

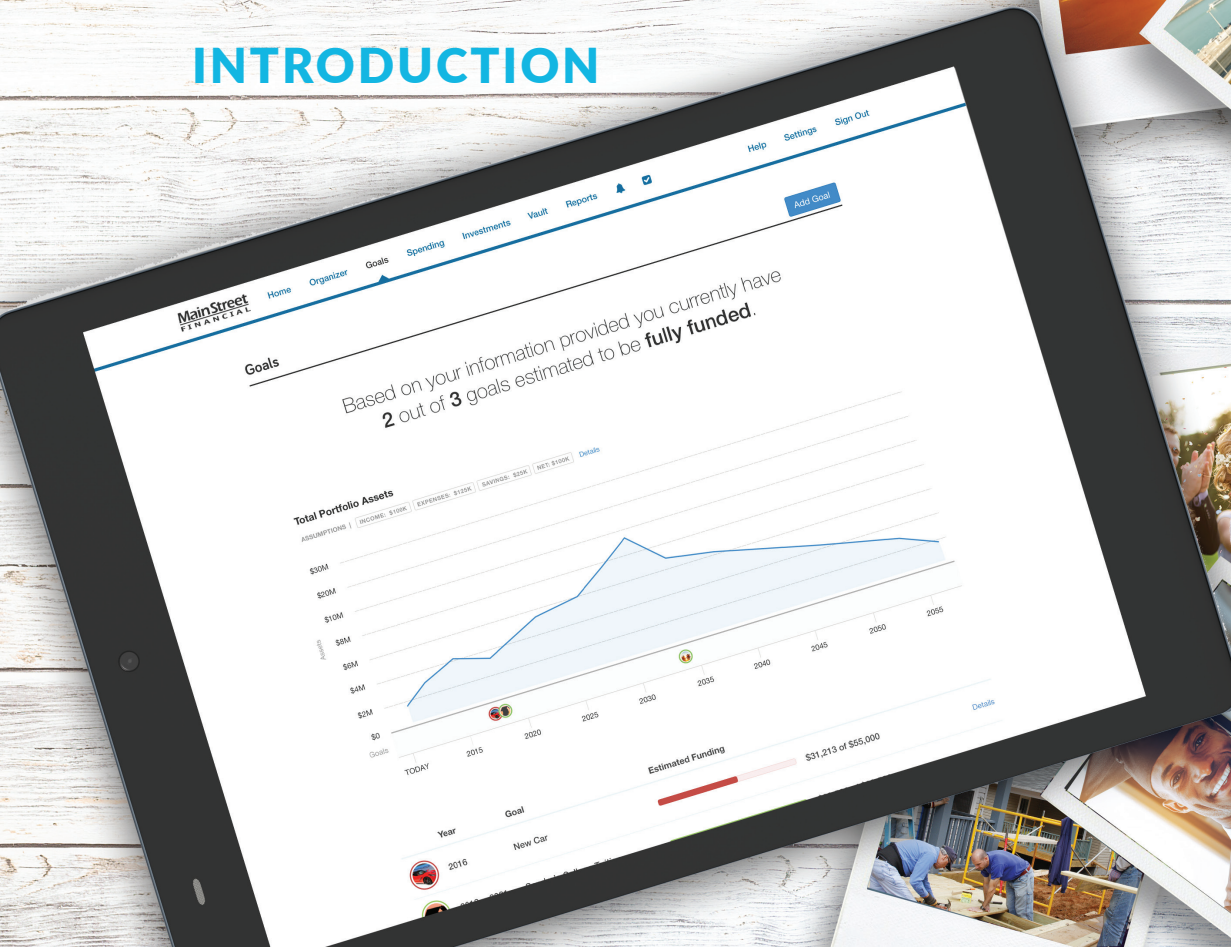
# Plan It Forward

*e*Money





# INTRODUCTION



Rooted in championing your clients' best interests, the **Plan it Forward** philosophy emphasizes the fact that, as a financial advisor, the plans you build for your clients affect far more than just their finances.

By helping your clients set goals, like saving for their first home or a graduation, and providing a path to get there, you enable your clients to accomplish their dreams.

And to support a financial planning-led experience across these goals, more and more advisors are turning to technology. In fact, a recent report from Cerulli Edge, "Recruiting and Business Development," shows that clients have an increased desire for more comprehensive advice through the use of technology.

By blending financial technology with your financial guidance, you become a critical part of your clients' financial lives. Shifting your mindset to work together with your clients through technology will help you take your success a step further.

So whether it's helping a client pay off their student debt or helping another client plan for their retirement, you're with them every step of the way. It's through these actions, every day, that you plan it forward.

To highlight how this philosophy carries through, we'll address four stages of the client lifecycle:

1. Accumulating Wealth
2. Navigating Needs and Goals
3. Retiring with Confidence
4. Leaving a Legacy

This eBook shares the impact your planning can make across all stages of your clients' lives and how technology can be used to address their needs, enabling you to **Plan it Forward**.

## LIFECYCLE STAGE 1

### ACCUMULATING WEALTH

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### Investors with emerging wealth are a misunderstood group.

#### How much do you really know about this unique class of clientele?

According to a report from [Pershing](#), investors between the ages of 35 and 44 make up 22% of the affluent population. However, they only make up 11% of an advisors' client base, meaning, this first stage of a person's financial life is currently underserved.

What may not be obvious is the tremendous opportunity this demographic presents for your business.

A quick search online will uncover plenty of reports, surveys, and statistics that say the next generation of investors stand to inherit trillions of dollars from their parents. And while that transfer of wealth will occur over the next decade, the advisors who dedicate time to serving these potential clients now place themselves in a better position to succeed in the future.

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## START AT THE BEGINNING

As your clients enter the Accumulating Wealth stage, it's important to remember that the financial services you provide affect more than just a person's money, it has the potential to improve the quality of their life. Keep that in mind, because, in truth, at this stage there will not be many planning opportunities that you can capitalize on at first.

It's one of the reasons why advisors undervalue the Accumulating Wealth stage of the financial lifecycle. Many wait until a person is more financially stable before making their move.

However, the time you invest with a new generation of affluent investors can have two positive outcomes potentially.

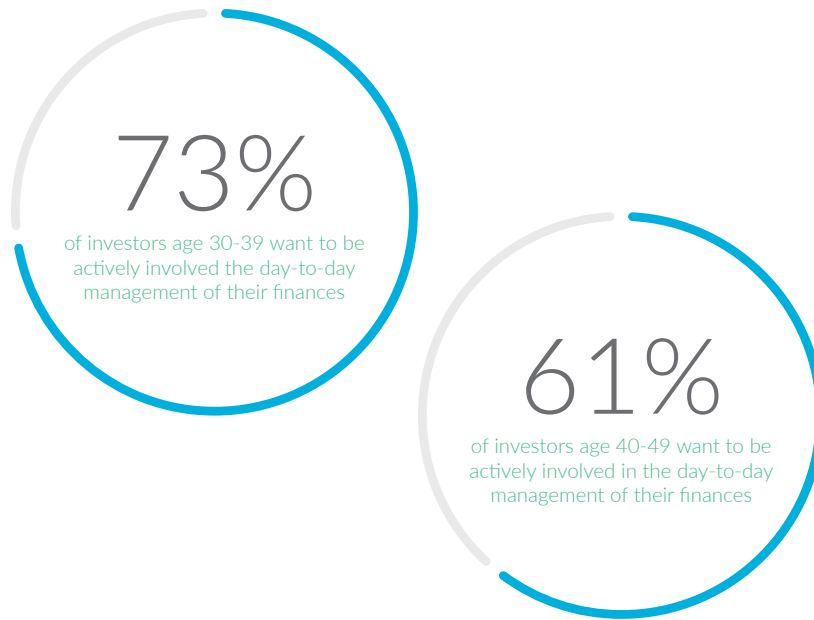
First, it helps the investor find their financial footing. With your guidance, you can help these new investors establish good financial habits that are more likely to lead to future financial success. Second, by offering your time and advice, you cement yourself as a trusted partner in that success.

As these new investors grow their wealth, they'll continue to turn to you with more planning opportunities..

**Client Needs Profile:** You'll mostly find young professionals at this stage who have generated wealth as a result of their career growth earning potential, through careful saving and investing habits, or possibly through inheritance as the reports suggests.

They're interested in paying down their debt, learning how to better invest, and confirming they're making the best spending decisions while following a budget. Essentially, they need the bare bones of a financial plan, or a foundation, that will get them familiar with planning and financial advisors in general.

The good news is, they're ready for hands-on financial guidance and can benefit from your expertise more than any other stage. For example, as mentioned in the "Recruiting ad Business Development" report from Cerulli this concept highlights two interesting statistics:



The potential clients within this age range are ready, willing, and able to roll up their sleeves and grow their wealth, but they need help from a professional. It's also likely they will only choose one financial professional at this stage to guide them. Which means you have the opportunity to set the tone of their financial advice experience. All the more reason to establish trust early on to sustain your success in the future.

**Topics to Avoid:** At this point it's too early to talk about charging fees. Besides, as mentioned before, there aren't immediate planning opportunities here. A majority of the investors in this stage will be the children of your clients, which is a good way to make a great impression to a new generation.

The priority here is creating a baseline of trust that will pay off later in their lifecycle. Simply give them the confidence to move forward to the next stage.

**The Role of Technology:** The Fidelity Investor Insight 2014 Survey found that 7 in 10 emerging affluent and millionaire investors expect technology to be part of managing their finances. 46% of those surveyed would also change their advisor if tech didn't enhance their service.

Technology at this stage is not only important to help first-stage clients take control of their financial picture, but it will also attract them to your business.

For instance, tools like a simple debt analyzer or insurance needs analysis can take care of their current financial needs by calculating their best options. But by offering a digital experience through an online client portal you also provide clients anytime access to their complete financial picture, including their net worth or spending habits.

## PLAN IT FORWARD

The Accumulating Wealth stage is where most clients get their first taste of real financial planning, which arguably makes it the most important. And while the needs at this stage are mainly focused on your client as an individual, as their financial lives become more complex, those needs will extend to their family, their business, and in many cases, the charities they support.

Take the time to make a good first impression with emerging affluent investors and you'll forge a strong relationship that will pay off in the next phase of their financial lifecycle.

## LIFECYCLE STAGE 2

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### NAVIGATING NEEDS & GOALS

#### **When life hands your clients lemons, they oftentimes need help making lemonade.**

As your clients leave the Accumulating Wealth stage of the financial lifecycle, their monetary needs become more complicated. They have new goals and new priorities, and unfortunately, new roadblocks. Financial conflicts of all shapes and sizes can prevent your clients from achieving their goals.

So whether they want to buy a new house, save for a child's college tuition or support other growing needs of their family, your clients have arrived at a crucial stage where they will need assistance in planning for their future financial well-being.

We call this the Navigating Needs and Goals stage.

Advisors who create customized plans and dedicate time to their client relationships in this stage are much more likely to create a stronger, lasting bond. And the stronger the relationship becomes, the more likely it is that the client will remain with the advisor as their wealth grows.

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### A LAUNCHPAD TOWARD MORE SOPHISTICATED PLANNING

Following the Plan it Forward methodology to financial advice means you work towards building plans for clients that not only improve their financial lives, but their overall lifestyle. In the Navigating Needs and Goals stage, this especially rings true.

If the previous stage of financial lifecycle was all about clients improving their personal finances, the Needs and Goals stage has them expanding their focus on their families, charities, businesses and other entities.

Acknowledging that a client has more complex needs and engaging in a discussion about the right financial path towards their goals provides the kind of peace of mind to clients who are looking for a trusted partner in their future success.

As you help clients plan for life's milestones at this stage, the experiences you share will lay the groundwork for your relationships. It's not hard to imagine that a client who trusts your judgement and recommendations will stay with you as more planning opportunities, like retirement planning, come into the fold.

**Client Needs Profile:** As in the Accumulating Wealth stage of the financial lifecycle, the clients in the Navigating Needs and Goals stage are ready to be actively involved in the day-to-day management of their wealth. The difference is, they're not only maintaining their financial picture for themselves. They want to see their wealth support the people and organizations they care about most.

Some may need insurance protection for their partner or spouse. Others may dedicate their life to their careers and will look for growth strategies. The point is, every client and every case will be different, which is why they'll need an advisor who really listens and understands their specific needs.

And while it is true that you might consider some of your clients at this stage as "not-yet-affluent," it does not mean they're not ready to transition to more complex planning. This is a fluid stage, and the best approach is be proactive to their financial priorities and cater your expertise to meet your clients' evolving needs.

**Topics to Avoid:** It's likely your clients will have a lot of goals and priorities to discuss with you – and that's good! You want your clients to open up so you can engage them in conversations about their financial future. Just don't get ahead of yourself.

At this stage, it's best to avoid talking about estate planning or even long-term-care and disability. Of course, every client is different. But the majority will not be receptive to the discussion as they are just starting to plan the rest of their lives. Fortunately, with no shortage of goals and priorities to discuss, this is an easy discussion to avoid.

**The Role of Technology:** People who are just starting to define their goals will seek out technology that monitors their progress and alerts them of changes. So naturally, clients will gravitate toward advisors who use technology tools that show the real-time impact of their financial decisions and also allow them to interact with a financial professional online when they need guidance.

And as the needs of these clients gradually become more complex, the following tools can help advisors ensure they're properly addressing each milestone with meticulous detail:

- Multiple needs analysis scenarios
- Database of tuition costs
- Side-by-side Monte Carlo projections
- Family protection planning tools

## PLAN IT FORWARD

Proactively developing plans to address complex financial issues further solidifies the relationship you have with your clients. The clients you help navigate the biggest moments in their lives, such as owning a home or having children, factor into the next stage of the financial lifecycle: Retirement.

This is where the time you've dedicated to your clients' specific needs and making them successful pays off.

## LIFECYCLE STAGE 3

### RETIRING WITH CONFIDENCE

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#### The stakes couldn't be higher when it comes to helping your clients retire confidently.

Not only is this stage a major financial milestone for your clients, but the effects of retirement also result in a significant change in their lifestyle. Preparation is key to a successful retirement, which is especially true today.

Depending on what news story you read, Americans are either living comfortably in retirement, or fear they haven't saved enough. The attitudes toward retirement are off balance, emphasizing the need for more financial guidance.

Enter: **YOUR EXPERTISE**

As crowds of Baby Boomers continue to march into retirement, advisors need to be on their A-game to ensure these clients are prepared. In doing so, you will find that there are many other opportunities for you to deepen your relationship and add value to your clients' lives.

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### WHERE ALL ROADS CONVERGE

In the previous stage of the financial lifecycle, Navigating Needs and Goals, you helped your clients define their financial objectives and track their progress. The Retirement stage is the point where these goals dovetail.

Through your relationship with your clients, you'll have a good idea of what their retirement needs look like. But you'll also have a good idea of what worries them about retiring. This is your opportunity to calm their anxieties with a retirement plan that takes their full financial picture into account. With a comprehensive view of their goals, priorities, assets and liabilities, you can recommend the best course of action to reach a comfortable retirement.

The majority of these conversations should stay focused on planning and preparation, with less emphasis on products. While financial vehicles can certainly help your clients achieve their retirement goals, research shows that dedicating too much attention to selling product turns clients off, potentially to the point of finding a new advisor.

As found in a study from Spectrem Group, "Advisor Relationships and Changing Advice Requirements," clients are more likely to leave an adviser because they concentrate only on investments and do not consider the investor's overall financial situation.

However, it is acceptable to educate your clients on your fees at this stage. Host open and honest conversations about how you're paid and explain your fee structure, then detail the service you provide for each line item.

Justify your feels by showing clients that you haven't only planned for their retirement, but have also taken the appropriate steps to ensure peace of mind at every stage of their financial lifecycle.



**Client Needs Profile:** According to a report from the Social Security Administration, nearly 80 million baby boomers will file for retirement benefits over the next 20 years – an average of 10,000 per day.

It's likely that the majority of your clients will fall into this generation. At this point in their lives, many clients who occupy the pre- or post-retirement stage are looking to protect their assets, optimize Social Security, and easily distribute retirement benefits when the time comes.

It's your job to also bring the intangibles to the surface. For some, their children are now adults and have left the nest. Others may still need to take care of a child – which equates to an increase in living expenses.

Healthcare may also become more of a priority, and some clients might be caregivers to their parents.

Identifying these unique circumstances helps you identify potential “blips” on the radar that would prevent your clients from achieving their retirement goals. Prior to a client's retirement, conduct annual reviews of their financial situation. Use this time to work together and circumvent obstacles that would prevent a successful retirement.

**Topics to Avoid:** Avoid strategies that enable your clients to accumulate wealth at this stage. If you see your clients falling short of their retirement goals, don't be afraid to have a tough conversation about making sacrifices or even delaying retirement.

In the years leading up to their retirement age, you'll need to remind clients of their goals and the path you've collectively agreed upon. This will better prepare your clients for such a drastic lifestyle change.

**The Role of Technology:** You may think that older generations may not have a use for financial technology, however, the opposite is true. According to research from Hearts & Wallets, digital financial resources are now being used by about half of those ages 53 to 64, up from 41% in 2015. And there is no indication this trend won't continue.

Blending your expertise and technology will work in your favor. Collaborating on a digital platform makes it easier to work together with your clients to customize and recommend a retirement path that's right for them. Through financial planning technology, you can lay out all of the options for your clients in a way they can understand.

For example, lifetime cash flow reports and planning modules allow you to project the longevity of your clients' wealth into the future. You can also stress-test your recommendations. Monthly or even annual simulations can test potential market volatility.

Look for technology that can provide social security comparisons and also help clients visualize the effects of income tax planning.

## PLAN IT FORWARD

Reaching the Retiring with Confidence stage of the financial lifecycle is a big achievement – for both your clients and for you. Be sure to continue to present comprehensive plan reviews on an annual basis with your clients to make sure they won't outlive their wealth. These consistent check-ins will further deepen the relationship you have with your clients and their families as you help them prepare for the last stage of their financial journey.



## LIFECYCLE STAGE 4

### LEAVING A LEGACY

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**There are life-changing events that motivate your clients to reach peak financial health.**

**Each occasion is a benchmark of the financial journey your clients have taken.**

Events such as finally paying down debt, watching children go off to college, selling a business, or retiring on time are moments you should both celebrate. From your perspective, these moments also mark a time when clients are ready and willing to engage in a conversation about their future financial priorities.

However, there is one event and one conversation that clients tend to shy away from: planning for their estate.

Conversations about death are never easy. But after the Retirement stage of the financial lifecycle, it's crucial that you have this conversation to secure the legacy your clients want to leave behind.

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## MEMORIALIZE FINANCIAL SUCCESS

Helping your clients leave a legacy after they're gone is the best way to honor all the hard work and dedication you both put into their financial success. Estate planning ensures your clients' wealth finds its way to the people and organizations they care about the most.

See that strategy through by taking a leadership role. Gather your client's entire financial team, from their attorney to their accountant, to meet and discuss their estate together. Unite them in the mission to shore up the family's finances in the event of a death.

Prove to the client, and their financial team, that your top priority is their best interest. During this meeting, you also have an opportunity to make a good impression on a new group of referrers. By confronting the tough questions head on and letting your expertise come through, you establish trust with a new set of financial professionals.

You'll also show your value as a financial advisor to your clients' families. This is a crucial time to establish a good rapport with your clients' children, especially if they're on the verge of reaching the Accumulating Wealth stage of the financial lifecycle..

**Client Needs Profile:** Don't expect your clients to initiate a discussion about their legacy. It is up to you to do so. Some will be receptive to this meeting, but others may not. For those who want to shelve it for another day, remind them that estate planning is about making sure their loved ones are financially secure.

In most cases, when people die, their wealth goes to three main entities: their family, charities, or the government. Your clients will very likely want to reduce the amount that goes to the government in estate taxes, and maximize the wealth that goes to the other two.

Once clients are ready to broach this topic, they'll have some common questions. For example, they'll want to know:

- Are their legal documents, policies, and accounts organized and accessible?
- What goes into a will and how often will they need to update it?
- What, if any, lifestyle changes will be required?
- Will their family be financially secure?
- Who will coordinate, execute, and communicate the details of their estate?

Providing these answers can go a long way in calming your clients' anxieties about their estate

**Topics to Avoid:** Don't put off the inevitable and resist the urge to avoid this important stage altogether. The sooner you address estate planning with your clients, the more time you have to prepare their financial picture.

If you're following the Plan it Forward methodology, you've already built comprehensive plans for your clients prior to this discussion. You'll find an easy segue into estate planning when you show how your clients' complete and current financial pictures will project into the future.

**The Role of Technology:** When it comes to estate planning, it can be difficult for clients to visualize what portion of their wealth will be distributed to which person or organization. That's where interactive and visually compelling financial planning technology is helpful.

Look for technology that tells a clear, personalized, and visually compelling story of a client's estate. This kind of planning technology should show the effects of multiple estate techniques such as distributions and survivor income in a way that your clients will easily understand.

It will also be helpful if you're able to show estate and gift calculations, charitable planning, and multiple survivor incomes.

## PLAN IT FORWARD

The legacy you help your clients leave is not only for them – it's for you as well. You've played a significant role in their success, and should be proud of the work you've accomplished along the way. But your work is not over.

As a financial professional, the Leaving a Legacy stage is not the end of the Plan it Forward methodology. Plan it Forward is not a linear path, but a circular one. So as you provide the best advice and financial tools to help your clients succeed at every stage of life, you're also finding more opportunities to capitalize on.

By doing so, you place yourself in the best position to start the cycle over with a new generation of clients and Plan it Forward.

# Lifelong Clients Bring Lifelong Opportunities



At the end of the day, the reason you got into this field was to provide a better life for your clients and their families.

You work tirelessly to enable your clients to live the lives they want, the way they want to. And through the financial planning process, whether your client is just a few years into their first job or they're selling their business, you forge deep and meaningful relationships that span generations.

You helped Tom and his wife Mary purchase their first home.

You armed Susan with the right information to send her first child off to college. It just so happened to be your alma mater (Go State!).

And you helped Mike save for his daughter's wedding. A wedding you attended and were arguably the night's best dancer.

You planned. You calculated. You assessed. And ultimately, you helped your clients visualize their dreams - and then accomplish them.


When you focus and spend time with clients in every stage of their lifecycle, you can successfully address their goal-focused advice demands. Just don't forget to adjust your approach to serve your clients' needs for each of the four lifecycle stages we've covered. Let's take a quick look back at each of these stages.

**Accumulating Wealth:** For those just beginning to build their wealth, basic planning tools and calculators should provide the right level of planning to meet their needs.

**Navigating Needs and Goals:** As life grows more complicated, basic and advanced planning tools (needs analysis, Monte Carlo projections, etc.) help those in this stage with everything from saving for college to purchasing a home.

**Retiring with Confidence:** Put a detailed plan through its paces and see how savings can be allocated during one of a client's most important financial stages.

**Leaving a Legacy:** Show clients how they can leave a lasting legacy with advanced estate planning tools.

A background image showing a man in a dark suit and tie sitting at a desk, working on a laptop. The image is partially obscured by a dark blue overlay containing text.

Through technology, you can provide your clients with a path they can follow to achieve their goals. You're planning today, for tomorrow.

To learn more about the Plan It Forward movement, visit [info.emoneyadvisor.com/PIF](http://info.emoneyadvisor.com/PIF)