

eMoney

# Planning Better Together

How collaborative financial planning enhances advisor-client relationships and improves outcomes in an evolving market.

OCTOBER 2024



## INTRODUCTION

# Understanding the Evolution of Advice

**The financial advisory landscape is rapidly evolving, influenced by client demands for more personalized guidance and innovation in financial technology.**

In collaboration with Bellomy, eMoney undertook comprehensive research to uncover where clients and advisors converge and diverge on financial preferences and trends, particularly regarding financial planning collaboration and technology adoption.

Our findings reveal the transformative power of collaborative financial planning in enhancing advisor-client relationships and improving financial outcomes, revealing the ways in which digital innovation and client empowerment intersect seamlessly.



## Key Takeaways



In an increasingly volatile and complicated market, demand is growing for financial advice, especially among Millennials and Gen Z



The journey to finding an advisor is still heavily influenced by word-of-mouth, but digital channels are becoming increasingly important



Among 36 planning actions studied, there are five key collaborative actions that produce significantly better outcomes for end clients



Only 19% of advisors are currently executing all five key collaboration activities



Highly collaborative planning generates substantially higher referral rates from end clients

# Collaborative Planning Defined

Collaborative planning, as defined in this research, refers to financial advisors and their clients working together on a financial planning task, using financial planning technology. This definition was provided to both financial advisors and end clients in the surveys.

## Methodology in Detail

Surveys were administered online to both financial professionals (n=654) and end clients (n=1,204). Data collection occurred between April 2024 and May 2024. The analysis provides a substantive basis to understand preferences, behaviors, and outcomes associated with financial planning processes through the lens of tech-enabled collaboration.



## Research Objectives Outlined

1. Understanding the financial planning landscape: Broaden the understanding of current perceptions and implementations of financial planning.
2. Diagnosing the financial planning journey and collaboration points: Map out CFP Board's 7-step financial planning process, identifying key moments and opportunities where collaboration between clients and advisors can be improved.
3. Understanding the value of collaborative planning: Evaluate how collaborative planning impacts client satisfaction, engagement, and overall success of financial strategies.
4. Determining client portal usage and its value: Understand the frequency in which clients and advisors use a client portal and determine the portal's effectiveness in enhancing financial planning experiences.

# Current Financial Planning Landscape

Today's financial planning landscape is characterized by a growing demand from individuals who are increasingly concerned about high interest rates and the rising cost of living.



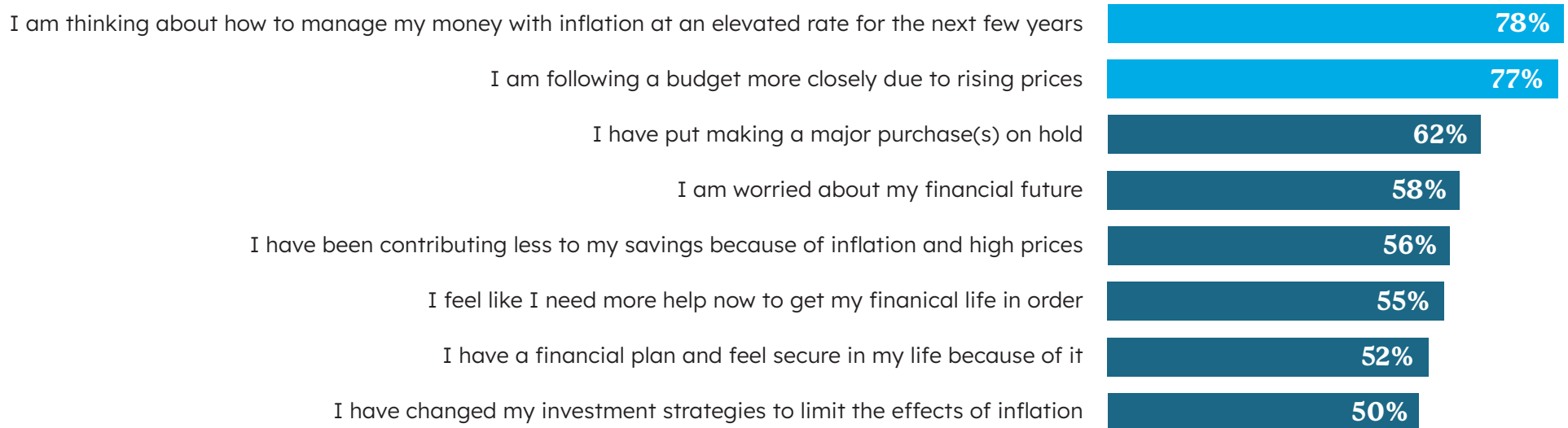
**26%**  
Currently work  
with financial  
professional



**21%**  
Intend to start  
working with  
FP in next year

People are turning to financial advisors to navigate a volatile market, with 26 percent currently engaged with professionals and an additional 21 percent expressing interest in initiating such relationships within the next year. This reflects a significant engagement level and potential for growth in financial advisory services.

## TOP CONCERNS ABOUT FINANCIAL SITUATIONS





Historically, advisors used technology to develop financial plans independently, delivering static, paper-based results to clients. Today, financial planning technology enables real-time collaboration during and outside of client meetings, allowing clients to actively participate in shaping their plans. **This interactive approach makes the process more transparent, engaging, and aligned with client goals.**

FINDING AN ADVISOR

## Overview of the Journey to Finding an Advisor

The journey from an individual recognizing the need for a financial advisor to actual engagement involves various motivations and considerations, shaped primarily by life stages, personal financial situations, and broader economic factors.

Understanding this pathway is essential for financial planning professionals aiming to effectively target and serve prospective clients.



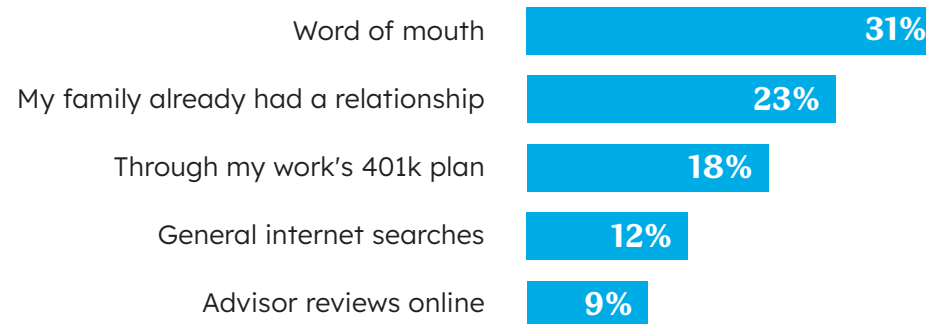
## FINDING AN ADVISOR

# Personal Discovery and Decision-Making Process

The top ways end clients typically find their advisors include personal referrals, workplace programs (like 401(k) contributions managed by advisors), online platforms, and through advertisements. Personal recommendations or word-of-mouth (WOM) remain the most powerful sources, underscoring the importance of trust and firsthand testimonials in the advisory domain.

### WOM is powerful, but there could be an opportunity with plan providers

TOP 5 WAYS CLIENTS FOUND THEIR ADVISOR





## FINDING AN ADVISOR

# Personal Discovery and Decision-Making Process

In choosing an advisor, end clients largely prioritize expertise, approachability, and the ability to simplify financial information. They seek advisors who provide clarity and can “get them” — aligning strategy execution with the personal context of the client. Financial security for their families and addressing specific questions that only professionals can resolve are among the top reasons driving the quest for financial advisors.

### End clients are looking for expertise, but also want an advisor to make it easy to understand and “get them”

#### TOP 5 REASONS CLIENTS CHOSE THEIR ADVISOR



## Generational and Motivational Differences

### Motivations prompting the need for financial advice vary across generations.

Family financial security is a pervasive motivator across all age groups. However, for Millennials, economic uncertainties weigh heavily as motivations, whereas Gen Z members are more influenced by the need to understand insurance topics and manage debt. Additionally, while negative life events spur the search for professional advice, positive life changes such as new jobs, homes, or family additions (especially pertinent to younger demographics like Gen Z) also act as significant motivators.

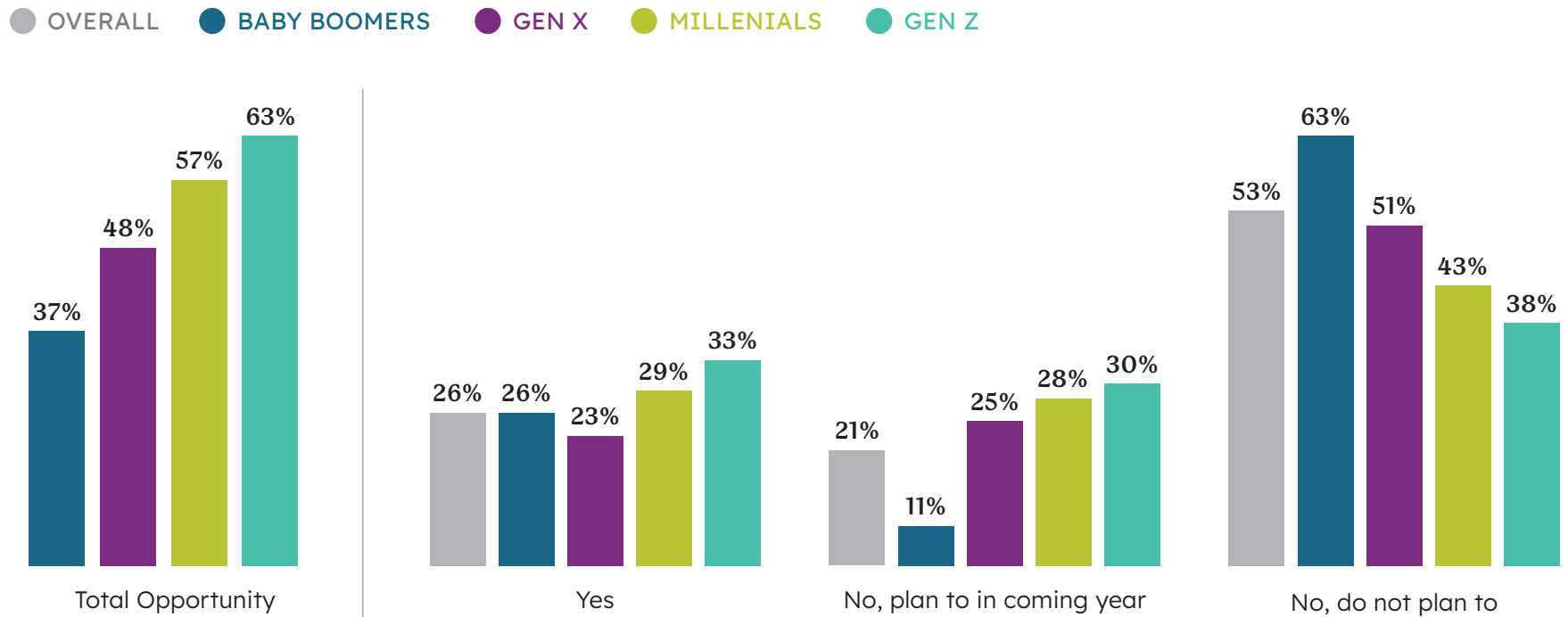
	What prompted a need for a professional advisor?	Life event motivators
<b>BABY BOOMERS</b>	I was approaching retirement and/or decided I wanted to retire early	Got divorced/ended a relationship
<b>GEN X</b>	Questions arose that needed to be answered by a professional	Personally experienced an illness, disability, or injury or that of a family member
<b>MILLENNIALS</b>	The state of the economy	<ul style="list-style-type: none"> <li>• Saving for an event or purchase (vacations, home, etc.)</li> <li>• Relocated/moved to a new city</li> </ul>
<b>GEN Z</b>	I needed to better understand things like life and health insurance	Had a first child

## FINDING AN ADVISOR

# Generational Opportunities

Millennials and Gen Z represent key demographic segments that show a greater propensity to engage with financial planning services. These younger generations are most likely to currently work with or plan to work with a financial advisor. These groups also prefer advisors who engage in collaborative planning, reflecting a broader trend towards inclusive and participative financial advisory practices.

**The biggest opportunity for Financial Advice is with Millennials and Gen Z — they are most likely to currently work with or plan to work with an Advisor**

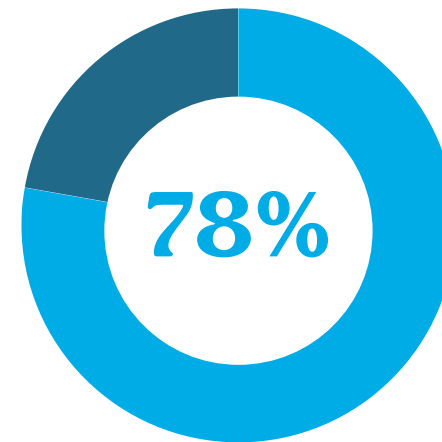


## Choosing and Finding Financial Advisors

While personal relationships and experiences bear the greatest influence in finding an advisor, digital mediums are increasingly becoming fundamental, especially among younger people. Generation Z individuals, for instance, are utilizing social media and online reviews as primary tools for finding financial advisors. These digital channels are quickly becoming key for advisors looking to connect with next-generation clients.

## Client Involvement

An overwhelming 78 percent of end clients express a desire to be actively involved in their financial planning, which underscores the importance of advisors not merely giving advice but also engaging clients in the planning process. This involvement helps ensure that the solutions provided are tailored to the clients' unique financial situations and goals.



of end clients want to be involved in the creation of their plan



The choice of advisors is predominantly influenced by reputation and the ability to establish a personalized approach at the outset of the advisory relationship. This highlights a shift towards more tailored and client-centric financial services, where **establishing trust and demonstrating expertise are paramount.**

## FINDING AN ADVISOR

# The Collaborative Planning Opportunity

Our research underscores a significant insight: deeper financial planning is synonymous with stronger advisor-client relationships and enhanced advisor outcomes.

As we'll see, both advisors and clients emphasize the importance of collaboration in planning, which fortuitously aligns with consumers' predominant method of finding advisors—through personal referrals. Despite the high trust clients place in their advisors, a gap remains in the referral rates, a gap that can be closed through strategic, collaborative planning.

This collaboration is not only about working together but utilizing technology to craft experiences that are hyper-personalized and reassuring to clients, making them more likely to refer to their advisors.



COLLABORATIVE FINANCIAL PLANNING

# Collaborative Financial Planning: Key Activities and Outcomes

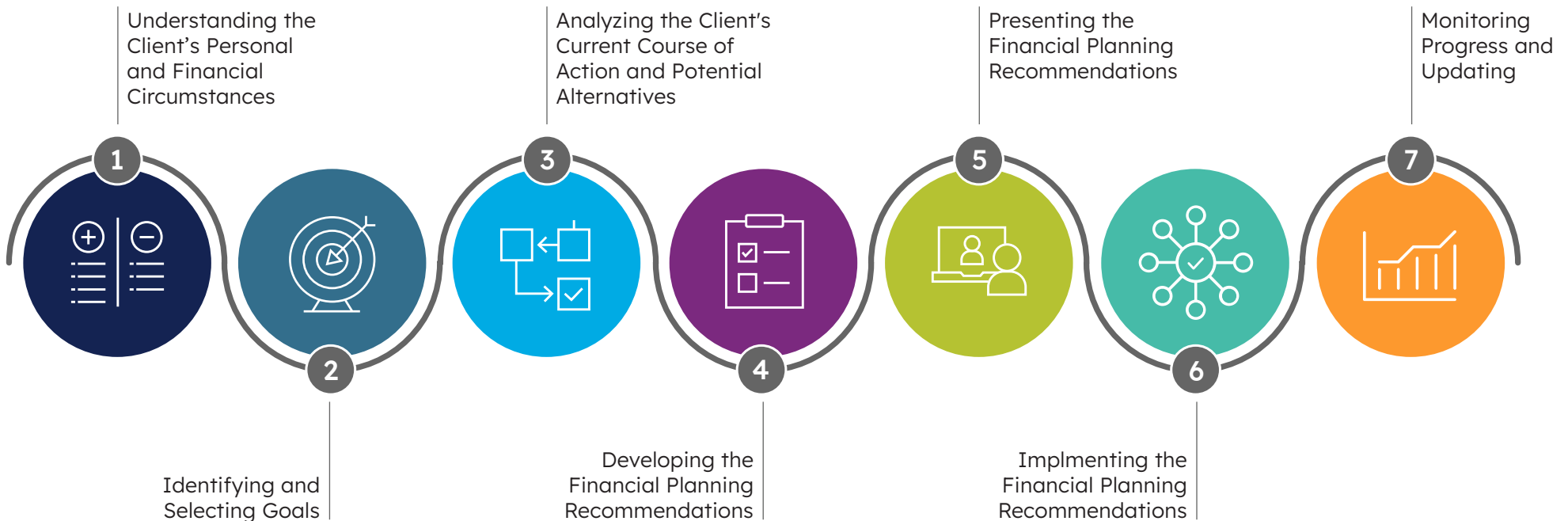
**The financial planning journey is a complex, collaborative process that is significantly enhanced by the active participation of end clients.**

Based on the insights gathered, it is evident that deeper and more personalized planning, supported by targeted collaboration tools and client input, yield the most beneficial outcomes for both clients and advisors.



## The Collaborative Financial Planning Process

The CFP Board 7-Step financial planning process provides a comprehensive roadmap for advisors and clients to navigate the complexities of personal finance. From understanding initial circumstances to implementing recommendations and monitoring progress, this framework ensures a thorough and collaborative approach to achieving financial goals.





## Defining Collaborative Activities

Our research began with a detailed deconstruction of CFP Board's 7-step financial planning process. Through User Experience Research-led internal brainstorm sessions, these seven steps were intricately broken down into 36 distinct actions, forming a more detailed map of the financial planning journey. This granular approach was essential for effectively pinpointing specific areas where enhancements in collaboration could be implemented.

The refined list of actions was presented to both advisors and end clients. Advisors were asked how they are **currently** handling each activity, while end clients were asked how they would **prefer** each activity be completed and categorized their involvement using one of four distinct options:

1. **Performing the activity together with their counterpart inside the software**
2. **Conducting the activity on their own inside the software**
3. **Collaborating on the activity outside the software**
4. **Completing the activity independently outside the software, with advisors additionally having the option to indicate if it was done without subsequent communication to the client**

This stratified response method allowed the research team to capture a nuanced view of current practices across a spectrum ranging from highly collaborative to entirely independent approaches. Opportunities arise when the end client demand for performing the activity collaboratively in the planning software is larger than the frequency with which advisors are completing activities in this manner.

## Identifying and Implementing Key Collaborative Activities

Among the collaborative actions identified, we pinpointed five key collaborative activities where the strongest end client preference for collaboration was observed, and where advisors can leverage the strengths of their planning software to meet client demands and improve client outcomes.

These activities focus on evaluating and refining planning approaches dynamically, ensuring clients not only understand their financial strategies but also feel reassured by their effectiveness.

By addressing common consumer concerns—high interest rates and the rising cost of living—this collaborative process can settle fears and alleviate anxieties, providing clients with a greater sense of control and financial peace of mind.

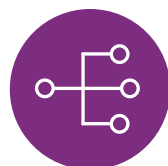
### The Five Key Collaborative Activities:



**1. Comparing plan options and stress testing the plan to simulate potential future events**



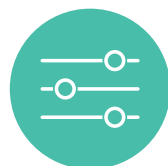
**2. Analyzing the current course of action for the plan**



**3. Demonstrating different scenarios or options and competing courses of action, showing the impact of choices on the plan**



**4. Reviewing the assumptions and estimates used to develop the recommendations**



**5. Reviewing and refining recommendations by analyzing potential alternative courses of action and strategies**

## Understanding the Five Key Collaborative Activities

All five key collaboration activities preferred by end clients focus on understanding and evaluating the recommendations their advisor is making for their plan

### Peace of Mind

Firstly, clients want assurance that they will be okay. Across generations, ‘family financial security’ consistently emerges as a key motivator for seeking the guidance of a financial advisor, reflecting a universal desire to prepare for life’s uncertainties. By comparing plan options, stress testing different scenarios, and analyzing the planned course of action, clients gain peace of mind and reassurance that their plan is both sound and adaptable. This process not only helps them understand how their choices impact long-term goals but also directly addresses their fears of unforeseen disruptions that could derail their financial stability.

### Confidence

Secondly, clients want to truly understand their plan. Reviewing the assumptions and estimates used in formulating recommendations empowers clients by giving them insight into the mechanics of their financial future. They are essentially asking for transparency and a clear explanation that helps them make informed decisions. When clients grasp the ‘why’ behind each recommendation, it alleviates anxiety about the unknown and fosters confidence in their financial strategy.

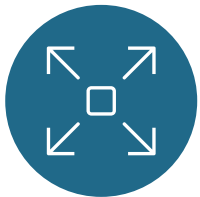
### Financial Security

Finally, when advisors take the time to review and refine plan recommendations by analyzing potential alternative courses of action, clients gain a deeper sense of trust and understanding. This process shows clients that their advisor is ready for any worst-case scenario, and that their plan is built to endure. In doing so, clients not only feel more secure but also more involved in their financial journey, knowing their advisor is actively working to safeguard their future. This collaborative approach nurtures a sense of financial security, which is what clients ultimately seek—knowing they are prepared for whatever life may bring.

## Outcomes of Performing vs. Not Performing Key Collaborative Activities

Advisors who engage in these five key collaborative activities witness notably better outcomes compared to those who do not, as evidenced by:

### INCREASED REFERRALS



Satisfied clients are more likely to refer their advisor to others, expanding the advisor's client base.

### HIGHER CLIENT SATISFACTION



Clients are more content when they are actively involved and understand their financial planning.

### REDUCED FINANCIAL ANXIETY



Clients feel more secure about their financial future, reducing anxiety.

### STRONGER COMMITMENT AND TRUST



Active collaboration and personalized advice strengthens client loyalty and trust.

### BETTER FINANCIAL OUTCOMES



Clients associated with high-collaboration advisors enjoy better financial stability and outcomes.

## Outcomes of Performing vs. Not Performing Key Collaborative Activities

33

point increase in  
likelihood of receiving  
referrals

A crucial insight from the research is that clients perceive that collaborative planning saves them time. This perception enhances the value of collaboration, establishing a compelling value proposition for advisors who aim to boost client satisfaction and engagement. Beyond the sense of efficiency, collaborative planning empowers clients to vividly visualize their financial scenarios, allowing them to see the real-time impact of their choices and bringing their financial plans to life.

**Advisors collaboratively engaging in these five crucial activities see a 33-point higher likelihood of referrals, and the actual referral rate doubles compared to those not practicing these activities.**

## Outcomes of Performing vs. Not Performing Key Collaborative Activities

Advisors who complete the five key collaborative activities with their clients have significantly higher outcomes in most areas.

● 0-2 KEY ACTIVITIES (N=289)  
● ALL 5 KEY ACTIVITIES (N=123)



GAP IS SIGNIFICANT AT 95% CONFIDENCE

- ACTIVITY OUTSIDE THE SOFTWARE
- COLLABORATION ACTIVITY IN THE SOFTWARE
- KEY COLLABORATION ACTIVITY

# understand

UNDERSTANDING THE CLIENT'S PERSONAL AND FINANCIAL CIRCUMSTANCES

- **Determining/sharing attitudes and behaviors towards money**
- Determining/sharing client values and priorities before delivering financial advice
- Determining/sharing client's cultural values
- Determining/sharing client's family history and family values
- Sharing past plans
- Gathering relevant personal and financial data

# identify

IDENTIFYING AND SELECTING GOALS

- **Identifying meaningful personal and financial goals and objectives**
- **Assessing financial anxiety to gain a holistic view of client's/my financial life**
- Selecting and prioritizing goals
- Linking client accounts (aggregation) to give a comprehensive view of assets
- Assessing financial health/wellness to gain a holistic view of client's/my financial life

# analyze

ANALYZING THE CLIENT'S CURRENT COURSE OF ACTION AND POTENTIAL ALTERNATIVE COURSES OF ACTION

- **Reviewing assumptions and estimates used to develop recommendations**
- **Analyzing the clients' current course of action**
- **Reviewing and refining recommendations - analyzing potential alternative courses of action and strategies**

- ACTIVITY OUTSIDE THE SOFTWARE
- COLLABORATION ACTIVITY IN THE SOFTWARE
- KEY COLLABORATION ACTIVITY

## develop

DEVELOPING THE FINANCIAL PLANNING RECOMMENDATION(S)

- Developing initial recommendations - review, research products, and services to use
- Presenting the selected recommendation to the client
- Tweaking and modeling scenarios based on client feedback
- Selecting steps to address the clients' goals and priorities
- Considering timing and priority of the recommendations

## present

PRESENTING THE FINANCIAL PLANNING RECOMMENDATION(S)

- Presenting one or more actions, products, or services for implementation
- Demonstrating different scenarios/options and competing courses of action, showing the impact of choices on the plan
- Comparing plan options/stress testing the plan to simulate potential future events (such as market downturns, career changes, unexpected expenses)
- Agreeing to new actions, services, or products needed to implement the plan
- Developing an implementation plan/schedule for the recommended actions, products, or services
- Determining client responsibilities - what is necessary for the client to do



- ACTIVITY OUTSIDE THE SOFTWARE
- COLLABORATION ACTIVITY IN THE SOFTWARE
- KEY COLLABORATION ACTIVITY

# implement

IMPLEMENTING THE FINANCIAL PLANNING RECOMMENDATION(S)

- Reviewing, selecting, and approving actions, products and services in the plan
- Creating/assigning tasks to client/advisor
- Scheduling follow-up meetings
- Providing/ reviewing next steps

# monitor

MONITOR PROGRESS AND UPDATING

- Monitoring and updating responsibilities and timeline
- Monitoring/tracking progress of my plan towards goals
- Reviewing alerts when progress/metrics falls out of expected range
- Client providing regular updates on life changes that may affect the financial plan
- Providing/ Receiving updates related to economic and world events that may impact the plan
- Ongoing communication
- Updating goals, recommendations, or implementation decisions



It is evident that deeper and more personalized planning, supported by targeted collaboration tools and client input, yield **the most beneficial outcomes for both clients and advisors.**

FINANCIAL PLANNING SOFTWARE

# Extending Advisor-Client Collaboration Through Financial Planning Software

Client portals serve as a dynamic platform where these key collaboration activities can be performed interactively and transparently.

Client portals facilitate a more engaging and continuous partnership between clients and advisors, allowing clients to engage with their financial plans even when they are away from their advisors. This enhances the collaborative experience, making it possible for clients to monitor their progress, revisit their goals, and make informed decisions at their convenience.



## Client Portal Usage Among Clients

According to the data, 56 percent of end clients now have access to a client portal, and among those, 84 percent are taking advantage of the opportunity to use it. The client portal serves as a crucial tool for end clients to engage with their financial accounts and actively participate in their financial planning.

### TOP ACTIVITIES PERFORMED BY CLIENTS IN THE PORTAL



Accessing and viewing their financial accounts



Viewing and updating their personal and financial profiles



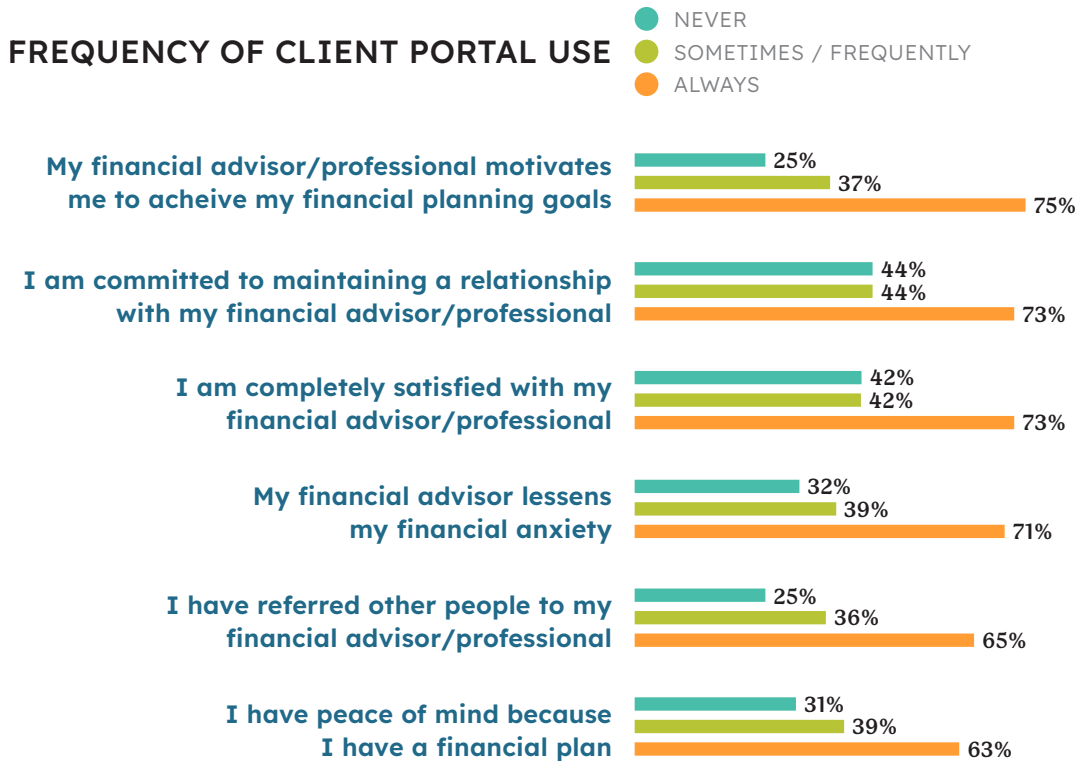
Messaging and communication with their advisors



Scheduling meetings directly through the portal

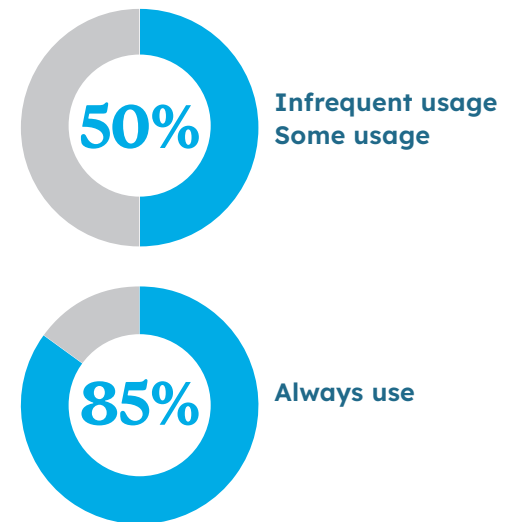
## Improvement in Outcomes Due to Client Portal Usage

Using the client portal significantly enhances several key outcome measures for end clients. Most notably, there is a drastic improvement in the trust end clients have in their advisors, with a 35-point increase in this metric. Additionally, client portal usage leads to higher motivation in achieving financial goals, increased satisfaction with their financial advisor, and a deeper commitment to maintaining their advisory relationship.



### TRUST INCREASES SIGNIFICANTLY WITH INCREASED PORTAL USAGE

STRONGLY AGREES WITH THE STATEMENT "I TRUST MY FINANCIAL ADVISOR"



## Opportunities to Connect

While clients are actively using the client portal for various activities, the opportunities lie in increasing advisor engagement in these same functionalities. Advisors are currently underutilizing the portal for communication and task management. Enhancing the use of these features can lead to greater alignment in collaboration preferences and improve overall satisfaction and efficiency in the financial planning process.

### **messaging and communication**

While this is already used, there is an added opportunity for advisors to more extensively enhance direct and real-time communication, providing timely advice and quick responses to client queries.

### **meeting scheduling**

Facilitate planning sessions and regular updates, ensuring continuous engagement & involvement in the financial planning process. Select steps to address the clients' goals and priorities.

### **task management**

Advisors can assign financial tasks or to-dos, which can be tracked and managed directly through the portal, promoting a more organized and goal-oriented approach in managing finances.

## Opportunities to Connect

There are client portal activities where there is a **gap** between end client demand and advisor use.

● ADVISOR USE  
● DEMAND



GAP IS SIGNIFICANT AT 95% CONFIDENCE



While client portal usage is on the rise among end clients, there remains **significant potential to deepen collaborative efforts through increased and more effective use of the portal's capabilities by advisors.**



## CONCLUSION

# Conclusion: Embracing the Opportunity for High Collaboration

**The future of financial planning is unequivocally collaborative and technological.**

Our research exemplifies how technology can bridge the gap between client expectations and advisor delivery, particularly by facilitating the five key collaborative actions that drive superior client outcomes. Advisors who leverage financial planning software effectively will find themselves well-positioned to meet the evolving demands of today's clients, ensuring both growth and sustainability in an uncertain financial landscape. We invite you to stay engaged as we continue to explore and develop tools that facilitate deeper, more meaningful financial planning experiences.





We encourage advisors to review their current collaborative practices and consider how integrating these key activities and technologies can lead to healthier client relationships and business growth.

**The evolution of advice is underway, and by embracing these changes, advisors can ensure their services remain relevant, personalized, and highly valued in a competitive market.**

# Start Planning Collaboratively With Your Clients Today!

See how eMoney can help you execute the five key collaborative activities and drive better outcomes for your firm and your clients.

[learn more](#) →

---

