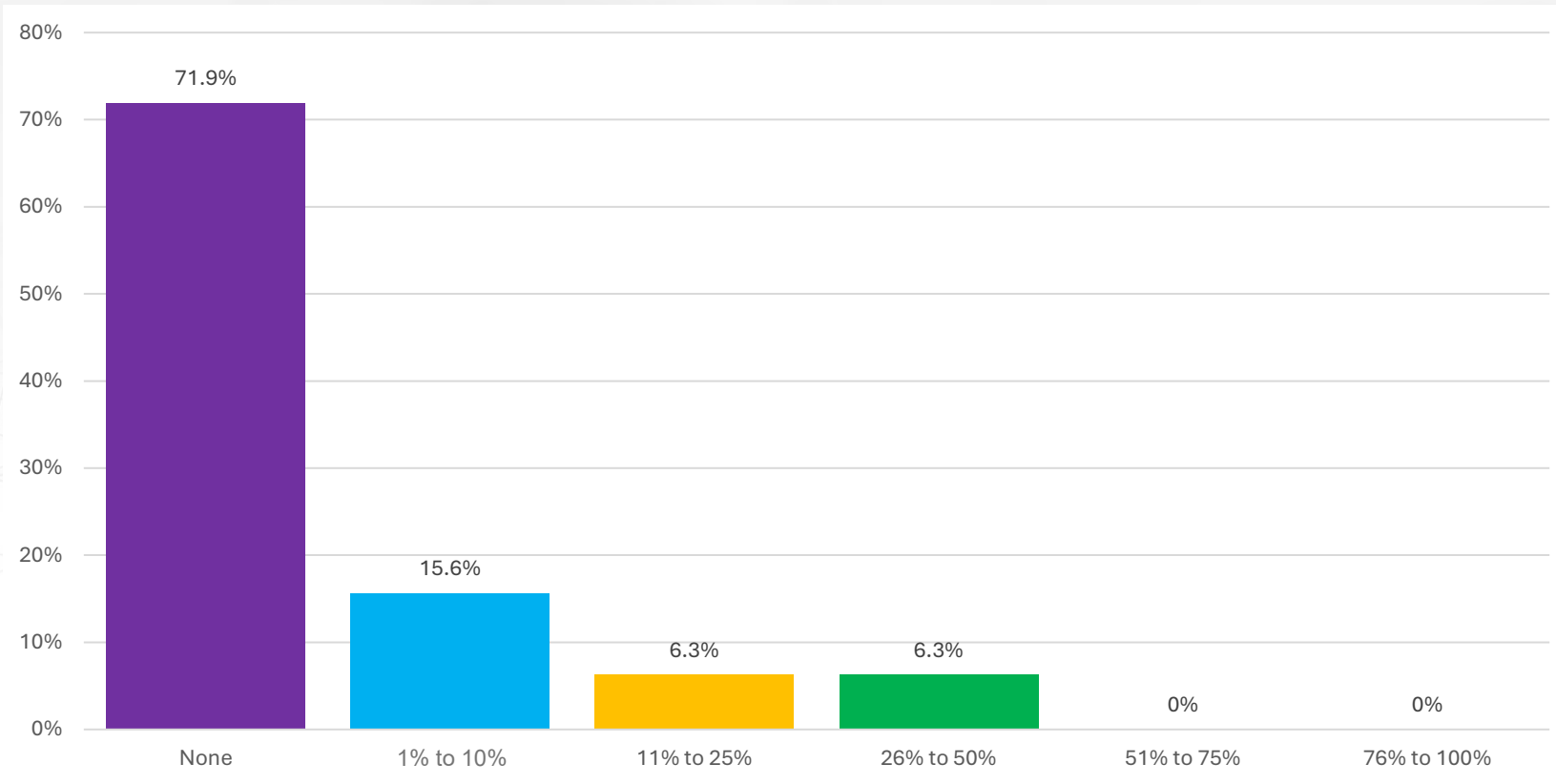


# What portion of your clients are aware that they can generate yield on their digital asset holdings?



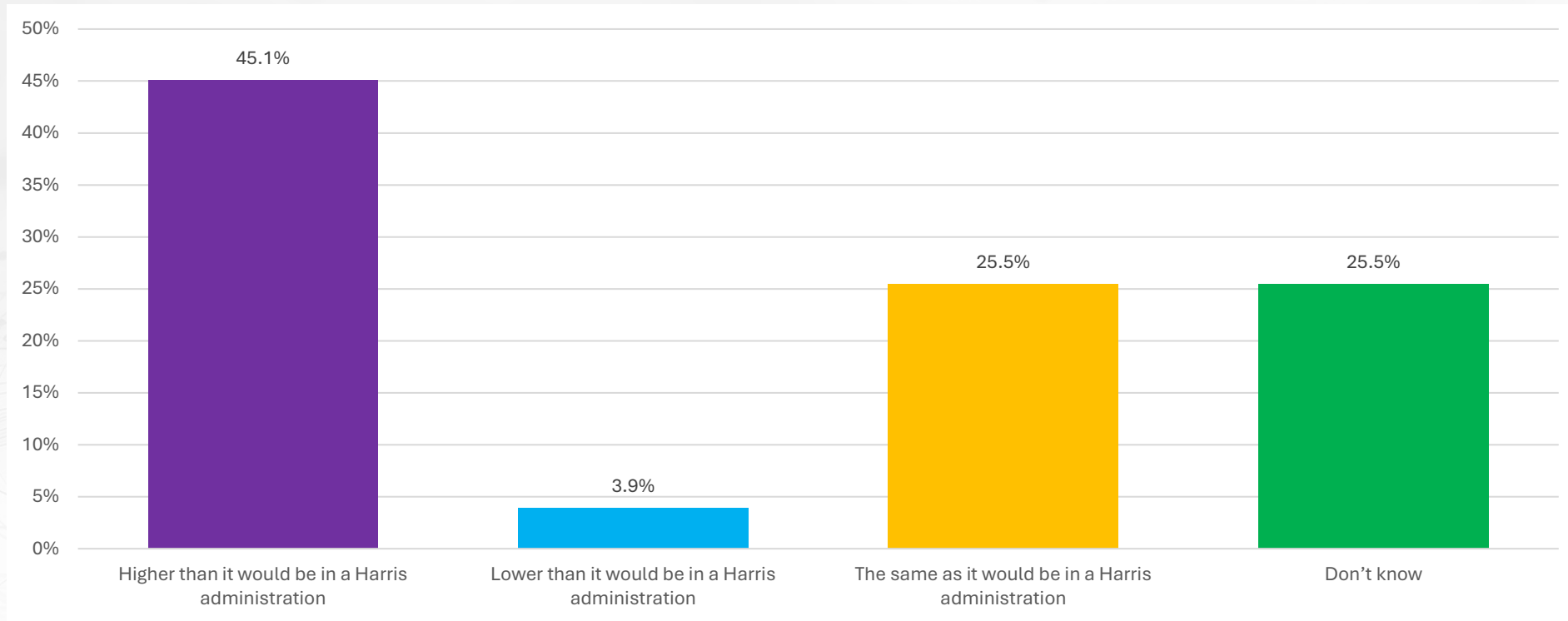
Nearly three-quarters (70.6%) of respondents reported that no or only 1% to 10% of clients have awareness about yield opportunities. There might be an opportunity to increase education in this area.

# What portion of your clients have expressed interest in generating yield on their digital asset holdings?



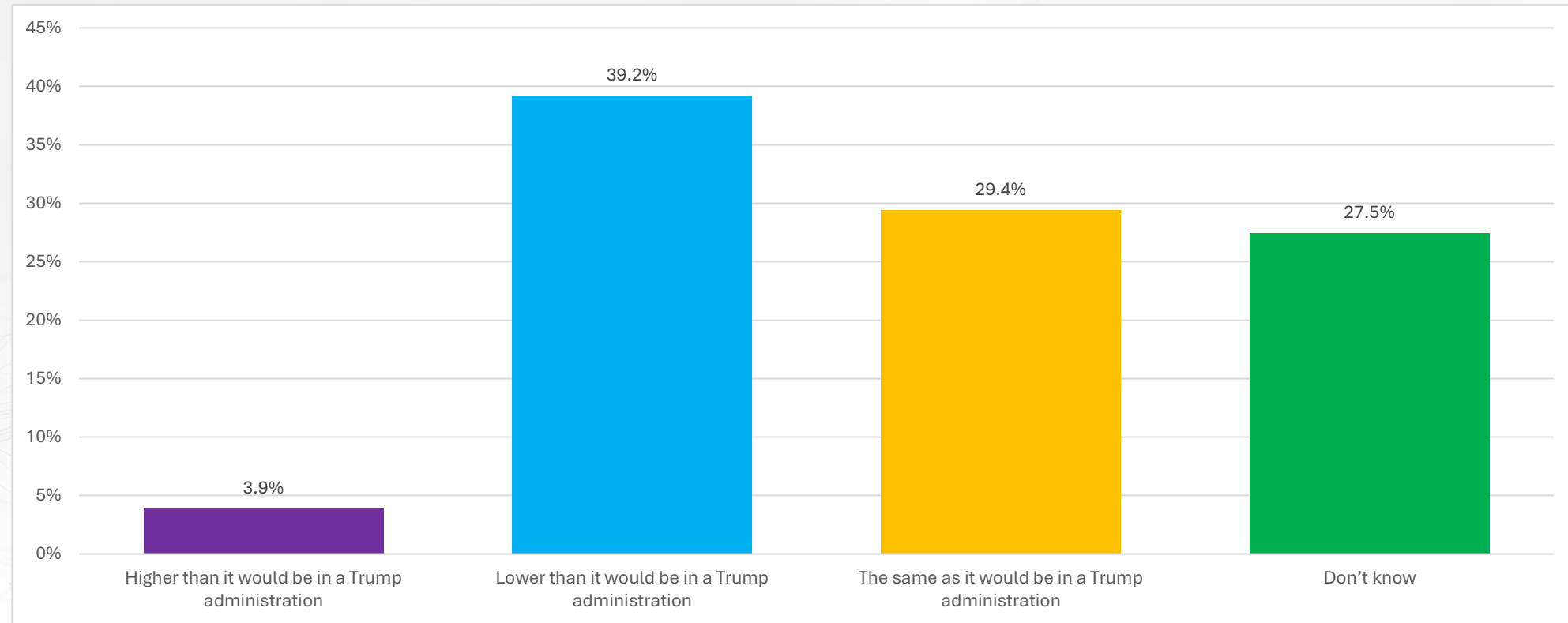
More than seven in 10 of respondents (71.9%) reported no client interest in generating yield on their crypto holdings. Perhaps education might alter this result.

# If Donald Trump wins the election, the price of bitcoin in four years will be:



Nearly half of respondents (45.1%) said bitcoin's price would fare better in a Trump administration than in a Harris administration. Only 3.9% said the opposite. A quarter of respondents said it makes no difference, and a quarter offered no opinion.

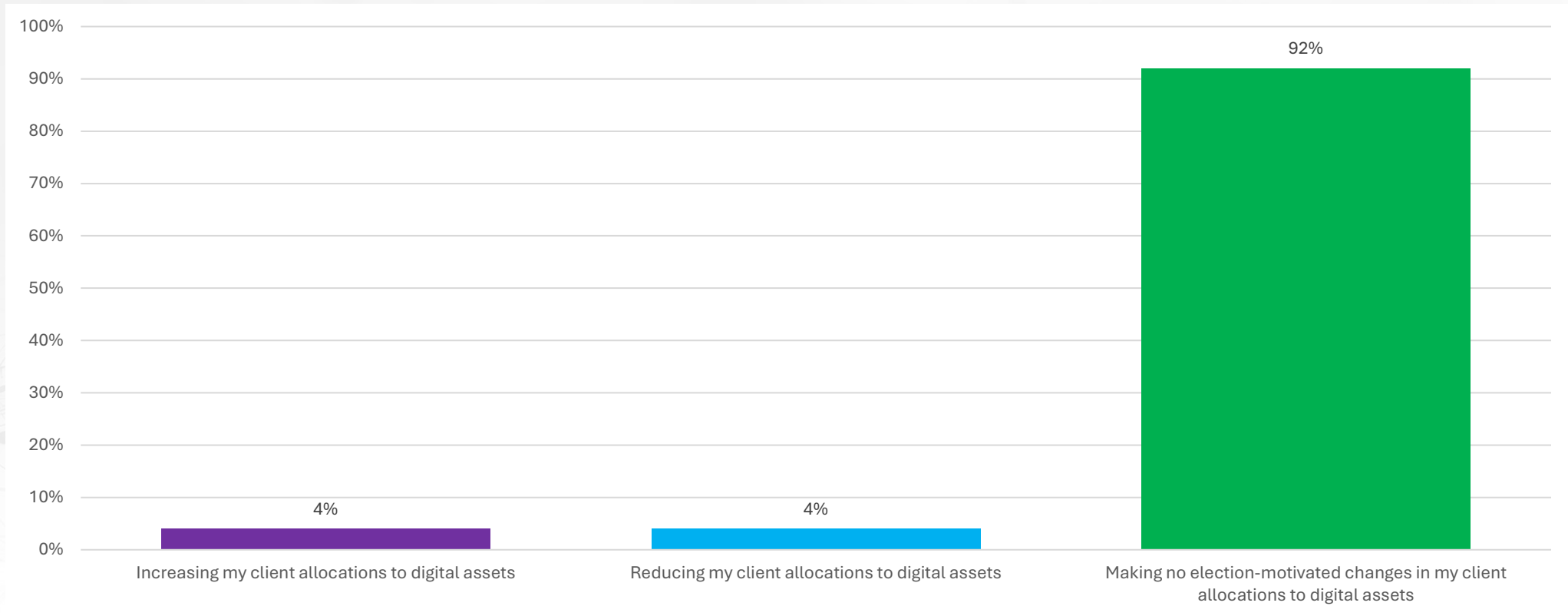
# If Kamala Harris wins the election, the price of bitcoin in four years will be:



These data are virtually identical to the prior slide, showing consistency in responses.



## With the presidential election coming soon, you are:



The data show that more than nine in 10 respondents are not altering their advice about digital assets due to the upcoming presidential election. However, 8% are doing so, and they are split equally between increasing and decreasing their allocations to crypto.