

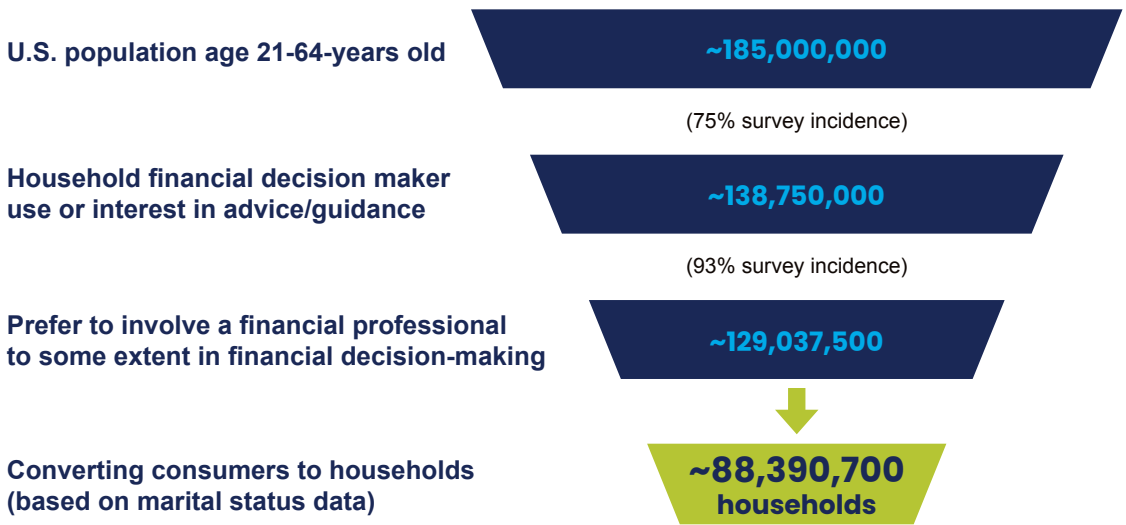


# Bringing Planning to More People

Making Authentic Connections Using Technology

The opportunity to bring financial planning and advice to more people is significant. Recent research<sup>1</sup> by eMoney explored the consumer mindset toward the planning and advice journey and found that there is a large population of Americans interested in financial guidance. Of an estimated 104 million households seeking some level of financial advice, a whopping 88 million of those households want that advice from a financial professional.

### Outsized Market Seeking Advice from Financial Professionals



**Research Methodology<sup>1</sup>**

The 2022 eMoney 88 Million Consumer Research Study was an online, blind survey (eMoney not identified). Exactly 1,616 consumer responses were collected in April 2022 to learn more about the attitudes and preferences around key factors in the advice market. Market sizing with U.S. census data estimates 88 million American households are seeking advice.

While the marketplace of advice seekers is, not surprisingly, quite varied, key commonalities emerged in our sample. Among the pool of advice-seeking consumers, two-thirds do not have a defined financial plan. Among those who report having done “some” planning but don’t have a formal plan, most don’t follow their plan closely, feel a lack of confidence about achieving their goals, and recognize gaps in their current approach. In fact, nearly half (49 percent) use words like “stressed” or “overwhelmed” to describe their financial situation.

Furthermore, only about 40 percent of those consumers are satisfied with the advice from their current digital financial tools, suggesting gaps in the marketplace today. For nearly all advice seekers, access to a financial professional is important. In fact, 90 percent want human support as part of the advice equation. To reach these investors effectively—and fuel the longevity of your business—it’s important for you to understand these key segments and how to best serve them efficiently.



# Reaching the 88 Million Households

Financial professionals and wealth management firms prioritizing longevity and profitability need to fill their pipeline by reaching an audience diverse in age, life stage, and economic situation. Segmentation analysis of the investors among the 88 million households reveals distinct groupings of consumers with highly varied life situations and advice needs.

These segments are differentiated by:

- Willingness to pay for advice
- Engagement and experience level
- Interest in improving and learning
- Hurdles to taking action
- Financial comfort and confidence

Based on these five key differentiators, three priority segments emerge as the biggest opportunity for financial professionals.

## Priority Consumer Segments At-a-glance

% of market	 <b>Cautiously Pursuing Planning (29%)</b>	 <b>Successful Saver (21%)</b>	 <b>High Tech, High Achiever (14%)</b>
<b>Who I Am</b>	I have a decent income with some savings, yet it gives me angst to think about my financial situation. I know I need to do more, but I just don't have the knowledge or confidence to take action. I need help. The resources I use today will not get me to where I want to be.	I'm well-educated, at a good place career-wise, and have a decent nest egg. I feel confident and well-prepared for the future. I've done at least some planning. I'm advice-oriented yet comfortable accessing (at least some of it) through digital services. I recognize there is more to learn.	I am success-focused and planning-oriented. I enjoy investing/planning and am very engaged in my finances digitally. Yet, I also recognize the value of professional advice. I've put myself on the pathway for success and feel good about my situation, as well as the access I have to advice resources.
<b>Desired Advice/ Guidance</b>	I need help with it all, from budgeting to preparing for retirement. For me, a lot comes down to emotions. I need to trust that you will not lead me astray.	I want advice tailored to my situation. I'm looking to learn strategies for retirement beyond what I already know.	Help me become smarter about my investments/finances and provide advice that will connect to my active and forward-focused lifestyle.
<b>Messaging to Engage Me</b>	<ul style="list-style-type: none"> <li>• We actively guide you</li> <li>• We provide simple, actionable advice</li> <li>• Identifying the best pathway forward</li> </ul>	<ul style="list-style-type: none"> <li>• Build your knowledge to secure the retirement you want</li> <li>• Advice tailored to your needs</li> <li>• Advice for all planning levels</li> </ul>	<ul style="list-style-type: none"> <li>• Help you stay the course through your complex life</li> <li>• Build your knowledge</li> <li>• Achieve financial freedom and simplify your life</li> </ul>

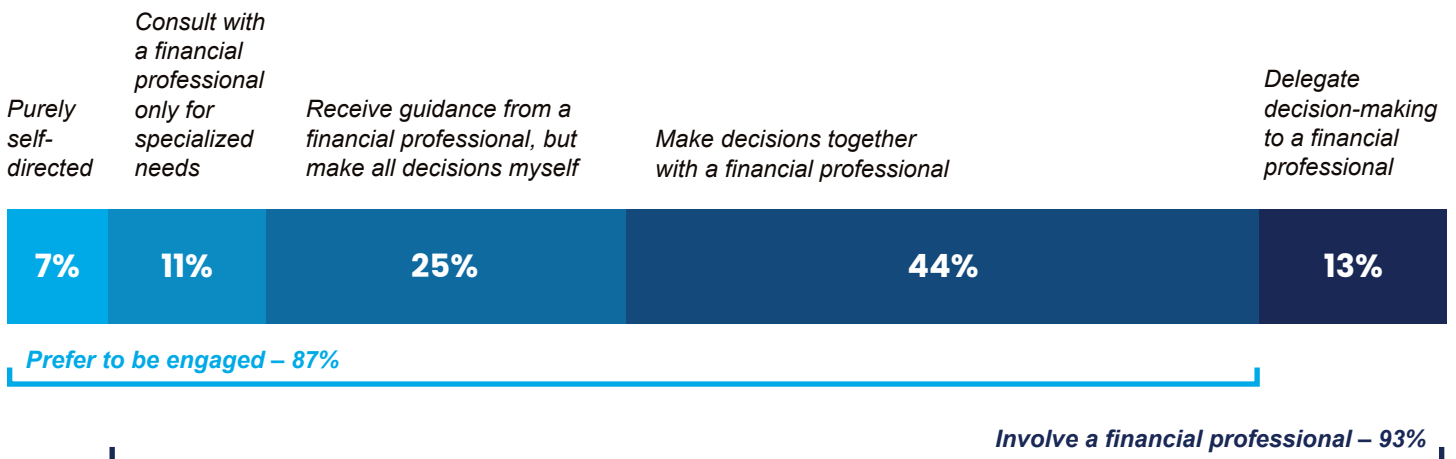
## The Hybrid Approach to Planning and Advice

Although the world has gone digital, these consumers still desire a human component in the financial planning process.

Our research found that, while eight in 10 consumers have accessed financial advice or guidance through digital resources, only 25 percent prefer using digital tools over working with a human. The majority want some degree of support from a financial professional, either solely or in combination with a digital resource.

What this tells us is consumers want personal financial advice, but they also want to collaborate with their financial professional and be involved in their own journey through interactive experiences. This has led to the rise of hybrid advice models.

### Preferred Approach to Receiving Financial Guidance



According to Capgemini’s analysis of top wealth management trends, “Hybrid advice models can enable firms to cost-effectively engage with a broader client base to boost revenues amid rising margin pressures.”<sup>2</sup>

Capgemini’s research suggests wealth management firms that leverage hybrid advice models can more effectively tap into the growing and underserved segments. To engage these clients, financial professionals are turning to digital tools to create this collaborative experience and are seeing success.

In addition, *InvestmentNews* found in their technology study that innovative advisory firms that prioritize technology spending and utilization in their practice—spending 17 percent more on technology than their peers—generated 37 percent more revenue per employee.<sup>3</sup>

As digitization across the industry increases, it’s critical for financial professionals to see Fintech not as a replacement, but as a partner in reaching and engaging new clients. The way forward to scaling advice to more people will require a combination of human touch and technology-driven efficiency.

With a focus on serving these three priority segments in need of advice, eMoney has identified the strategies for financial professionals to best serve these segments by addressing the top advice requirements consumers are looking for:

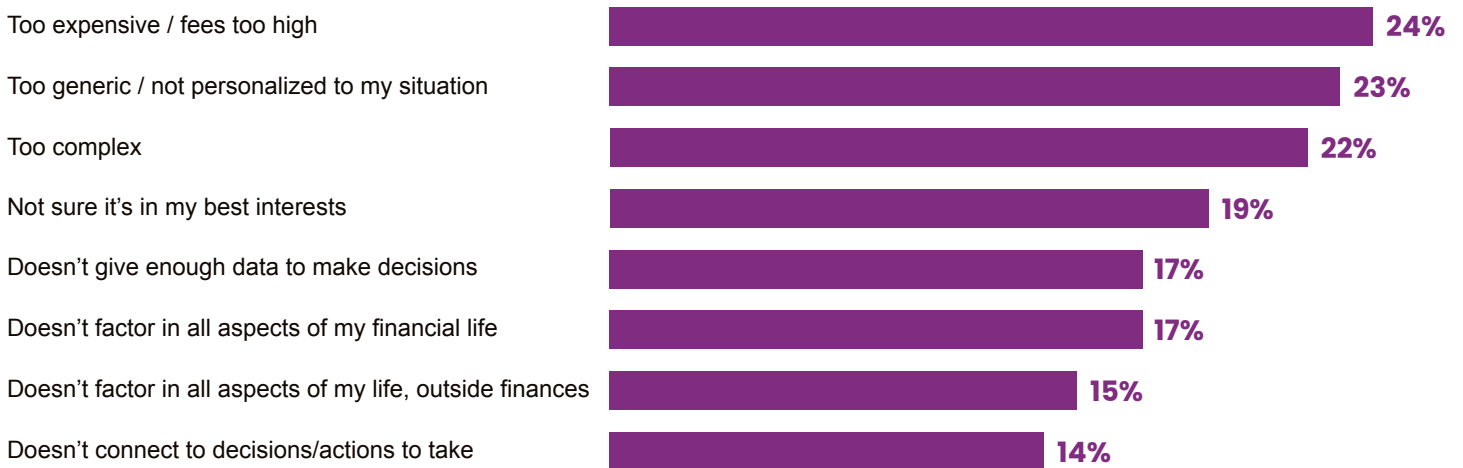
- Personalization (p.5) →
- Providing Peace of Mind (p.7) →
- Enabling Action (p.9) →

# Delivering Advice Personalization

Among the 60 percent of consumers dissatisfied with their current financial advice in our study, 23 percent indicated it was because their financial plan wasn't personalized to their circumstances.

A similar number of consumers agreed that their current advice was too complex to follow and didn't factor in all aspects of their lives. Additionally, many consumers perceive organizing their financial priorities as a big barrier to getting started.

## Too Generic and Complex Among Top Drivers of Advice Dissatisfaction



Many people consider their family, career, education, and physical health as natural pieces of their financial journey. They are looking for financial advice that addresses their lives holistically.

**“Getting clients to talk about their goals helps them envision their future and determine what will offer them the most satisfaction in life—what they're ultimately working towards in their financial plan. Communication about a client's goals should be continuous to maintain personalization of their planning journey at every step of the way.”**



**Connor Sung, CFP®**  
 Director of Practice Management, eMoney

**Click to read Connor's blog post →**  
 “The State of Holistic Financial Planning: The Effort and the Result”

Firms that see the highest success and client fulfillment rates find balance in how they use technology and human interaction to personalize the client experience. To deliver personalization quickly, you can:

- Supplement your onboarding process with digital questionnaires containing open-ended responses to allow the client to share more information outside of their immediate financial needs.
- Use a collaborative digital platform to help clients track their own progress and connect various accounts to gain a holistic view of their financial lives. Building and revisiting that picture allows the financial professional to stay updated on clients' life events or changes to their financial situation.

By using technology as a means to support the client relationship, you can provide a hyper-personalized and interactive experience that allows your clients to view their holistic financial plan and integrate it into the rest of their lives.

### Takeaways to Offer Personalization to Priority Segments:

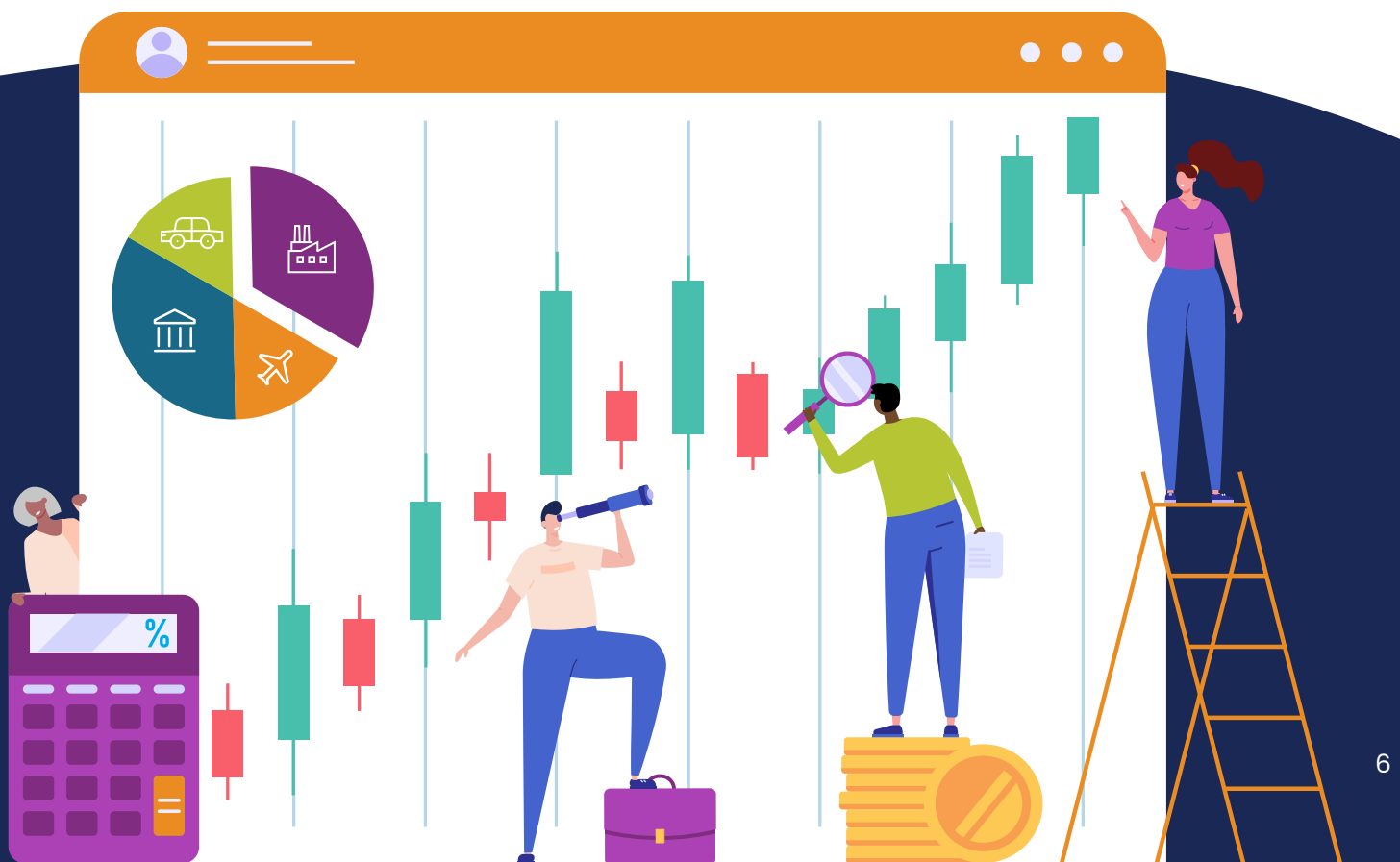
Understand clients' holistic financial situations



Enhance the client experience with collaborative digital tools



Use digital onboarding and platforms to stay up to date and connected



# Providing Peace of Mind Through Advice Recommendations

Along with personalization, peace of mind is also heavily desired in the advice experience. The advice-seeking consumers in our study are looking for control over their finances; however, many also feel unsure about their financial situation or financial future. Half of them have a strong interest in financial education and building their knowledge, but only four in 10 are highly confident they will achieve their financial goals.



“It’s crucial to go beyond the numbers to understand the feelings and motivations behind clients’ financial behavior. Many clients may bring fears, insecurities, or vulnerabilities to the planning relationship ... but uncovering those feelings is vital to motivating your clients toward their goals and creating a successful financial plan that they understand.”



Dr. Emily Koochel, AFC®, CFT-ITM  
Senior Financial Planning Education Consultant, eMoney

[Click to read Emily’s blog post →](#)  
“4 Ways to Make Clients More Comfortable Talking About Money”

The financial education you offer your clients can ensure they are getting the most out of their financial planning experiences, while also boosting their self-awareness and financial confidence. Beyond retirement prep, building financial knowledge and developing smart money habits are priority topics for advice seekers.



## Top Reasons for Seeking Advice



To instill financial peace of mind, help clients understand their personal recommendations, learn about their own spending and financial behaviors, and actively monitor their own progress, advisors can share relevant or on-demand educational content specific to clients' life stages and deliver digital budgeting tools that:

- Allow the user to update and monitor their finances
- Are easy to use and offer fundamental financial recommendations
- Enable the user to view their complete financial picture
- Provide educational information to guide decision making

**“The connection between peoples' money and mental well-being cannot be overlooked. By addressing financial knowledge gaps, you can give your clients the support they need to feel financially empowered and psychologically satisfied.”**



**Dr. Emily Koochel, AFC®, CFT-ITM**  
Senior Financial Planning Education Consultant, eMoney

**Click to read Emily's blog post →**  
"Boosting Financial Empowerment in the Workplace"

## Takeaways to Offer Peace of Mind to Priority Segments:

Help clients understand their personal recommendations



Educate clients about smart financial behavior



Offer easy-to-use digital tools that build foundational financial knowledge





# Enabling Client Action and Engagement in Their Financial Life

Consumers want personal recommendations they can act on. They want their financial professional to understand their life experiences and help them create solutions to achieve their goals. The human element of advice can help decode clients' biggest needs and identify areas in their lives where they could benefit from financial planning.

Empowering clients to act on those recommendations requires separate work. This involves financial professionals staying connected to their clients' financial lives, whether in person or digitally, to collaborate and make decisions together.

Advisors that leverage technology in the planning process may see the most success in deepening their client engagement as technology allows for:

- Easy communication
- Goal prioritization
- Financial progress visualization
- Collaboration about financial decisions or life events
- Gamification to keep clients engaged and encourage good habits
- Continual education and on-demand resources

**“Finance can be a scary topic for many consumers. Technology can be used to break down an overwhelming topic by making it more personal and engaging to the user. Often, education and gamification are combined to make it a more powerful tool that leads to positive behavioral change. It also affords the financial professional transparency and insight into client behavior, like spending habits or goals, that ultimately allows for much more productive conversations.”**



**Chad Porche**  
Vice President of Product Innovation, eMoney

[Click to read Chad's blog post →](#)  
“Why Financial Wellness Technology Needs Gamification”

## Takeaways to Enable Action for Priority Segments:

Assess needs and priorities to create personalized, actionable recommendations



Collaborate on goal-setting, decision-making, and financial behavior



Use technology that allows clients to track and monitor their progress and communicate directly with their financial professional



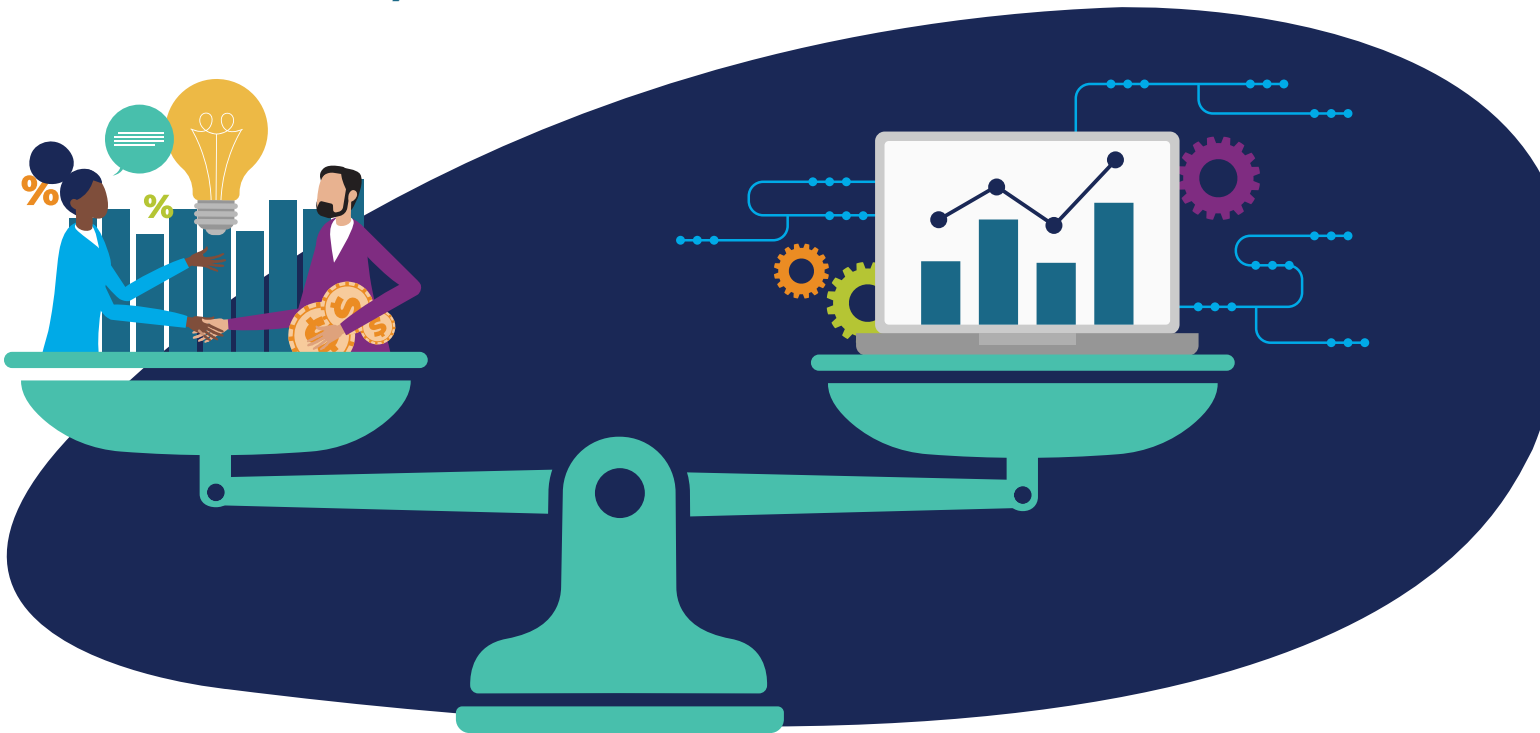
# Partnering with Technology to Bring Planning to More People

As our research shows, the underlying demand for advice continues to grow and it's not exclusive to one wealth bracket. Financial professionals are uniquely positioned to bridge the gap between the delivery of financial advice and the desire of end-clients for a fulfilling, personalized, hybrid experience.

This creates new opportunities for financial professionals to expand their client base and serve new segments of the market.

There is no manufactured substitute for the human-centric solution necessary to deliver a hybrid advice experience. Future delivery of advice relies equally on the practical, emotional, and behavioral understanding of the human elements of advice, and the smart, scalable, time-saving elements of the technology component.

**To learn more about how eMoney can help elevate your financial planning business, visit [emoneyadvisor.com](https://emoneyadvisor.com).**



## SOURCES

1. eMoney 88 Million Consumer Research Study, April 2022, n=1,616.
2. "Wealth Management Top Trends 2022, "Drivers, Opportunities, and Risks Shaping Financial Services," Capgemini, 2021.
3. "2022 InvestmentNews Adviser Technology Study," *InvestmentNews*, May 2022.