



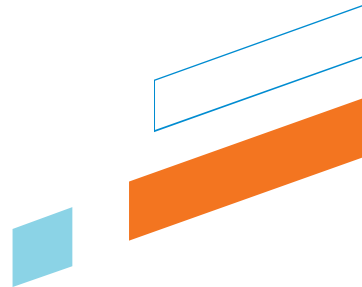
ENVESTNET

The Advisor's Playbook for Leading Your Clients Forward

How the industry will change post-COVID-19, and actions you can take to position yourself as an essential advisor and trusted partner in helping clients achieve financial wellness.

In this guide, we'll cover:

1. Notable trends over the beginning of the pandemic based on Envestnet data.
2. How the industry is changing as a result of the pandemic.
3. How you can position yourself as an essential advisor and trusted partner.
4. How to build a more sustainable practice and help more people achieve financial wellness.





COVID-19 is redefining the way we live.

The impact will be far-reaching.

To continue to prosper and help more Americans achieve financial wellness, the financial services industry will evolve. Your practice will need to evolve too.

We are planning for a different future.

In this time of uncertainty, you have the opportunity to provide a much-needed human connection and valued insights that can bring hope and stability to individuals, families, and communities.

The famous English author Samuel Richardson wrote, "Necessity may well be called the mother of invention, but calamity is the test of integrity." These words ring true as our industry adapts and evolves. It is our time to lead and we are all in this together.



A handwritten signature in white ink, appearing to read "Bill Crager". The signature is stylized and fluid.

Bill Crager
Chief Executive Officer

What We Saw

A review of some of the noteworthy trends we observed during the beginning of the pandemic.

With significant job losses, concerns about health, school closures, and intense media coverage, consumer and advisor behavior shifted.

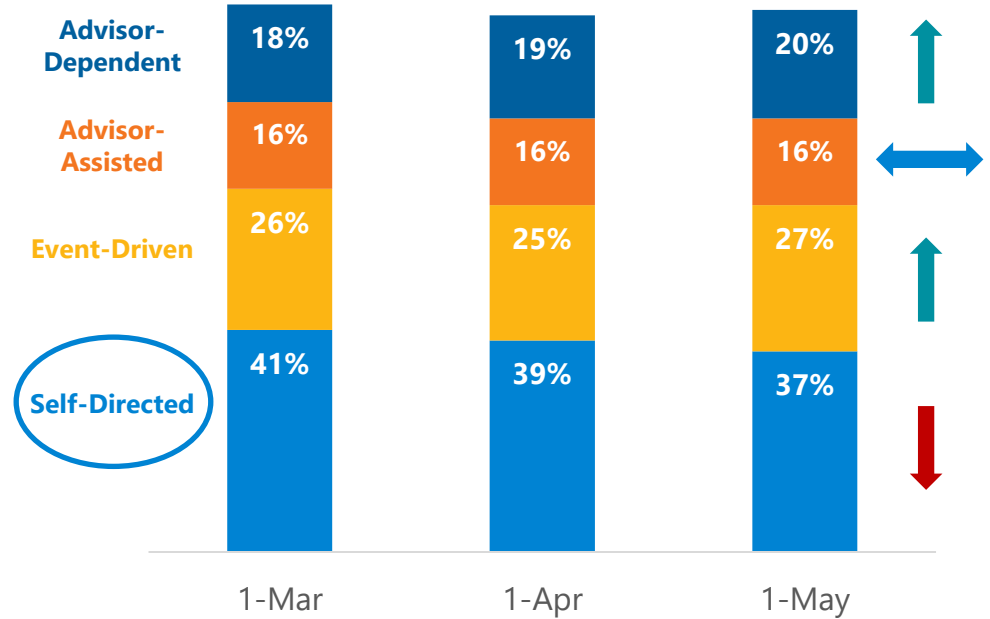
At the onset of the pandemic:

- Consumers increasingly sought out advice from advisors, becoming more advisor-dependent and shifting from a self-directed model.
- Advisors acted on behalf of their clients, making small changes to their portfolios, harvesting tax losses, and fine-tuning risk tolerances, while generally keeping them invested to meet their objectives.
- Investnet data indicates that clients have been highly satisfied with how their advisors have been working through the crisis—we see no significant change in the hiring or firing of advisors.
- Overall, consumers cut back on their spending, particularly on travel and entertainment, with a short-term bump in spending for recipients of stimulus payments.

Investnet Analytics, Advisor Insights Weekly Updates: April 6 – April 10 blog post., Investnet Analytics, Advisor Insights Weekly Updates: June 14 – June 19 blog post. Investnet | Yodlee COVID-19 Income and Spending Trends.

During the COVID-19 crisis, more people turned to professional advisors for guidance.

Investor / Advisor Dependency

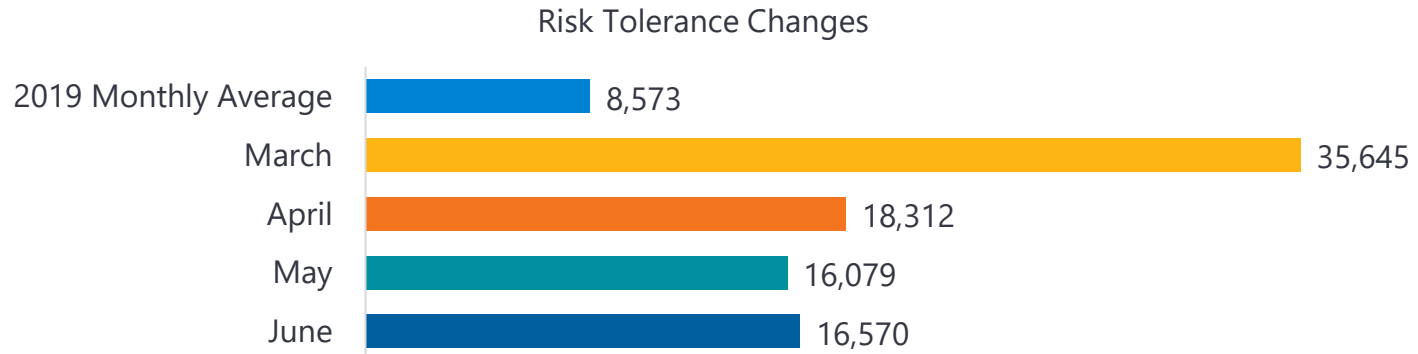


Source: Spectrem Group, "Corona Crash: What Advisors Should Be Saying To Investors Now," March - May 2020.

Advisors doubled activity during the initial period of volatility, sticking to client objectives while managing risk and taxes.

The number of client risk tolerance changes is a proxy for how advisors and clients engaged around risk conversations. The number of changes, generally toward more conservative risk preferences, peaked in March (4x) and continued higher in April (2x).

[Review our latest insights.](#)



Advisors were active during the March sell-off.

As stock markets tumbled and bond prices soared, advisors were very active, both rebalancing portfolios and moving assets between active and passive strategies, while using the time to realign client portfolios with their objectives.

Rebalancing	2019 Monthly Average	Crisis Monthly Average	Crisis vs. 2019
ETF to ETF	4,760	29,811	526%
MF to MF	6,558	33,708	414%

Active/Passive	2019 Monthly Average	Crisis Monthly Average	Crisis vs. 2019
MF to ETF	2,559	16,106	529%
ETF to MF	2,181	8,309	281%

- 1 Activity as a whole increased dramatically. While trading between ETFs saw a larger percentage increase in volume, there was still more aggregate activity in advisors moving from one mutual fund to another.
- 2 Continuing the trend we've seen for some time, advisors used this as a time to move their clients from active mutual funds into lower-cost, passive ETFs.
- 3 There was, surprisingly, a significant increase in the number of trades moving from passive ETFs to active mutual funds, possibly signaling that advisors saw the sell-off as an opportunity for active managers to outperform during the eventual recovery.

[Review our latest insights.](#)

Cash spiked in March, but advisors have slowly reduced cash levels.

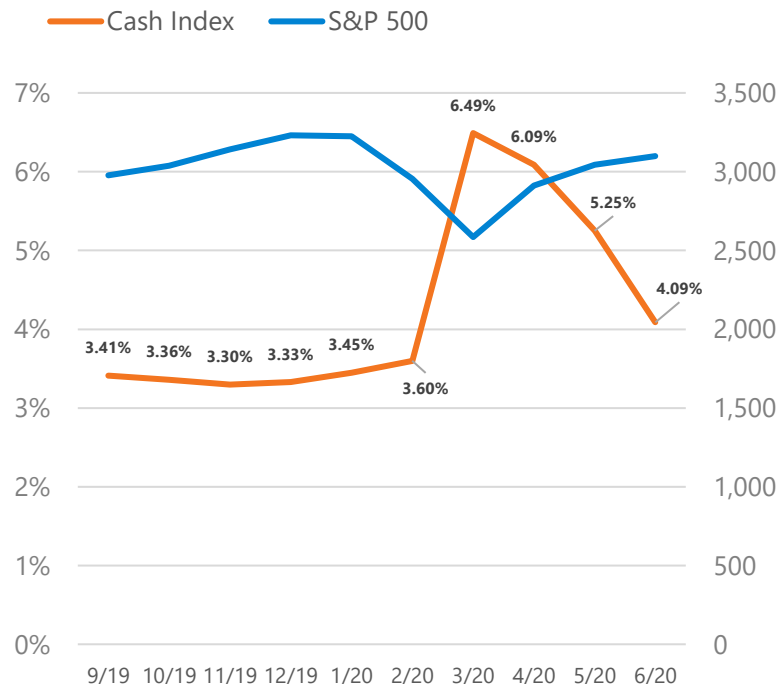
Cash / cash equivalents are still roughly 2x the average but have remained largely flat since early April.

Advisors are slightly favoring less risky assets over risky assets, which is more in line with historical views on risk.

[Review our latest insights.](#)

Cash Levels Index

Notes: The Cash Levels Index is the sum of cash and cash equivalents as a percentage of AUM.

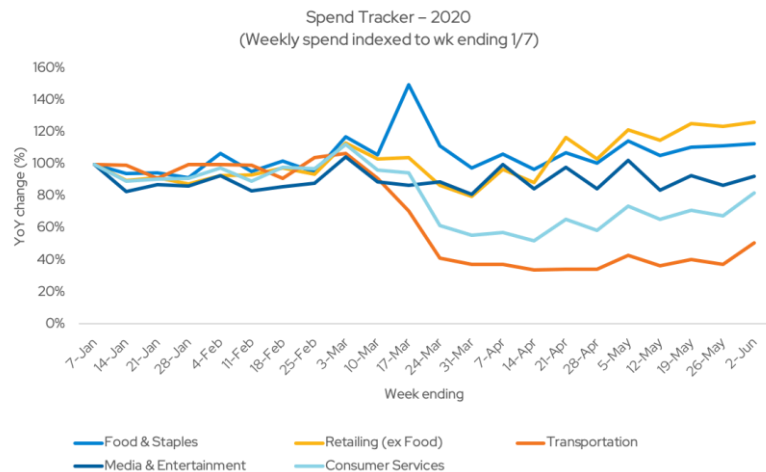
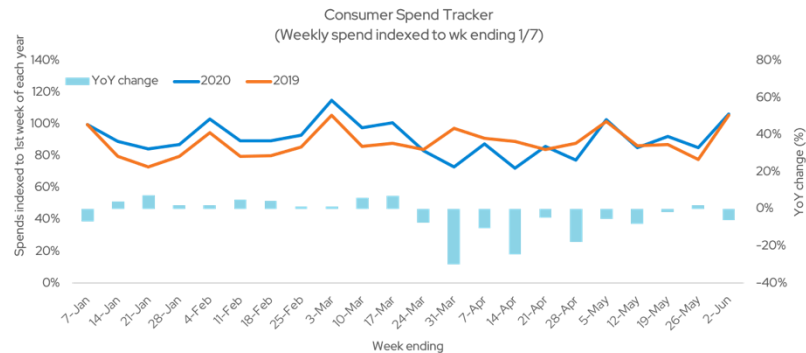


Date Up Through:06/01/2020

Discretionary spending changed course during the early months of the pandemic.

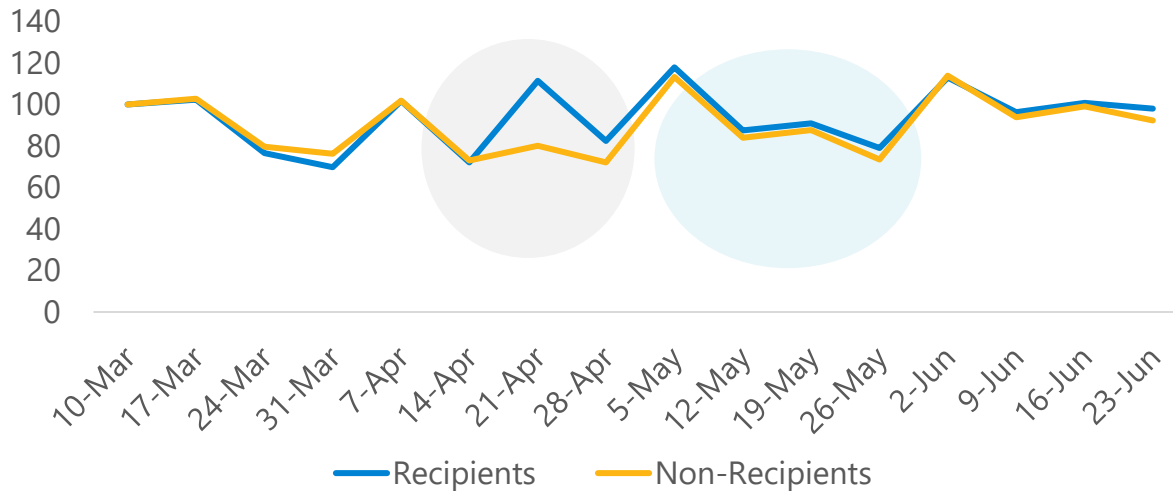
- Overall discretionary spending in 2020 started to diverge from 2019 in the week ending 3/17.
- Spending on food/staples spiked the week ending 3/17 and has remained elevated, while spending on most other sectors has softened.
- Federal stimulus payments contributed to a short-term spending hike for recipients.

Investnet | Yodlee COVID-19 Income and Spending Trends.



Following the initial spike, the stimulus recipient group's spending levels dipped to similar levels of non-recipients.

Discretionary* spending indexed to week ending 3/10



[Review the latest data.](#)

There was a definite spike in spending by stimulus recipients in the first week after receipt (ending 4/21), with some incremental spending in the second week (ending 4/28).

Following the initial spike, the stimulus recipient spending levels have trended towards similar levels of those that had not received the stimulus payment.

**Discretionary expenses include expense categories such as Automotive/Fuel, Communication, Electronics/General Merchandise, Entertainment/Recreation, Groceries, Healthcare/Medical, Home Improvement, Personal/Family, Pets/Pet Care, Restaurants, Subscriptions/Renewals, and Travel and Other Miscellaneous Expenses.*

Investnet demonstrated the power of cloud-based technology and its teamwork during a period of record volume.

	Average Monthly (Based on data from 2019)	March 2020	% Increase
Mega Block Trading Volume	116M	319M	175%
Trade Orders	4.3M	22.7M	428%

	Total 1Q 2019	Total 1Q 2020	% Increase
New MoneyGuide Portal Users	59.6K	83K	39%
Existing MoneyGuide Portal Users	225K	323K	44%
Tamarac Client Portal Logins	557K	804K	44%

Observations based on data from Investnet, Investnet | Tamarac, Investnet | MoneyGuide.

Life before the pandemic was one way. Life after will be another.

We believe the industry will change in very significant ways:



A new level of trust and relevance are the currency of valued engagement



Digital becomes more human



Families and communities lead the way that life gets redefined



Redefining what it means to be prepared



The fusion of health and wealth



Creating a new playbook for a sustainable business

We've outlined key actions you can take to better serve your clients, differentiate yourself in a changing marketplace, and position yourself as an essential advisor and trusted partner.

TRUST

A New Level of Trust and
Relevance Are the Currency of
Valued Engagement

Cut down on the noise

Americans have been inundated with information throughout the pandemic, driving concern about what's fact versus fiction.

Offer advice reinforcing your:

- Empathy
- Trustworthiness
- Expertise



Apply appropriate interpersonal skills—empathy, active listening, meaningful questioning—to maintain client confidence.*

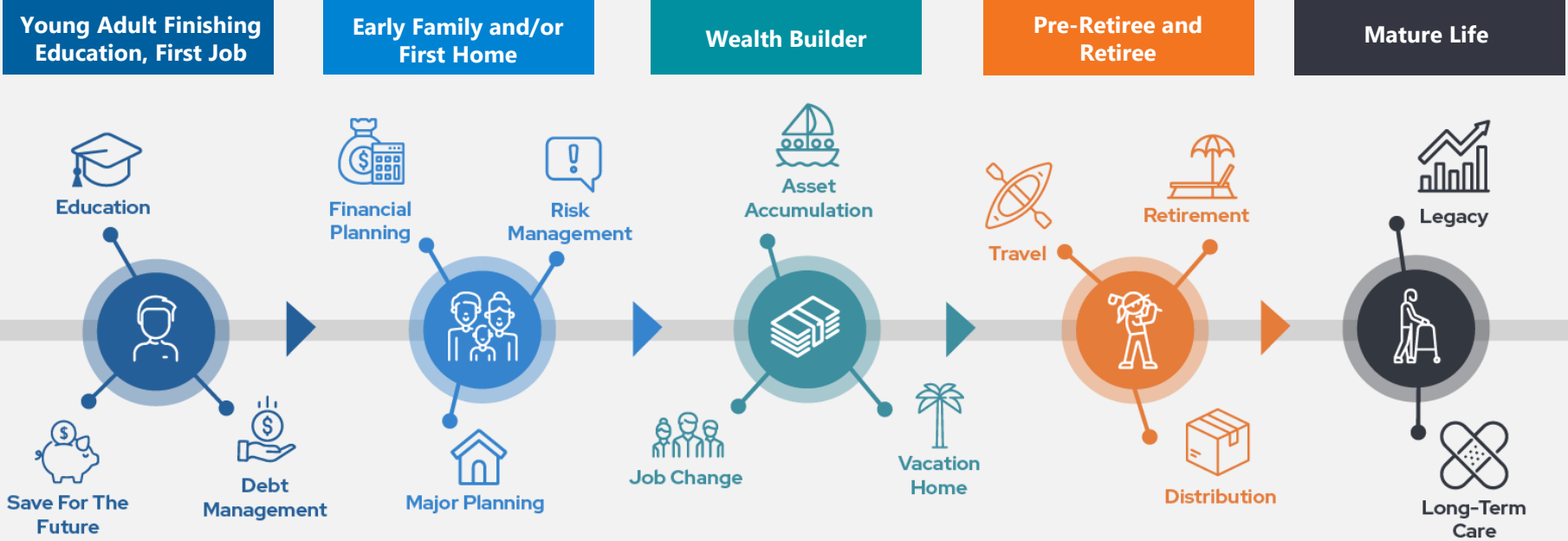


Understand your clients' willingness to share private information securely in exchange for content that is customized, timely, relevant, and fact-based.

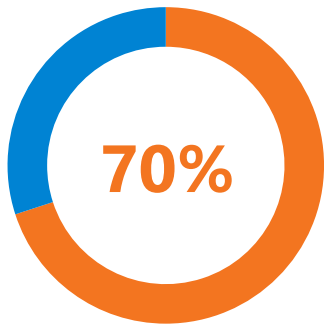


Demonstrate an increased focus on privacy and safety so clients know that their information is secure.

Build trust by demonstrating empathy and an understanding of each client's journey, priorities, and values.



Personalized advice is the real driver of value for clients.



>70% of wealth management clients see highly personalized service as a factor in deciding whether to stay with their current advisor or switch to another firm.

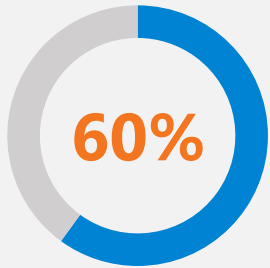
75% of clients indicated that they want their advisor to send updates that are personalized to them.

Specifically, clients expressed interest in:

- News articles
- Statistics
- Visuals relevant to their portfolios

67% of clients with <\$500,000 AUM and 47% of clients with >\$500,000 AUM indicated that **more frequent and/or personalized advisor contact would result in more confidence in their financial plan.**

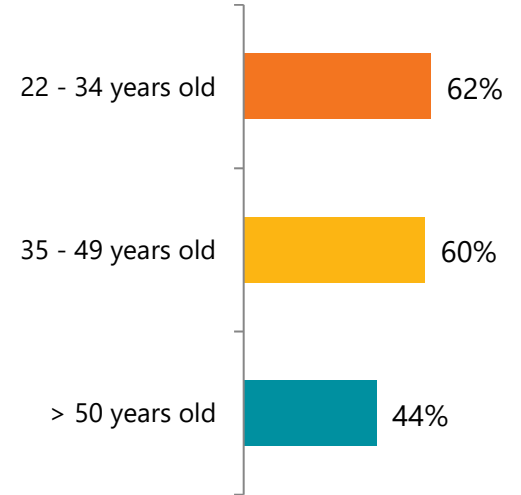
Consumers are willing to share their personal information to receive personal advice.



60% of consumers aged 22-49 were willing to share their information in order to receive personalized advice.

Consumer Willingness to Share Personal Information With a Financial Coach

% Possibly to Definitely Willing To Share



Data aggregation is the foundation for holistic financial advice.

Combine the power of technology and human guidance by capturing household-level data, populating financial planning and investment proposals, and obtaining greater clarity into how to improve financial outcomes:

- Easier to improve outcomes and quantify benefits
- Greater level of plan success
- Easier to avoid investment risk
- Turn data into insights and insights into actions

Data aggregation plays a key role in:

financial planning

asset allocation

reporting

rebalancing

risk tolerance

Money Management Institute, "Modern Wealth: The Roadmap to Improved Investor and Advisor Outcomes," March 2019.

What can you do to deliver relevant information and build trust?

Your Clients

Lead with empathy.

Share only what is relevant. Remember that clients are on information overload.

Reinforce privacy and provide transparency into how you use and protect data so clients know their information is secure.

Your Practice

Employ appropriate security measures to safeguard sensitive information.

Deliver personalized experiences that demonstrate your understanding of each family's unique needs.

Your Technology

Implement a delivery system based on clients' priorities and preferences.

Leverage data to create meaningful segmentation and benchmarking.



PREPARATION

Redefining What It Means
to be Prepared

Provide customized preparation.

The speed and breadth of job losses and unemployment shocked individuals, healthcare systems, school systems, government institutions, and companies large and small.

Facing new levels of caution, preparation is becoming highly customized for both individuals and businesses.



Offer collaboration and shared control over the planning process.



Provide virtual learning opportunities to enhance financial literacy.



Simplify the planning process, personalizing it to specific goals, concerns, and needs.



Leverage gamification to increase engagement and attract younger generations.



**“What should I do?”
That’s the essential question
right now. Advisors need to be
prepared to answer that
question for their clients,
providing critical support and
guidance.**

Understand your clients' financial concerns.

Put their concerns in perspective with advanced scenario planning and risk tools.

Top Client Concerns During COVID-19 Pandemic	Total
Managing volatility	74%
Protecting assets	72%
Liquidity	35%
Unemployment or reduced income	34%
Saving enough for retirement	29%
Falling interest rates	10%
Taxes	9%

Now more than ever, investors want to leverage the power of financial planning.

Increased Use of Investnet | MoneyGuide

Client portal usage is a measure of client engagement.

+39%

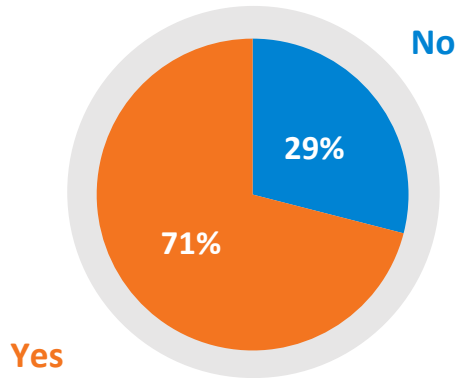
Client portal usage among **new** clients **increased 39%** in Q1 of 2020 versus the same period in 2019.

+44%

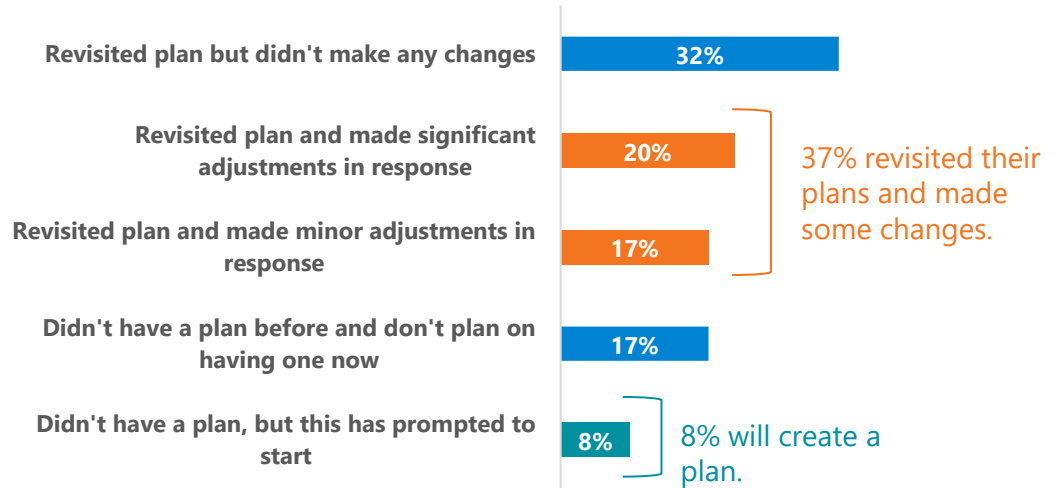
Client portal usage among **existing** clients **increased 44%** in Q1 of 2020 versus the same period in 2019.

Most Americans think their financial planning needs improvement and are revisiting their plans or creating one for the first time.

Americans Who Think Their Financial Planning Needs Improvement



COVID-19's Impact On Americans' Approach To Financial Planning

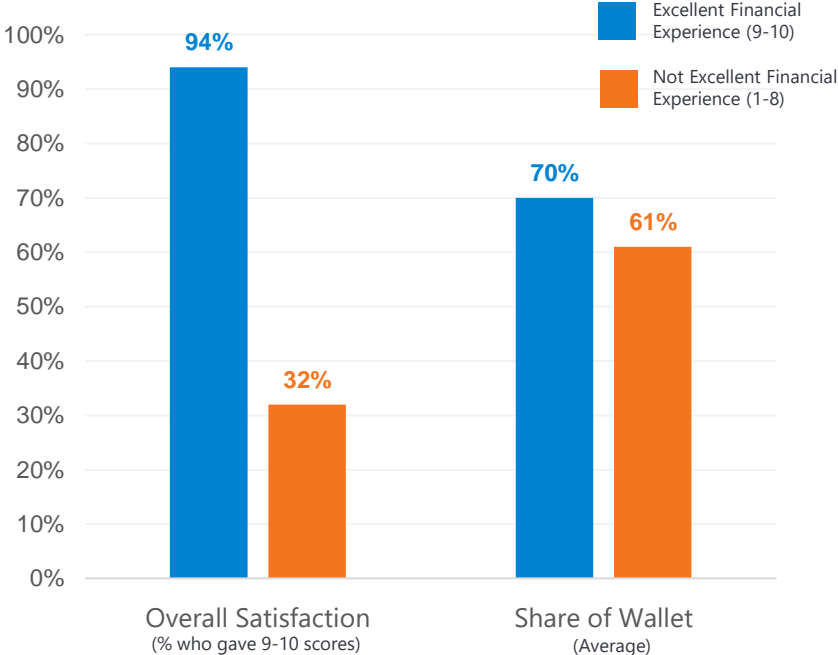


Northwestern Mutual, "2020 Planning & Progress Study: Americans' Financial Response to COVID-19," June 9, 2020.

Northwestern Mutual, "2020 Planning & Progress Study: Fragile Financials," April 2020.

High net worth clients who have an excellent financial planning experience report higher satisfaction and hold a higher share of wallet with their primary wealth manager than those who do not.

The quality of the financial experience has tangible effects on other metrics.



Money Management Institute and AON, "Advisory Solutions: Expectations and Experiences, Part 2: Harnessing Generational Differences Across the Financial Planning Process," June 18, 2020.

By frequently contacting your clients, you'll increase their confidence in their financial plans.

Increased client inquiries

78%

of CFPs reported **an increase in client inquiries** during the COVID-19 pandemic.

Desire for proactive outreach

75%

of investors agreed that it is important for their advisor to **anticipate questions they may have** and reach out proactively.

Increased confidence from frequent & personalized communication

66%

of investors who are infrequently contacted felt that **more frequent and personalized communication would give them more confidence in their financial plan.**

How to talk to clients and prospects:

1. Leverage digital tools to actively engage the whole household in the planning process so they feel confident about the future.
2. Make emotional connections beyond their finances.
3. Openly discuss feelings about their own preparedness.
4. Assess risk comfort levels and adjust plans accordingly.



Add value by keeping clients focused on the long term and taking advantage of current opportunities.

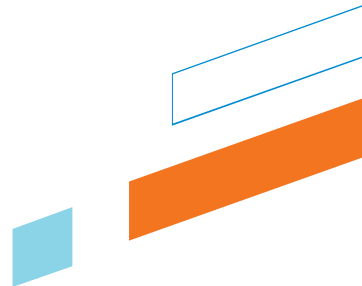
- ✔ Revisit the “Am I On Track?” conversation.
- ✔ Help clients adjust their budgets as necessary.
- ✔ Make 2020 Roth conversions if markets are low.
- ✔ Create a game plan for what happens if emergency reserves run dry.
- ✔ Consider reducing and/or temporarily eliminating payments that don’t have to be made.
- ✔ Put refunded 529 plan funds back into the 529 plan via rollover.
- ✔ Use a Qualified Health Saving Account Funding Distribution (QHFD) to fund their Health Savings Account (HSA).
- ✔ Help business owners balance employee benefits with budget considerations.
- ✔ Fix a previously “unfixable” asset location problem.
- ✔ Revisit clients’ healthcare proxies, living wills, and other advanced directives.

Michael Kitces, “10 Planning Conversations To Help Clients Now During The COVID-19 Pandemic,” March 25, 2020.



An emergency checklist for your clients.

- Do you know where your financial documents are stored?
- Do you know how to access your client portal and all of your financial accounts?
- Are your beneficiaries up to date?
- Is your Power of Attorney up to date?
- Is your will up to date?



What can you do to be prepared?

Your Clients

Openly discuss concerns and feelings about preparedness.

Review clients' financial plans with them once a year, or after any major life or goal changes.

Assess risk comfort levels and adjust plans accordingly.

Actively involve clients in the planning process so they feel confident about the future.

Your Practice

Ensure every client has an updated financial plan.

Simplify the planning process, personalizing it to specific goals, concerns, and needs.

Leverage partnerships to stay on top of changes in tax laws and incentives and possible implications.

Actively engage the whole household in the planning process.

Your Technology

Implement new technology to better prepare your clients and enable them to collaborate in the planning process.

Leverage gamification to increase engagement and attract younger generations.

Put financial concerns in perspective with advanced scenario planning and risk tools.

COMMUNICATION

Digital Becomes More Human

Offer flexible, personalized communication.

Social distancing, remote education, and work-from-home setups have forced the use of digital tools, blurring the distinction between in-person and virtual communication and relationships.

“The global pandemic has fast-tracked digital transformation. It’s imperative to rethink and innovate how you’re serving your clients and what you can do to maintain a human touch and continue to offer value via digital capabilities.”

- **Bill Crager, CEO, Investnet**



Leverage a hybrid approach to communication that fosters the same relationship and integrity in-person and via digital channels.



Use technology to accommodate client needs and provide the human interaction they desire.



Give clients on-demand, real-time, 24/7 access to their financial data through a digital portal.

Even before the pandemic, investors wanted digital collaboration.

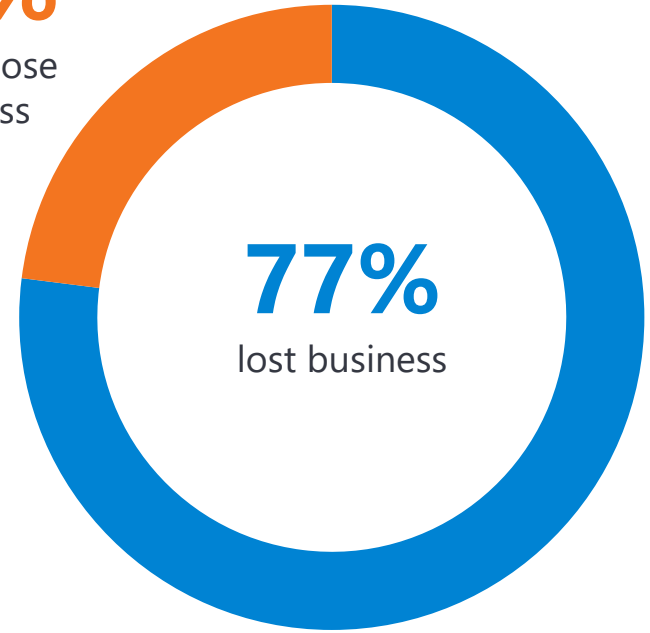
How important would each of the following be to you?	All Households
Online tools for financial planning	56%
Educational tools that help build an optimal portfolio	51%
Online portal with progress toward financial goals	46%
Online app that gives a holistic, 360-degree view of financial life	43%
Online tool that provides personalized financial health checks	41%
Online tool that helps aggregate data from different providers	41%
Personal financial management website to store information, monitor spending, track goals	41%
A “co-browsing” session where advisor shares computer screen	31%
Online video conferencing tools	22%
Video conference with multiple financial experts at the same time	21%

77% of North American advisors report having lost business due to inadequate technology to interact with clients during the pandemic.

Of that group, on average they reported losing a fifth – 21.7% – of their clients.

23%

did not lose
business



77%

lost business

Broadridge, "Current Wealth Technology Tools Not Meeting Financial Advisor Expectations, According to Broadridge Study," August 18, 2020.

87% of advisors report “sustained changes in client communication and engagement,” but frequency varies by the age of the advisor.

63% of all advisors are communicating at least weekly during the pandemic.

Communicates with clients on a daily or weekly basis:

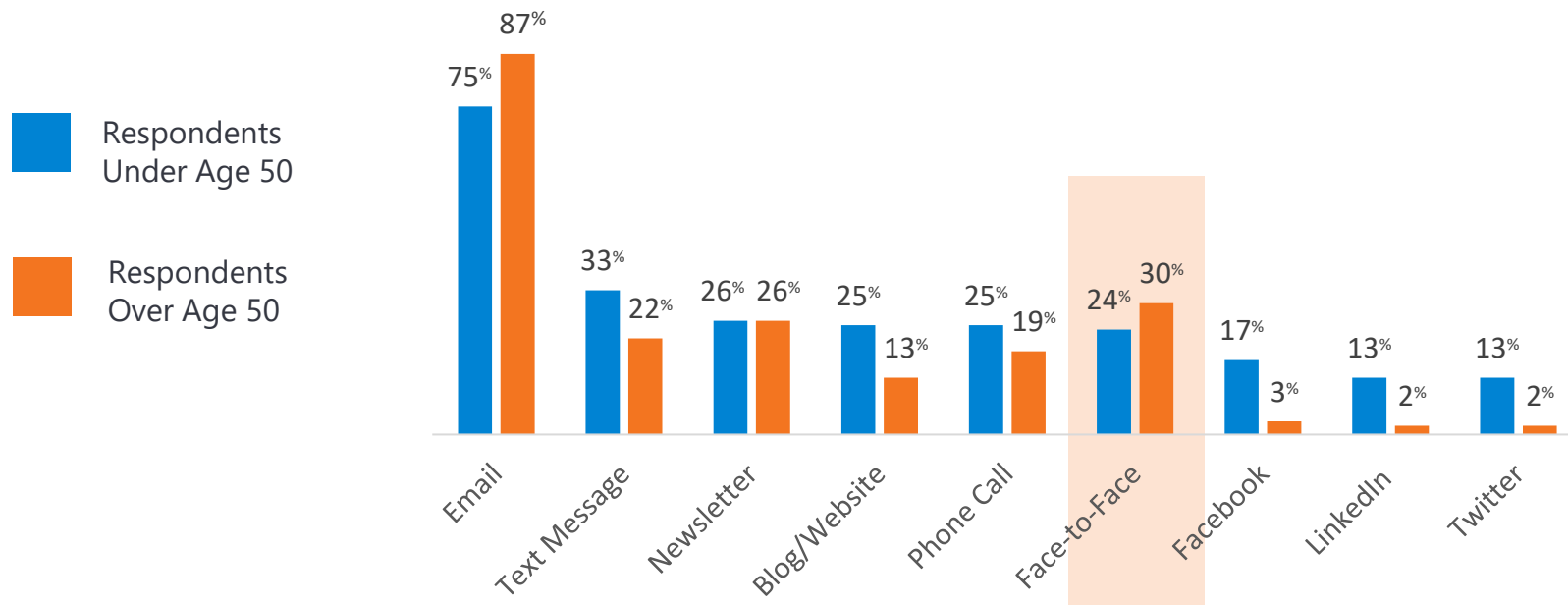


Digital marketing communications have become increasingly important, with a need for better marketing tools, including social media promotion, email marketing, and website creation, to meet client and prospect desires.

Broadridge, “Current Wealth Technology Tools Not Meeting Financial Advisor Expectations, According to Broadridge Study,” August 18, 2020.

Investors prefer digital communication.

When receiving interesting statistics, visuals, and/or articles relevant to portfolio holdings, investors preferred to be contacted through the following channels:



YCharts, "How Can Advisors Better Communicate With Clients," December 2019.

Investors are using webcasts, podcasts, and other digital education and informational tools. If you're not already using these communication channels, start now.

Many investors are comfortable with video chat technologies such as Facebook Portal, Zoom, FaceTime, Skype, or Google Meet.

Spectrem Group, "Corona Crash," March 2020.



What can you do to create a personalized, hybrid communication approach?

Your Clients

Automate and personalize your communication with clients.

Talk to your clients about their preferences for the format and frequency of communication.

Use digital tools and touchpoints to enhance client relationships, from email gift cards to virtual meetings.

Your Practice

Foster the same level of trust digitally and in person.

Offer virtual learning opportunities to enhance financial literacy.

Your Technology

Provide clients with on-demand, real-time access to their financial data through a digital portal.

Communicate via social media.

Use technology to provide the interaction your clients desire.

A woman in athletic wear is stretching on a grassy field. The image is overlaid with a blue tint. The text 'TOTAL WELLNESS' is prominently displayed in white, bold, uppercase letters on the left side of the image.

TOTAL WELLNESS

The Fusion of Health and Wealth

Examine your clients' situations through a total wellness lens.

COVID-19 has opened up client anxieties about health and the future.

Moving forward, the answer to the question, **"Will I be okay?"** will have to encompass physical, emotional, and financial wellness.



Understand clients' unique concerns related to their health and finances.

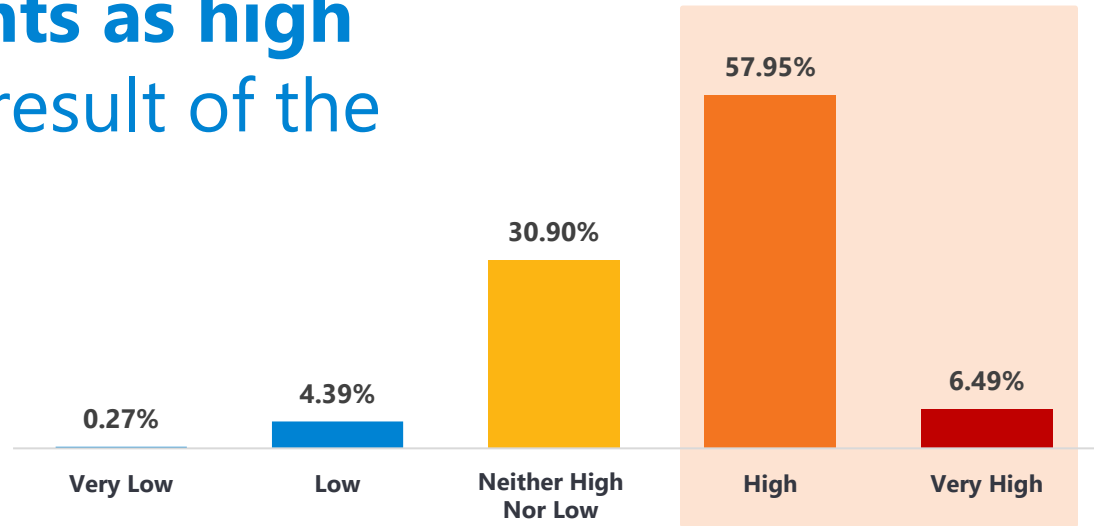


Leverage technology to consider and plan for various outcomes.



Focus on providing unified advice that considers the full scope of clients' financial wellness.

Nearly two-thirds of advisors describe the **general stress level of their clients as high or very high** as a result of the pandemic.



CFP Board, "Pulse Survey: The Impact of COVID-19 On CFP Professionals And Their Clients," April 21, 2020.

Help your clients achieve financial wellness by balancing their daily financial lives with their long-term goals.

Daily Needs

Salary
Income
Banking
Bills
Loans
Cash Flow
Budgeting

Long-Term Goals

Home
College
Retirement
Health
Giving
Legacy

Expand your practice to deliver the full scope of financial wellness. Include these topics in your conversations and plans:

- Life insurance advice
- Wealth transfer advice
- Loan & credit management
- Tax planning advice
- Long-term care insurance advice

Holistically manage the scope of retirement income sources, risks, and insurance needs using integrated, cloud-based technology and strategic partnerships.



Use financial planning to provide solutions for various outcomes and scenarios.

- Social Security
- Medicare
- Health Savings Accounts
- Healthcare
- Long-Term Care
- Estate Planning

Have conversations to understand the impact of current and future health on retirement concerns.

Investors indicate that their top two retirement priorities are:

1. Health care expenses.
2. Developing monthly income from their investments.

Cerulli Associates, Retirement Edge, 3Q 2019.



What can you do to encompass physical, emotional, and financial wellness?

Your Clients

Have conversations to understand the impact health has on retirement concerns.

Put a greater emphasis on healthcare, eldercare, and estate planning when talking to clients.

Your Practice

Expand your practice to deliver unified advice that considers the full scope of wellness.

Recognize the power of partnerships in helping to deliver across capabilities.

Embrace behavioral, values-based wellness as the norm.

Your Technology

Enable a comprehensive view of total wellness via a cloud-based dashboard.

Use financial planning tools to provide solutions for various outcomes.



FAMILIES AND COMMUNITIES

Families and Communities Lead the
Way that Life Gets Redefined

Demonstrate empathy and understanding of the new normal.

More time will be spent within smaller geographic areas for the foreseeable future, fostering a rising sense of community spirit and more demand for local products, with home and family as the central hub.



Look for opportunities to support businesses and families within your community.



Spend part of each conversation focused on personal updates, specifically asking about the well-being of family members.



Leverage partnerships or provide referrals that can help address all aspects of a family's needs.



Include clients' children and elders in the planning process to focus on the total family.

What have Americans been experiencing during the pandemic?

1 in 4 American workers—more than 40 million people in total—have filed for first-time unemployment benefits.

Nationwide school closures lead to hungry children.
About 30 million students in the U.S. qualify for free or reduced-price lunches at school.

Almost 40% of American adults **can't cover a \$400 emergency.**

CNN.com, "America's unemployment rate could hit 20%. But there's light at the end of the tunnel," June 3, 2020. Vox.com, "The coronavirus will cause a child care crisis in America," March 10, 2020. ABCNews.Go.com, "40% of Americans don't have \$400 in the bank for emergency expenses: Federal Reserve," May 24, 2019.



How you can make a difference in your community:

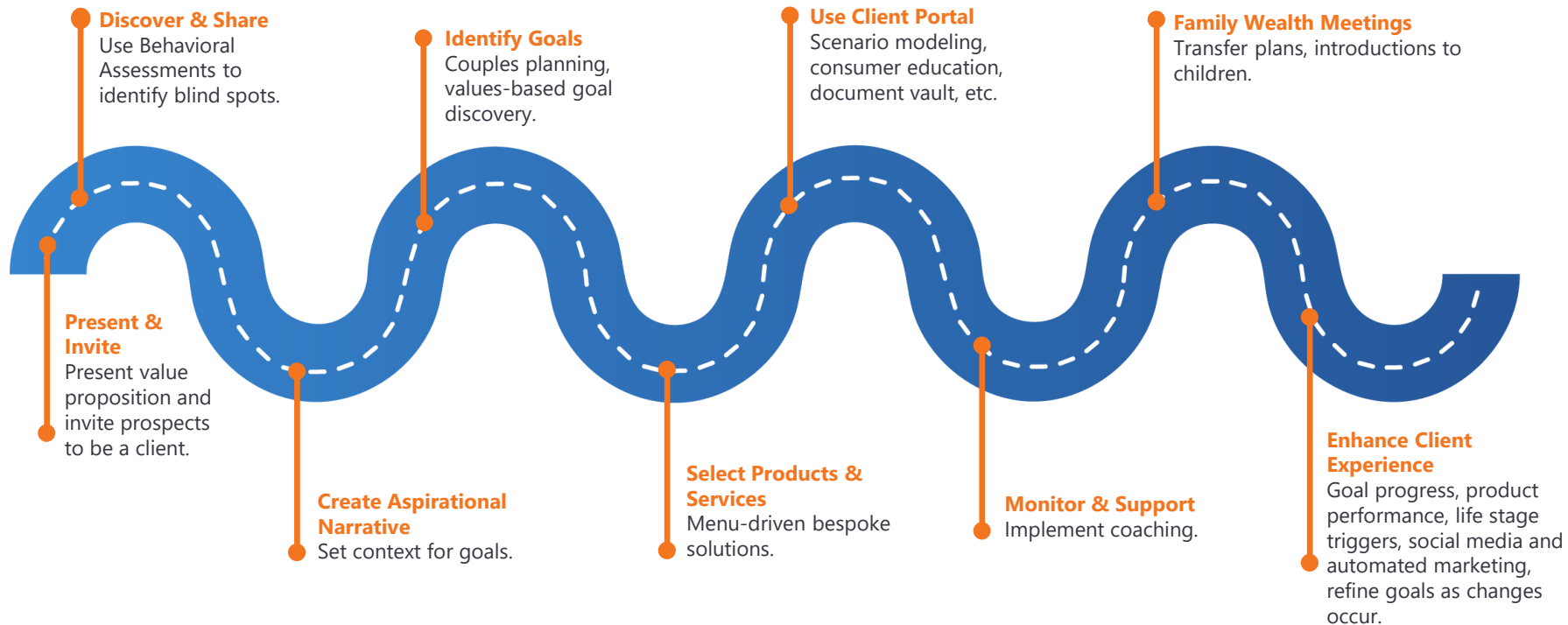
- ✔ Volunteer.
- ✔ Help small businesses rebuild or liquidate.
- ✔ Provide financial literacy seminars for young people.

Understanding family dynamics can be a large part of the value advisors deliver.

Whether helping clients see the impact of overspending or showing them how their retirement will be affected if they continue to support adult children, financial advisors can help consumers avert a slow-motion disaster before it occurs.



How to work with an entire family as the client.



Recognize that **family is priority #1.**

For children, focus on financial literacy, building a foundation for a long-term relationship that will last as they age and need help with their finances.

For elders, focus on long-term care, estate planning, and charitable giving.

What can you do to answer your clients' question, "What should I do?"

Your Clients

Recognize that family is priority #1.

Demonstrate empathy and understanding of the new normal.

Spend part of each conversation focused on personal updates, specifically asking about the well-being of family members.

Your Practice

Make a difference in your local community.

Leverage partnerships or referrals that can help address all aspects of a family's needs.

Include clients' children and elders in the planning process to focus on the total family.

Provide financial literacy seminars for young people.

Your Technology

Incorporate clients' liquidity and insurance needs in their planning; use this information to talk about the various ways clients can protect their family and their wealth.

Create cohorts of clients similarly impacted by COVID-19 and provide solutions.



SUSTAINABLE BUSINESS

Creating a New Playbook for a
Sustainable Business

The office of the future will look different.

Strategic changes will enable you to do more with less, while improving the client experience.



Automate routine tasks.



Increase the scope of your advice.



Look for opportunities to expand and deepen client relationships.

Advisors must treat the pandemic as a turning point.

Reset your business continuity plan and prioritize:

Protecting Your Bottom Line

Smart revenue uplift
(sales, pricing, enablement)

Front office setup
(coverage model, productivity)

Compliance and risk management
(cost-effective, integrated)

Structural efficiency
(cost reduction, sourcing, lean, agile)

Winning the Future

Personalized value propositions
(appeal and engagement, robust advice, beyond investment)

ESG and impact investing
(offering, data and metrics, sales)

Challenger plays
(new segments and markets)

Ecosystems and M&A
(focus, B2B skills, market insight)

Building Capabilities

Client understanding
(institutionalized approach, insights beyond wealth, new ways of segmentation)

Digital and data
(client experience, channels, advanced analytics)

Talent and culture
(new skills, diversity, ways of working, purpose)

Technology platform
(scalability, connectivity, costs)

Optimize the physical footprint of your office locations, staff skill sets, and operations.

- ✓ Rethink office roles and ensure they add the most value for what clients need today.
- ✓ Leverage cloud-based tools to provide team-wide access with minimal disruption.
- ✓ Implement third-party resources and tools to supplement in-house capabilities.
- ✓ Rely on strategic relationships to provide advice in more areas (tax, healthcare, Social Security, etc.).

Faced with economic uncertainty, business owners and their employees will find new ways to do more with less.

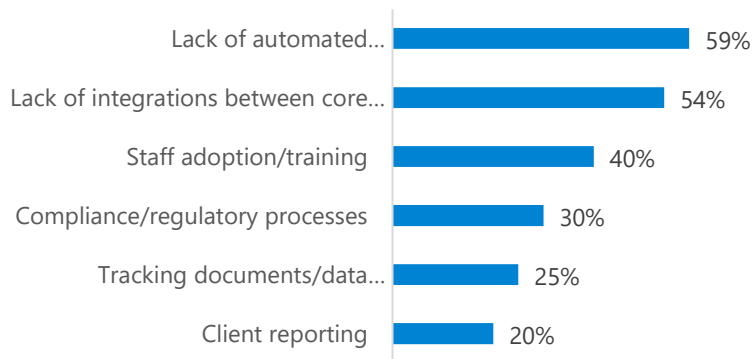
The right combination of technologies will increase efficiencies, allow for personal and timely connections, and future-proof your practice.

Take advantage of scalable technologies to:

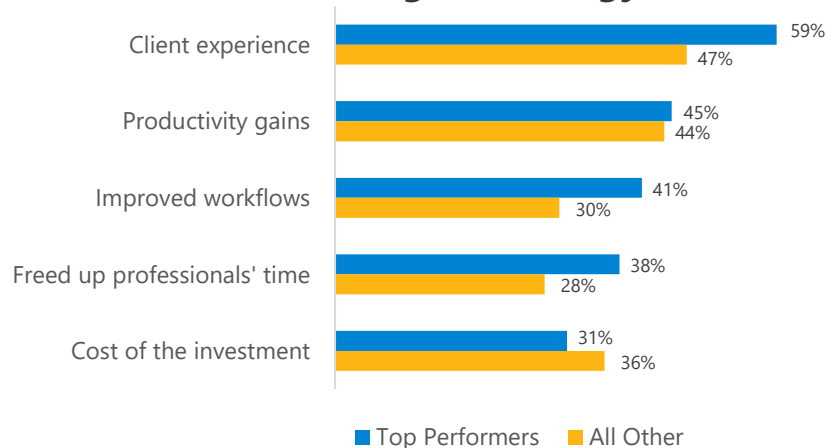
- Reach mass audiences with a personal touch.
- Create digital experiences that align with your brand.
- Promote the values of you and your firm to provide differentiation.

Creating business efficiency through integration.

Technology Integration Issues Persist



Top Performers: Factors Considered When Evaluating Technology

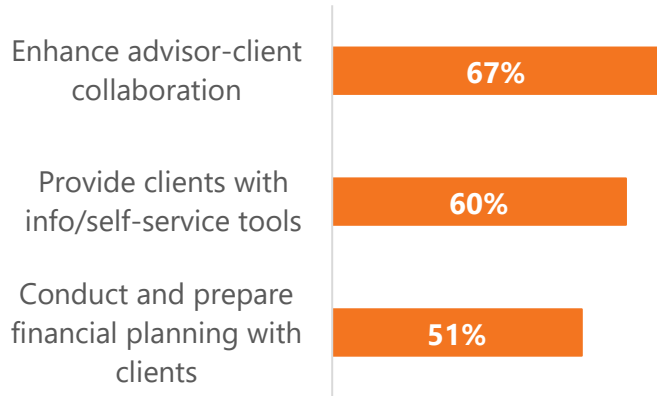


Greater profitability and growth can come from the scale that integrated technology permits.

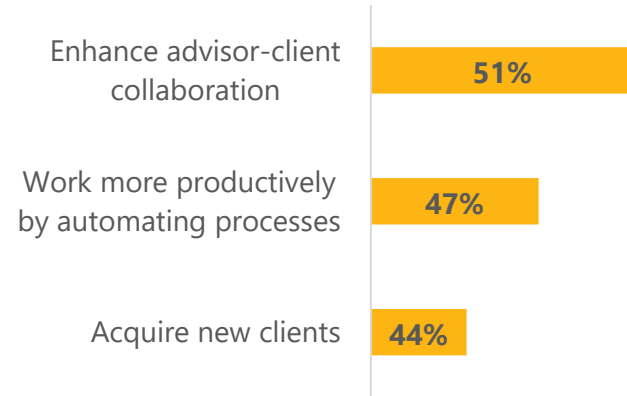
InvestmentNews, "2020 Adviser Technology Study," 2020.

As advisors work remotely, client-facing technology is a must-have to support existing clients and acquire new ones.

Top 3 Benefits Client-Facing Technology Currently Provides Advisor Practices



Top 3 Benefits of Client-Facing Technology Advisors Want to See More of in the Next 2-5 Years



The benefits over the next 2-5 years reflect advisors' changing attitudes towards digital technology, which have been accelerated by the pandemic.

Source: Aite Group, *RIA Digital Transformation: A Competitive Necessity in a Post-Pandemic Marketplace*, May 2020.



Younger advisors are needed to connect and build relationships with next-gen clients.

111,000+ advisors (more than one third) are set to retire this decade.

44% of advisors are over 55 years old. Only **10%** are under 35.

\$70T in assets will transfer to heirs and charities over the next 25 years (one third over the next 10 years). Advisors will need to prepare to replace those assets.

Think Advisor, "How to Deal With an Aging Advisor Force and Aging Clients," February 5, 2020.

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The coronavirus pandemic is likely to further prioritize investing with a conscience.

3x

Since 2015, the total number of U.S. open-ended and exchange-traded ESG funds across all asset classes nearly tripled.

\$12.2B

Investors poured a record of \$12.2B+ into ESG funds in the first 4 months of 2020.

70%

More than 70% of ESG funds across all asset classes performed better than their counterparts during the first 4 months of the year.

Impact investing approaches allow an investor to align their investments with their values, whether related to **environmental, social, or corporate themes**.

Most impact investors recently surveyed by the Global Impact Investing Network (GIIN) expect to **maintain or boost their commitment** to impact investments this year in response to the coronavirus pandemic.

*WSJ.com, "ESG Investing Shines in Market Turmoil, With Help From Big Tech," May 12, 2020.
Barron's, COVID-19 Crisis Unlikely to Affect Impact Investing, 2020.*

There is a mis-match between what investors want and what advisors *think* they want when it comes to impact investing.

77% of investors want their advisors to ensure that their investment strategy is aligned with their personal values.

91% of investors <45 seek alignment with their personal values and investment strategy.

44% of advisors think their clients want their investment strategy to align with their personal values.

Money Management Institute and AON, "Advisory Solutions: Expectations and Experiences,--Part 2: Harnessing Generational Differences Across the Financial Planning Process," June 18, 2020.



Advisors who partner with asset managers and model providers to leverage their investment management expertise can:

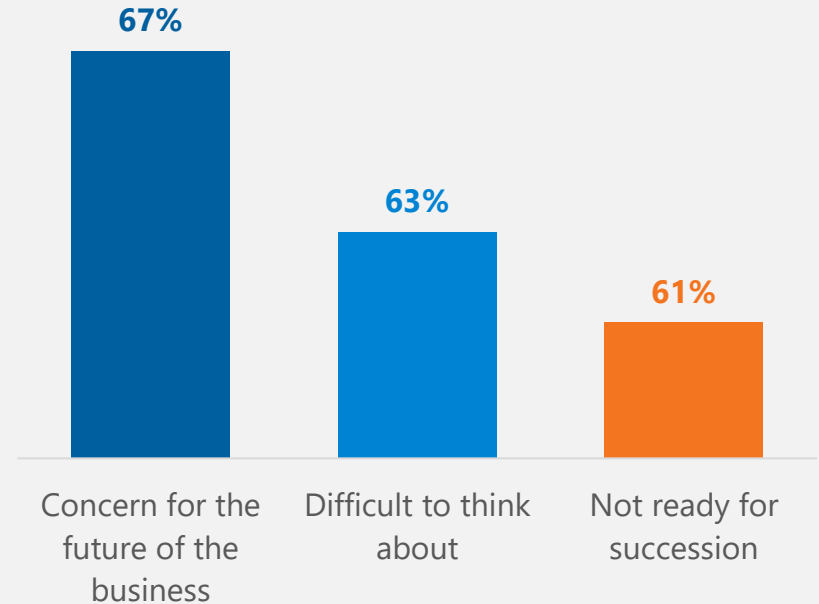
- Free up time and resources to spend with clients.
- Offer more holistic capabilities.

A good succession plan takes years to put in place. Start today.

To the 63% of advisors who believe succession planning is difficult to think about, take incremental steps:

- Understand your business valuation and what the biggest contributors to your valuation are.
- Think about how you can expand your team and continuously seek out new and diverse talent.

Why advisors avoid succession planning



Seek out innovative programs to identify workforce-ready young advisors to add to your team.

Investnet Institute On Campus (EIOC) equips students for a career in financial services by bridging the gap between the academic curriculum and the real-life application of these teachings in the financial industry.

All students who participate in the EIOC program are:

- Generally more employable.
- More aware of the job opportunities available to them.
- Prepared to make an immediate impact once they are hired.

Employers benefit from talented, pre-vetted candidates, who ultimately reduce onboarding costs.

3,300

Students who have completed the program, including 1,133 women and 1,017 minorities

40

Participating schools

71%

Completion rate

What can you do to build a sustainable practice?

Your Clients

Leverage social media to promote the values of you and your firm and to foster relationships online.

Consider how you can add the most value for what clients need today.

Look for opportunities to expand and deepen client relationships.

Your Practice

Rely on strategic relationships to provide advice in more areas.

Optimize the physical footprint of your office locations, staff skill sets, and operations.

Foster next-gen client relationships via younger advisors.

Refocus your business continuity agenda.

Build a succession plan.

Your Technology

Automate routine tasks.

Scale and provide more advice by implementing digital tools and outsourcing models.

Provide team-wide access with minimal disruption via cloud-based tools.

Look for strong technology vendors with a large geographic footprint to quickly respond to user inquiries.

The value of advice is clear.

Now more than ever, investors need seamless, timely guidance and support from someone they can trust.

It is our time to lead and we are all in this together.

Learn more about how we can support you in optimizing your practice for the new world we're living in.

Visit our **Post-Pandemic Resource Center** for key insights and information related to our solutions, services, and tools.

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