ENVESTNET

Unlock the Mindset of Today's Affluent Investor

Opportunities by Generation for Advisors

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National Study Overview:

Unlock the Mindset of Today's Affluent Investor

Envestnet and The Center for Generational Kinetics are excited to present key findings and discoveries from our brand-new research into the generational opportunities for financial advisors through the mindset and mood of affluent American investors. These are precisely the insights that financial professionals need to know to best understand, connect with, build trust, and serve their clients in today's dynamic environment.

Money is an emotional subject for many clients. To best serve your clients and address the various feelings of fear, excitement, anxiety, and overwhelm that the topic of finances can surface, understanding your client and their mindset is key. Our purpose in undertaking this cutting-edge research was to explore specific actions, behaviors, and trends that Affluent Americans across generations, income levels, and household net worth are taking today when it comes to their financial wellness and their current mindset about their financial future.

Our in-depth research has uncovered the hidden behavioral drivers and attitudes, as well as identified compelling data points on both the challenges and opportunities for financial advisors in managing wealth across generational and wealth spectrums. This Affluent National study included an **Affluent** sample, oversamples of **Higher-Earners**, and **High-Net-Worth (HNW)** individuals allowing for a truly unique opportunity to understand the behaviors and needs within these specific demographics.

The Envestnet team is inspired to serve our clients, and we believe that implementing the discoveries in this research report will enable you—the financial advisor—to best understand and serve the unique financial picture of your individual clients and tailor advice to develop personalized portfolios and recommendations faster and more effectively. Our integrated and connected technology platform provides the unique ability to efficiently pull together all the critical client information into one place in order to best optimize your practice, and allows you to focus on the most important part of your business—the client.

We hope you find these discoveries actionable and impactful to your business. Let's dive into these unique insights, perspectives and solutions!

Affluent

Annual household income or household net worth of >$100K

Higher-Earners

Annual household income of $200K or more individually or $300K or more with a spouse/partner in each of the past two years

High-Net-Worth

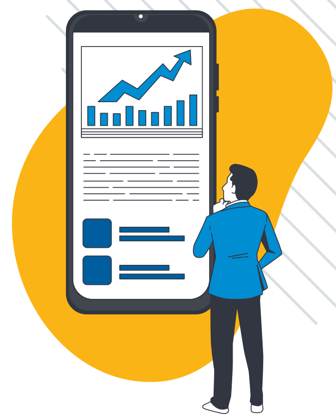
Net worth of $1M or more individually or with a spouse or partner, excluding primary residence

SECTION 1

The Current Mood of Affluent Investors

The global economy and market landscape have shifted this past year and, in turn, so has investor sentiment. How does this impact the mindset of affluent investors around money and their future financial picture? **What do advisors need to understand about this situation in order to have meaningful conversations that ensure a personalized experience?** In this first section, we'll explore key discoveries within these topics from the national research study.

Affluent Americans Are More Worried About Their Financial Future

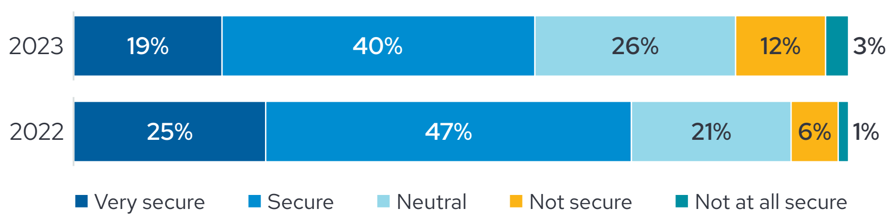


Feelings of financial security have waned year-over-year for Affluent Americans. While this may not be a big surprise, the extent to which the feeling of financial security dropped is quite surprising. When we did this study in 2022, 72% of Affluent Americans felt secure or very secure in their current financial situation. Today, only 59% of Affluent Americans felt secure or very secure in their current financial situation, a decrease of 18% year-over-year.

Market volatility and global issues have created more anxiety and concern among investors, especially Affluent Americans. When investors feel worried, they benefit from more guidance, education, and expertise—such as that provided by financial advisors—to ensure they see the light at the end of the tunnel. The time to have these conversations is now. **The national study found that Affluent Americans worried about their financial future more than ever before rising from 46% in 2022 to 62% in 2023.** That's a jump of 35%. Both stats confirm what we already know: anxiety and concerns over the market have jumped significantly year-over-year.

Interestingly, the study revealed that anxiety declines as affluence increases. Among Higher-Earners, 52% are worried about their financial future and for High-Net-Worth individuals, the number drops to 46%. So, while the overall Affluent population is clearly concerned about their financial future, the national study revealed that those with more assets or income seem generally calmer. As financial professionals prepare for client conversations, these details about a client's mindset are important to ensure a successful relationship.

How secure do you feel in your current financial situation?
By Affluent Total



72%
of Affluent Americans felt secure or very secure in their current financial situation in 2022.

59%
of Affluent Americans currently feel secure or very secure in their current financial situation, a decrease of 18% year-over-year.

62%
of Affluent Americans are worried about their financial future more than before, rising from 46% in 2022.

Strategy to Consider

Talk with your clients about how they internalize their response to valuation changes in their portfolio, such as when their portfolio has a down day or quarter. It is important to remain a pillar of expertise and reassurance.

Opportunity: Consider looking back at the inbound messages you received from clients during the last down market period. Are there clients you usually hear from who didn't reach out? Or some that reached out and now is a good time to follow up? Increasing the cadence of communication when people are nervous can be helpful in shoring up the confidence and connection that helps retain clients.

Analysis Paralysis: Investors are More Worried and Not Taking Action

Money is on the minds of Affluent Americans. **In 2023, 65% of Americans reviewed their total net worth monthly or more often, a 7% jump compared to 61% in 2022.** What about the Higher-Earners and High-Net-Worth individuals? They're even more likely to review their total net worth more often than those who are simply affluent.

Astonishingly, the study found that 40% of Affluent Americans worry about their personal finances and yet haven't done much to fix it. What's worse is that this number is nearly 30% higher than last year when only 31% of Affluent Americans worried about their personal finances and weren't doing anything to fix it.

When taking in both of these insights, it seems that in the face of checking their finances more often, Affluent Americans are paralyzed about what to do next. This represents a tremendous opportunity for financial advisors to step in and address this increasing anxiety with clear, actionable solutions for clients.

Among the uber affluent (High Earners and High-Net-Worth individuals combined), once again, this number decreases slightly (Higher-Earners at 34%, and High-Net-Worth individuals at 27%), which is interesting because it solidifies the previous point—we know uber affluent Americans are worrying less, regardless of market volatility, inflation, and global crises. Still though, even among the uber affluent, there's a clear opportunity for advisors with nearly one-third uber affluent feeling stuck.

40%

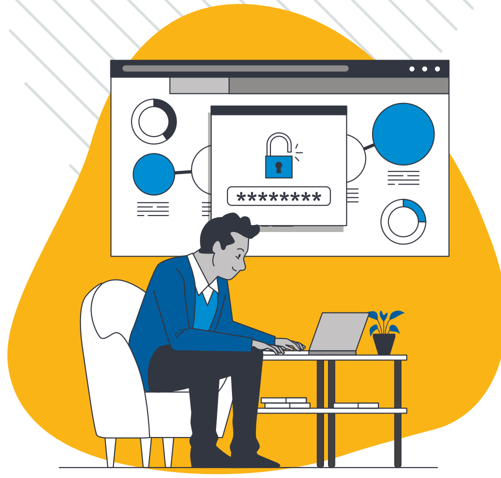
of Affluent Americans worry about their personal finances and yet haven't don't much to fix it.

Strategy to Consider

Use this as an opportunity to provide creative solutions and products to clients to drive engagement and quell their concerns.

Opportunity: Consider looking at the client referrals received over the last 12 months. Have you followed up to thank those who made the referral? As wealthier investors get more engaged in their finances, now is a great time to do proactive referral outreach to let current clients know you are there to serve their friends and network, too.

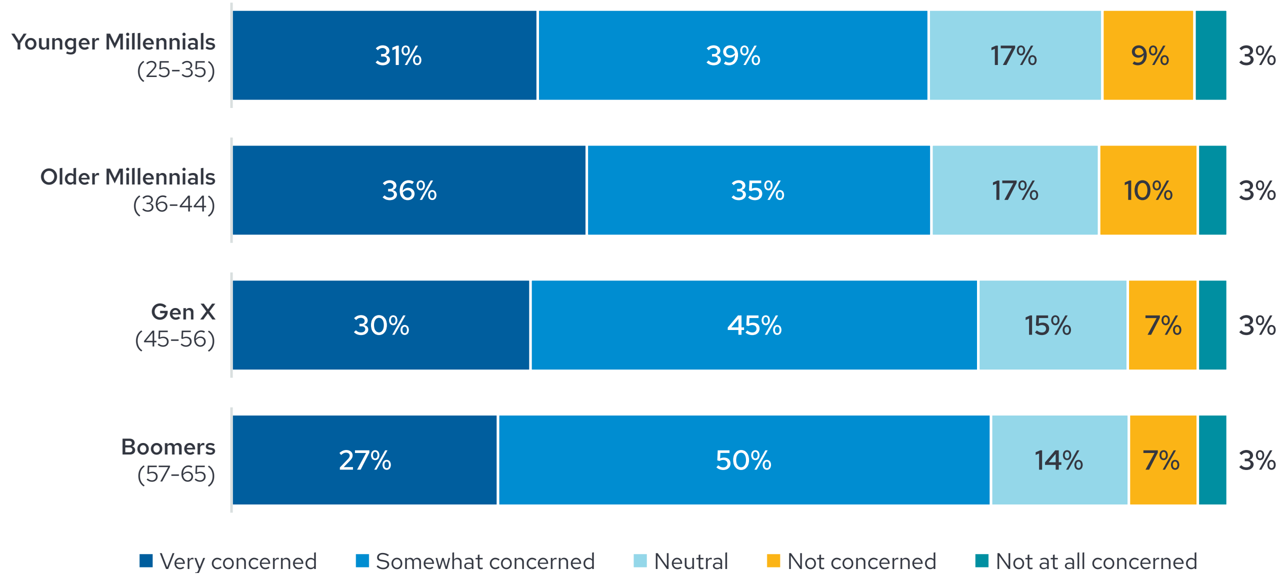
Cyber Security Concerns & Financial Data



In 2023, 62% of Affluent Americans preferred managing their personal finances online. This implies a substantial 19% change compared to 2022 when it was just above half at 52%. However, this is paired with a rising concern for the safety and protection of their financial data.

In 2023, the study found that 66% of the general population is concerned about the security of their financial data, and that number increases to 73% for Affluent Americans. Interestingly, while concern about their financial data is meaningfully higher with Affluent Americans, within the affluent category the numbers vary. Among Higher-Earners, that number jumps even higher to 81%. But among High-Net-Worth individuals, the percentage of individuals concerned about the security of their financial data drops back down to 68%. Advisors need to be aware of key concerns like data security for clients, especially with cybercrime estimated to cost companies $10.5 trillion annually worldwide by 2025.[1]

How concerned are you about the security of your financial data?
By Affluent Generation



1: https://www.forbes.com/sites/forbestechcouncil/2023/02/22/105-trillion-reasons-why-we-need-a-united-response-to-cyber-risk/?sh=312db7253b0c

When looking at this issue by generation, Boomers (77%) are concerned about the security of their financial data; and for Gen X, the number is almost as high at 75%. Younger generations are less concerned about data security but only marginally so with 70% of Younger Millennials are concerned about the security of their financial data. Ensuring data security is top of mind will better prepare advisors to think strategically about the technology they choose and how to navigate those sensitive conversations with clients in the future.

Strategy to Consider

Have you spoken with your clients about the financial data security measures in place to protect them, their identity, and their data? Do you regularly share best practices to help them prevent phishing or identity theft while recommending two-factor identification?

Opportunity: Consider reminding all clients about the actions you would not take without directly speaking with them. This might include asking for access to their accounts, requesting personally identifiable information, or other communication that they should know would not be requested in any way except directly from you or your team.

SECTION 2

Navigating Investor Sentiment

Today's uncertain investment universe has proven to be ever dynamic, making it difficult to predict. The study sought to uncover how financial uncertainty is shaping affluent investors' activity, retirement planning, and the landscape of wealth management. **Clarity around investor sentiment creates a stronger client connection and establishes trust, allowing the financial professional to drive greater impact and personalization at scale.**

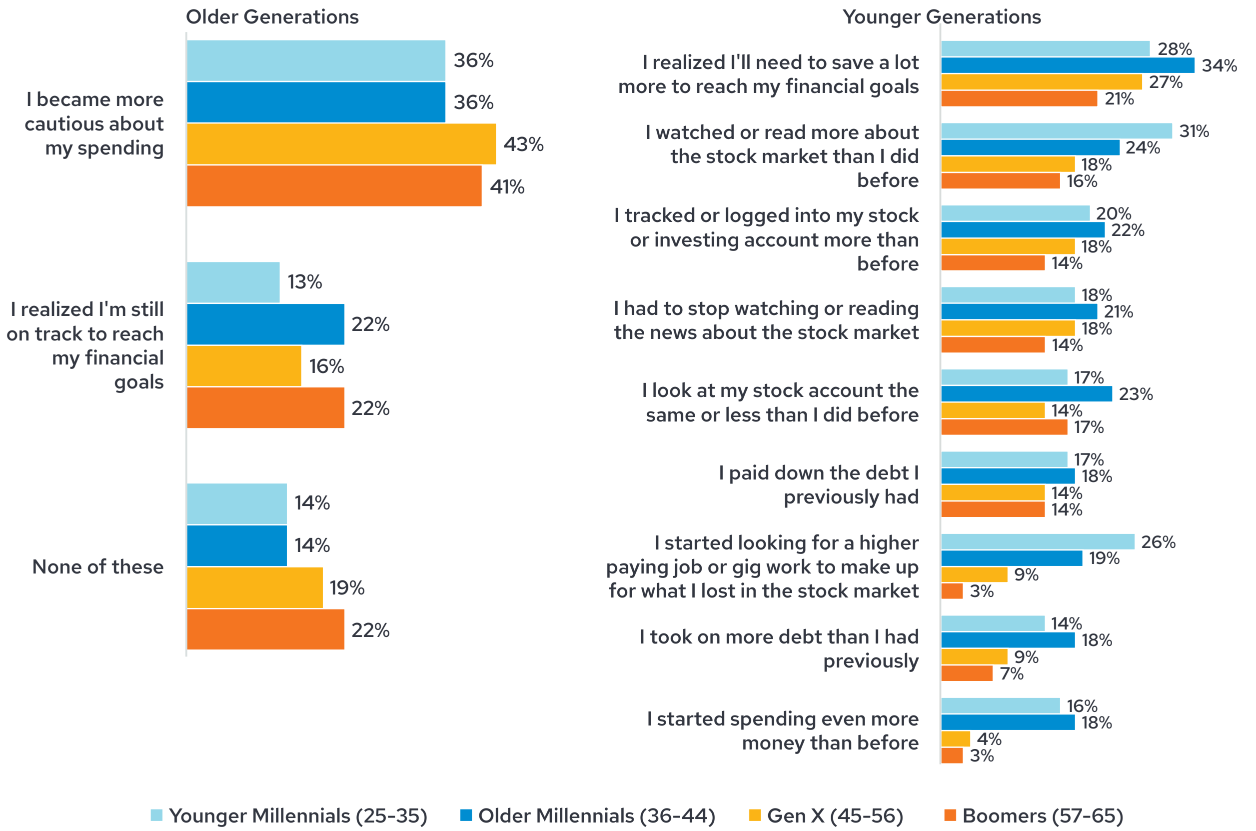
Increasing Market Skepticism

Stock market fluctuations, volatility, negative economic forecasts, rising interest rates, political uncertainties, and inflation are just a few of the factors influencing the attitudes and actions of affluent investors. In the last few years, these challenges and uncertainties have created significant impact. One key finding uncovered in the study: **54% of Affluent Americans say recent fluctuations in the market have made them skeptical of investing.**

Drilling down into the reasons for this skepticism, we learn that among older generations market volatility is the leading challenge (64% for Boomers and 57% for Gen X) while lack of knowledge or familiarity is cited as the leading challenge for millennials (45% for Older Millennials and 38% for Younger Millennials).

When trying to reach their financial goals, investor approaches manifest very differently depending on the age and income of the investor. For advisors, this underscores the importance of individualizing a financial plan. Affluent older generations were significantly more likely to become more cautious about their spending, while Affluent younger generations were significantly more likely to realize they need to save more, learn more about the stock market, and start looking for a higher paying job.

How have recent fluctuations in the stock market impacted your financial planning goals?



When asked about how the fluctuations in the stock market have impacted their approach to investing, Affluent older generations are more likely to stay the course. Not so among Affluent younger generations. They are significantly more likely to take action, including: diversify their investing, rebalance their portfolio, invest less, invest more, lose sleep, pull money out of the market, stop monitoring investments so frequently, switch to another financial advisor, and/or stop investing completely.

All of this adds urgency to uncovering your clients' investment sentiment to ensure you are well-positioned to offer personalized financial planning that directly addresses their skepticism, while continuing to build confidence and connection.

31%

of Gen X have continued to invest the same given recent market fluctuations, in comparison to 22% of Younger Millennials who have rebalanced their portfolio.

Strategy to Consider

What questions about navigating and responding to investment uncertainty are your clients asking now compared to one year ago?

For financial planning, ask about life events or milestones that a client is planning for (e.g., purchasing a home, funding children's education, retirement); current debt obligations; what does their ideal retirement look like, and at what age do they hope to retire; interest in leaving a financial legacy, trust or inheritance for their heirs; and philanthropic goals.

Ask about risk appetite and market volatility that examine hypotheticals. For example:

- If their portfolio lost 20% of its value within a short period, what would be their likely course of action?
- How have they handled significant market downturns in the past?
- Given the current market volatility, would they prefer strategies that focus on capital preservation, income generation, growth, or a combination of these?
- Are they open to alternative assets and strategies?
- How frequently would they review or potentially adjust their portfolio given market conditions?
- Do they have any concerns about the current economic climate or specific sectors?
- What's the role of cash or liquidity in their portfolio?

Opportunity: Consider sharing historical market data with your clients that show how diversified or personalized portfolios have performed in times of uncertainty with macro factors like today's. Help them to see that healthy skepticism is good and personalization is the solution.

Investing Barriers By Age and Income

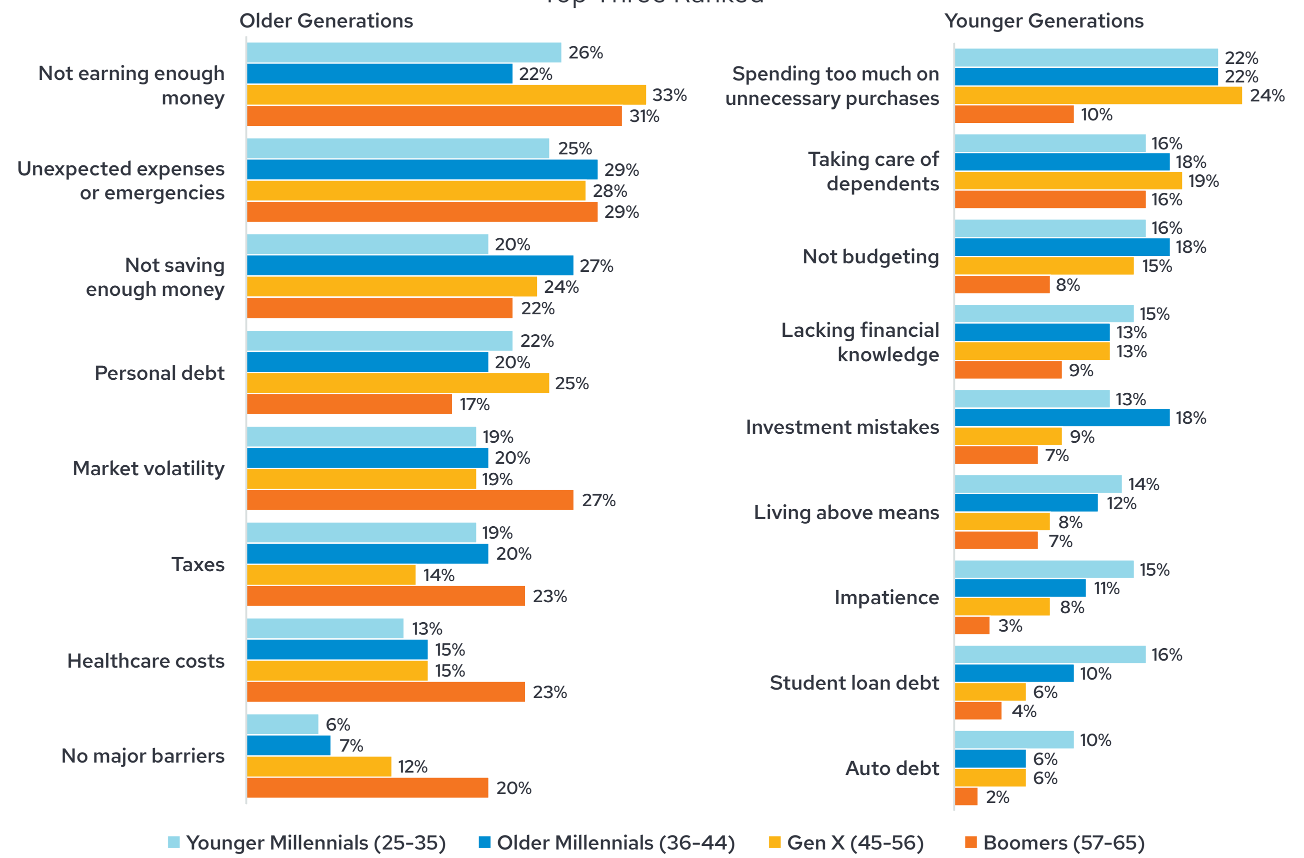
Understanding how investors think based on their life stage, age, and degree of affluence is crucial to understanding the best ways to individualize financial plans and advise them during volatile times. **The ability to personalize investment preferences is invaluable in driving real financial impact for your clients.** This is particularly true as the study uncovered that the biggest challenges when it comes to investing vary by generation and level of affluence.

The study found that not earning enough money continues to be the biggest barrier for Affluent older generations and spending too much on unnecessary purchases continues to be the biggest barrier for Affluent younger generations.

For Affluent Boomers, the top five barriers to achieving their financial goals were (2) unexpected expenses or emergencies, (3) market volatility, (4) taxes, and (5) healthcare costs. Meanwhile for Affluent older Millennials, the top five barriers to achieving their financial goals included (2) taking care of dependents, (3) not budgeting, (4) investment mistakes, and (5) lacking financial knowledge.

The average American spends $450 per month impulsively.
Over the average adult's lifetime, this translates to $324,000 of impulse purchases.[2]

What are the major barriers preventing you from reaching your financial goals?
Top Three Ranked



2: www.prnewswire.com/news-releases/slickdeals-shares-new-survey-data-showing-americans-spend-324000-on-impulse-buys-in-their-lifetime-300601768.html

This year, not earning enough money, unexpected expenses, and personal debt are all significantly bigger barriers preventing Affluent Americans from reaching their financial goals in 2023, when compared to 2022. **And every generation is feeling the pressure—with 58% of all Affluent Americans believing their generation has suffered more than others due to unforeseen financial challenges, compared to 51% in 2022.**

Strategy to Consider

Have you evaluated your clients by generation? What percentage of your clients are Millennials, Gen X, and Baby Boomers? Have you considered the varying factors in life stages and how generational mindsets alter financial strategies? Do you have resources specifically designed to educate and inform each generation and their current life stage so they can confidently work with you on investment education, decisions, and strategy?

Opportunity: Reviewing your recommendations by generation can be informative to see how different life stages and generational preferences are being reflected in investment allocation. Every client still wants personalized recommendations, but taking into account their life stage and the study's generational discoveries can yield new insights that solidify connections.

Taxes are Viewed as a Significant Barrier

Just behind market volatility, taxes are ranked as the biggest barrier when it comes to reaching financial goals. This is very important for advisors to be aware of when engaging in conversations with clients. Learning about the tax impact of different investment strategies, types of accounts, timelines, and tax code changes is important for the affluent investor to understand and feel informed in their investment plans and decisions.

This is especially true as both Higher-Earners (28%) and High-Net-Worth individuals (30%) are significantly more likely than Affluent Americans (18%) to say that taxes are a major barrier preventing them from reaching their financial goals.

Strategy to Consider

Taxes can be confusing to clients at every income level. Do you have resources available for clients to learn about the tax implications of different investments, strategies, and plans? Are these resources available and effective for clients of varying levels of affluence and investment expertise?

Opportunity: Consider inviting a tax professional to provide a virtual or in-person informational session for your clients and their families. These sessions can be formal or informal and are a great way to show clients that you have resources available to help them think through the tax implications of their investments.

Have you considered implementing any of the following strategies?

1. Tax loss harvesting
2. Gain/loss matching
3. Deferred short-term gains

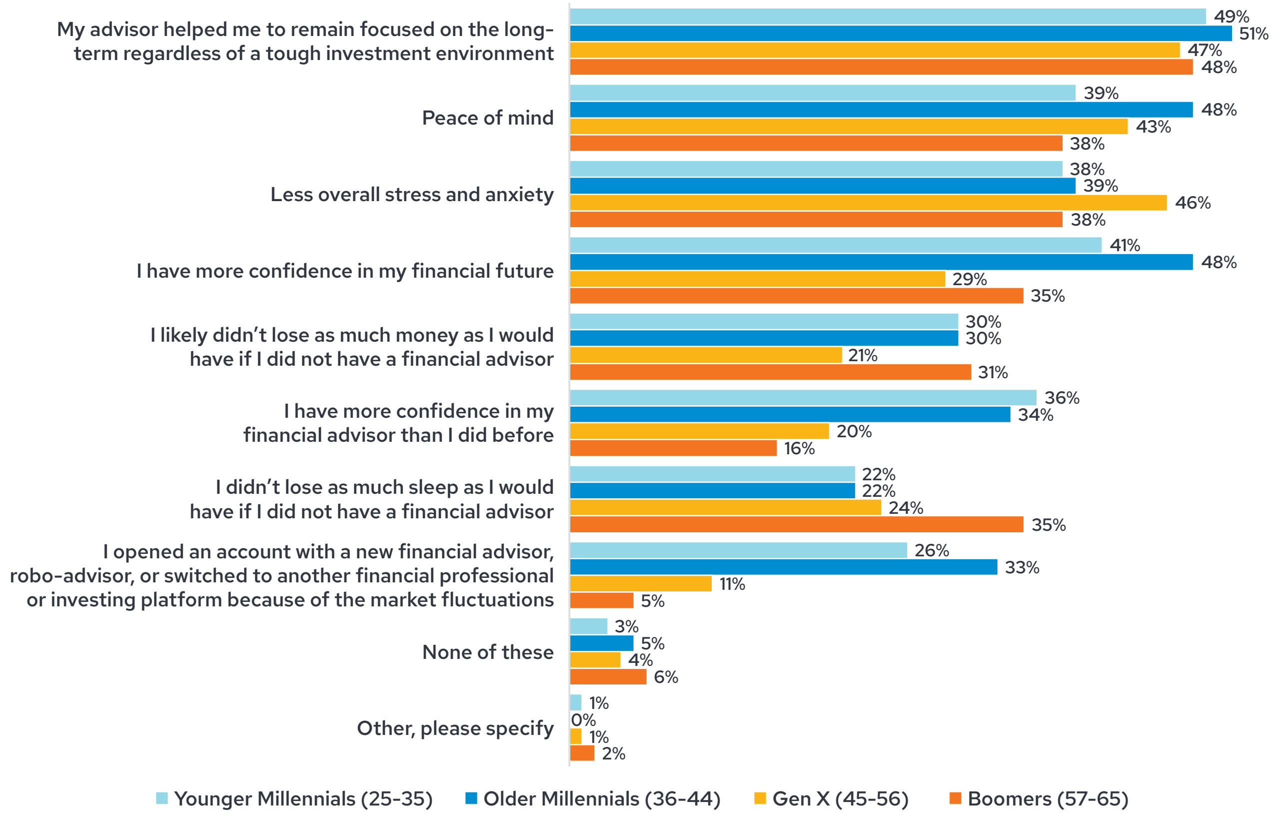
A Financial Advisor: The Investor's Touchstone

Maintaining confidence in times of market fluctuations and economic uncertainty can be difficult. During these times Affluent Americans say they turn to their financial advisor. **In fact, the research revealed that Affluent Americans were 13% more likely to acknowledge the positive impact of an investment advisor, and 9% more likely to have less overall stress by having a financial advisor than the general population.**

Generations have differing perspectives regarding how having a financial advisor has helped them during recent fluctuations in the market. Affluent younger generations were significantly more likely than Affluent older generations, to say that: (1) their advisor helped them remain focused on the long-term, (2) having an advisor gave them peace of mind, (3) they have more confidence in their financial future, (4) they have more confidence in their financial advisor than before, and (5) were more likely to have opened an account with a new financial advisor.

Affluent older generations were significantly more likely than Affluent younger generations to say that having a financial advisor helped during recent fluctuations in the market with (1) less overall stress and anxiety, and (2) they didn't lose as much sleep as they would have without a financial advisor.

How has having a financial advisor helped during recent fluctuations in the market?



The simple truth is the data shows that a financial advisor exerts a direct, positive influence on the financial health, wellness, and mindset of a client. Financial advisors should feel confident and optimistic about their role with clients, now more than ever.

Going deeper into the data, **High-Net-Worth individuals (48%)** are significantly more likely than **Affluent Americans (39%)** to say that having a financial advisor has helped them have more confidence in their financial future during recent fluctuations in the market. This once again highlights the connection and reliance on financial advisors from affluent investors to help them navigate change and uncertainty.

Strategy to Consider

Do you have a framework or conversational outline for helping clients navigate their emotions in times of volatility? What are the best practices you've found to help clients when they're worried about their portfolio or best serve them when they've reached a major financial milestone?

Opportunity: Consider integrating a simple question into your conversations with clients about how much stress, fear, clarity, or confidence they feel in their current financial situation. Make note of what they share and explore what they're looking for to feel more financially secure in their decisions, portfolio, and financial future.

SECTION 3

The Role of the Financial Advisor and Financial Planning

As a financial advisor, you are in a unique and important position to help clients make decisions on investments, retirement planning, major life financial decisions, saving strategies, inheritance, and so much more; the list is long. **Financial professionals are the most trusted resource for affluent investors.** Leveraging investor insights and financial technology for personalized conversations and investment strategies only increases that trust and connection with the client. The more you know about your clients, the better informed you are to offer them personalized recommendations that help them achieve financial wellbeing.

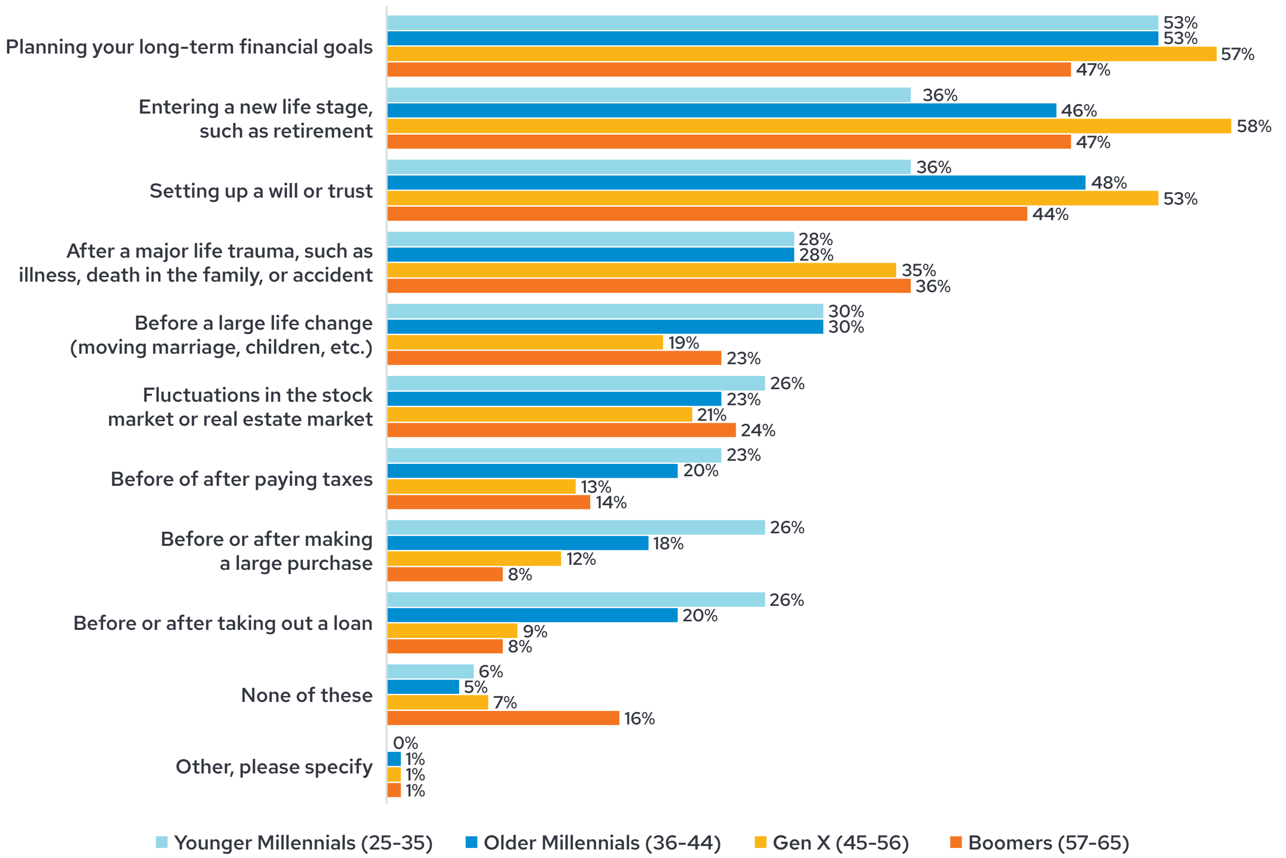
Generational Triggers for Seeking Financial Advice

The study revealed significant differences among generations and income levels when it comes to the drivers of why and when they engage a financial professional. Uncovering and understanding these events—and their intersection with generations and affluence—are essential pieces of information for an advisor to know, because it creates even more specificity around the clients' needs and helps tailor the conversation for greater impact.

The study found that Affluent older generations are significantly more likely than Affluent younger generations to consult with a financial professional when entering a new life stage, setting up a will or trust, and after a major life trauma.

Affluent younger generations, by contrast, are significantly more likely than Affluent older generations to consult with a financial professional before a large life change, before or after paying taxes, before or after making a large purchase, and before or after taking out a loan.

What event would drive you to consult with a financial professional?
Top Three Ranked



This highlights the distinct generational and life stage differences that influence demand for financial consultation. Younger generations are less financially experienced and therefore are motivated to seek financial help when confronted with life stage changes, like marriage, children, taking out a loan, or buying a house. Older generations are facing different life hurdles and milestones that require financial assistance, like retirement and illness. Generation and life stage play a major role in the anticipation of and need for financial assistance.

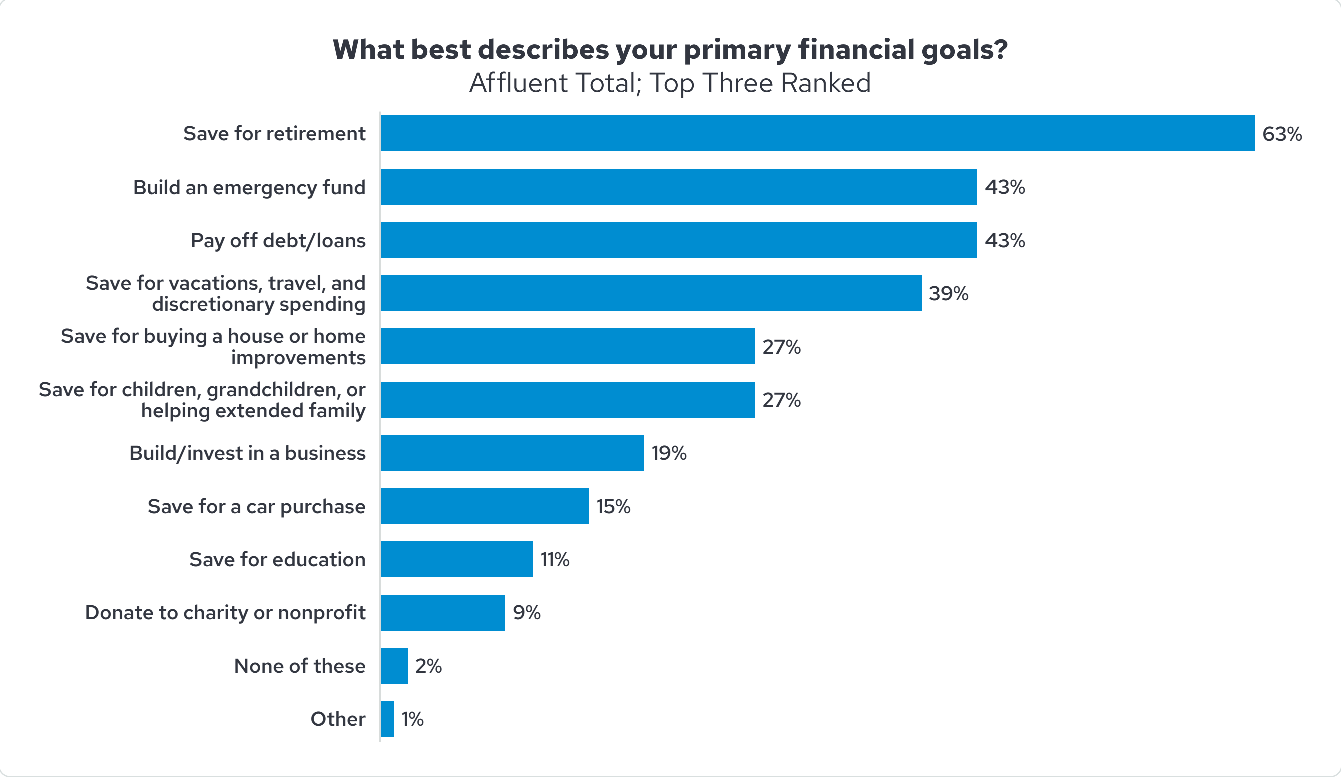
Strategy to Consider

Do you know the current life milestones of each client you serve? What about their primary family members? Have you spoken with clients about these milestones and how your investment advice aligns to these and supports their long-term goals?

Opportunity: Analyze your client milestones to identify those who might have a significant life event in the next two years. Proactively reach out to these clients to help them craft a financial plan to help make the milestone a smooth transition.

Retirement Planning is the Top Concern

Much like the factors that drive Affluent Americans to seek professional financial guidance, financial priorities can change over time. Life stage and degree of affluence can focus investment and financial decisions on specific goals that reflect those factors.



The research findings revealed that saving for retirement is by far the top primary financial goal for Affluent Americans across all generations (63%). The next two priorities were tied for build an emergency fund and pay off debt/loans. In terms of priority, retirement was an even higher top concern for both Higher-Earners and High-Net-Worth individuals than the overall affluent investor.

A strong majority of the Affluent older generations (69% of Boomers and 79% of Gen X) are significantly more likely to identify their primary financial goal as saving for retirement.

Interestingly, while younger generations have more time to start building their retirement than older generations—and gain the benefits of compounding that can go with earlier contributions—retirement planning is actually less of a priority for them than older generations in the study. **Instead, Affluent Millennials were more than twice as likely as Gen X or Boomers to rank build/invest in a business as their primary financial goal—perhaps indicative of the entrepreneurial mindset among this generation.** Do they think starting, building, and possibly selling a company is a better financial roadmap than choosing a more traditional career plan? Or maybe it is just a desire to be their own boss.

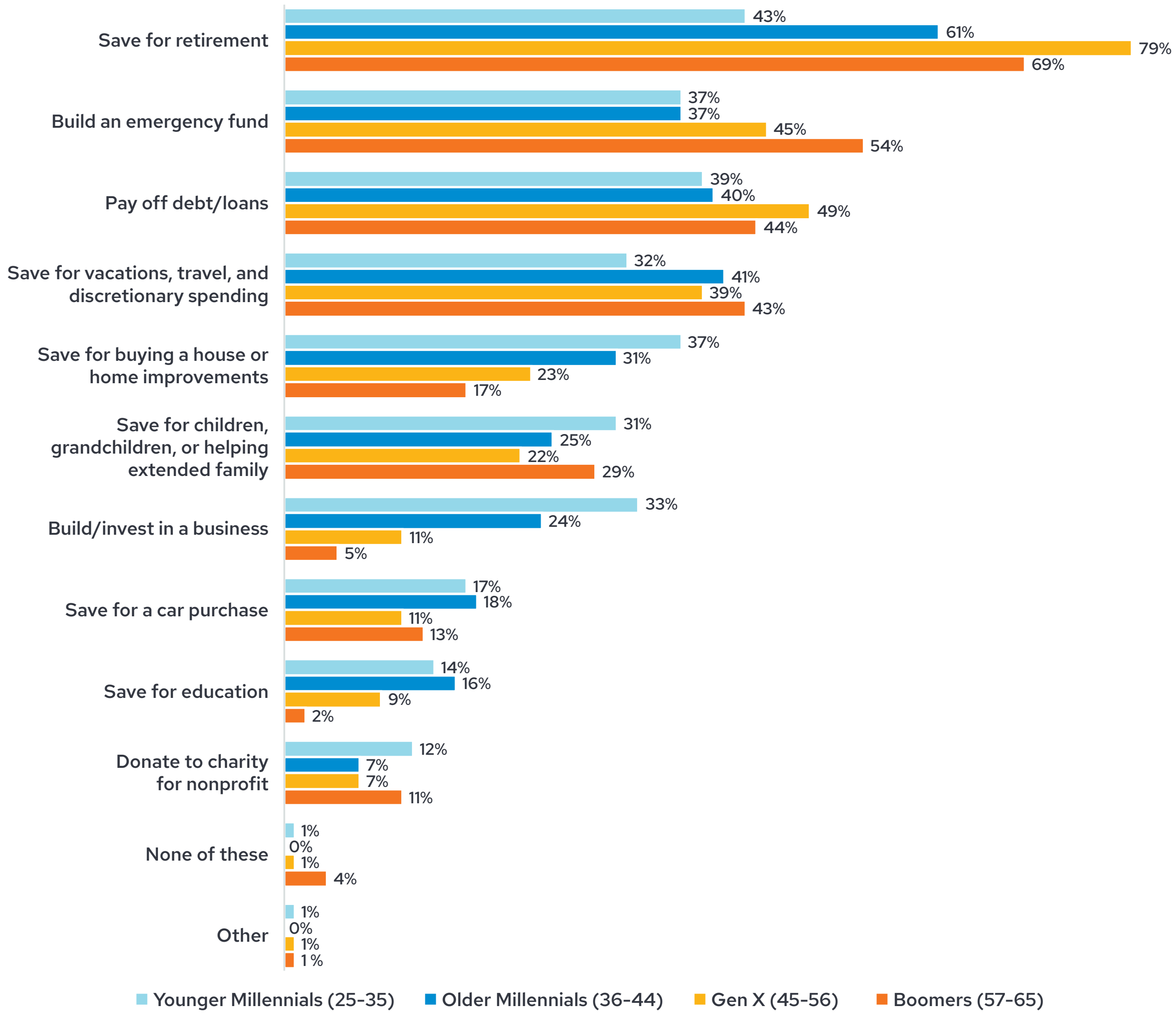
71%

of HNW individuals say retirement is their primary financial goal.

33%

of Younger Millennials say their #1 primary goal is building or investing in a business, **more than 6X that of Boomers (5%)**

What best describes your primary financial goals?
Top Three Ranked



Strategy to Consider

Do you offer resources for your clients that are helpful for both younger, aspiring entrepreneurs and those generations closer to retirement? Have you found any strategies that help younger generations start saving for retirement earlier? Have you discussed options for those working in less traditional roles where a 401k is not available?

Opportunity: Consider offering virtual or in-person information sessions to show how you can help clients who want to become entrepreneurs achieve their financial goals, as well as clients who are very close to retiring.

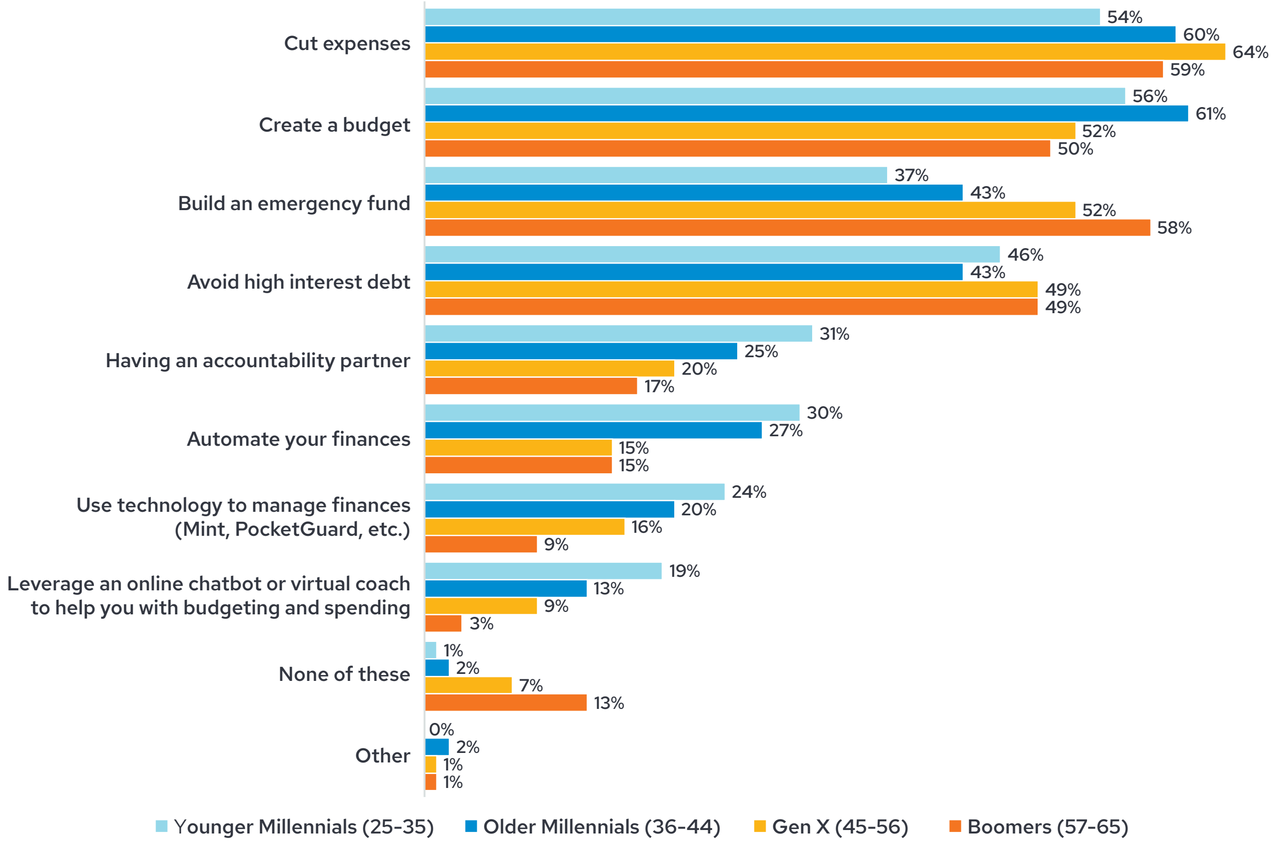
The Long and Short of Finances for the Generations

In response to a study question about actions that would make it easier to manage short- and long-term finances, the research team observed significant generational differences, namely about the strategies investors use to improve the ability to prioritize and manage short- and long-term finances. Having an established sense of generational priorities enables advisors to have a head start preparing for even the first conversation with new clients.

Short-Term Financial Views

In the study, younger Affluent generations revealed that their top short-term financial considerations included the need to cut expenses and create a budget. They also see strength in automating finances and want an accountability partner. In comparison, older Affluent generations also see the need to cut expenses, but they want to build an emergency fund and avoid high-interest debt.

Which would make managing your short-term finances easier?
Top Three Ranked



Long-Term Financial Planning

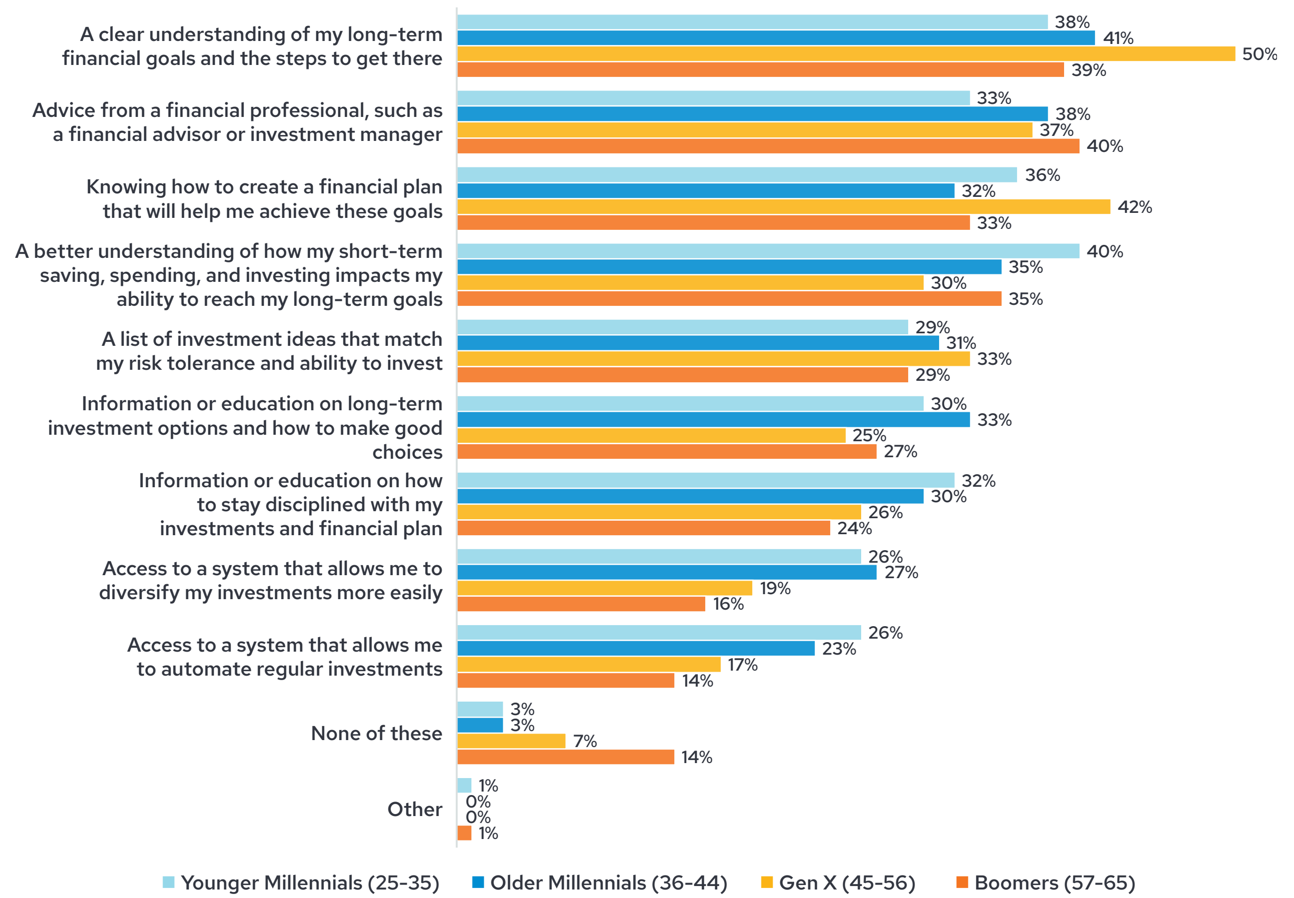
Younger Affluent generations want to know how short-term financial decisions connect to their long-term financial goals. They also want information on how to stay disciplined and gain easier access to automation. For older Affluent generations, they are seeking a clear understanding of their long-term financial goals, and they want a set of clear steps on how to get there.

1 in 2

Affluent Gen X investors want to have a clear understanding of their long-term financial goals and steps needed

Which would make managing your long-term finances easier?

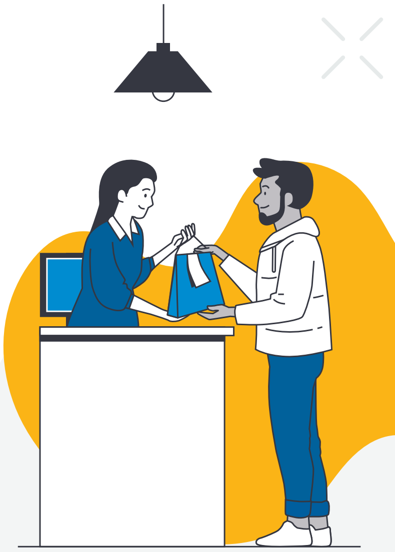
Top Three Ranked



Strategy to Consider

As part of your annual client conversations, do you review daily financial behavior as well as long-term planning? Do you ask clients to share both their short-term and long-term financial goals? Is there a simple tool you could create or use to facilitate these conversations as goals and priorities change over the years? Documenting this change and readjusting for it annually can provide clarity and confidence to clients as their needs and experiences evolve. Leveraging technology can bring together the short-term and long-term financial goal planning.

Opportunity: Consider taking note of whether clients are more focused on short-term or long-term goals during your conversations. This insight can provide great clues on where to focus future conversations while also providing opportunities to connect the two.



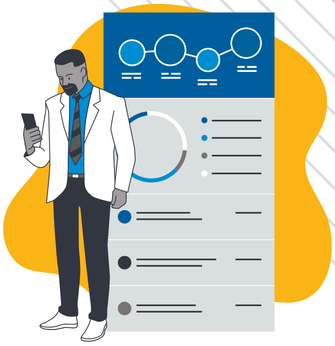
The Digital Experience Matters

Just as preferences and goals around short- and long-term finances vary by generation, so too does the frequency with which each generation engages with their overall financial picture. The goals and data vary by client, but there is a strong need to offer an engaging digital platform or client portal, especially for younger and more affluent investors.

As we discovered, there has been a significant increase in how often investors are reviewing their financial picture in just a one-year period, representing a shift towards higher financial engagement as economic and market confidence wanes. As we dug deeper, age and income/net worth trends began to emerge. In 2023, 79% of Affluent Younger Millennials review their total net worth monthly or more often, compared to only 57% of Boomers. Clearly younger Affluent generations are leading the way when it comes to financial engagement. We are also seeing an increase in activity for the uber affluent set. It's no surprise that the more assets you have, the more likely you are to keep an eye on them regularly. It's no surprise that the more assets you have, the more likely you are to keep an eye on them regularly.

Why is this important? There is a clear need for advisors to have a strong and dynamic digital presence given the level of activity and engagement with younger investors and the uber affluent.

However, digital isn't everything. When asked how they would most prefer to work on or manage their personal finances on a ten-point scale, Affluent Americans slightly prefer human interactions over online only management. The uber affluent lean even more towards human interactions. Clearly both digital and human management strategies are critical to Affluent Americans' financial needs.



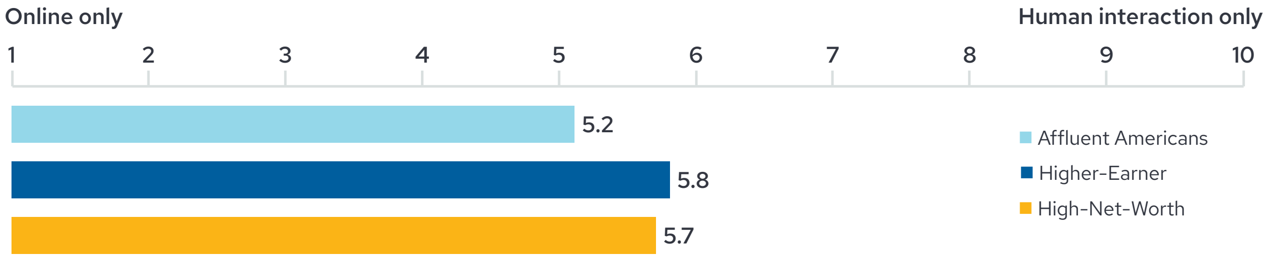
70% of Higher-Earners and 76% of HNWI

are more likely than Affluent Americans (65%) to review their total net worth monthly or more often.

66% of Higher-Earners

wish there was a technology that would just handle their personal finances for them.

How do you prefer to manage your personal finances?
By Affluent Total; by Average



Strategy to Consider

How customized are your financial management strategies for your clients? Do your clients feel supported by both the convenience of a digital financial system along with the trust and security of a human advisor?

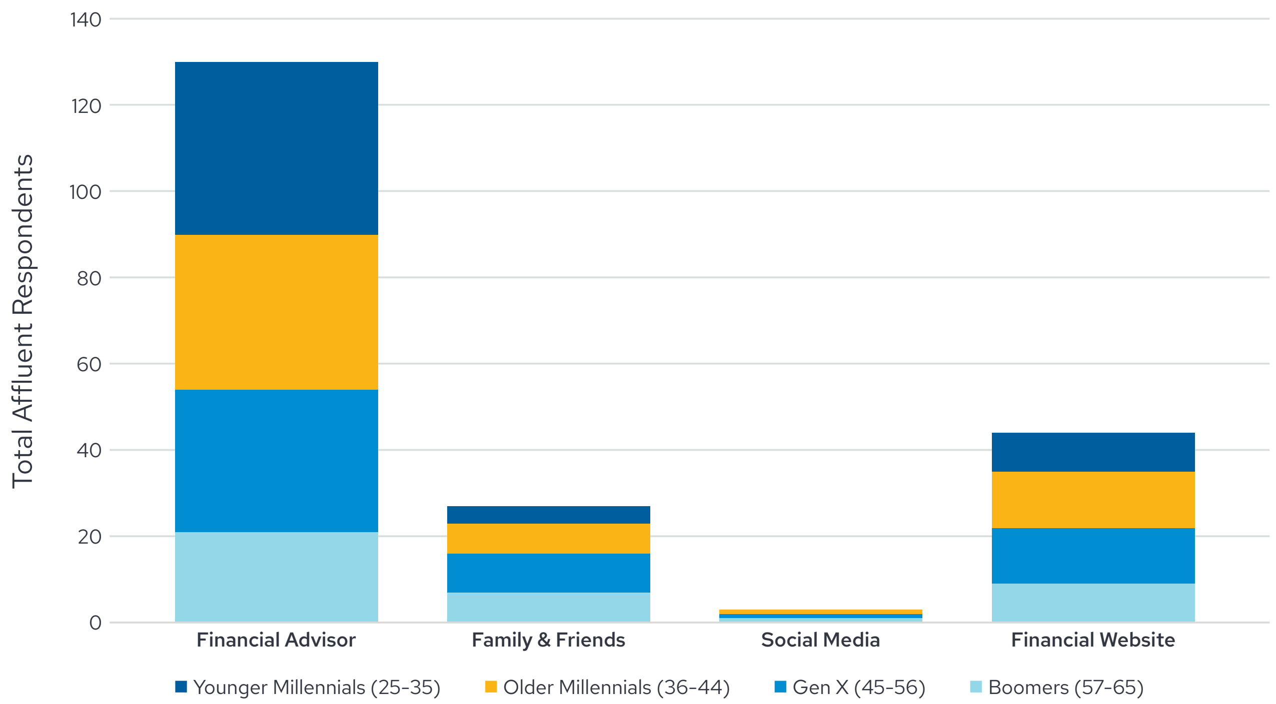
Opportunity: Consider offering clients a personalized balance of digital and human interaction across their financial management based on their age, income, preferred level of engagement, risk tolerance, digital literacy, and overall trust in each.

Affluent Americans Trust Financial Professionals for Financial Advice

In a key closing discovery, the study revealed that Affluent Americans most trust financial professionals for all financial activity related to planning, investing, or saving. In fact, the trust and credibility of financial professionals from Affluent Americans only increases with higher levels of household income. This relationship between the client and their financial professional is clearly the most important one to inform and influence financial decisions. This is why understanding your clients—how they think and what life stage they are in—is key to building and maintaining a successful practice.

Among Affluent investors, financial professionals or advisors are seen as the most trusted source of help or advice for retirement planning when compared to any other sources (e.g., social media, friends and family, digital brokerage tools, personal financial management apps, etc.). **For High-Net-Worth individuals, this percentage increased by almost a half (44%).**

Financial advisors are #1 most trusted source for retirement planning

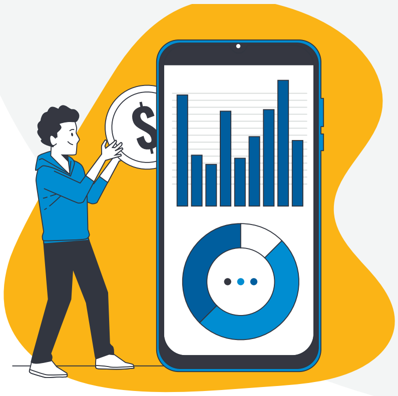


Investment decisions immediately followed retirement in the ranking, as Affluent investors rated financial professionals or advisors as their most trusted source for financial advice. Among High Earners and High-Net-Worth individuals, this percentage also increased.

When it comes to saving money, financial professionals or advisors were also listed as the most trusted source for Affluent investors, Higher Earners, and High-Net-Worth individuals.

The key takeaway for financial professionals: Your clients are counting on you more than anyone else to help them reach their financial goals.

Financial advisors are trusted 3x more than online brokerage tools by Affluent investors.



Strategy to Consider

How are you reinforcing that clients can trust you more than other sources of financial information? Are you sharing your latest certifications and integrating the best technology to serve their needs and letting them know?

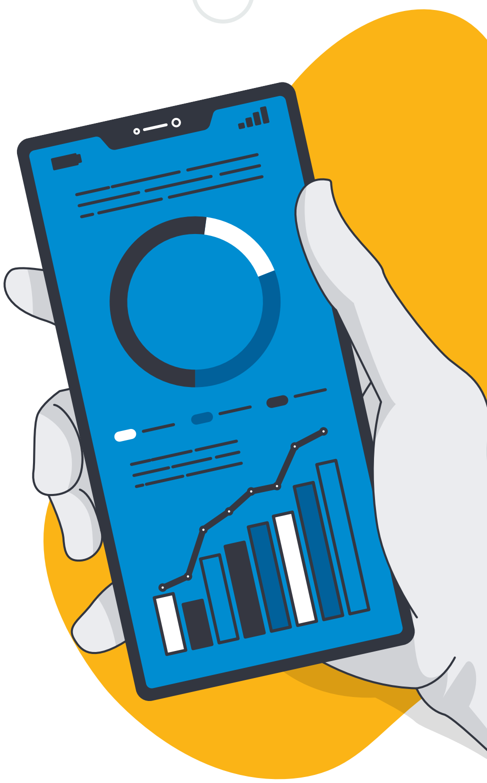
Opportunity: Consider how a new potential client would determine if they can trust you as their financial professional. List the seven reasons that make you trustworthy to a new introduction who is not familiar with you. Integrate these into your marketing materials and informational resources to share why you're the right advisor for a new client's needs.

The Top 6 Discoveries from Our National Study

Envestnet and its research team led this unique national study to assess the perspective, motivations, concerns, and priorities of affluent America. The team extensively analyzed the findings to look deep into variables from degree of affluence to generation. The researchers also analyzed distinctions that affect short- or long-term financial goals, investing preparedness, current investor hot buttons, and perceived obstacles Affluent Americans fear may keep them from their financial goals.

Below are six research discoveries that bear highlighting because they reinforce the importance of financial advisors during this time of uncertainty and dynamic markets:

1. In 2023, Affluent Americans feel significantly less secure in their current financial situation (59%) compared to 2022 (72%).
2. During recent fluctuations in the market, having a financial advisor has helped Affluent Americans most by remaining focused on the long-term regardless of the challenging market environment.
3. Saving for retirement is by far the top primary financial goal across all generations of Affluent Americans.
4. Planning long-term financial goals, entering a new life stage, and setting up a will or trust would most drive Affluent Americans to consult with a financial professional.
5. 73% of Affluent Americans are concerned about the security of their financial data.
6. Financial professionals are the most trusted source for all financial activity for Affluent Americans.



Envestnet is dedicated to helping advisors accelerate growth and productivity through connected technology, insights and solutions. We'd love to talk to you about our hyper-personalized, intelligently connected, and frictionless ecosystem that brings together a spectrum of services to help you deliver personalized solutions at scale for your clients.

Learn more

About the National Study's Co-Authors

About Envestnet

Envestnet is transforming the way financial advice is delivered through an ecosystem of technology, solutions, and intelligence. By establishing the connections between people's daily financial decisions and long-term financial goals, Envestnet empowers them to make better sense of their finances and live an Intelligent Financial Life™. With $5.4 trillion in platform assets—more than 107,000 advisors, 16 of the 20 largest U.S. banks, 48 of the 50 largest wealth management and brokerage firms, more than 500 of the largest RIAs, and thousands of companies, depend on Envestnet technology and services to help drive better outcomes for their businesses and for their clients.

Envestnet refers to the family of operating subsidiaries of the public holding company, Envestnet, Inc. (NYSE: ENV). For more information, please visit www.envestnet.com, and follow us on LinkedIn and X (@ENVintel).

Envestnet is fully vested in empowering advisors to deliver the Intelligent Financial Life™.

About The Center for Generational Kinetics

Research | Speaking

The Center for Generational Kinetics, LLC (CGK) is the leading custom research and speaking firm focused on hidden generational change, must-know emerging trends, and behavioral insights. We have led more than 100 custom research studies for clients around the world. CGK's team has worked with over 700 organizations, from the most innovative technology companies to financial services, banks, retailers, hospitality, and private equity. The firm's latest bestselling book is *Zconomy: How Gen Z Will Change the Future of Business.* Learn more about CGK's pioneering research, including their team's 200+ TV appearances, at GenHQ.com.

National Study Methodology

The Affluent National Study included 1,500 U.S. participants ages 25–65. Two-thirds (1,000) of participants had an annual household income or household net worth of $100K or more. Two segments were oversampled. First, we added 250 participants in the Higher-Earner category. These individuals had an annual household income of $200K or more individually or $300K or more with a spouse/partner in each of the past two years. Second, another 250 participants in the High-Net-Worth category were also added. These individuals had a net worth of $1M or more (excluding primary residence) individually or with a spouse/partner. The national study was weighted to the 2020 U.S. Census for age, region, gender, and ethnicity. Figures are statistically significant at the 95% confidence level and the margin of error is +/-2.53%. The national study was conducted online from March 29, 2023 to April 25, 2023.

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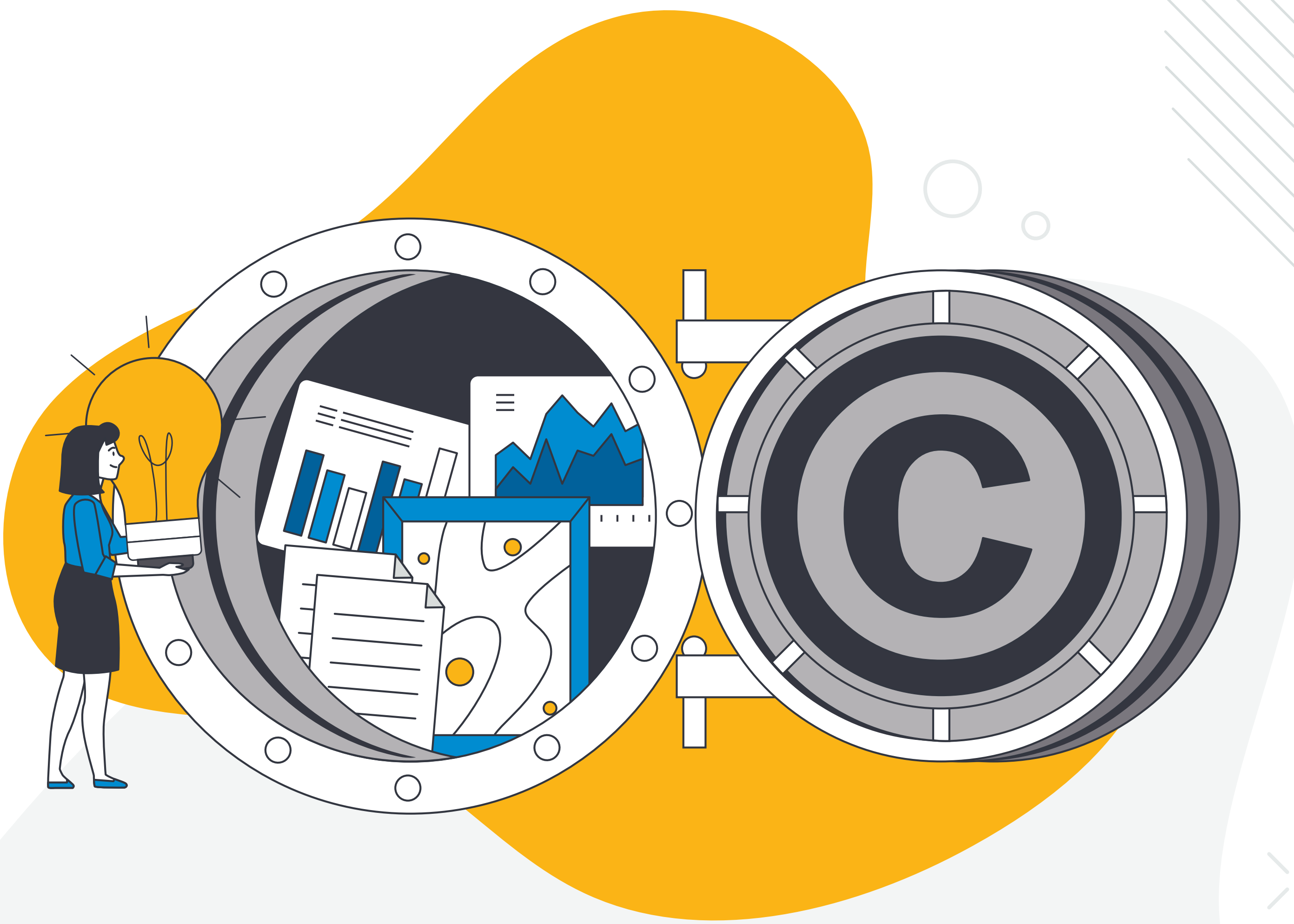

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