

*Abstract*—I study clients' propensity to follow largely standardized investment recommendations of bank advisors with and without personal security holdings. I document that advisees are significantly less likely to heed investment advice of advisors who do not hold securities themselves. I show that this relationship primarily stems from clients of uninvested advisors ignoring their recommendations to invest in stocks and equity funds, while I do not observe this pattern for fixed income products. I propose several explanations for these findings. My results suggest that advisor preferences shape clients' investment decisions even if these preferences are not reflected in the advice itself.