A!

Action!
Magazine

A MAGAZINE FOR
PEOPLE WHO GSD
IN WEALTH MGMT

AI in wealth management: What client success looks like

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Learn how to:
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Maximize your CRM
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Editor's Note

SULEMAN DIN

For many working in wealth management, this has been a year of embracing the unknown.

As an RIA, you've likely had multiple discussions with clients about the economy and the multiple market shocks we've experienced. Economists wonder aloud about a new bubble.

Uncertainty extends into aspects of everyday RIA practice management, too. The challenge to boost RIA organic growth rates continues, while hiring and retaining top talent remains tough.

New tools powered by artificial intelligence are boosting efforts to become more efficient. But AI advances raise questions too, as its impact on our businesses and society remains unclear.

And as AdvisorEngine CEO Rich Cancro has pointed out, the generational wealth transfer is happening now. But neither older nor younger investors are behaving as many predicted.

What's impressed me is the resiliency of advisory firms responding to these paradigm shifts, and this issue is filled with tangible, real strategies we've gathered that you can put into practice right away.

Concerned about attracting young investors? We have a guide for that. Need tips on cyberproofing your firm? We've got an extensive list of steps to implement. Want to figure out your organic growth strategy? Check out the features from industry experts Stephanie Bogan and Tina Powell on what you can do differently.

We've also got a series of case studies from *Action!* co-founder and AdvisorEngine COO Craig Ramsey designed to make you think, inspired directly from real-life situations faced by RIAs.

We're grateful for the insights shared by dozens of advisory firms and industry leaders that can be found throughout this magazine. In this moment of digital transformation, it's clear there's no substitute for true human connection, experience and knowledge.

Best,

Suleman Din
suleman.din@advisorengine.com

P.S. Make sure you're subscribed to *Action!* magazine – scan the QR code to join our community of leaders who access past issues, our monthly newsletter, practical videos and downloadables, and thought-provoking webinars.

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The amazing advisory group behind this publication

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In this issue of Action! Magazine

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FROM FOMO TO JOMO:

How RIAs can regain control

CRAIG RAMSEY

COO, AdvisorEngine
Founder, *Action!*

RICH CANCRO

CEO & Founder,
AdvisorEngine

Overwhelmed by burgeoning technology choices, demographic shifts and an unpredictable market, RIAs right now have their hands full.

Your firm might be experiencing one of three ailments affecting the industry at the moment: shiny ball syndrome, analysis paralysis and change allergy. How do you overcome these challenges? Let's break them down.

COMMIT TO YOUR VISION

We can't underestimate the importance of being stubbornly committed to your firm's vision and values while seeking adjustments to your strategy and culture as you grow.

Focus on operationalizing your vision using a strategic plan. We'll share some quotes we've gathered from RIA executives to give context on common challenges and how to overcome them.

- **Time crunch**:"We didn't dedicate enough time to do the planning up front."
- **Complexity**: "Our team is smart. Sometimes we overcomplicate things!"
- **Data Availability + accuracy**: "It's not easy to get the info I want... And once I find it, I don't know if I can trust it."
- **Unrealistic goals**: "Halfway through the year, our team checked out on our revenue goal...we knew we couldn't hit it"
- **Consensus-building**: "I didn't spend enough time getting buy-in from my management team."
- **Ambiguity due to low accountability**: "We didn't give specific clarity on who is ultimately responsible for what."
- **Actionability**: "The outcomes of our plan were great at a high level. But we didn't outline 'how' we would get there."
- **Communications**: "Our goals didn't take root. We probably didn't share our plan broadly or frequently enough."
- **Follow-through + ongoing tracking**: "We get busy running the business...and we don't always check in effectively to see how we're doing"

> “We can’t underestimate the importance of being stubbornly committed to your firm’s vision and values while seeking adjustments to your strategy and culture as you grow.

Rich Cancro,
AdvisorEngine CEO & Founder

You have to be nimble when ‘real life gets in the way’ of your best-laid plans.

It’s one thing to set a vision. It’s another thing to keep your team rallied to it on a daily basis. Important topic.

EMBRACE A PLATFORM MENTALITY

At AdvisorEngine, we lean into the notion that every RIA needs to embrace a “Platform Mentality.”

Meaning: viewing your business itself as a platform – and focusing on unifying data, connectivity and experience across it.

We’re proud to showcase operational dashboards in our platform, which allow firms to track progress towards key goals for metrics like revenue growth, net new assets and client satisfaction. We are also evolving our platform’s capabilities in trading/rebalancing and have added alerts to make life easier for advisory firms.

One exercise you can do is take stock of your firm’s data foundation across people, processes and technology.

There is a reason we keep hearing people talk about these themes – it’s because they are still incredibly relevant! As RIAs grow and become more complex, the importance of adopting a platform mentality increases.

PURSUE TRUE PARTNERSHIP

There are important dynamics that RIAs should consider when picking a Platform provider. They included vision, values, service levels, data security, proactive communication, reactive responsiveness to feedback, ability to innovate and corporate stability. (Things BEYOND capabilities that some people overlook when picking technology.)

We challenge readers to be more open.

If you’re not sharing your vision, values and plans with your most important providers…how are they supposed to become partners with you?

It’s true – partnership is a two-way street. And your providers will always remain ‘vendors’ if you keep everything close to the vest.

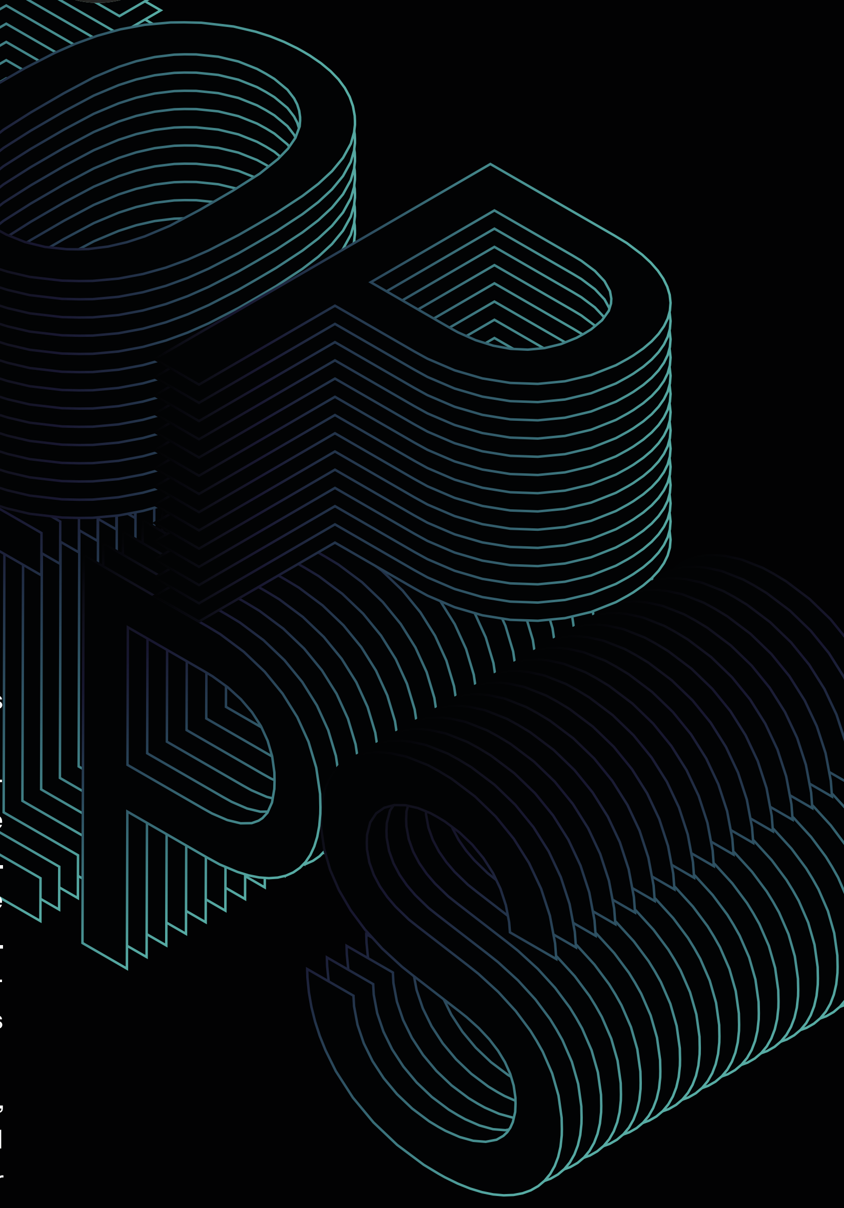
By taking these three steps, RIAs can convert FOMO into JOMO.

Top tips for young financial advisors

BERNICE NAPACH

Starting out as a young financial advisor is no easy lift.

SULEMAN DIN



Take the uphill challenge of building a book of business from scratch.

You’ve leveraged your network of friends and family, and now you’re stretching to cut through the noise of everyday digital distractions to impress prospects. You’re in an advisory firm trying to learn from the same seasoned professionals you’re hoping to impress. You’re also gaining hands-on experience in the industry’s complexity and learning how to comply with its regulatory requirements.

Looking back on their beginnings in the business, several advisors say that young professionals can build a successful practice with less pain by honing their communication skills, pursuing continuous education, cultivating a solid network, and prioritizing integrity.

They've shared their top tips with *Action!* Magazine to help young financial advisors establish themselves as credible, reliable and knowledgeable professionals ready to guide clients through their financial journeys confidently and clearly.

DEVELOP STRONG COMMUNICATION SKILLS

Effective communication is the cornerstone of any successful relationship, especially in the financial advisory field. Developing this skill is essential for young advisors, as it fosters trust and empowers clients to make informed financial decisions confidently.

Clients often come with varying degrees of financial literacy, and many feel overwhelmed by industry-specific terminology and complex investment strategies. By clearly and concisely explaining these concepts, advisors bridge the knowledge gap, making clients feel heard, respected and fully informed about their financial futures.

Active listening is equally vital. When advisors take the time to understand their clients' unique needs, aspirations and concerns, they can offer guidance that resonates on a more personal level. This involves more than just hearing words – it's about picking up on tone, intent and unspoken worries. By attentively listening, young advisors gain a complete understanding of their clients, allowing them to provide advice that aligns with individual circumstances and goals.

Improving communication skills is a continual process. Practice with colleagues or mentors, role-playing client scenarios and seeking constructive feedback on their approach. Observing experienced advisors can also offer valuable insights.

Over time, advisors can become adept at reading nonverbal cues, such as body language and facial expressions, which reveal a client's comfort level, doubts or hesitations. Adapting to these cues helps advisors maintain open, responsive conversations that keep clients engaged and invested in their financial journey.

"No two clients are the same," says Colin Day, a wealth advisor at Mercer Advisors based in Chesterfield, Missouri. "I talked to a prospective couple last week, and we were just cracking jokes most of the time because we already had a comfort level where we were vibing back and forth. Another family meeting we had with some prospective clients was much tighter-knit. It was a completely different way to communicate, more of a thought leadership strategy as opposed to understanding the emotions of the person."

> "No two clients are the same; every conversation needs a different language: sometimes it's jokes, sometimes it's thought leadership; always adapt."

Colin Day, wealth advisor,
Mercer Advisors

Day recommends that advisors be flexible in their communication with clients. "If you only work in one particular way – you'll attract only a certain kind of client and it will probably take a lot longer for you to grow."

CULTIVATE A GROWTH MINDSET

A growth mindset is essential for continuous improvement and long-term success in any profession – it's particularly important in financial advising, where adaptability and learning are crucial.

Young advisors should embrace challenges as valuable opportunities to expand their skills, deepen their knowledge and ultimately become more effective. By being open to new ideas and approaches, advisors position themselves to thrive in a role that demands flexibility and a commitment to lifelong learning.

"The advisory role is a difficult job," says James Diver, a partner and private wealth advisor at Procyon Partners in Melville, New York. "You need to know a lot of different things and do a lot of different things. You have to view it like an athlete approaches a sport. It's not just about one event or one call, or one portfolio decision. It's about continuously prepping for those phone calls and those prospect meetings. That's how you take the growth mindset and actually execute on that."

1It's also about "making yourself indispensable – doing the things that no one else [in the office] wants to do," says Patrick Kilbane, partner and wealth advisor at Ullmann Wealth Partners, citing the philosophy of baseball executive Theo Epstein who helped the Boston Red Sox and Chicago Cubs win World Series victories after decades-long droughts. If you succeed when taking on those responsibilities, you will be rewarded with more responsibilities and grow in the job, according to Kilbane, who's based in Jacksonville Beach, Florida.

> "It's also about "making yourself indispensable, doing the things that no one else [in the office] wants to do.

Patrick Kilbane, partner and wealth advisor,
Ullmann Wealth Partners

The financial industry is constantly evolving, influenced by shifts in technology, regulatory updates and global economic changes. Advisors who are proactive about staying informed and adaptable will be better equipped to serve clients with relevant, forward-thinking guidance. Formal education, industry seminars, and self-study are all excellent avenues for staying up-to-date, but young advisors should also seek real-world learning opportunities. Engaging in industry roundtables, joining professional associations or participating in online courses on trending topics can all contribute to a well-rounded, informed approach to advising.

Additionally, certifications such as the CFP (Certified Financial Planner) or CFA (Chartered

Financial Analyst) are not just credentials – they signify a strong commitment to the profession. These certifications enhance credibility, giving young advisors the knowledge and confidence to succeed.

BUILD A STRONG NETWORK

Building a robust professional network is invaluable in the financial advisory business. Networking can open doors to new opportunities, provide valuable insights and help you stay informed about industry developments.

Attend industry conferences, join professional organizations and interact with peers on social media platforms. Make sure to expand your network beyond just financial professionals. Connect with professionals from related fields such as real estate, law and accounting. These relationships can lead to referrals and collaborative opportunities that benefit everyone.

"Developing a strong professional network is extremely important because there is now a high demand for comprehensive financial services," says Andrew Blake, associate director, wealth management at Cerulli Associates.

> "Make sure you're putting your face out there and people are seeing you on a consistent basis"

Landon Warmund, financial planner & student loan professional, Reliant Financial Services

A strong network of other professionals will not only help you serve current clients but also help expand your reach for prospective ones.

Procyon's Diver says his firm is "connecting with every client's attorney, CPA, insurance provider or insurance salesman in a friendly way to collaborate and work together. We're always trying to cross-sell and cross-collaborate, and many times these various professionals become our centers of influence and referral partners."

One thing young advisors need to keep in mind is the fact that not all networking is digital. "It becomes a big challenge for folks to convert their mind from more of a digital presence to a physical presence," says Mercer Advisors' Day.

In-person events at the Chamber of Commerce or Rotary Club, as well as financial conferences like Schwab Impact and financial educational presentations, are all prime networking venues for advisors, requiring your physical presence.

Actively engage in local community events, as they can lead to valuable introductions to potential clients and partnerships. It also allows you to build trust and establish a positive reputation by showing genuine interest in supporting local initiatives and connecting with people outside formal business settings.

"Make sure you're putting your face out there and people are seeing you on a consistent basis," says Landon Warmund, a certified financial planner and certified student loan professional at Reliant Financial Services in Kansas City, Missouri.

When networking, remember that relationships take time to develop and nurture. Be genuinely interested in others, ask thoughtful questions and offer value where you can. Your network will grow naturally as people recognize your sincerity and dedication to the profession.

DEFINE YOUR NICHE AND BRAND

In a competitive industry, having a clear niche and personal brand can set you apart from other advisors. Identify the specific demographics or types of clients you want to serve and tailor your services to meet their unique needs.

This specialization can make you more attractive to potential clients looking for an expert who understands their financial challenges and goals, whether young professionals, retirees, business owners or families planning for education expenses. Defining your niche also allows you to streamline your marketing efforts, focusing on channels and messaging that resonate with your target audience.

Your brand should reflect your values, expertise, and the quality of service you provide, helping clients understand what you do and why you do it. Consistently communicate your brand message across your website, social media and client interactions to establish a robust and recognizable presence in the market.

Social media platforms like Instagram, X (formerly Twitter) and LinkedIn can also help you reach a broader audience, especially if you share accessible, relevant information tailored to financial needs and lifestyles. A well-established brand differentiates you from competitors and builds trust, making clients more likely to refer your services to others.

FOCUS ON CLIENT EDUCATION

Empowering clients through education is a powerful way to foster long-lasting relationships. By helping them understand the basics of investing, financial planning and budgeting, you give them confidence in their financial journey.

Use newsletters, webinars, and social media to share educational content that aligns with your clients' interests and needs. Educational content such as tips, market updates and client success stories can reinforce your expertise and demonstrate your commitment to empowering clients.

Warmund, who specializes in helping K-12 teachers manage their student loans, hosts regular webinars and in-person events for teacher organizations.

"We'll have anywhere from 40 to 50 people come and we provide food and go over the three typical topics that most teachers struggle with in terms of finances – saving for retirement, their pensions, as well as student loan forgiveness."

Clients who feel informed are more likely to stay with you for the long term and refer you to others. Educational initiatives show that you're not just interested in their money but are genuinely invested in their financial well-being.

USE TECHNOLOGY TO YOUR ADVANTAGE

Efficient time and client management are crucial in financial advising, as they directly impact the quality of service you provide and your overall productivity.

Utilizing customer relationship management (CRM) software can significantly enhance efficiency, allowing you to organize client information, track communications and schedule follow-ups seamlessly. A CRM tool helps ensure you never miss an important deadline or client interaction, fostering stronger relationships through timely and relevant communication.

"What does technology mean for the financial planning community for younger advisors? It's, of course, everything," says Day, adding that the usage of technology in advisory firms has accelerated post-COVID. "Having a base level understanding of what a CRM is, as opposed to running your office out of an Excel spreadsheet, is a necessity."

So is a positive attitude to learn apps that young advisors might not be familiar with or adept at. "Some people have the experience, some people don't, and some people understand that weakness and are very willing to be trained to learn it," says Diver. That's the right attitude."

Those with a broad knowledge of the apps that advisory firms use could prove their worth if they learn how those apps can connect and work together. "We often struggle with the connection between the software apps and how they can run seamlessly so that would be extremely valuable for a future advisor coming into the industry," says Warmund.

Wealth management technology, such as portfolio management and goal-based planning, can also streamline your practice, enabling you to dedicate more time to personalized client interactions and strategic planning.

Consider automating routine tasks, such as monthly reports, appointment reminders and email follow-ups. Automation saves you time and reduces the likelihood of human error, ensuring that clients receive consistent updates and communications. This efficiency allows you to focus on higher-value activities.

Leveraging technology early in your career will set you up for long-term success. Familiarity with various tools and platforms can enhance your analytical capabilities, enabling you to provide data-driven insights to your clients. By streamlining your processes and embracing technology, you can deliver consistent, high-quality service, ensuring your clients feel valued and informed at every stage of their financial journey.

LEARN FROM EXPERIENCED ADVISORS

Mentorship can be a game-changer. Seasoned advisors can offer insights to young advisors on client management, strategies for dealing with market downturns and ways to handle ethical dilemmas.

Many financial advisory firms offer mentorship programs, and some professional organizations provide networking and mentorship opportunities designed explicitly for new advisors.

Learning from those who have successfully built their careers can accelerate your growth and help you avoid common pitfalls. Be bold and ask questions; most experienced professionals are more than willing to share their knowledge and support the next generation of advisors.

"Find a mentor who wants you to succeed, a partner or a senior advisor at the firm who is really invested in your success," says Diver. "Your success is their success."

In time, young financial advisors can establish themselves as credible, reliable, and knowledgeable professionals ready to guide clients through their financial journeys.

CYBERSECURITY:

Level up your digital defense

RAJ MADAN

Cyber threats are lurking around every digital corner.

From data breaches exposing millions of passwords to sophisticated phishing scams that trick even the savviest users, the risks to our personal information have never been greater.

Protecting yourself online doesn't require a computer science degree. With a few essential practices and the right mindset, anyone can significantly improve their digital security. Here are fundamental cybersecurity practices that will transform you from an easy target into a hardened defender of your digital life.

1. **Strong passwords: Your first line of defense!**
    - Ditch the defaults: "123456" or "password" are a hacker's dream!
    - Go long & strong: Aim for at least 12 characters – mix it up with uppercase, lowercase, numbers and symbols.
    - Password uniqueness: Don't recycle passwords across accounts. If one gets compromised, they all do!
    - Why it matters: Strong passwords are the gate keepers to your personal info. Weak ones are like leaving your front door wide open.
2. **MFA (multi-factor authentication): Double the lock, double the security!**
    - Beyond passwords: Add a second lock. Usually, it's a code from your phone or an app.
    - Even if they crack your password, they still need that second factor!
    - Turn it ON: For email, social media, banking – anything sensitive!
    - Why it matters: MFA is your safety net. It drastically reduces the risk of account takeovers.
3. **Password managers: Your password vault!**
    - Stop the sticky notes: Forget writing pass words down!
    - One master password: Securely store all your logins in an encrypted vault.
    - Generate strong passwords: Let the manager create ultra-strong, unique passwords for you.
    - Why it matters: Password managers simplify security and boost your password strength.
4. **Hover before you click: Spot the phish!**
    - Don't fall for fakes: Scammers create emails and websites that look legit to steal your info.
    - Hover your mouse: On a computer, hover over links without clicking to see the real web address. Does it look fishy?
    - Think before you click: If an email seems urgent or too good to be true, verify it through another channel.
    - Why it matters: Phishing is a top threat. A little caution can save you from big trouble.
5. **Keep your devices updated: Patch the holes!**
    - Updates = armor: Software updates often include critical security fixes.
    - Auto-update is your friend: Turn on automatic updates for your computer, phone and apps.
    - Don't delay: Install updates promptly; those patches are there for a reason!
    - Why it matters: Outdated software is an easy target for hackers. Updates are your device's security shield.
6. **Passwords vs. passphrases: Level up your login game!**
    - Passwords: Shorter, can be a word or combo (e.g., MyPass123)
    - Passphrases: Longer, like a sentence. (e.g., I love ice-cream!)
    - Length = strength: Passphrases are generally stronger because they're longer and harder to crack.
    - Why it matters: Passphrases add extra complexity, making it way harder for hackers to guess.
7. **Secure Wi-Fi: Your connection shield!**
    - Public Wi-Fi = risky: Unsecured public Wi-Fi (like at cafes) is a playground for hackers.
    - Use your data or secure networks: Stick to your mobile data or password-protected Wi-Fi.
    - VPNs are a plus: A virtual private network (VPN) adds an extra layer of encryption.
    - Why it matters: Secure your connection to prevent eavesdropping and data theft.
8. **Backup your data: Don't lose it all!**
    - Imagine the worst: What if your computer crashes or your phone gets stolen?
    - Regular backups: Use cloud services or external drives to back up your important files.
    - The 3-2-1 rule: 3 copies of your data, 2 different storage types, 1 offsite backup.
    - Why it matters: Backups are your lifeline to recover from disasters, big or small.
9. **Burner email & phone: Spam busters!**
    - Spam magnet: Giving out your primary email/ phone everywhere? Get ready for junk!
    - Burner accounts: Create a separate email (e.g., justsendmespamhere@email.com) or use a service like Google Voice for less important stuff.
    - Keep your main accounts clean and spam-free.
    - Why it matters: Burners help you control spam and protect your privacy.
10. **Check for data breaches: Are you pwned?**
    - Breaches happen: Companies get hacked, and your data can be exposed.
    - Have I been pwned?: Use sites like haveibeenpwned.com to see if your email has been in a breach.
    - Change passwords ASAP: If you find your info was compromised, change your passwords immediately!
    - Why it matters: Staying informed about breaches lets you take action to protect yourself.
11. **Encrypted communication: Private chats only!**
    - Privacy matters: Regular messaging and email aren't always private.
    - Encrypted apps: Use apps like Signal and WhatsApp (with encryption enabled) for secure messaging.
    - Encrypted email: Consider services like proton.me for private email.
    - Why it matters: Encryption scrambles your messages, so only the intended person can read them.
12. **Private browsing & GenAI: Leave no trace!**
    - Private browsing: Use browsers like DuckDuckGo to limit tracking while you browse.
    - Private GenAI chats: Explore tools like Duck AI for more private AI interactions.
    - Control your data footprint: Minimize the information you leave behind online.
    - Why it matters: Protect your online activity and personal information from prying eyes.
13. **Virtual credit cards: Shop safer online!**
    - Card cloning risk: Online shopping can expose your credit card details.
    - Virtual Cards: Many banks let you create temporary, virtual card numbers for online purchases.
    - Limit the damage: If a virtual card gets compromised, your main card is safe.
    - Why it matters: Virtual cards add a layer of security to your online transactions.
14. **Parental controls: Kid-safe online!**
    - The internet jungle: The web can be a wild place, especially for kids.
    - Control access: Use tools like OpenDNS or your internet provider's parental controls to filter content and limit screen time. (https://www.opendns.com/setupguide/)
    - Don't forget mobile: Set controls on their phones too!
    - Why it matters: Protect children from inappropriate content and online dangers.
15. **Credit freeze: Lock down your credit file!**
    - ID theft alert: Identity thieves can open accounts in your name.
    - Freeze your credit: Contact Equifax, Experian, and TransUnion to freeze your credit reports. This makes it harder for criminals to open new accounts. (https://www.usa.gov/credit-freeze)
    - Temporary or permanent: You can temporarily lift the freeze when you need to apply for credit.
    - Why it matters: A credit freeze is a powerful tool to prevent identity theft.
16. **GenAI risks: The new frontier of scams!**
    - Deepfakes are real: AI can create incredibly convincing fake videos and audio.
    - Synthetic identities: Scammers use AI to generate fake IDs for fraud.
    - Verify, verify, verify: Be extra cautious of unusual requests, especially involving money or sensitive information.
    - Why it matters: AI is changing the scam landscape, requiring heightened awareness.

REMEMBER: CYBERSECURITY IS AN ONGOING PROCESS, NOT A ONE-TIME FIX. STAY INFORMED, STAY VIGILANT AND STAY SAFE!

RIA Case Studies

Fictional firms,
real-world scenarios.

CRAIG RAMSEY

COO, AdvisorEngine
Founder, *Action!*

The following case studies are designed to make you think.

If you have been in the advisory business for a while, I suspect that some of the characters and quotes will hit close to home...

So grab a coffee, flip the pages and reflect. **If you were in their shoes – what would you do?** Your answers might spark some new ideas for your team.

"Metrics that matter"

Establishing a culture of metrics-driven leadership

FIRM	HEMINGWAY WEALTH
FOUNDED	1981
ASSETS UNDER MANAGEMENT	$1.8 billion
LOCATION	Key West, FL

SITUATION SUMMARY

When CEO Cheryl called him with a job offer, Jim jumped at the opportunity to join Hemingway Wealth as COO.

Jim had always respected the team and the brand at Hemingway - it was known in the community as a company of standup people.

Jim's first order of business? Getting the firm organized by outlining 'metrics that matter.' Despite successfully serving clients for decades, Hemingway was not very diligent about setting business objectives or tracking performance metrics.

Jim was especially excited to lead the group in a strategic planning exercise to hash things out, build alignment and get to work.

He knew that the work would make a big impact. He filled up his coffee cup and got to work outlining next steps.

QUESTIONS TO CONSIDER

1. How should the COO go about getting input from his new team?
2. How might the team at Hemingway Wealth use technology to help in this endeavor, such as dashboards?
3. How does your leadership team set goals and track progress?
4. What are the 'metrics that matter most' to your firm? How do you measure them and manage your team to them?
5. Assess your firm's "metrics-driven leadership" approach - where are you doing well, versus where would you like to improve?

QUOTES FROM THE TEAM

COO
Jim

Over time, this work is going to take our firm from 'good' execution to 'great' execution.

CEO
Cheryl

It would feel amazing to get our metrics/results laid out clearly. I feel comfortable making gut decisions. But my broader leadership team would be more effective strategically if they were armed with data.

CLIENT SERVICE MANAGER
Chris

I have a general idea of how efficient we are. But I don't have great numbers to back it up. For example, I couldn't tell you our responsiveness times to client requests. Or how much time we spend on each household, per quarter.

BUSINESS DEVELOPMENT MANAGER
Barry

I'd like to get a better handle on reasons won/ reasons lost during our sales process.

MARKETING MANAGER
Michelle

It would be great if we could see insights around where our leads are coming from. So that we can do more of what's working and less of what is not.

CFO
Greg

Every time we have a management meeting, it takes a lot of prep. Anything we can do to automate/ simplify that work would be fantastic

IT MANAGER
Ira

We need to think about roles, permissions and security. For example: which employees should get access to the data? Is there a way to restrict access to contain it to only designated people/roles?

"Segmentation review"

Refining service levels to elevate client experience

FIRM	FORT TILDEN FINANCIAL
FOUNDED	2003
ASSETS UNDER MANAGEMENT	$900 mm
LOCATION	Queens, NY

SITUATION SUMMARY

Their leadership team recently made a realization while reviewing their business metrics through their CRM.

They are spending an inordinate amount of time with certain clients -and not enough time with others.

As they approach $1 billion in assets, now feels like the right time to reconsider their approach to client segmentation and corresponding service levels.

However, CEO Cal is dragging his feet. He is struggling with a simple question - can Fort Tilden evolve its client service model while still being proud of the experience they deliver for every client?

QUESTIONS TO CONSIDER

1. How should Fort Tilden Financial approach this process?
2. How does your firm think about meeting client needs? For example, do you serve everyone exactly the same way, or do you put more effort into certain relationships?
3. As you grow, how might your firm benefit from more deliberate segmentation? How could you use technology to do so?
4. Do you use asset-based segmentation? What are the pros and cons to doing so? Have you ever considered doing it differently?
5. Has your firm ever done a 'unit economics' analysis to see how much it costs to serve each client? Do you use your CRM to gauge how much time/ effort it truly takes to serve each client?

QUOTES FROM THE TEAM

COO Sarah
We have a simple math problem on our hands. There are not enough hours in the day...if we don't change how we do things, we cannot scale.

ADVISOR Michael
We do not have the discipline actually to adjust our service levels based on the tiers. Every client gets the same thing."

CLIENT SERVICE Carrie
The squeaky wheel gets the grease.

ADVISOR Aaron
Once per year, we sort an Excel spreadsheet by household assets, put people into tiers, then call it a day.

OPERATIONS Lenny
Our less profitable relationships require more effort. For example, it's our next-gen clients who require hand-holding. Whereas our long-term relationships in retirement are on autopilot to some extent.

CHIEF INVESTMENT OFFICER Chris
The needs of our $10m+ clients are not the same as those of mass affluent. To pretend otherwise is disingenuous. So I am excited to rethink how we do things. Ideally, it frees me up to spend more time dealing with the complex needs of larger clients.

CMO Julie
Depending on where we land with this...I could see us communicating it publicly as part of our value proposition.

CEO Cal
I have never looked at people as walking wallets. So I'm a bit concerned about doing this, because I don't want our client experience to suffer.

“Acquisition complexity”

Unifying RIA tech and investment approach

FIRM
SUMMIT PEAK

FOUNDED
1996

ASSETS UNDER MANAGEMENT
$6.5 billion

LOCATION
Denver, CO

SITUATION SUMMARY

Summit Peak just finished its third acquisition in three years. To the outside world, the firm is a major success story. And from a growth perspective, they have been.

The problem is that internally, they are somewhat disorganized. Different advisory teams under the Summit Peak umbrella are doing their own thing. They are operating independently, using disparate technology solutions and different investment approaches.

To cut through the chaos and simplify things, they have hired a new COO, Sydney. The leadership team backs her, but she knows that things won’t be easy. She wants to find some common ground across the teams and then chart a new path forward.

QUESTIONS TO CONSIDER

1. What recommendations do you have for the new COO in her first 100 days?
2. Has your firm ever made any acquisitions? Or have you been acquired yourself? What did you learn in those situations?
3. When you have a conflict at your firm, how do you resolve it? For example, have you ever had a situation where people disagreed on how to use your CRM? What happened?
4. Where is your firm flexible (allowing people to do things their way), versus where is your firm locked down (ensuring that people do things the same way)? Is there anything you would like to change in the coming year across these categories?

QUOTES FROM THE TEAM

CFO
Ernie

We have exhibited excellent financial discipline. But from an operational standpoint, we have work to do.

CEO
Charles

Sydney is empowered to use both the carrot and the stick when needed.

COO
Sydney

In my first 100 days, I’m mostly listening rather than talking. Before I make sweeping changes, I want to understand the pros and cons of what teams are doing today. After that period, it is full steam ahead towards a unified vision for the firm.

ADMIN. ASSISTANT
Oliver

When clients call in, it takes forever to get them to the right person. We need to rethink how we triage things.

CLIENT SERVICE MANAGER
Cara

It’s probably going to be a bit painful. But I know that this work will ultimately pay off in a big way, leading to a better client experience and tighter operations.

MARKET STRATEGIST
Mary

I can’t wait until we simplify and consolidate our investment framework. It’s going to be a win-win-win – better for clients, better for our team operationally, and better from a legal and compliance standpoint.

ADVISOR
Ava

When we joined, we were told we could continue doing things the way we have always done them. Candidly, I’ve been through this stuff before. Command-and-control from the center is a nightmare. So I would advise folks to take a light touch – what we have in place now works!

MARKETING TO YOUNG INVESTORS:

A guide for financial advisors

SULEMAN DIN

As a financial advisor, it's essential to keep up with changing trends in the market and adapt your marketing strategies to attract younger investors.

While many financial advisors have built their businesses on catering to the baby boomer generation, the next generation of clients will have different needs and preferences.

Millennials and Gen Z-ers are quickly becoming the biggest spenders and earners, but they have different needs and expectations regarding money and finance. Here are some tips to help you market to younger clients and how to reach them effectively.

NEXT-GEN INVESTOR OUTREACH

For young investor outreach, it's essential to understand their values and needs. Millennials and Gen Z'ers seek advisors who can help them achieve their financial goals while aligning with their values. These generations value social responsibility and sustainability and are more likely to invest in companies that reflect those values. They're also interested in technology and want to work with advisors who can offer modern solutions and streamlined processes.

> "Millennials and Gen Z-ers seek advisors who can help them achieve their financial goals while aligning with their values.

To appeal to these clients, consider incorporating sustainable investments into your portfolio and offering tech-driven tools. You can also showcase your values and involvement in the community by highlighting charitable work or events you've participated in.

CREATE A STRONG ONLINE PRESENCE

Younger clients are tech-savvy and are more likely to research and connect with businesses online. That means you need a solid online presence to attract and retain younger clients.

A professional website is essential for any business, and financial advisors are no exception. Your website should be clean, modern, and easy to navigate. It should clearly communicate your services and expertise while providing easy ways for prospects to contact you. Make sure it's mobile-friendly, with clear messaging for your target audience.

To attract young investors, an advisor website should have a next-generation feel – no more stock images of boating – consider a design that is sleek and modern, with clean lines and bold typography. A new design can be easily achieved by using software such as Canva, Adobe Illustrator or Figma. Incorporate interactive elements such as videos, infographics, and calculators. This will help to engage your audience and make your content more interesting and memorable.

Optimize your website for Search engine optimization (SEO) – optimizing your website to rank higher in search engine results. This can help potential clients find you when they search for financial advisors online. To optimize for SEO, use relevant keywords, create high-quality content, and optimize your meta descriptions and tags. Here are some relevant SEO keywords that financial advisors could use on their websites to attract younger clients:

- **Personal finance:** Younger clients are interested in learning about personal finance, and this keyword can help attract them to your website.
- **Investing:** Many younger clients are interested in investing and building their wealth over time. Using this keyword can help you attract those looking for investment advice.
- **Budgeting:** Budgeting is an essential part of personal finance and a popular topic among younger clients. Using this keyword can help attract those looking to manage their money better.
- **Retirement planning:** While retirement planning may not be a top priority for younger clients, it's still an important keyword to use as it shows you can offer guidance throughout a client's life stages.
- **Financial literacy:** Younger clients are interested in increasing their financial knowledge, and this keyword can help attract those seeking to

learn more about financial topics.

- **Student loans:** With many younger clients facing student loan debt, this keyword can help attract those seeking guidance on managing their student loans.
- **Wealth management:** Using this keyword can help attract younger clients who are looking for comprehensive financial planning and investment advice.
- **Digital assets:** With the rise of digital currencies and assets, this keyword can help attract younger clients interested in learning about this emerging field.
- **Financial planning:** This broad keyword can help attract younger clients looking for overall financial guidance and planning.
- **Financial education:** Using this keyword can help attract younger clients seeking education and guidance on financial topics.

Suleman Din is AdvisorEngine's Advisor Intelligence Lead. He is editor-in-chief of Action!, a magazine with actionable content for wealth management leaders. Previously Suleman oversaw technology coverage for American Banker and Financial Planning.

When creating content, remember that younger clients value authenticity and transparency. They want to work with advisors who are honest and upfront about fees, services, and potential risks. Consider creating videos or blog posts showcasing your expertise while educating clients on important financial topics.

Your online reputation is important; negative reviews or comments can quickly damage your credibility. Monitor your online reputation regularly by setting up Google Alerts, monitoring social media channels, and responding to any negative comments or reviews in a professional and timely manner.

SOCIAL MEDIA FOR FINANCIAL ADVISORS

Social media has become a valuable tool for financial advisors to connect with prospects and grow their businesses. However, using social media platforms effectively is important to avoid common mistakes that can damage your reputation.

Not all social media platforms are created equal, so choose the right platform to reach your target audience. LinkedIn is the most popular social media platform for financial advisors, as it's geared towards professional networking and allows for in-depth discussions on financial topics. Facebook, Instagram, and Twitter can also be useful for reaching a wider audience but may require a different approach to content and messaging.

Prospects are more likely to follow and engage with financial advisors who share valuable content that educates and informs. Create a content strategy that includes a mix of blog posts, videos, infographics, and other content types that showcase your expertise and provide value to your target audience. Make sure to include calls to action encouraging prospects to contact you for more information or to schedule a consultation.

Social media is a two-way conversation, so engage with your audience by responding to comments and messages. Encourage discussions and provide thoughtful responses to questions or comments. This helps to build trust and establish yourself as a credible authority in your field. Various paid advertising options are available through social media platforms that can help financial advisors reach a wider audience and generate leads. LinkedIn and Facebook offer targeted advertising options that allow you to reach prospects based on demographics, job titles, and interests. Have a clear call to action and a landing page optimized for conversions. By using social media effectively, financial advisors can establish themselves as thought leaders, reach a wider audience and generate leads for their business.

OFFER PERSONALIZED AND TRANSPARENT SERVICES

Personalization and transparency are key to building trust with younger clients. People want to work with advisors who take the time to get to know them – including their financial goals, risk tolerance and investment preferences. This will allow you to provide personalized advice tailored to their specific needs.

Provide transparency around fees, services and potential conflicts of interest. Provide this information in writing and ensure that clients understand what they are paying for and how much they are paying. Consider offering various services that cater to different client needs, including budgeting and debt management, retirement planning, and investment advice.

If you offer different service levels or pricing, clearly outline the differences and what each level includes. Communicate your fee structure upfront, including any ongoing management fees or commissions to help build trust.

Keep your clients informed about their portfolio performance and any changes you make to their investments. This will help build transparency and show that you are committed to keeping your clients informed about their financial situation. Educational materials like blog posts or webinars can help your clients better understand financial concepts and investment strategies. This can help them make more informed decisions and feel more confident in their financial decisions.

FINTECH FOR NEXT-GEN INVESTORS

Technology is changing wealth management, helping financial advisors deliver better advice. Here are some examples:

- **Automated portfolio management:** The portfolio management process can be automated, including rebalancing and tax-loss harvesting.

Advisors can save time and focus on providing personalized advice to their clients.

- **Data analysis:** Technology can help advisors analyze large amounts of financial data, such as market trends and economic indicators – allowing advisors to make more informed investment decisions
- **Risk assessment:** Advisors can use technology to assess risk tolerance and identify investment opportunities that align with a client's risk profile helping advisors provide personalized advice tailored to their client's specific needs.
- **Client relationship management (CRM):** CRM tools can help advisors communicate more efficiently and effectively with their clients. For example, advisors can use email, text messages, and video conferencing to stay in touch with their clients and provide regular investment updates.
- **Financial planning software:** Technology can help advisors create financial plans for their clients, including retirement planning, estate planning and tax planning. This can help advisors provide comprehensive advice considering all aspects of their client's financial situation.
- **Artificial intelligence and machine learning:** Technology can help advisors use artificial intelligence and machine learning algorithms to identify investment opportunities and optimize portfolios. This can also help advisors create content for email or website marketing campaigns.

GEN Z AND MILLENNIAL ENGAGEMENT

Engagement is critical to building lasting relationships with younger clients. They want to work with advisors who are accessible, responsive and proactive.

Consider offering regular check-ins and updates to inform clients of their investments and financial progress. You can also use technology like chatbots and online portals to make it easy for clients to communicate with you and access important information.

To stay top of mind with younger clients, consider hosting events or webinars that educate clients on important financial topics or showcase your expertise. You can also partner with local businesses or organizations to reach a wider audience and show your involvement in the community.

TAKEAWAYS

Marketing to younger clients requires a different approach than marketing to older generations. To attract and retain younger clients, you must understand their values and needs, create a strong online presence, offer personalized and transparent services and engage with clients regularly.

SULEMAN DIN

BERNICE NAPACH

Client concern resolution strategies every financial advisor should know

In financial advising, trust isn't just important – it's everything.

Clients rely on their advisors to safeguard life savings, guide retirement planning and help shape their financial futures.

But even the most skilled and attentive advisor will eventually face a dissatisfied client. Whether the issue stems from market volatility, communication gaps, unmet expectations or simple administrative errors, complaints are inevitable. What truly matters is how you respond. The way you handle client concerns can either reinforce your credibility or undermine it.

"How an advisor responds to a complaint is an opportunity to come out on the other side with an even stronger, deeper, more trusting relationship than they had before the complaint happened," says Joy Slabaugh, a CFP and licensed therapist who counsels advisors and their clients about the emotional dimensions of wealth and money.

In this guide, we'll walk you through the essential steps of resolving your client's operational concerns process. We also have insights from advisors to help you address operational and service concerns, preserve relationships and even turn conflict into an opportunity to build deeper trust and elevate your reputation.

For any matter that may fall under regulatory definitions of a complaint, consult with your Chief Compliance Officer (CCO) or refer to your compliance policies and follow all applicable regulatory requirements, in addition to your client service process.

WHY PROMPT RESOLUTION MATTERS

Client retention: A well-managed complaint can transform a frustrated client into a loyal advocate. Studies show that clients are more likely to stay with an advisor who effectively resolves their concerns, rather than one who never encounters issues but remains distant or impersonal.

Regulatory compliance: In a highly regulated industry, the improper handling of certain complaints can trigger scrutiny from the SEC, FINRA or state agencies, potentially leading to fines or disciplinary action. It's important to distinguish between everyday service issues and formal regulatory complaints which will be defined in your compliance policies. Below are some common examples.

- **Service issue:** A client is upset about a delayed statement or trouble accessing their online account. This can be resolved internally with prompt communication and follow-up.
- **Regulatory complaint:** A client alleges unsuitable investment advice or mishandling of funds. This requires documented handling and reporting in accordance with SEC and other applicable requirements.
- **Reputation management:** In the digital age, negative reviews can spread quickly. A single unresolved complaint can harm your reputation across social media and advisor review sites, while a positive resolution story can boost credibility and trust.

COMMON SOURCES OF COMPLAINTS

Before you can effectively resolve complaints, it's essential to recognize where they often originate:

- Misunderstood risk profiles or investment objectives
- Poor communication or perceived lack of responsiveness
- Unexpected fees or unclear billing
- Losses due to market downturns or misaligned expectations
- Administrative or clerical errors
- Delays in transactions or transfers

Understanding the root causes of complaints will help you be proactive in preventing many of them and be prepared to resolve those that arise.

STEP-BY-STEP GUIDE TO RESOLVING CLIENT COMPLAINTS

Step 1:
Stay calm and listen actively: When a client voices a complaint, your first responsibility is to listen – genuinely and without interruption. Avoid becoming defensive. Let them speak fully, and use active listening techniques to demonstrate your engagement. Verbal cues like "I see" or "I understand," along with paraphrasing – "So what I hear you saying is…" – can help diffuse tension. Ask open-ended questions to clarify the issue. Often, clients just want to feel heard, and giving them space to vent in a respectful environment can go a long way.

"Take a beat. Give yourself a moment to breathe, recognize what you're feeling and acknowledge that within yourself," says Slabaugh. "Then when you've set that aside and you're able to think about the situation from a place of calm, that's when you're ready to engage with your client on the topic."

"Listen to your client. Don't try to talk them out of it, or try to tell them they're wrong, just let them speak," says Brett Bernstein, CEO of XML Financial Group, headquartered in Bethesda, Maryland." Sometimes people just want to be heard, and that's all they need."

Step 2:
Acknowledge the problem: Acknowledging a concern doesn't mean accepting blame – it signals empathy and professionalism. Simple phrases like "Thank you for bringing this to my attention," or "I understand why you'd be upset. Let's work through this together," can reassure clients that their concern is valid and that you're taking it seriously.

"No complaint should be ignored," says Tobias Maag, a certified financial planner and coach who has been an independent consultant to the banking and financial services industries for decades. "Your reputation might be at stake."

Step 3:
Investigate thoroughly: After the initial conversation, thoroughly examine the issue. Review call logs, documents, transaction history and notes. If needed, consult with internal staff, compliance officers or custodians. Identify the cause of the problem and assess if there was a service lapse or miscommunication on your end. Maintain detailed records of your findings and all client communications – essential not only for compliance but also for transparency.

"I'm always going to lean on getting compliance involved as early as possible if there is a complaint," says Winston Justice, CEO of Sage Spring Private Wealth in Franklin, Tennessee.

Step 4:
Communicate the resolution clearly: When you're ready to share your findings, do so honestly and clearly. If a mistake was made, acknowledge it and explain the steps you'll take to correct it. If not, communicate the facts without sounding dismissive or defensive. Proposed resolutions may include an apology, a fee adjustment, a portfolio review or improved communication methods. Always invite the client to ask questions or share their thoughts on the proposed resolution. This reinforces collaboration and trust.

Step 5:
Follow through and follow-up: After agreeing on a resolution, execute it promptly. Assign tasks, set deadlines and ensure no detail falls through the cracks. Then, check in after a week or two. A quick phone call, a note or a scheduled review can show the client you care beyond the moment of conflict. This kind of follow-up can turn a negative experience into a loyalty-building opportunity.

"Now you've gotten more data on your client," says Slabaugh, who is also the founder of the Wealth Alignment Institute. "If a client values frequent communication or detailed explanations, make that part of their profile. Complaint resolution is a chance to get to know your client better — and serve them more precisely in the future."

BEST PRACTICES FOR PREVENTING COMPLAINTS

While complaints can't be avoided entirely, you can significantly reduce them through proactive service. Start by setting clear expectations from the beginning. Explain your services, fees, investment philosophy and communication style during the onboarding process. Misaligned expectations are a leading cause of dissatisfaction.

"Advisors need to be very clear about the services they offer and what the client will likely experience," says Megan Gorman, founder and managing partner of Chequers Financial Management, in San Francisco, California. "Advisors need to over-communicate, particularly when it is something complex or something with a great deal of risk."

Document everything. Detailed notes on client conversations, preferences, and decisions provide essential context in the event of a dispute. Communicate proactively – reach out during market shifts, even if there's no major news. Clients appreciate being kept informed.

"Give clients updates throughout the year," says Trevor Johnson, founder of Dream Weaver Financial Planning, based in the greater Chicago area. "When the markets drop or when they go up a lot, give clients an update on their portfolio. Let them know what's going on, so when they see the headlines, it basically matches what's being said. There are also opportunities when markets go down if they're able to add more assets."

If you have a team, ensure they are well-trained in communication, compliance and client care. Consistency in client experience matters. Also, regularly ask for feedback. A simple follow-up after meetings – "Was there anything we could have done better?" – can uncover minor issues before they become formal complaints.

WHEN TO ESCALATE OR REPORT A COMPLAINT

Some complaints may require escalation or even formal reporting. Be prepared to involve your firm's leadership or compliance team in cases involving allegations of misconduct, significant financial losses or legal threats. Know your regulatory obligations – whether under FINRA, the SEC or state agencies – and act promptly. Delayed reporting can worsen outcomes for both you and the client.

TURNING COMPLAINTS INTO GROWTH OPPORTUNITIES

Handled correctly, complaints provide valuable insight into areas of your practice that may require attention. Look for patterns. Are there recurring concerns? Could more transparent communication or updated onboarding materials prevent confusion? Use complaints to refine your service model, train your team and improve client touchpoints.

Track complaints systematically and review them regularly to ensure effective management and resolution. Doing so not only helps mitigate risk but also drives continuous improvement.

"We always want to track complaints and our response to them as well," says Justice. "We want to have documentation on both sides."

TAKEAWAY

Resolving client complaints isn't just a box to check – it's a pivotal opportunity that can either strengthen trust or erode it. Advisors who respond with empathy, professionalism and accountability often develop deeper client relationships and a stronger reputation.

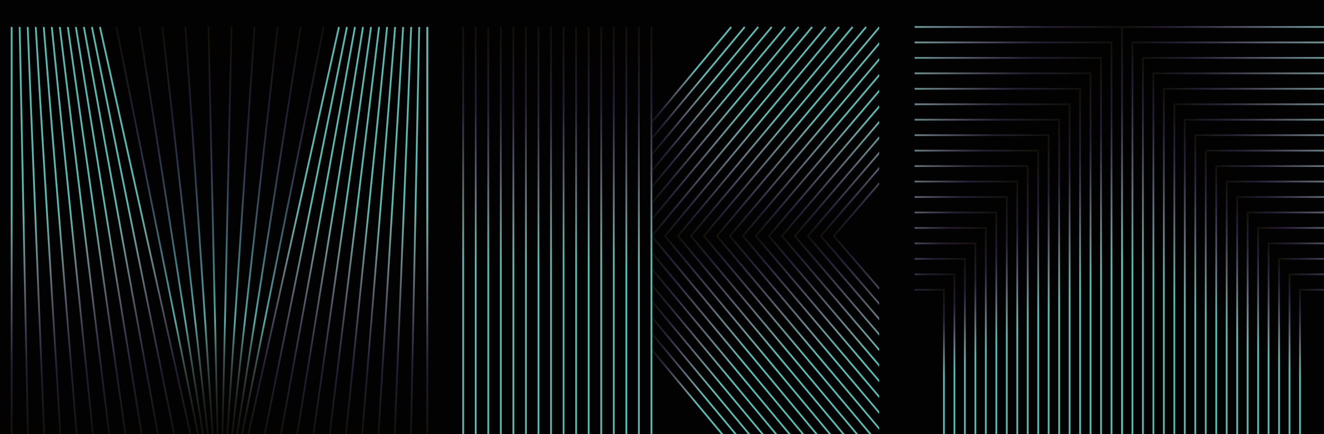
While performance is important, how you navigate difficult moments speaks volumes. When you approach complaints as opportunities to listen, learn and lead, you don't just preserve your practice – you elevate it.

"Ultimately, resolving complaints isn't just risk management – it's relationship optimization," says Slabaugh. "And in high-net-worth relationships, emotional alignment matters just as much as performance. The advisors who embrace this truth are the ones who retain loyalty, referrals and long-term trust."

BERNICE NAPACH

Still using these phrases in your advisor marketing? Here's what to do instead

SULEMAN DIN



As a financial advisor, how you communicate can be just as important as what you offer.

Your marketing language plays a crucial role in building trust, establishing credibility and ultimately attracting new clients.

Yet, many financial advisors and wealth managers fall into the trap of using outdated, generic phrases that no longer resonate with today's sophisticated clients. If you're still relying on cliché marketing language, it's time to rethink your approach to financial advisor marketing.

Marketing in our industry requires precision, authenticity and relevance. Prospective clients want to see beyond broad claims and hear clear, specific benefits that align with their financial goals and concerns. Generic phrases like "trusted advisor" or "comprehensive solutions" may have been effective in the past, but today's clients expect more transparent and personalized messaging.

"In a crowded marketplace, words must do more than describe services; they must move people to feel something and act," says Leigh White, founder of Myriad Advisor Solutions, which serves financial professionals operating in the independent and RIA space.

> "In a crowded marketplace, words must do more than describe services; they must move people to feel something and act.
>
> Leigh White, Myriad Advisor Solutions

In this article, we'll explore common phrases that financial advisors should stop using in their marketing and suggest fresh, effective alternatives to help you stand out in a crowded marketplace.

OUTDATED MARKETING PHRASES HURT FINANCIAL ADVISOR MARKETING

One of the most overused phrases in financial advisor marketing is "trusted advisor." While trust is undoubtedly critical in wealth management, simply stating it doesn't convince anyone. Without concrete evidence or proof points, this phrase sounds like empty marketing speak.

Instead, focus on demonstrating trust through client testimonials, case studies, or credentials. For example, rather than saying "We are trusted advisors," say something like, "Over 95% of our clients renew their advisory services year after year, citing personalized strategies and transparent communication."

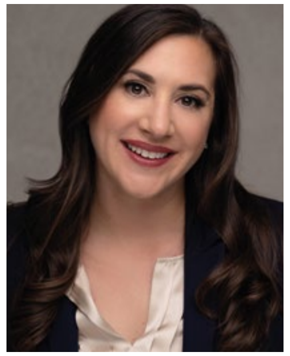
"One of the most compelling ways for advisors to describe the work they do is through case studies on their website's home page," says April Rudin, founder and CEO of the Rudin Group, a financial services marketing consultancy and the co-author of the upcoming book, Wealth Management With a Difference: Your Guide to Achieving Client, Generational, and Business Success. "People can find themselves in those case studies."

"Case studies are underleveraged and need to be leveraged more," says Megan Carpenter, CEO of Ficomm Partners, a marketing firm that focuses on financial advisory and wealth management firms. Carpenter is also a fan of "very easy-to-find client testimonials" on firms' websites. "Consumers expect to read reviews, and they want to read reviews of their advisors and testimonials about their advisors. That goes a long way today towards building trust with consumers."

This shifts the focus from a vague claim to a measurable outcome, making your marketing more compelling and credible.

REPLACE "COMPREHENSIVE FINANCIAL SOLUTIONS" WITH SPECIFIC BENEFITS

Another phrase frequently misused in marketing and wealth management is "comprehensive financial solutions." This phrase is vague and doesn't convey what you offer or how it benefits your clients.



"The words are safe, but they are also forgettable," says White. "The right words create urgency, build connection and inspire confidence. The wrong words blend into the background noise."

Wealth management is a complex field, and your audience needs to understand exactly what problems you solve. Instead of generic language, be specific about your expertise and how it addresses client needs.

For example, replace "comprehensive financial solutions" with "tailored retirement planning and tax-efficient investment strategies designed to maximize your long-term wealth." Specificity not only improves clarity but also aligns your messaging with the key concerns your target clients have.

"You need to be speaking the language of your target audience," says Ali McCarthy, founder of Amplify Your Voice Studio, which provides marketing and training solutions to financial services. "You have to deeply understand what motivates them, their strengths, their weaknesses, their opportunities – all those things that make up their financial lifestyle. There's no harm in an advisor claiming to be a fiduciary, but what does that mean to a tech executive? What does that mean to a first responder? Now explain what that means to that person."

AVOID VAGUE BUZZWORDS LIKE "INDUSTRY-LEADING"

In financial advisor marketing, the phrase "industry-leading" has become overused and often loses its meaning. Many firms claim to be "industry-leading," but without evidence, such statements come across as empty marketing jargon. Today's clients want proof, not vague superlatives.

Instead, focus on highlighting real differentiators that set you apart. For example, instead of saying, "We offer industry-leading wealth management," try, "Our proprietary risk assessment model has helped clients reduce portfolio volatility by 15% during market downturns." This data-driven statement provides tangible value and demonstrates your expertise, building trust and credibility with prospective clients.

Shifting from vague buzzwords to specific, measurable results is essential for effective financial advisor marketing. It shows you deliver tangible outcomes, positioning your firm as a true leader in wealth management.

"Core messages should be clear and use authentic language that is grounded in client outcomes, and, when working to attract a niche clientele, hyper-relevant," says Marie Swift, founder and CEO of Impact Communications, a full-service marketing communications firm serving independent financial advisors, wealthtech innovators, and allied financial services institutions.

"Core messages should be clear and use authentic language that is grounded in client outcomes, and, when working to attract a niche clientele, hyper-relevant.

Marie Swift, Impact Communications

For example, says Swift, a financial advisor could tell a prospect, "'I help busy families figure out how to save for the things that matter like college, a comfortable retirement or even just an extra family vacation each year," and then elaborate with an example: "I recently showed a couple how to pay off their credit cards faster while still putting away money for their daughter's future college costs.'"

SHOW HOW YOUR TECHNOLOGY BENEFITS CLIENTS

Similarly, "cutting-edge technology" is often used in marketing to impress potential clients. However, this term has become generic and can feel disconnected from what clients genuinely care about – the tangible benefits that technology brings to their financial lives.

Simply stating that you use "cutting-edge technology" doesn't explain how it improves their experience or investment outcomes, which is ultimately what matters most. Clients want to understand how technology will make managing their wealth easier, safer or more effective.

Instead of relying on buzzwords, focus your messaging on the specific ways your tools enhance client results. For example, instead of just saying, "We use cutting-edge technology," say, "Our advanced portfolio analytics platform provides real-time insights, empowering you to make informed decisions with confidence." This type of statement directly connects the technology to the client's needs and goals.

By demonstrating how your technology serves your clients, you create a stronger, more relatable message. This approach not only builds trust but also differentiates your practice in the competitive landscape of wealth management marketing.

DEMONSTRATE CLIENT-CENTRIC COMMITMENT AND UPHOLD CLEAR STANDARDS

Phrases like "client-centric approach" and "quality guaranteed" have become overused and often lack the impact needed to truly differentiate your practice. While being client-focused and promising quality are essential, simply stating these commitments without showing how you deliver on them can come across as empty marketing jargon.

Instead of relying on vague claims, demonstrate your dedication with concrete examples and clear standards. For instance, you might say, "Each client receives a dedicated advisor and a personalized financial roadmap reviewed quarterly to adapt to changing goals and market conditions." This shows a hands-on, ongoing commitment that resonates deeply with prospective clients seeking personalized service.

Similarly, rather than using broad guarantees like "quality guaranteed," highlight the specific ethical standards your firm upholds. Saying, "Our advisory team adheres to the fiduciary standard, ensuring your interests always come first," communicates a powerful promise grounded in trust and responsibility. This kind of transparency reassures clients that your firm is reliable and aligned with their best interests.

By combining tangible examples of client-focused service with clear ethical standards, your marketing message becomes authentic and trustworthy. This approach not only builds confidence but also sets your practice apart in the competitive landscape of wealth management.

> “The most effective marketing language is human, specific and emotionally resonant.
>
> Danielle White, Myriad Advisor Solutions

REFRESH YOUR MARKETING LANGUAGE BY CONNECTING EMOTIONALLY

Beyond focusing on the client’s perspective, effective marketing in wealth management also taps into emotional triggers. Financial decisions are rarely made on logic alone – they’re driven by feelings such as security, confidence, and peace of mind. Incorporating phrases like “Experience the confidence that comes with a personalized investment strategy” or “Gain peace of mind knowing your wealth is protected for future generations” connects with these emotions and motivates prospects to take action.

“Financial decisions are deeply personal,” says White. “Words that evoke security, legacy, freedom or peace of mind resonate more than technical terms. For example, ‘Protecting your family’s tomorrow’ is far more powerful than ‘asset allocation and risk management.’ “

By combining client-centered language with emotional appeal, your marketing becomes more relatable and persuasive, helping you build trust and deepen engagement with potential clients.

USE POWER WORDS TO KEEP YOUR MARKETING CLEAR AND SIMPLE

Power words are a tool to boost the effectiveness of your wealth management marketing. Terms like “proven,” “exclusive,” “trusted,” and “secure” convey a sense of reliability and urgency, encouraging potential clients to take action. For example, saying, “Join our exclusive group of clients who have achieved a 20% average portfolio growth over the past five years” is far more compelling than a generic statement like, “We have good returns.”

At the same time, it’s crucial to keep your marketing language clear and straightforward. Avoid using overly technical terms that can confuse or alienate clients, especially when discussing complex financial topics. Instead, explain concepts in plain English and focus on the benefits that matter most to your audience. This clarity not only enhances engagement but also fosters trust, which is crucial for effective financial advisor marketing.

“The most effective marketing language is human, specific and emotionally resonant,” says Danielle White, CEO of Myriad Advisor Solutions and Leigh White’s daughter. “We encourage advisors to speak directly to the outcomes their clients care about, not just the services they offer, using phrases like: ‘Retire with confidence and clarity,’ and ‘Build a legacy your family will be proud of.’ “

By combining persuasive power words with straightforward communication, you create marketing that resonates and motivates clients to choose your services.

SEO STRATEGIES FOR FINANCIAL ADVISOR MARKETING

SEO plays a vital role in all marketing strategies. Using fresh, client-relevant phrases and keywords helps your website and content rank higher on search engines, attracting more qualified leads.

Incorporate targeted keywords, such as “financial advisor marketing,” “marketing in wealth management,” “wealth management strategies” and “financial planning services,” naturally throughout your content. Utilize these keywords in headings, meta descriptions and blog posts to enhance your online visibility.

In addition to keyword usage, aim to create content that answers your clients’ common questions and pain points. Educational articles, case studies and how-to guides on topics such as retirement planning, tax strategies or investment diversification help establish your authority and provide SEO benefits.

“Write for humans and search engines: Clear, conversational language improves both clients’ trust and AEO performance,” says Danielle White, referring to Answer Engine Optimization, an updated term for SEO that incorporates answers from AI in addition to traditional search engines. “Clients don’t search for ‘holistic financial planning.’ They search for things like ‘How much do I need to retire at 60?’ and ‘Best ways to save for college.’ “

UPGRADE YOUR MARKETING LANGUAGE FOR SUCCESS

Ultimately, your marketing language should reflect the professionalism, expertise and personalized service that define your wealth management practice. If you’re still using generic, outdated marketing phrases, it’s time to evolve your messaging to meet the expectations of today’s discerning investors.

Start by reviewing your current marketing materials – website copy, email campaigns, social media posts – and replace tired clichés with specific, client-focused statements. Highlight your unique strengths with evidence and real-world results. Speak directly to your audience’s needs and emotions using clear, simple language. Don’t forget to optimize your content with relevant keywords to enhance your online presence.

“If your language is too general, it appeals to no one,” says Rudin.

“Avoid cliches. Describe what clients actually experience working with the firm, not what the advisor does. Focus on the potential outcomes and benefits of working together,” says Marie Swift.

In a competitive financial advisory landscape, words matter. The correct language not only attracts clients but also builds lasting relationships based on trust and value. By upgrading your marketing language and strategy, you’ll position your firm as a leader in wealth management and set yourself apart from the crowd.

And don’t forget to update your marketing materials regularly. “Update your website and photos every two years or so, and be authentic,” says Rudin.

> “If your language is too general, it appeals to no one.
>
> April Rudin, The Rudin Group

JOEL BRUCKENSTEIN

Why technology is key to unblocking organic growth

More competition means technology providers must also embrace a culture of open communication towards serving clients, says the veteran industry observer.

Artificial intelligence, generational transfers and talent shortages are coming together in a confluence of trends impacting wealth management.

But what's got the attention of advisory firms at the moment, says Joel Bruckenstein, founder of the Technology Tools for Today conference, are anemic organic growth rates being experienced by RIAs.

In a conversation with *Action!* magazine, Bruckenstein notes that whether it's the big trends reshaping the financial planning industry or the day-to-day business challenges facing RIAs, technology is at the center.

THE LATEST RESEARCH SHOWS ORGANIC GROWTH RATES AMONG RIAS HOVERING AT JUST 2%. WHAT ARE THE HURDLES FIRMS ARE FACING, FROM YOUR PERSPECTIVE?

> “You need to reimagine all of your processes and make them more efficient by taking advantage of the technology available today.

JOEL BRUCKENSTEIN: From my perspective, the main culprit is that many of these firms seeing low organic growth rates haven't embraced technological tools built to help them achieve that growth. To expand your business, you must be able to operate more efficiently. So, there's absolutely no reason why your firm should still be doing anything with your clients on paper. And I bet I could find several ways your firm could be doing things in a smarter, quicker process than how you're doing it now. There are so many tools available that can help you automate your workflows, make better sense of your firm data, and visualize it in simple terms. Your onboarding process should be totally digital. Your marketing and prospecting today needs to have a strong digital component to it. You need to reimagine all of your processes and make them more efficient by taking advantage of the technology available today.

HOW DOES AUTOMATED TECHNOLOGY HELP A FIRM ACHIEVE ORGANIC GROWTH?

BRUCKENSTEIN: Quite simply, it takes unnecessary tasks off the hands of advisors, and it saves firms hours that they can better spend with clients. The job of an advisor is to help clients identify their financial goals, build a plan with them to meet those goals and counsel them along that journey. The more efficiently you can do that with more clients, the more clients you can take on. You have more time for prospecting new clients, and you have more time to service existing clients, so you're putting the work into retaining them. From our research, the difference between firms using automated technology versus those that don't is a clear competitive advantage for tech-savvy firms.

WE'VE HEARD TECHNOLOGY FIRMS USE THE TERM “PLATFORM MENTALITY” SEVERAL TIMES. WHAT DOES THAT MEAN AT THE EXECUTION LEVEL FOR THE AVERAGE RIA?

BRUCKENSTEIN: There are two definitions here. One is literal – that you are open to bringing a wealth management platform into your practice to help you manage the business. That means deciding to invest in any of the providers that have built sophisticated all-in-one solutions to automate a variety of your daily practice tasks. You're moving from a traditional, paper-driven workflow to a modern, digitized method of managing your business.

The other is thinking about how to connect all the elements of your business digitally. And to be efficient, one action should drive the next. For example, if you bring in a new client, it proactively sets off a series of documents that need to be signed, accounts that must be opened, etcetera. You're thinking about the data that each process creates and letting that drive your business – feeding tools again that simplify your daily tasks, as well as providing you key insights into the overall health of your business. What you're doing with a platform mentality is seeing how your practice can work in a single process rather than chopped up into different units and tools.

> “What separates the leaders from the laggards is the willingness to invest and adopt technology.

ARE WE LEAVING BEHIND THE ERA OF “SET IT AND FORGET IT?” IN OTHER WORDS, EVERYONE MUST BECOME AN EXPERT WITH THE TOOLS THEY HAVE; THERE CAN’T BE JUST ONE ‘TECH EXPERT’ AT A FIRM?

BRUCKENSTEIN: I think so, but it doesn’t mean it needs to be difficult. New advisors coming into the field are already tech-savvy in a way that older practitioners are not, but when you think about it, there’s no reason why they can’t be just as attuned to new tech. In your daily lives, the technology you use is constantly evolving; you learned how to pay with your phone or watch streaming shows. So why shouldn’t your business technology and your practices evolve, too? Now, in the past, there was a drive for simple solutions that took care of your business challenges. Tools in the market today are still going to do that, but they’re intelligent tools, which means you’ll have to get smarter about how you use them, too. That requires effort on your part to learn, to understand and to stay on top of new ways of doing things

WE’RE EXPERIENCING SEVERAL MAJOR INDUSTRY CHANGES: GENERATIONAL WEALTH TRANSFER, TECHNOLOGICAL EVOLUTION AND PRACTICE MANAGEMENT CHANGES, PARTICULARLY IN RECRUITMENT. HOW WELL ARE ADVISORY FIRMS MANAGING TO STAY ON TOP OF IT ALL?

BRUCKENSTEIN: It’s a mixed bag. As always, some firms are doing a great job, a large percentage of firms that are getting some things right, and then there are firms that are just falling behind. Several industry surveys, including ours, point to the same outcome: What separates the leaders from the laggards is the willingness to invest and adopt technology. They’re also more open to recruiting talent and re-evaluating their businesses. It’s all about the priorities you have about growing your practice. If you’re standing still, you’re going nowhere.

ARE INDUSTRY TECHNOLOGY PROVIDERS MEETING THEIR NEEDS? WE’VE SEEN SHAKEUPS AMONG THEM, TOO, WHETHER IT’S BEEN BIG CHANGES IN LEADERSHIP OR FURTHER CONSOLIDATION. HOW IS THAT IMPACTING THE WAY WEALTH MANAGEMENT FIRMS ARE BEING SERVED?

BRUCKENSTEIN: It’s certainly injecting a level of uncertainty into the market. I understand and can appreciate the forces behind some of the shakeups we’ve seen in the last 12 months. But I think the onus is on the tech provider to embrace a culture of open communication and ensure that the client is being seen and heard. Any technological tool is a sizable investment, and RIAs want to feel confident they’ve got the support behind the product. So, as part of your vision, I need to know, as a potential client, how you will ensure continuity. Because if there’s a drop in service or I feel neglected, I will bolt. I have many more tech choices today than I did even ten years ago.

AI TOOLS FOR WEALTH MANAGEMENT CONTINUE TO DEVELOP. WHAT’S GOT YOUR ATTENTION RIGHT NOW?

BRUCKENSTEIN: I’m keeping an eye on the tools aiming to replicate front-facing client service. The first robo-advisors weren’t built to sit down and discuss your financial dilemmas. They were tools designed to quickly put you in a portfolio, and a simple one at that, too. Everyone now sees them for what they really are – automated TAMPs. They were never going to upend the advisory business. But a system that can have a human face and voice, carry a free-flowing conversation with you and build you a portfolio? That’s certainly a challenge.

HOW DO FIRMS MANAGE THE COMPLIANCE CONCERNS SURROUNDING THE USE OF AI?

BRUCKENSTEIN: This isn’t as complicated as some folks want to make it to be. If you have a robust compliance program, you’ve already got a lot of the language and checks to evaluate and monitor the tools you want to use. There are some new elements to AI tools, such as plagiarism concerns and hallucinations, that require a little more language and consideration, but at the end of the day, you’re a fiduciary; you’re bound to put the client’s needs first; no matter what tools you rely on to get that done.

THE INDUSTRY IS INVESTING MORE IN CYBERSECURITY, BUT IT’S DIFFICULT TO KEEP UP WITH ALL THE THREATS. WHERE SHOULD ADVISORS FOCUS THEIR ATTENTION?

BRUCKENSTEIN: Cybersecurity is such a critical area, but advisors just haven’t given enough attention to it to begin with, so any firm that’s taking it seriously at all has my hearty approval. Look, it’s a complicated field; there are constant threats, and it’s almost impossible to keep on top of them all without a dedicated resource to the issue. That’s why there are any number of consultancies out there willing to work with RIAs to help them become more secure and stay protected. But I think there’s got to be a basic level of literacy among RIAs about risks to client data and how to mitigate them, protecting the tools you rely on and knowing your responsibilities according to the regulators.

YOU SPEND A LOT OF TIME THINKING ABOUT WHAT’S COMING NEXT – WHICH PREDICTION OF YOURS HAS ALREADY PANNED OUT?

BRUCKENSTEIN: AI for sure has developed a lot sooner than I or anyone else thought it would. People used to think we were decades away from getting to the point we’re at now. It’s a new world out there, and it’s time wealth management takes advantage of the power these tools can offer.

Why organic growth is declining – and what to do about it

STEPHANIE BOGAN

Organic growth has been the backbone of successful advisory firms for decades, but the latest data shows it's becoming harder to achieve. Client referrals, once the dominant driver of new business, have declined a steep 23% over the past five years[1], and many firms are struggling to fill the gap. Meanwhile, the fastest-growing RIAs are adapting, shifting from passive referral dependence to intentional marketing, client experience and talent strategies that fuel sustainable growth.

The reality? Growth is no longer accidental. It's a formula driven by time, investment and strategy.

[1] Cerulli Associates, 2024

THE GROWTH DIVIDE: WHAT TOP FIRMS DO DIFFERENTLY

One of the most striking differences between top-growing RIAs and their peers is where they spend their time and resources.

Top advisors spend[2] 25% of their time on growth while the rest:

- 10-12% of their time on business development and marketing, compared to 4-5% for average firms.
- 3-5% of revenue on marketing and growth initiatives, while most firms invest 1-2% or less.
- 2x more effort on formal client experience strategies, leading to greater share of wallet and referrals.

Put simply: High-growth firms prioritize and invest in growth.

WHAT'S REPLACING REFERRALS?

Referrals may still be king, but they're in sharp decline. Competition is rising, client loyalty is shifting and younger generations rely more on digital experts, online reviews and social proof than word-of-mouth recommendations. This trend will accelerate, so expect the traditional referral channels to continue their descent.

The firms that are successfully replacing lost referral volume are doing three specific things:

1. **Strategic Marketing**: The days of relying solely on personal networks are limited. RIAs investing in SEO, digital content and email marketing are acquiring 30% more inbound leads[3].
2. **Client Experience as a Growth Engine**: Firms that systematically collect client feedback and refine their service models see 26% more new client assets[4] compared to those that do not.
3. **Talent Development & Delegation**: Growth-focused firms don't expect advisors to do it all. They leverage advisor time with standardized service models, specialized staff support and expand their firms to include business development specialists to free up advisor capacity.

WHY MANY FIRMS ARE STUCK

As a result of these trends, a growing number of firms are struggling to grow. The most common bottlenecks:

- **Over-indexing on service, under-indexing on growth**: being in the day-to-day weeds keeps advisors from optimizing client value and capacity (aka revenue per advisor) or investing time in growth.
- **No formal growth plan**: 55% of firms[5] without a documented growth strategy report stagnant revenue.
- **Technology adoption**: Firms using technology to deliver deeper services, systematize service models, and leverage AI-powered tools grow 28% faster[6] than those relying on manual processes.

Organic growth isn't gone – it's just evolved.

The firms that thrive will be those that systematize services, leverage technology, and free up advisor capacity to deliver a more specialized client experience - the growth currency of the future.

If you're intrigued, you can take this **Growth Readiness Assessment** to identify where your firm can accelerate growth.

[2] 2024 Schwab RIA Benchmarking Study [3] Schwab, 2024 [4] FiComm, 2024 [5] Schwab, 2024 [6] McKinsey, 2024

MODEL FOR BUILDING A SUCCESSFUL ADVISORY
GROWTH READINESS QUIZ

HOW TO USE THIS WORKSHEET
Use this self-assessment to evaluate where your firm stands across key growth areas. For each statement, rate your firm on a **scale of 1 (Not at all) to 5 (Fully Implemented)**. After completing the quiz, review your results to identify areas for strategic focus.

SECTION 1

Score 0/25

BUSINESS MODEL & PROFITABILITY

- [ ] Our firm has a clearly defined brand identity and market positioning aligned with our ideal client profile.
- [ ] We have established systems, processes and workflows to capture economies of scale to improve efficiency, reduce costs, and optimize margins.
- [ ] Our business model is structured to maximize enterprise value and ensure a viable succession strategy.
- [ ] We actively track and respond to shifting client expectations and demographic trends.
- [ ] We have a strategic plan in place to attract and retain top talent in a competitive hiring market.

SECTION 2

Score 0/25

CAPACITY & SERVICE MODELS

- [ ] We have a clear marketing and branding strategy that effectively differentiates us in the marketplace.
- [ ] Our firm has structured training and career paths to develop next-generation advisors and leaders.
- [ ] Our advisors and teams have the capacity to manage client relationships effectively and profitably at every segment level.
- [ ] We maintain a high level of client experience and engagement leveraging integrated technology and automation.
- [ ] We have a strategic plan in place to attract and retain top talent in a competitive hiring market.

SECTION 3

Score 0/25

LEADERSHIP & HUMAN CAPITAL

- [ ] We have structured leadership roles that support firm growth beyond founder dependence.
- [ ] Our firm has processes in place to develop future successors and transition leadership roles effectively.
- [ ] We have a strategy for maintaining profitability through reinvestment and operational efficiencies.
- [ ] Our firm leverages technology and automation to improve advisor productivity and scalability.
- [ ] We have a strategy in place for driving strategic growth.

SECTION 4

Score 0/25

BUSINESS LONGEVITY & DISRUPTION READINESS

- [ ] We actively monitor industry trends and competitive pressures to adjust our strategy proactively.
- [ ] Our firm has the ability to adapt to disruption, regulatory shifts, and evolving client needs.
- [ ] We have structured plans to scale sustainably without overextending resources or advisors.
- [ ] Our talent pipeline and career paths are robust enough to support long-term growth and firm continuity.
- [ ] Our firm has a culture of continuous improvement, innovation, and operational adaptability.

TOTAL SCORING SCALE

80-100 — Your firm is well-positioned for sustainable growth and scale.
60-79 — You are making progress, but key areas require strategic improvement.
40-59 — Your firm is growing, likely experiencing growing pains that need to be addressed.
Below 40 — Your firm may be struggling to grow effectively – focus on core capacity and foundational growth strategies.

REFLECTION QUESTIONS

What are the top challenges keeping your firm from growing more effectively?

Key Takeaways

How does your firm compare to industry benchmarks for growth, profitability, and capacity?
Where are changes needed?

Key Takeaways

Where do you see the biggest opportunity for improvement in your business model?

Key Takeaways

What actions can you take to strengthen your firm's business model and growth strategy?

Key Takeaways

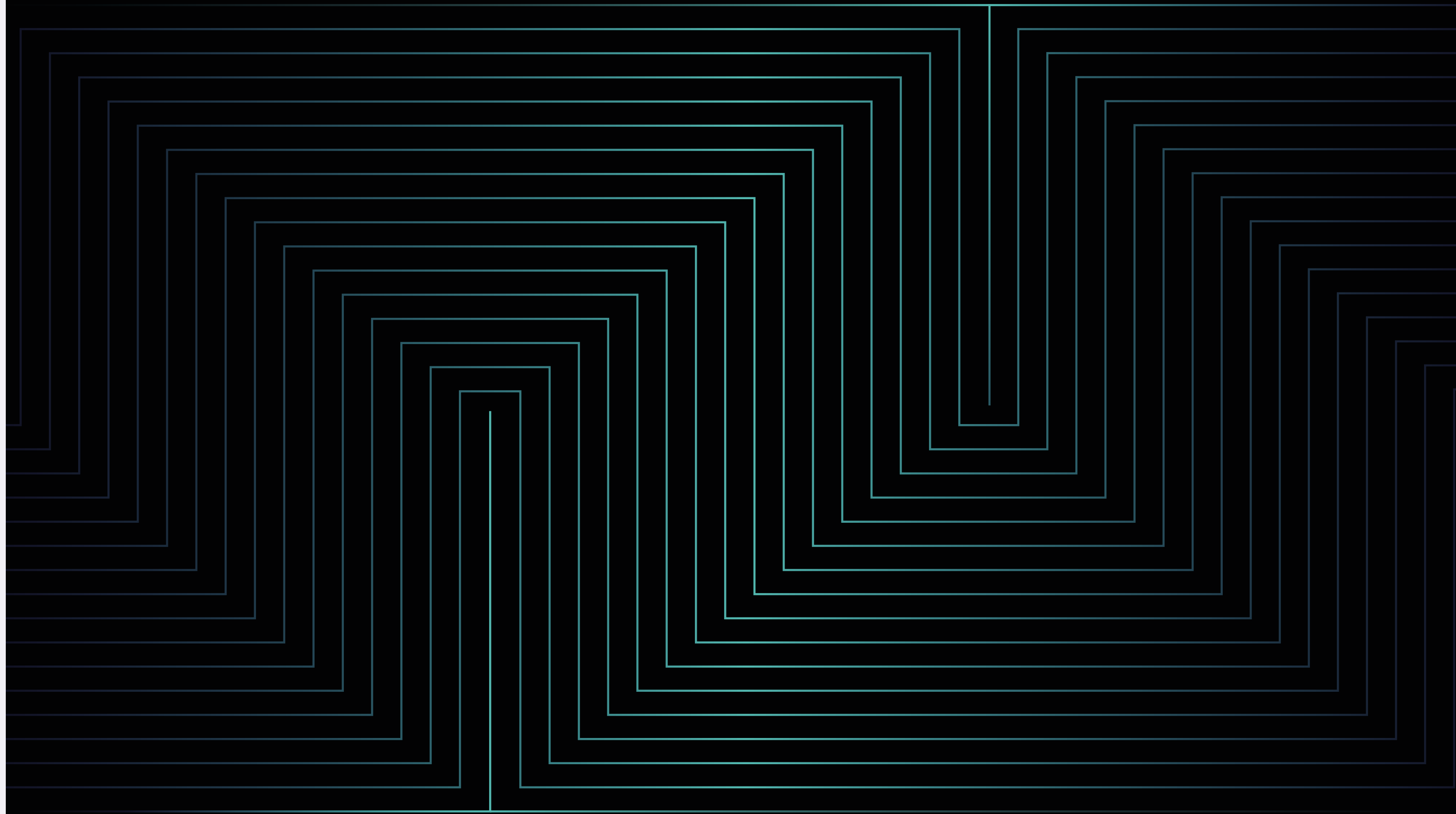
KEY INSIGHTS

1 Advisor Capacity is a key bottleneck of growth, highlighting the importance of operational

2 Operational efficiency is a key driver of scalability, profitability and capacity optimization.

3 Effective growth and longevity call for a more professionalized firm with a clear strategy, effective leadership, profitability focus and enterprise value growth.

4 Structured leadership and advisor development, talent retention, and intentional human capital strategies are critical to driving and sustaining growth and longevity



The new rules of organic growth for RIAs

TINA POWELL

Chief of Community, Intention.ly

Ask any successful financial advisor about their clients and they light up like a Christmas tree. But ask them about their marketing? The energy drops. Eyes shift. Suddenly, everyone's not so bullish anymore.

I was recently talking to an advisor – let's call him **Noah**. Noah's not some rookie trying to find his niche. This advisor's a beast: $30 billion in AUM. Multi-office RIA. CFP®. Built the firm from scratch over 40 years ago. He's got a rockstar team and a brand most firms would kill for.

But here's what Noah told me – unapologetically – behind closed doors:

"Tina, our marketing just isn't working. We've grown on referrals forever, but that pipeline's slowing down. We know we haven't kept up."

Boom. There it is.

And guess what? Noah's not alone.

At Intention.ly, I talk to firms like Noah's everyday – before they become clients. You know what I hear?

Frustration. Disappointment. Panic (the kind they won't admit out loud). What used to feel like a temporary dip in growth is starting to look like a pattern.

And the kicker? They all know it.

They're the first to admit their marketing is outdated, inconsistent and mostly guesswork. Here's just a sampling of what I've heard in the past month alone:

- "Our website's ancient. It doesn't reflect who we are now, and it definitely doesn't bring in the right clients."
- "We should be doing more with content and social, but we're too busy – and we just don't know how."
- "There's no real marketing strategy or plan. We're just throwing a bunch of things at the wall and hoping something sticks."
- "People visit our site, but then...nothing. Honestly, we don't have a clear path for them to book a meeting or engage with us."
- "We're spending money, but I have no idea what we're getting in return."

This is happening across the board – even at some of the best firms.

Outdated websites. Scattered content. Messaging so bland it's impossible to tell one firm from another.

What's the cost to those firms?

Answer: Their next million-dollar client.

But here's the part most firms miss...marketing isn't some Harry Potter spell.

It's not magic. It's a muscle most advisors aren't working.

If you want to build a predictable, scalable, referral-amplifying organic growth engine in 2025, then it's time to get intentional. (Yes, I said the I-word. We built a company on it.)

Here's the formula. Put it in your phone. Ready?

- Modernize your website so it works as hard as your employees.
- Publish content that actually says something – and means something to the right people.
- Train your team to dominate LinkedIn, not just scroll it.
- And most importantly, turn client experience into your firm's best sales rep.

> "Everyone in your firm can be a growth driver – no matter their role.

Everyone in your firm can be a growth driver – no matter their role. From client service to compliance, when your team is aligned around strategy, voice, and experience, growth becomes a shared mission.

Noah's story isn't just a story. It's a wake-up call. Because the truth is, you already have what it takes – but only if you stop winging it and start engineering your growth.

You're not behind.

You're just one sharp, focused, intentional move away from doing it right.

Now let's get to work.

FINDING PURPOSE THROUGH LOSS:

A journey of family, faith and financial legacy

SULEMAN DIN

In the rolling hills of southwest Missouri, on farmland that has been in the family since 1833, Robin Walker has built more than just a successful financial advisory business.

He has created a legacy of resilience, faith and service that has sustained him through life's most difficult trials – the devastating loss of his son, Cary, to addiction.

A FATHER'S PAIN, A FATHER'S LOVE

"It's hard when you family struggling with addiction," Robin reflects. "He was an amazing human being – he just had his issues."

The day they found Cary is etched in Robin's memory. After, when Robin's wife asked their grandson Andrew if he was okay, Andrew's response was profound: "I've been preparing for this day my entire life."

These words resonated deeply with Robin, highlighting the painful reality that loving someone with addiction often means grieving them long before they're gone.

Despite the challenges, Cary and Robin had begun to reconnect meaningfully in the year before his passing. Their relationship wasn't built on guilt but on "mercy and grace," as Robin puts it.

"The only way to get him from where he was to where he needed to be was with love," he explains. "I didn't believe he would respond well to guilt, anger, or anything negative."

FINDING PEACE

Six weeks before Cary passed away, he joined his family for church at Life Church in Rogers, Arkansas. He was there with his mother, Tammie, his sister Caitlin and her family and Robin.

That morning, when the pastor asked if anyone wanted to rededicate their life to Christ, Cary quietly raised his hand. It was a simple gesture, but one that now means everything. "Little did I know how important that was going to be," Robin says. "I have peace knowing that's where his heart was."

A LEGACY OF SERVICE

With over 42 years in the financial industry, Robin has built a substantial business, growing from $70 million in assets to $283 million today. But he sees his work as more than just managing money.

"I have always said my job is my ministry," he explains. "The wealthy need Christ just as much as poor people do. This is my ministry."

His own experiences have deeply influenced his approach to serving clients. "I connect differently with clients who have lost a child or a younger niece or nephew. You just don't know what it's like until you've gone through it," he says. "I give God all the glory – His timing is perfect, whether you believe it or not."

THE SUCCESSION PLAN

At 67, Robin isn't thinking about retirement. "I don't want to retire – I want to keep riding my bike," he jokes. However, he has been thoughtful about succession planning, particularly after Cary's passing.

Enter Andrew, who joined the firm on June 1st. "I don't know if the catalyst was my son passing, but the celebration of life, with all our clients there, it was a celebration," Robin says.

For Andrew, the decision to join his grandfather's business represents both an opportunity and a responsibility. "I take this seriously," Andrew says. "He's worked painstakingly for 42 years building this business and all these relationships. I almost feel a sense of responsibility to do so."

Robin is confident in this plan: "When I mention Andrew, that's the best succession plan I could come up with yet."

TECHNOLOGY AS AN ENABLER

Part of what makes this transition possible is the advancement in technology. "Tech is so much better today than before," Robin notes. "We've doubled since starting our own company six years ago – the work hasn't doubled, that's due to technology."

Andrew particularly values their AdvisorEngine CRM system. "If I'm going to make it to half a billion in assets, I don't see how I can do it without it," he says. The system allows him to track every client interaction, review portfolios, and document all communications.

Courtesy of the Walker family

LESSONS FOR THE NEXT GENERATION

When young professionals ask Robin for career advice, his response is simple yet profound: "If you can find a way to serve others, you will always have employment."

He tries to convey this wisdom to those entering the financial industry: "If you're serving, you're always going to be in demand. But if you're simply in it for the money or excitement, you're going to be disappointed."

Today, Robin continues to work while dedicating time to his church, Camp Barnabas – a Christian camp for children with special needs – and various other outreach efforts. He has served on the Board of Camp Barnabas since its inception 31 years ago, and the experience has deeply shaped his understanding of love, mercy, grace and what it truly means to serve.

The family farm remains a source of connection to his roots and Cary's memory. "Taking up my father's mantle, working around the property, spending time on the tractor – it connects me to my father," Andrew says. Through music shared across generations, faith that sustains them through loss, and a business built on serving others, Robin and Andrew continue to build a legacy that honors Cary's memory while looking to the future.

> "If you can find a way to serve others, you will always have employment.

"We think we can best honor Cary by the way we live our lives," Robin says simply.

In this philosophy, they've found not just a succession plan for a business, but a path forward through grief toward purpose.

BILL COPPEL

Chief Client Growth Officer, TradePMR

3 tips for RIAs to help build a successful team and retain talent

① WHAT DO HIGH PERFORMERS LOOK FOR IN LEADERSHIP?

Financial advisors look for leaders that provide a clear vision and direction for the organization. Top-performing advisors want to be successful and to do that they want to understand where the organization is headed and how their work contributes to achieving the desired objectives.

Advisors, particularly RIAs, appreciate leaders who give them freedom to execute without micromanagement and are able to provide the appropriate support. Empowerment is the key here.

With respect to other members of the firm beyond advisors, these top performing individuals seek leaders who invest in their development, challenge them with stretch assignments and help advance their careers. If this does not happen, they will walk. This includes meaningful and timely feedback that is constructive with the aim of helping them improve, hit their goals and advance their career.

Finally, high performers respect leaders whose actions align with their words. Integrity and consistency are key attributes top performing talent has a keen eye for. You can't fake it.

② IN A COMPETITIVE TALENT MARKET, DO YOU TALK ABOUT COMPENSATION UP FRONT?

There is no right or wrong answer here. So, I will use an answer I learned in business school: it depends. In a competitive talent market, discussing compensation up front is nuanced depending on the situation. If you're talking to an advisor, compensation is going to be a strategic conversation that is likely to be a top discussion point.

As it relates to other professionals in a wealth management firm, you may be better served discussing the vision and direction of the firm and the value of being a part of the organization. Staying focused on the role and how it ties back to building a high-performing team sets a clear expectation for the candidate. In the end, it comes down to the right fit, skill, attitude and a commitment to achieve results as a team.

③ WHAT DRIVES AWAY TALENT?

In my experience, there are what I call the three deadly sins that repeal the best talent. (1) Poor leadership: Meaning lack of vision, a micromanagement mindset, inconsistency and a misalignment of the firm's actions with its principles, values, and vision. (2) Limited growth opportunities: There needs to be a clear path to skill development; advancement coupled with challenging and interesting assignments. Nothing will turn off talent more than the same old same old. And (3) allowing a toxic culture to prevail. This includes when office politics replace vision and values; a failure to develop an inclusive environment for ideas and perspectives; inadequate or unclear communication; or fostering an environment fueled by blame over recognition. I am sure there are others, but committing any of these three will lead talented performers to the exit.

Does it ever feel like there just aren't enough financial advisors out there to meet the demand from retail investors? There's data that shows this isn't just in your head.

Researchers at Cerulli Associates found that the number of new advisors joining the industry just barely offset the number of trainee failures and retirements. With 37.5% of advisors expected to retire over the next decade, the advice industry "has a headcount problem," Cerulli concluded.[1]

Of course, just about everyone wants to build a team that can achieve sustainable business growth. Actually doing it is often easier said than done. In fact, increased competition is making it more difficult than ever to attract and retain top talent, according to Carolyn Armitage, Founder and CEO of RIA Circle and Wealth Management Consulting.

Carolyn and I talked about this challenge on a recent episode of Synergize, the TradePMR podcast where I host conversations with people from a variety of disciplines about what it takes to grow a business. She told me that if RIAs want to make the right hires – people who can help position the firm to capitalize on the growth opportunities in today's market – there are three things they can focus on. Here are some things we covered in that conversation, which you can check out anywhere you get your podcasts.

1. Have a mission, a strategy to achieve it, and some non-negotiables

While this may seem like more of a big-picture issue for businesses that wouldn't necessarily impact hiring, it's absolutely crucial for bringing on and retaining high-quality new employees. High-performing people often want to know that there's a purpose to their work beyond the day-to-day grind and achieving sales objectives. Having a clear vision and a set of guiding values can help them be fully committed. If you want to attract people who see your company as more than just another job, be able to give a clear answer to questions like: Why are we doing this? Where is the company headed?

"It's so easy for folks to hire people that they like, and it's really hard for them to get rid of people that they like, even if they don't really fit the bill for what [is] needed for the organization," Carolyn said in our conversation. "If you can really hone in on what you're looking to achieve and what are the skill sets to get there, that will help you define more of a niche for the people for you to recruit and retain."

2. Find how to best utilize your resources

Oftentimes, organizations are underutilizing the people they already have on their team. Whether it's because someone is in a role that doesn't best suit their skills, or because the business hasn't offered them a path for advancement, these people are at risk of leaving for somewhere where they are more likely to grow.

Like with technology – where people can sometimes get distracted by the latest and greatest tools rather than just maximizing what they already have – a good leader needs to have a good assessment of what they already have on their team and make sure it's aligned with the company's purpose. Ideally, the leader of a growing business will embrace all different types of personalities and have them in the right roles to maximize their skills sets and strengthen the overall organization.

3. Know yourself

Be honest about who you are as a CEO and as a leader. That might sound strange at first, but the more authentic and self-aware you can be about your strengths and weaknesses, the more you'll be able to appreciate how other peoples' differences can add value. This can help you be more intentional when looking to hire people with skill sets that complement your own.

Instead of just hiring people who you like or who are just like you, look for differentiation to maximize the abilities of your team. The last thing you want is to be like the emperor who has no clothes. Instead of surrounding yourself with "yes" people, surround yourself with a variety of thoughts and opinions to increase the number or perspectives you have.

RIA Circle, Wealth Management Consulting, and TradePMR, member FINRA/SIPC, are unaffiliated companies.

[1] The Financial Advisor Industry Has a Headcount Problem, Cerulli. Published Jan.16, 2024

CRM or bust: why RIAs who ignore their core systems are leaving money on the table

CRAIG ISKOWITZ

Founder & CEO
Ezra Group

You can always spot the CRM power users in a firm. They're the ones who don't spend ten minutes before every meeting digging through old emails. They don't miss follow-ups. They don't show up surprised by client life events they should've known about. And – almost without fail – they're the ones bringing in the most business.

But they're rare.

For every advisor who uses their CRM like a growth engine, there are five who treat it like a filing cabinet – at best. In many firms, even basic functions like client segmentation, pipeline tracking, or relationship mapping go underused or ignored entirely. That's not a software problem. It's a strategy problem.

We've worked with dozens of RIAs who invested in top-tier CRM platforms, only to let them gather digital dust. But we've also seen what it takes to turn things around: specific workflows, smart training, executive buy-in and a relentless focus on usage.

In this article, we're laying out the playbook we use with advisory firms to increase CRM utilization – not just as a data warehouse, but as an operational system that drives revenue, improves client service and saves valuable time.

START WITH THE REALITY: ADVISORS DON'T WANT TO USE CRM

The first thing to understand is that advisor pushback is almost guaranteed. CRM is seen as surveillance – Big Brother watching from the cloud. And in some cases, that paranoia is just cover for a deeper problem: underperformance.

We tell our clients this bluntly: if an advisor fights CRM adoption too hard, it often means they're not doing much worth tracking.

But most advisors aren't trying to be difficult. They're busy. They want more time, more revenue, or both. So, the pitch shouldn't be about compliance – focus on outcomes.

- Want to make more money? Successful advisors use their CRM to identify top prospects, track lead conversion and replicate what works.
- Want more time? A CRM can help automate follow-ups, centralize client data and reduce prep time before meetings.

> “CRM isn't a burden – it's a lever.

This framing flips the conversation. CRM isn't a burden –it's a lever.

CLEAN THE DATA OR DON'T BOTHER

One of the biggest barriers to CRM adoption? Garbage data.

We worked with one firm that had 30,000 CRM records – but only 3,000 clients. The rest were decaying leads from third-party sources, former clients, and duplicates. Advisors had to wade through this mess to find anything useful.

If your CRM isn't clean, no one will trust it. And if no one trusts it, no one will use it.

Key data hygiene steps include:

- **Purge low-quality records:** Leads with no interaction in 12+ months? Archive them.
- **Standardize households, trusts, and entities:** Too many systems lump business data under individual client profiles. That's a mistake. Set up entities as standalone records and link relationships clearly.
- **Track the right fields:** If your CRM can't tell you who your clients are, when they started, or what services they use, it's failing. Don't assume “it's in the PDF.” Get it in the system.

CRM is only as good as the structure behind it. Build that foundation first.

SET EXPECTATIONS AND MONITOR UTILIZATION

Software licenses and consulting fees aren't cheap. If advisors aren't using the system, you're burning cash.

We create dashboards for our clients to track key usage metrics: tasks created, meetings logged, emails sent, pipeline entries updated. The numbers don't lie. You'll quickly spot which advisors are engaging and which are coasting.

Then you have choices:

- **Coach them up:** Show them how CRM helps them close more business.
- **Call them out:** If it's passive-aggressive resistance, let them know it's visible.
- **Cut them loose:** Some advisors are quietly undermining the team. If they won't adapt, it may be time to part ways.

Technology won't fix culture problems. But it will reveal them.

TRAIN, MARKET AND REPEAT

Too many firms treat CRM implementation like a one-time project. Buy the software, run a week of training and hope for the best.

That doesn't work.

CRM adoption needs the same ongoing attention you give to external client communication. In fact, you should think of it as internal marketing.

- **Tailor training to different learning styles:** Some want to read documentation. Others need videos or live demos. Offer all three.
- **Communicate why it matters:** Not just how to use the software, but why it makes their job easier.
- **Reinforce consistently:** Reminders, refreshers and one-on-one nudges go a long way.

You wouldn't stop marketing to a client after onboarding. Don't stop supporting your team after rollout.

SEGMENT CLIENTS WITH PURPOSE

Another CRM blind spot? Service-level segmentation.

Too many firm owners give every client equal time, regardless of AUM. That's not sustainable. The 80/20 rule holds: 20% of your clients generate 80% of your revenue. Your best advisors should be spending time with them – not fielding emails from small accounts.

Use your CRM to:

- Segment clients into quintiles or tiers
- Align top advisors with top clients
- Automate touches for lower-tier clients through call centers or digital channels

Yes, it sounds harsh. But every airline passenger gets to their destination – some just fly coach.

STANDARDIZE THE LEAD-TO-CLIENT JOURNEY

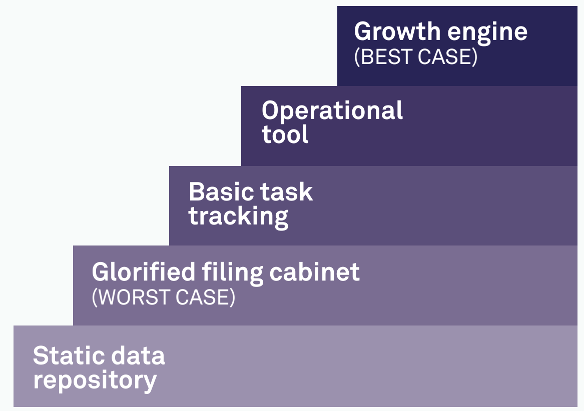
Most advisors treat every lead like a prospect. That's a mistake.

You need clear qualification criteria – and your CRM needs to reflect them. We train firms to define:

- **Leads** as unqualified contacts (e.g. bought lists, cold inquiries)
- **Prospects** as leads that meet firm standards (e.g. AUM threshold, relationship potential)

Then, standardize how you handle them. Who follows up? When? With what content? CRM workflows should enforce this rhythm. Done right, CRM becomes a playbook – not a passive database.

THE 5 LEVELS OF CRM USAGE AMONG FINANCIAL ADVISORS:



CRM IS NOT OPTIONAL. IT'S INFRASTRUCTURE.

Some advisors will always want to work “their way.” That might mean offline notes, private spreadsheets or skipping CRM altogether.

You can't scale a business that way.

We tell clients this: If your star advisor gets hit by a bus, can someone else pick up their pipeline tomorrow? If not, you don't have a business – you have a liability.

CRM isn't a choice. It's infrastructure. And it only works if it's part of your culture.

FINAL THOUGHT: CRM SUCCESS STARTS AT THE TOP

If firm leadership isn't using the CRM, no one else will.

Executives need to lead by example – logging activity, pulling reports, and asking the right questions. Make CRM usage part of compensation conversations. Make it part of performance reviews. Make it *the way you run the firm.* When you do, CRM stops being a nuisance. It becomes the system that runs your business – efficiently, intelligently and at scale.

AI note takers 101: The advisor's guide

SULEMAN DIN

Among the emerging crop of Generative AI-powered tools being offered to advisors are note takers. But don't let that description fool you: These are more than just digital stenographers.

What began as simple transcription services is quickly evolving into sophisticated meeting assistants that capture not only what was said, but also the sentiment behind it, according to a new study from industry consulting firm The Oasis Group and AdvisorEngine Inc.

"These aren't just note takers – they're meeting assistants," explains John O'Connell, founder and CEO of The Oasis Group. "It's quickly gone from just capturing the transcript to now, 'OK, help me analyze this conversation.'"

> "These aren't just note takers – these are meeting assistants.
>
> John O'Connell
> The Oasis Group, Founder & CEO

The first-of-its-kind study into Generative AI tools for financial advisors tested them with a script of a client scenario drawn from daily advisor practice. The study measured a dozen factors, including transcription, accuracy and intuitiveness of use. (Generative AI, simply explained, uses algorithms to analyze content and create new content.)

The study looked at six AI note-taking apps currently available on the market for advisors: Jump, Zocks, Mili, Zeplyn, FinMate and GReminders.

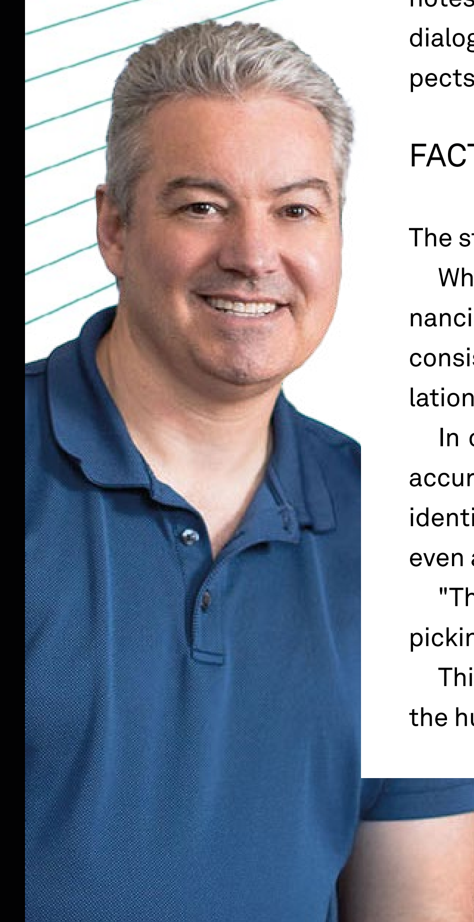
What Oasis Group's research found was that all these tools deliver impressive accuracy in capturing factual data – most achieving accuracy rates of 95% or higher – but still struggle a bit with the human nuances of client interactions.

"The greater value of these tools at the moment is how they free financial advisors and their staff from time-consuming tasks such as transcription and organizing follow-up activities," said AdvisorEngine CEO Rich Cancro.

"It allows an advisor to focus on the prospect or client instead of taking notes," Cancro said. "So now they can fully participate in the conversation – that in itself makes the dialogue more accurate, because they're fully engaged. The depth of the conversation will be better."

Cancro explained that AdvisorEngine conceived and sponsored the study with The Oasis Group, partly to gain a better understanding of the potential AI software partners it can work with, and partly to provide investment advisors with an objective, rigorous analysis of emerging AI tools.

"There's a lot of industry interest in AI, and we wanted to initiate and support research that fleshes out how well AI performs in certain ways to aid firms," said Rich Cancro, founder and CEO of AdvisorEngine. "AI Note Takers allow advisors to focus on the client instead of taking notes. So now they can fully participate in the conversation – that in and of itself makes the dialogue more accurate, because they're fully engaged throughout the conversation with prospects and clients. The conversation will be better."



FACTS VERSUS FEELINGS

The study revealed a significant gap in how AI tools handle factual versus emotional content.

When processing numerical data such as portfolio values, income figures, and specific financial goals, almost every AI note taker demonstrated precision. However, the technology consistently missed opportunities to flag personal moments that could strengthen client relationships.

In one test scenario involving a hypothetical couple planning for a new baby, the AI tools accurately captured financial discussions about college savings through 529 plans. Still, none identified the opportunity to send a congratulatory gift when the baby was born — something even a junior client relations assistant would naturally notice.

"They're great at picking up specific action items tied to financial advice. They struggle with picking up the soft skills stuff," O'Connell observed.

This limitation raises questions about whether over-reliance on AI could potentially weaken the human connections that form the foundation of successful advisory relationships.

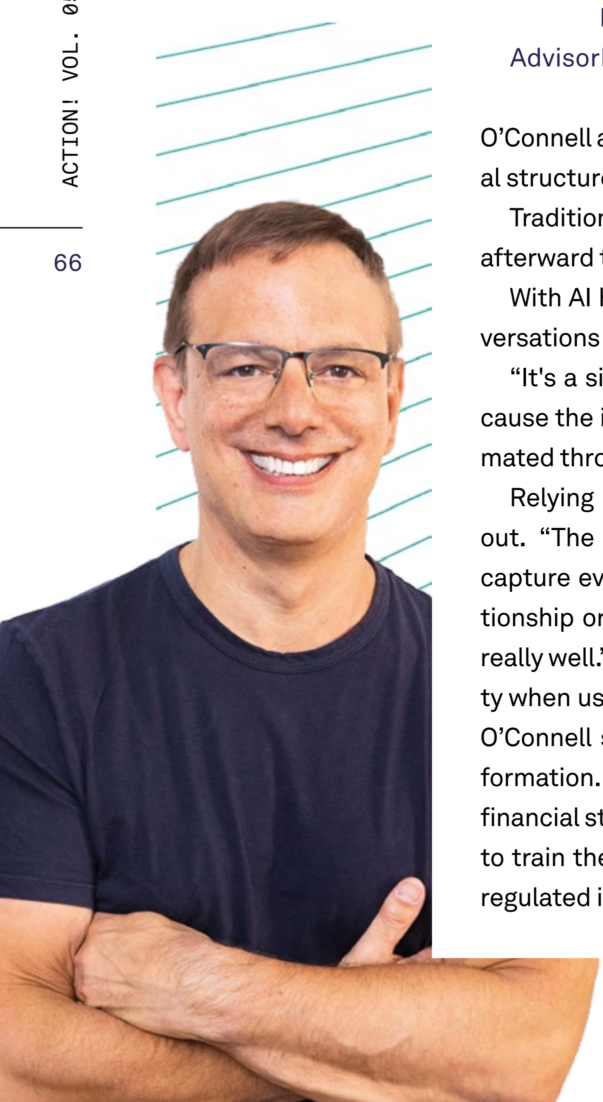
FROM TRANSCRIPTION TO PREDICTION

The evolution of these technologies has been remarkably swift. What began as transcription tools focused on capturing verbatim conversations just a year ago has rapidly expanded to include meeting summaries, identifying action items, and now sentiment analysis. Some solutions can even track speaking patterns, showing which participant dominated the conversation.

"These tools will now tell an advisor if the meeting was positive or negative," O'Connell said. "Who talked more in the meeting? It will track the most active person in the meeting: the husband spoke this percentage of the time, and the wife spoke this percentage of the time. If you're an advisor, you can learn if you are effectively engaging both spouses." Cancro said the next evolution of these tools will be their deeper integration with CRM systems to automate meeting preparation and suggest topics for future client conversations.

The technology is moving toward what the wealth management industry has long sought but rarely achieved: genuine "next best action" capabilities that recommend appropriate follow-ups based on client circumstances, sentiment and life events.

> "The next evolution of these tools will be their deeper integration with CRM systems to automate meeting preparation and suggest topics for future client conversations.
>
> Rich Cancro
> AdvisorEngine, CEO



OPERATIONS, COMPLIANCE IMPACTS

O'Connell and Cancro note that the advent of these technologies is changing operational structures within advisory firms.

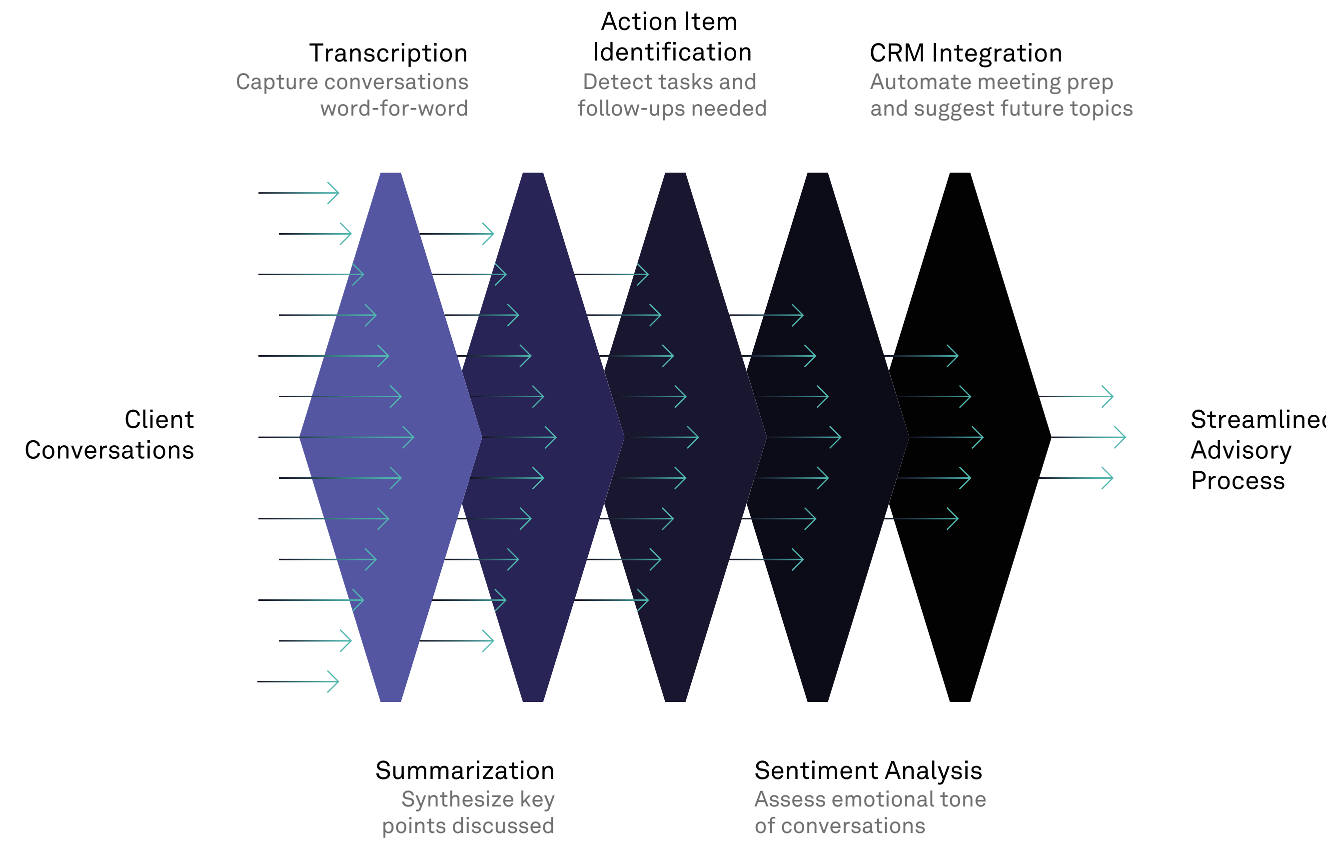
Traditionally, advisors would either take notes during client meetings or dictate notes afterward to support staff who would then enter the information into CRM systems.

With AI handling the note-taking function, advisors can remain fully present in conversations while capturing more comprehensive information.

"It's a significant level of prospect management efficiency and personalization because the information is being captured better and the tedious follow-up can be automated through deep integrations with modern CRM's," Cancro said.

Relying on human assistants is not exactly a foolproof process, O'Connell pointed out. "The advisor is expecting the CSA to capture all the notes and the CSA may not capture every key point, because they may not have the knowledge of the client relationship or the knowledge of the client's prior interactions to capture all those notes really well." The study also highlighted important considerations regarding data security when using AI note-taking tools. Firms must understand where client data is stored, O'Connell said, whether it's used to train AI models, and how to protect sensitive information. O'Connell shared a cautionary example of an advisor who uploaded client financial statements to free AI tools without realizing the data could potentially be used to train the underlying models – a significant security and privacy concern in a highly regulated industry.

AI-Enhanced Financial Advisory Process



WHAT'S NEXT

O'Connell suggests that firms should push technology vendors to improve the capture of soft skills data while continuing to involve humans in reviewing AI-generated outputs. This human-in-the-loop approach ensures technological efficiency doesn't come at the expense of relationship quality. He also expected that these tools will reduce operational costs for firms in the long run, specifically the need for support staff to attend client meetings.

"It's a force multiplier for an individual," O'Connell said. "Do I think that this technology is going to get so good that I can do a meeting by myself with it running on my phone and not have to pay for the cost of two or three people sitting in that meeting to help me? Yes. That cost will go away, 100%."

Cancro said these tools should also solidify the expectation that the advisor remains focused on clients, rather than being bogged down in laborious tasks.

"Advisors should be spending their time on deepening their existing client relationships to turn clients into referral machines as well as doing activities to create prospects and ultimately converting prospects into clients," Cancro said. "In an ideal world, their technology tools are handling tasks along with their operations and client success teams. They should be highly focused on engaging with their clients and prospects and automating as much as they can downstream."

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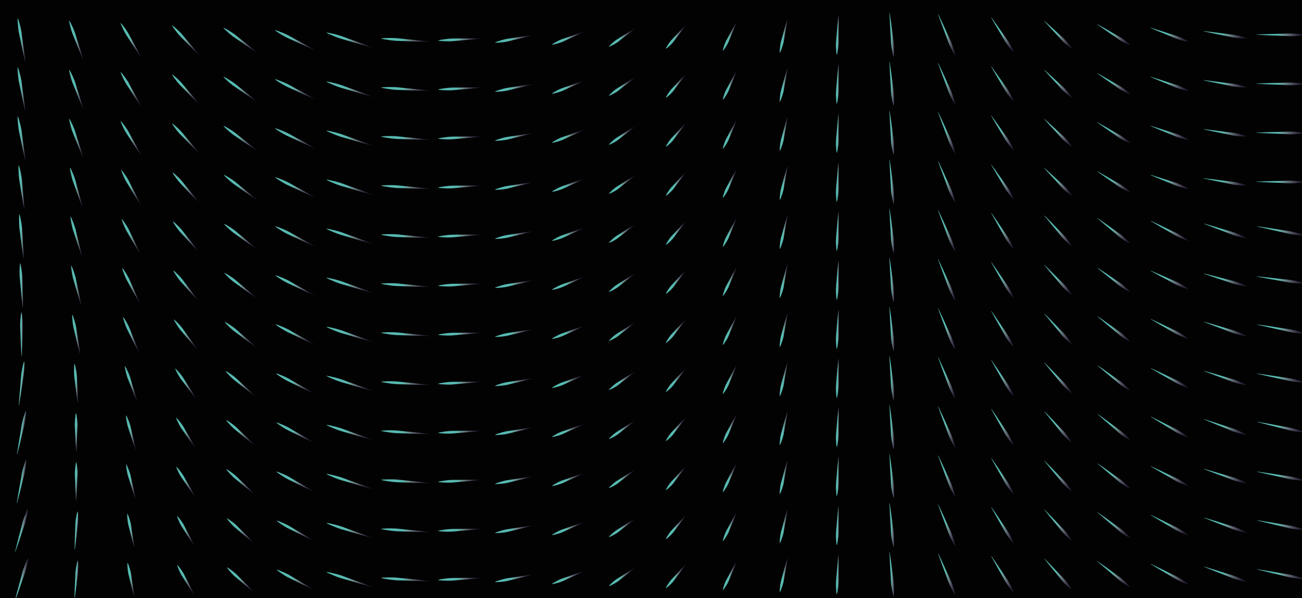

AI IN WEALTH MANAGEMENT:

Practical strategies for client success

Matt Gagnon used to do research like most investment advisors.

He'd spend a couple of hours looking up different indicators, such as data from major stock indexes and fiscal policy trends, compiling insights that would give him a sense of the direction of markets.

Now he uses an AI-powered search engine to aid his research. Gagnon, founder of Financial Empowerment LLC in Plano, Texas, created a prompt to gather all the data points for his market update workflow.

"It takes about a minute to gather information, which I then download and verify for accuracy," Gagnon says. "Usually, it does a good job identifying key themes that help me get started. I can then read the underlying sources myself and add my own insights.

The AI tool doesn't write the update for him, Gagnon adds. "I'm still heavily involved in making sure I agree with the analysis and that the statistics cited are accurate."

Gagnon is among the growing number of wealth management professionals adding AI-powered tools into their daily practice. According to Schwab's latest Independent Advisor Outlook Study (IAOS), more than half of RIA firms are already using AI, and another third are exploring its potential.

Financial advisors are looking to AI to help enhance client service, streamline operations and deliver more personalized, data-driven advice. Those who have adopted these tools say they can deliver value almost immediately – if a firm knows how to use them.

PERSONALIZING FINANCIAL PLANNING AT SCALE

One of AI's greatest strengths is its ability to process and interpret massive amounts of data in seconds. For AI for financial advisors, this means you can create customized financial plans faster and more accurately than ever before.

- **Dynamic risk profiling**: AI tools go beyond static questionnaires by assessing client risk tolerance based on behavioral data, spending patterns and real-time market responses.
- **Life stage recommendations**: AI-powered software can track client milestones – such as marriage, children, retirement goals – and automatically recommend plan adjustments.
- **Scenario modeling**: Using predictive analytics, advisors can run hundreds of "what-if" scenarios instantly, helping clients understand the potential long-term impact of their decisions.

With the right AI tools for financial advisors, you can provide deeply personalized advice for every client, even as your business scales.

ENHANCING PORTFOLIO MANAGEMENT WITH AI-DRIVEN INSIGHTS

Portfolio management is one of the most time-intensive aspects of wealth advising; however, AI portfolio management tools are streamlining the process and improving outcomes.

- **Market trend analysis**: AI algorithms process real-time market data, news sentiment, and historical patterns to identify opportunities and risks more quickly than manual analysis.
- **Tax-loss harvesting automation**: Specific AI platforms automatically scan portfolios for tax-loss harvesting opportunities, suggesting trades to improve after-tax returns.
- **Risk management alerts**: AI can flag unusual portfolio activity or overexposure to a sector, giving you the chance to take proactive measures before risks escalate.

"AI can make rebalancing recommendations at the individual security level and it can do a risk assessment report on a portfolio, highlighting potential vulnerabilities," says Will Trout, director of securities and investments at Datos Insights. "It can also explain portfolio returns, like where a 5% return came from – account reporting is a great use case because it's tough to get that wrong."

When you combine human expertise with AI portfolio management software, you deliver sharper insights and more agile decision-making.

IMPROVING CLIENT COMMUNICATION AND ENGAGEMENT

Your clients don't just want good results – they want consistent, clear communication. AI client engagement tools are making that easier than ever.

- **AI-powered chatbots**: Provide instant answers to basic client questions, freeing up your time for higher-value conversations.
- **Content personalization**: AI can recommend targeted articles, reports and videos tailored to a client's portfolio and interests.
- **Predictive engagement**: By analyzing interaction patterns, AI can suggest the optimal times and channels for connecting with clients.

When used strategically, AI client engagement platforms keep your clients informed, reassured and connected – strengthening long-term relationships.

"AI frees up time for every single part of the business, for personal time with clients, being able to focus on their goals and aspirations," says Michael Casey, president of American Executive Advisors in Alexandria, Virginia. "Every day is a sprint to the finish and being able to pick up another 15 or 20 minutes is huge."

AI also allows for more frequent and educational client communications, including "personalized investment summaries" and client education, being able to follow up with an intelligent perspective on what purpose a structured product solves or on opportunities specific to health savings accounts," says Trout.

STREAMLINING COMPLIANCE AND REGULATORY TASKS

AI can help you stay ahead of regulations while saving valuable time.

- **Automated documentation**: Generate compliance reports in real-time, eliminating the need for manual data entry.
- **Regulation monitoring**: AI scans legislation and regulatory updates, summarizing the changes most relevant to your practice.
- **Fraud detection**: Machine learning models can detect unusual transactions that may signal fraud, protecting your clients' assets.

"The most widely publicized early use case has been for note-taking, which has a related compliance function, to document advisors' conversations alignment with their investment policy statement," says Trout. AI tools can also "help accelerate some onboarding requirements like KYC (know your client) and AML (anti-money laundering)," adds Trout.

ELEVATING MARKETING AND LEAD GEN

The same tools that power AI in client management can also help you grow your book of business.

- **Client segmentation**: AI can organize prospects and clients based on financial goals, demographics and behaviors, allowing for highly targeted outreach.

- **Predictive lead scoring**: By analyzing engagement and behavior data, AI can identify leads most likely to convert.
- **Content optimization**: Natural language processing can evaluate your marketing materials for tone, clarity, and SEO strength.

With AI, your marketing efforts become more precise, saving time and money while attracting the right clients.

One example: using AI to improve your firm's website. "If you wanted to, you could upload your whole website onto one of these engines and say, 'Tell me how to improve my website," says Joel Bruckenstein, president of T3 Technology Tools for Today. "You can give a description of what your value-add is to clients, and then say, here's my website. Does it reflect what I do and what our core values are, as well as they could?"

SUPPORTING BEHAVIORAL FINANCE COACHING

Even the best plan can be undone by emotional decisions. AI helps you act as a behavioral coach by identifying patterns before they negatively impact outcomes.

- **Behavior tracking**: AI can detect impulsive trading or deviations from the agreed strategy.
- **Sentiment analysis**: AI reviews market sentiment to anticipate client concerns and prepare your response.
- **Goal tracking dashboards**: Interactive visuals powered by AI help clients stay committed to their plan.

With behavioral data at your fingertips, you can guide clients toward better long-term results by identifying patterns in their decision-making, recognizing potential pitfalls before they occur and addressing emotional responses that could derail their financial plans.

"AI can do a behavioral profile that gives the advisor a much broader, bigger picture of the client, a much richer profile," says Trout. "It also allows identification of prospects in a more systematic way that goes beyond just what is known about the client's level of income," adds Trout.

MAXIMIZING EFFICIENCY WITH WORKFLOW AUTOMATION

The right AI tools can drastically improve productivity.

- **Meeting Prep**: AI gathers relevant client data, market updates and portfolio performance into a single briefing.
- **Follow-up automation**: Automatically send meeting summaries, reminders and action steps.
- **Task prioritization**: AI ranks daily activities based on urgency, client importance or revenue impact.

More efficiency means more time for what matters most – strategic thinking and client relationships.

"We've been using Jump AI for the last six months, and it's been amazing to see how it streamlines note-taking, task assignment and preparedness for client meetings, whether it's a full financial planning session or a quick virtual call," says Marc Shaffer, a certified financial planner at Searcy Financial headquartered in Overland, Kansas.

Casey uses AI for client performance reports and presentations for clients and prospects.

Gagnon says having AI summarize financial market performance and identify top market-related news from a prior month "can give you a starting point to draft specific comments and do your own research."

He adds that you still need to verify the output and sources used to ensure they are correct.

Gagnon relies on Perplexity, which has a $20 monthly subscription. "I like that Perplexity lists its online sources and doesn't make things up, plus it has different modes for deep research and normal everyday queries," he says.

Part of his prompt: "Scour the web for the most recent (last market close and/or last month end, whatever is more recent) data on U.S. financial market activity, including major stock indexes (S&P 500, Dow Jones, Nasdaq), asset classes (equities, fixed income, real estate, alternative investments), the economy (monetary and fiscal policy, growth and inflation, and labor market trends), significant market movers, and notable developments in commodities, interest rate markets, and geopolitical events."

Gagnon adds he tells it to only use reputable, U.S.-based online sources like NBER and the St. Louis Fed. "I ask it to look for themes and trends and describe how the environment has changed from last month and year," he says.

BEST PRACTICES FOR FINANCIAL ADVISORS USING AI

Start small: Test AI tools in one or two areas before expanding. "Start with the simple stuff, " says Bruckenstein. "Learn about prompts because the whole key to getting good results from any of these large language models is providing good prompts. Once you get more comfortable, you can try to do more with it."

"Let's say historically, you send all your clients gifts for Christmas or the holidays. You could just go to the ChatGPT model and say, 'I have a client whose hobbies are this and their interests are this. Could you please suggest a good gift for them that costs less than $ 100? Usually, you might spend 15 minutes or half an hour searching the web, while ChatGPT will give answers to you in 60 seconds." Make sure not to include personal information that can be used to identify your clients.

Focus on data quality: AI's accuracy depends on clean, up-to-date data. "Understanding how to source data and know how to verify data can make a big, big difference." Bruckenstein.

Be transparent: Explain AI use to clients to build trust. "I let clients know that I use AI to optimize portfolios," says Casey. "The feedback is very favorable because they know they're using it for their work. It's an efficiency tool, and it's only getting better."

Stay compliant: Ensure AI meets all regulatory standards. "The very first thing you need to think about is compliance," says Bruckenstein. "Rule number one: protect your client information. You need an AI policy.

If you are doing something on the internet, you don't want to be putting their social security numbers or any PII [personally identifiable information] out on the internet. However, if you are a larger firm and can run your own version of Copilot or ChatGPT on your data, and that's isolated from the internet, that's a different story."

Keep the human touch: Use AI for efficiency and insights, but maintain empathy as the foundation of client service.

"The communications function is really important because it allows the advisor to retain a personal touch while being able to scale, so it's a major efficiency lever in that sense," says Trout. But when using AI for client communications, "it has to sound like the advisor. It has to be specific and relevant to the individual client, which still requires some hands-on work," says Trout.

THE BOTTOM LINE

"AI works best as an augmentation tool, not a replacement. Clients want empathy and trust from their advisor, and AI frees us to spend more time on those user aspects.

Marc Shaffer, Searcy Financial

AI isn't here to replace financial advisors – it's a powerful ally helping them become more effective, insightful and truly client-focused. Across industries – from healthcare and law to manufacturing and education – AI is revolutionizing how professionals work, make decisions and connect with those they serve.

"AI works best as an augmentation tool, not a replacement," says Shaffer. "Clients want empathy and trust from their advisor, and AI frees us to spend more time on those user aspects."

"AI will never replace a human unless humans allow it to for the sake of convenience," says Alajahwon Ridgeway, owner of A.B. Ridgeway Wealth Management in Lafayette, Louisiana.

For financial advisors, adopting AI tools in areas such as personalization, portfolio management, client engagement, compliance, marketing, and workflow automation enables the delivery of smarter, faster and more tailored advice than ever before.

Advisors who adopt AI tools will gain a distinct competitive edge, setting themselves apart in a rapidly evolving market. The sooner you weave AI into your daily workflow, the sooner you – and your clients – will experience its transformative impact, unlocking greater efficiency, deeper trust, and stronger long-term relationships.

Advisors may also benefit from the use of AI by their current providers, whose "developers are now able to write code faster and produce upgrades to whatever technology you're currently using," says Bruckenstein. "The cost of developing and bringing software to the market is going to decrease and that's going to benefit everybody."

"AI is going to be transformative, not just for financial planning but for almost every aspect of the business," says Casey. "It feels like its use is increasing exponentially, so I imagine it touching pretty much every area of our lives."

AI in compliance: enhancing human judgment, not replacing it

PARKER ENCE

CEO & Co-Founder, Jump

① AI USE IS GROWING RAPIDLY AMONG ADVISORS. WHAT DIRECTION DO YOU SEE THE TECHNOLOGY GOING IN OUR SPACE?

We've moved past curiosity and wariness to excitement and adoption. 42% of advisors are already using general tools like ChatGPT and about the same number have adopted AI meeting tools. Jump users are already using AI to prepare for conversations, capture key points, streamline follow-ups and extract insights from client discussions. These tasks used to take hours. Now, they take minutes. But zooming out, remember that what makes this last wave of AI, generative AI, different is the power to "read and write" messy and unstructured data. Almost everything advisors do includes "unstructured data," whether conversations, emails, texts or documents. So, over time, AI won't just support the back office. It will become a proactive partner, surfacing trends, risks and opportunities tailored to each client relationship. It will ultimately transform every aspect of what advisors do in the same way the internet or mobile devices changed everything.

② THERE ARE SEVERAL AREAS IN CLIENT SERVICE THAT ADVISORS CAN USE AI IN. HOW DO YOU BALANCE AUTOMATING SERVICE WHILE KEEPING IT UNIQUE/ DIFFERENTIATED?

Delivering personalization at scale is the elusive holy grail of client service and engagement. AI makes this more possible than ever. AI not only takes care of the behind-the-scenes busywork and frees up advisors to focus on the parts of the relationship that truly require human insight, but it also does so through powerful customization and personalization tools that match the firm's unique service model and style or tone. One example in Jump's case: advisors can load examples of their old emails and Jump will use them to draft highly personalized client follow-ups. These drafts reflect not only the content of the most recent client interaction (like a meeting), but also the advisor's tone, preferences, communication style and even the firm's unique meeting types

③ HOW WILL AI AGENTS CHANGE THE WAY ADVISORS INTERACT WITH CLIENTS? WHAT IS A GOOD AI AGENT EXPERIENCE LIKE?

We think of great AI agents like an Iron Man suit that allows advisors to do so much more than they can do alone. So, a good AI agent will be a trusted extension of the advisor, giving them leverage. Imagine a whole factory of helpful robots or a whole army of recently graduated Harvard undergraduates who are able to do anything you need to move the firm forward. For example, look at the things an advisor needs to do for every client interaction: write compliance documentation, update the CRM, send a client recap email, delegate follow-up tasks to the operations or investments team and schedule the next touchpoint with the client. A great AI agent will anticipate and complete these for the advisor, all with "human in the loop" oversight. The best AI agents feel invisible when they need to be and helpful when it counts. Over time, clients experience more clarity, consistency and responsiveness without the advisor spending more hours to deliver it.

> We're at a turning point in the financial services world. AI isn't just changing how we handle information – it's completely reshaping how advisors connect with their clients.

And compliance work is quickly becoming a showcase for AI's practical benefits

As regulations get more and more complex, financial advisors face a clear choice: stick with manual processes that pull them away from client relationships or jump on board with AI solutions that handle the administrative headaches while letting them focus on what they do best.

THE COMPLIANCE CHALLENGE FINANCIAL ADVISORS CAN NO LONGER IGNORE

Let's be honest – compliance isn't just a box to check. It's one of the most critical responsibilities for financial advisory firms today. The stakes? Higher than ever: serious penalties, reputation damage and potential legal trouble for those who fall behind.

Yet surprisingly, many wealth management firms still rely on manual compliance processes that just aren't sustainable anymore. In a 2024 enforcement action, the SEC fined 26 financial firms over $390 million for widespread use of unapproved communication methods, including WhatsApp and personal text messages[1]. With penalties this severe, can human-powered compliance really keep up?

THE HUMAN COST OF MANUAL COMPLIANCE

For years, compliance teams have been stuck with labor-intensive workflows that create vulnerabilities while pulling advisors away from their most important work – building real connections with clients:

- **Human Error:** When compliance officers manually process mountains of data, mistakes happen that can trigger costly fines and audit failures.
- **Regulatory Blindspots:** Without automated monitoring, compliance teams might miss crucial deadlines, exposing their firms to unnecessary risks.
- **Relationship Drain:** Every hour spent documenting compliance is an hour not spent understanding clients' financial goals and aspirations.

REIMAGINING COMPLIANCE THROUGH TECHNOLOGY

[1] SEC.gov | Twenty-Six Firms to Pay More Than $390 Million Combined to Settle SEC's Charges for Widespread Recordkeeping Failures. (n.d.). https://www.sec.gov/newsroom/press-releases/2024-98

The promise of AI in compliance isn't about replacing human judgment – it's about enhancing it. The most effective solutions support advisors by capturing what happens in meetings and automatically handling the administrative work that has traditionally eaten up so much of an advisor's day.

What makes modern AI compliance tools game-changing:

- **Accurate Meeting Documentation:** Automatically captures key points from client conversations, ensuring nothing gets lost or misremembered.
- **Instant Compliance Recordkeeping:** Creates timestamped records and standardized documentation that meet firm and regulatory standards – without added effort from the advisor.
- **Relationship-Centered Design:** Technology that runs quietly in the background, allowing advisors to stay fully focused on the client during meetings.

With the right AI tools, compliance no longer means hours of post-meeting paperwork. Advisors can spend more time doing what they do best – building trust, offering personalized guidance and strengthening client relationships.

WHAT'S HOLDING ADVISORS BACK? DEBUNKING AI COMPLIANCE MYTHS

Even with all the benefits AI brings to compliance workflows, many advisors are still hesitant to adopt it. That hesitation often comes down to a handful of persistent myths:

1. Myth 1: "AI will get me in trouble with regulators."
Top AI platforms are built with compliance at their core – creating timestamped records, automating disclosures and reducing human error. In many cases, they actually strengthen a firm's audit readiness.

2. Myth 2: "I'll lose control over what's documented."
Compliant AI tools don't publish anything without approval. Advisors can review and edit everything to ensure the tone, accuracy and style reflect their own, with full control over what is ultimately synced to CRM or communicated to clients.

3. Myth 3: "Compliance teams won't trust AI."
Once compliance officers see how consistently AI platforms capture notes, update records and track changes, they often become strong advocates for adoption.

4. Myth 4: "If I didn't write it, it's not compliant."
What matters most in compliance is accuracy – not authorship. AI can help capture more context and nuance than post-meeting memory. Of course, publishing AI-generated content before reviewing it is a big no-no - advisors must take full responsibility for any content they publish.

5. Myth 5: "It's too risky or too new."
AI compliance tools are already used by hundreds of advisor teams, RIAs and broker-dealers. These systems are tested, trusted and built to meet the industry's highest standards.

The truth? AI isn't a compliance risk – it's a compliance advantage. And the sooner advisors clear these hurdles, the faster they can reclaim their time and refocus on what really matters.

THE FUTURE OF FINANCIAL ADVICE

The financial advisory industry is facing pressure from all sides – robo-advisors, changing client expectations and increasingly complex regulations. Yet the core value remains unchanged: meaningful human relationships that lead to truly personalized financial guidance. By automating the administrative side of compliance, advisors can double down on their core strength: understanding not just the numbers, but the dreams, fears and aspirations behind them. They can be fully present with clients, building the trust that no algorithm can replicate.

This is more than a tech shift – it's a return to the fundamentals of financial advice. By handling the documentation burden, AI allows advisors to focus on what really matters: understanding clients and helping them achieve their financial goals.

The long view: diversification for uncharted waters

JEFFREY SCHULZE

CFA, Head of Economic and Market Strategy, Clearbridge Investments

ClearBridge Investments: The economy and markets are entering uncharted waters and policy uncertainty appears likely to remain elevated in the near term. This only further underscores the benefits of diversification for equity investors.

1 A digestion period for US stocks was not unexpected coming into 2025, with the third year of a bull market typically experiencing more muted returns. Unfavorable policy sequencing that prioritized tariffs first before tax cuts by the Trump administration has further contributed to equity market volatility.

2 While US equities have outperformed over longer time horizons, international stocks tend to pick up the slack when domestic markets falter. A rotation out of the Magnificent Seven and into international, value and dividend growers highlighted the power of diversification during the first quarter.

3 The economy and markets are entering uncharted waters and policy uncertainty appears likely to remain elevated in the near term. This only further underscores the benefits of diversification for equity investors.

> "Diversification is the only free lunch in investing."
>
> Harry Markowitz
> American economist,
> Nobel Prize laureate

ENTERING UNCHARTED WATERS

The first three months of 2025 marked the worst quarter for the S&P 500 Index since 2022, bringing the benefits of diversification back to the fore. Then came the Trump administration's "Liberation Day" tariff announcements on April 2, which led to a new round of selling as the announced tariff rates exceeded even the most pessimistic expectations. Much remains unknown including the possibility of trade deals being reached. However,

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with the economy and markets entering uncharted waters, the balance of economic and market risk has shifted unfavorably, in our view. The ClearBridge Recession Risk Dashboard remains in overall green "expansionary" territory, but similar to the early days of the COVID-19 pandemic, many indicators on the dashboard do not yet reflect what is currently happening.

There is one change on the dashboard this month with ISM New Orders worsening to red following last month's deterioration to yellow. Deteriorating business (and consumer sentiment) has been one of the key risks emerging given the elevated uncertainty over the past few months, but the degree to which weaker "soft" survey data translates into poor "hard" results will be critical. Looking ahead, we would expect indicators like Credit Spreads – which are currently nearing yellow territory – and Commodities to be the first areas to roll over.

EXHIBIT 1: US RECESSION RISK INDICATORS

		March 31, 2025	February 28, 2025	January 31, 2025
Consumer	Housing Permits	↑	↑	↑
	Job Sentiment	✕	✕	✕
	Jobless Claims	↑	↑	↑
	Retail Sales	↑	↑	↑
	Wage Growth	↑	↑	↑
Business Activity	Commodities	↑	↑	↑
	ISM New Orders	✕	●	↑
	Profit Margins	↑	↑	↑
	Truck Shipments	●	●	●
Financial	Credit Spreads	↑	↑	↑
	Money Supply	↑	↑	↑
	Yield Curve	✕	✕	●
	Overall Signal	↑	↑	↑

↑ Expansion ● Caution ✕ Recession

Data as of March 31, 2025. Source: BLS, Federal Reserve, Census Bureau, ISM, BEA, American Chemistry Council, American Trucking Association, Conference Board, and Bloomberg. The ClearBridge Recession Risk Dashboard was created in January 2016. References to the signals it would have sent in the years prior to January 2016 are based on how the underlying data was reflected in the component indicators at the time.

Based on the dashboard alone, the probability of a recession over the next 12 months is in the neighborhood of 35%, a figure we are subjectively increasing to 50% due to the worse-than-expected tariff announcement and our perception of risks skewing negative for the economy and markets. Our assessment of the economy begins with the dashboard but incorporates many tools as well as our own judgement and experience, along with that of our colleagues at ClearBridge. In speaking with our colleagues over the past few days, three words best encapsulate the recurring themes across those conversations: skepticism, unknowns and diversification.

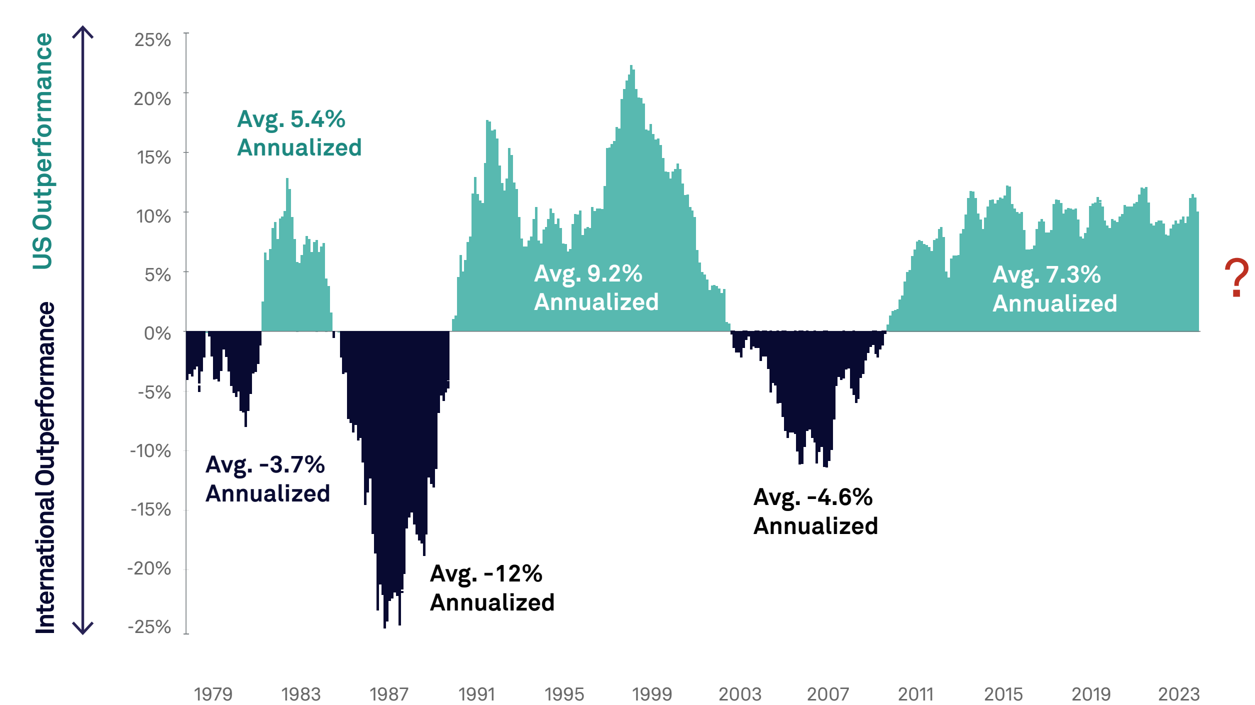
Skepticism and unknowns are specific to the current environment; skepticism regarding the near- and intermediate-term consequences of recent policy decisions, which the market is signaling may be worse than the administration believes. Unknowns on the positive side include the potential for more market-friendly policy developments such as trade deals and the possibility that tariff revenue is used to fund larger than expected tax cuts. Conversely, there are risks that the long-term benefits the administration is seeking may fail to offset the associated costs. This line of thinking drives our perception of an unfavorable risk skew, which leads to the third recurring theme: diversification.

ALLOCATE ACROSS GEOGRAPHIES, SIZES AND INVESTMENT STYLES

Over the past several years, diversification has felt less like the free lunch described by Nobel Laureate and modern portfolio theory pioneer Harry Markowitz, and more like a drag on returns. This has been a headwind to active managers as a narrow group of stocks powered most of the benchmark's upside. However, our colleagues have stuck to their knitting in building diversified portfolios (generally with a quality bias) which is now paying off. According to research firm Strategas Research Partners, 59.8% of active managers outperformed in the first quarter. If that were to hold up for the balance of the year, it would mark the second-best year for active managers since the Global Financial Crisis (GFC). The importance and benefits of diversification apply at many levels, a fact many investors were reminded of in the first three months of the year with the previously red-hot Magnificent Seven stocks falling -16.4% while left-for-dead international equities (MSCI All Country World Index ex-US) rose 4.6%. Constructing a diversified portfolio entails more than just geographic allocation, however, with market cap and investment style important considerations as well. While the relative outperformance of non-US stocks has garnered the lion's share of headlines lately, value stocks in the S&P 500 have outperformed their growth counterparts by 11.7% so far in 2025. Part of the reason that geographic leadership has been in focus, however, is that it stands in stark contrast to consensus expectations coming into the year that US equities would handily outpace their international peers once again.

Geographic leadership tends to persist for much longer than investors generally appreciate. US stocks have consistently outperformed their international peers dating back to the GFC. While this sounds remarkable, it is hardly unprecedented, with a somewhat shorter but meaningfully stronger period of US leadership occurring throughout the 1990s and into the early 2000s.

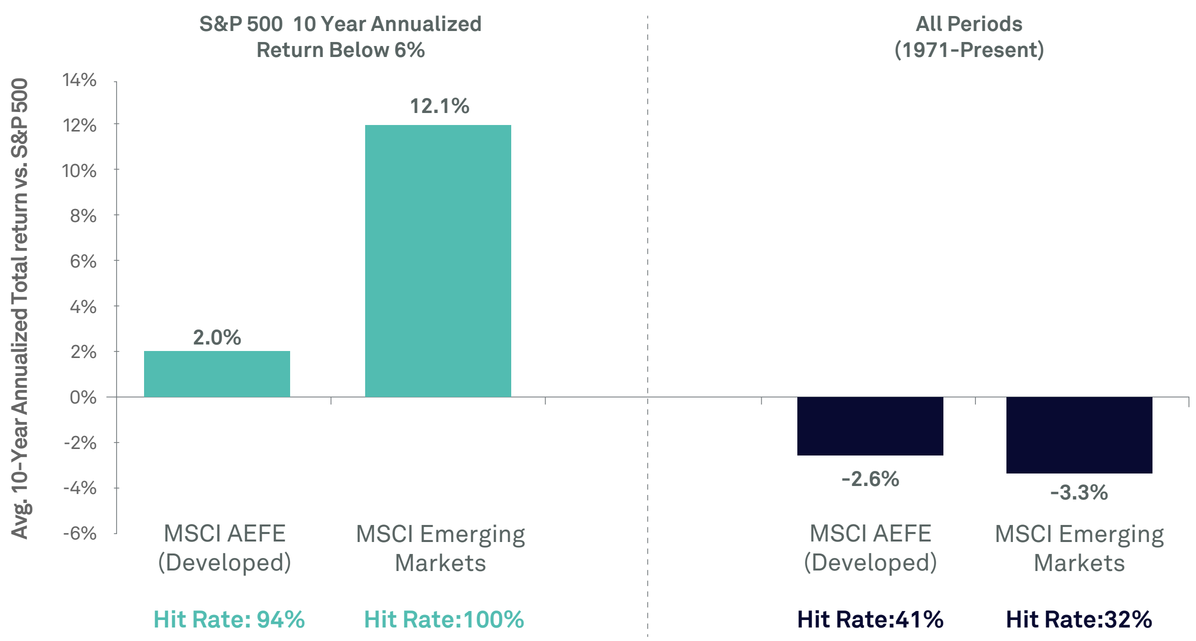
EXHIBIT 2: GLOBAL LEADERSHIP CYCLES



Note: Data shows rolling five-year annualized performance differential between S&P 500 and MSCI ACWI ex-US indices. Data as of March 31, 2025. Sources: FactSet, S&P, MSCI.

Historically, international equities have provided the greatest diversification benefits when US stocks have been challenged. While this can occur on a short-term basis like what we've seen recently, the effect is magnified over longer time horizons. Since 1971 when the S&P 500 has delivered less than 6% annualized over a 10-year period, the MSCI EAFE (developed) and the MSCI Emerging Markets indexes have outperformed by an average of 2.0% and 12.1%, annualized, respectively. Importantly, the hit rate for outperformance is greater than 90% for each benchmark. Although the United States has outperformed over the long haul, international equities tend to pick up the slack when US markets falter.

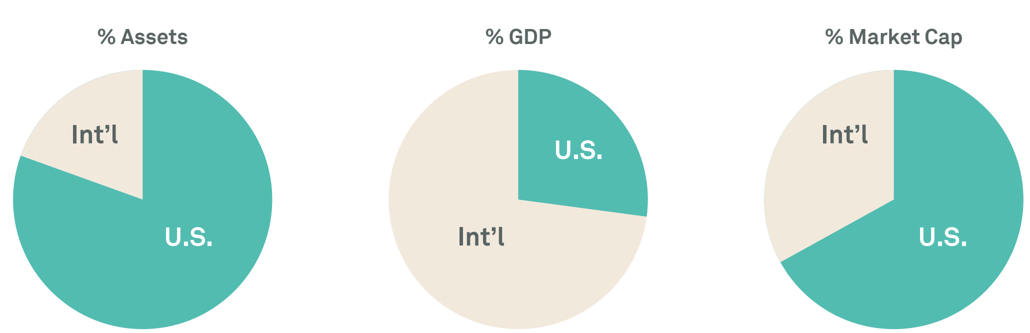
EXHIBIT 3: DIVERSIFICATION MATTERS



Note: Data shows 10-year rolling monthly periods. Data as of March 31, 2025. Sources: Morningstar, S&P, MSCI.

This is an important component of diversification: by garnering exposure across asset classes, long-term returns can be improved by reducing portfolio volatility. This helps to smooth out returns as leadership cycles tend to ebb and flow. One dynamic helping support investor focus in non-US stocks is relative valuations, with the cohort still trading near 25-year lows to US peers even after this year's robust outperformance. Importantly, US investors are quite underweight international equities while non-US investors have poured over $9 trillion into US stocks over the past five years, according to research from Apollo. Should these flows reverse, it could lead to continued upside for the group, bolstering the diversification benefits.

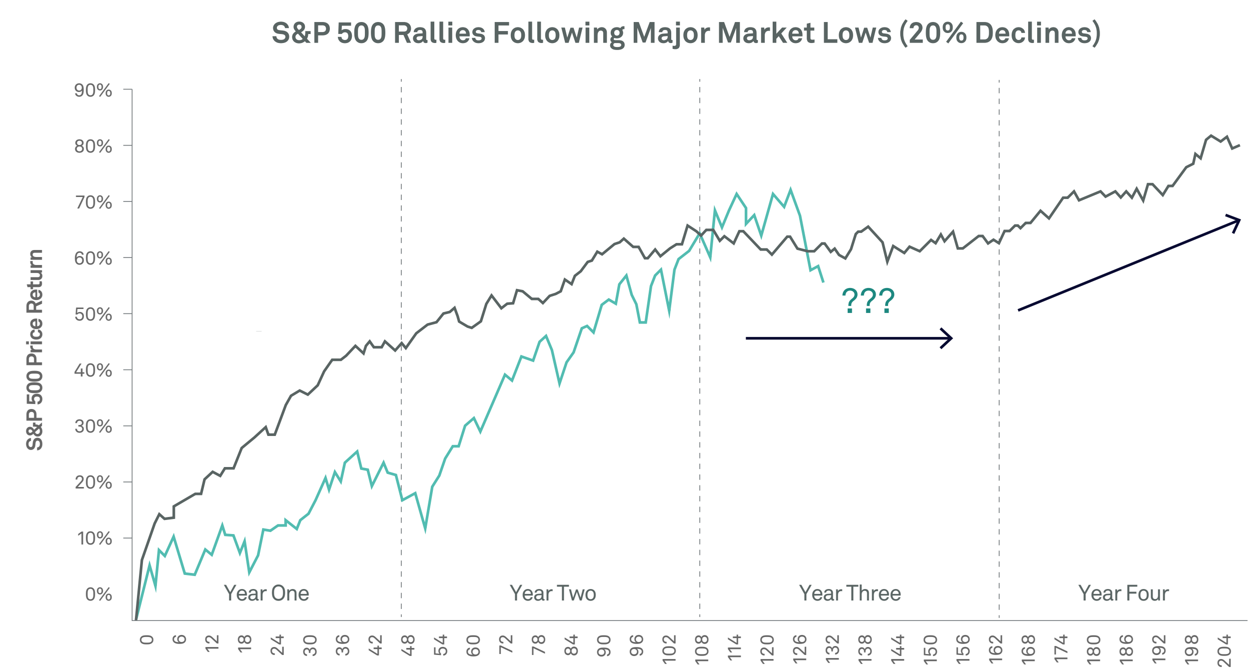
EXHIBIT 4: HOME COUNTRY BIAS



Morningstar Category Assets as of Feb. 28, 2025. GDP as of Dec. 31, 2024. MSCI World Index as of March 31, 2025. Sources: Morningstar, IMF, MSCI, FactSet. Data most recent available as of Mar. 31, 2025.

Trade turmoil aside, recent equity market weakness and the leadership rotation have also been driven by other unrelated dynamics including crowded positioning and the potential for AI capex rationalization. One underappreciated aspect may be the typical maturation of the bull market, with new bull markets (those following -20% declines) experiencing a period of digestion during their third year before seeing a resumption of the rally in year four. The current bull market had its third birthday approximately six months ago, meaning we are square in the middle of the historical digestion period.

EXHIBIT 5: THE YEAR-THREE DIGESTION

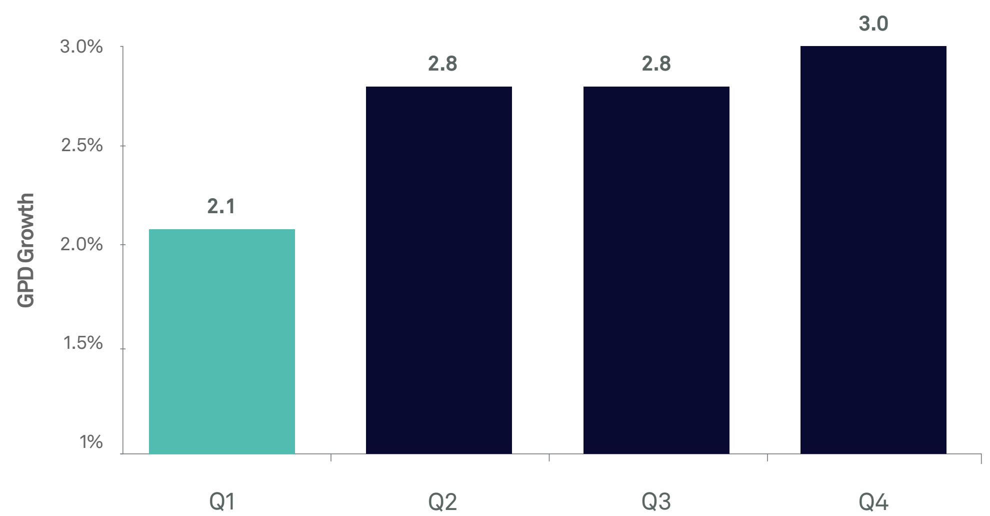


Data as of March 31, 2025. Sources: FactSet, S&P Global.

While the trade war and policy uncertainty are all but certain to weigh on revenue growth, profit margins and ultimately earnings, the economy has been on solid footing with consumer spending holding up and a healthy labor market. A soft patch appeared to be emerging even before policy uncertainty became elevated, which is a typical dynamic as the first quarter has been the weakest of the year over the past ~15 years. This was likely amplified in 2025 by unfavorable weather and a tough flu season – January was the coldest since 1988 and the flu season was the worst since 2010 – meaning the economy may be facing a larger-than-normal soft patch to begin the year, but also that the source of some weakness is likely to fade as we move through the year.

The primary driver of recent market weakness – and one that is certainly not underappreciated – has been elevated policy uncertainty, however. Coming into the year, our view was that policy sequencing presented a risk of first-half choppiness as the administration prioritized less-market-friendly policies (tariffs, immigration, DOGE) before turning to more market-friendly goals (tax cuts, deregulation) later in the year. Should visibility emerge in the coming months and uncertainty fade, one overhang on US equities would ebb. Historically, when the US Policy Uncertainty Index, a measure compiled by financial economists at three leading universities, has been high (above 155), as is the case today, the S&P 500 has delivered average returns of 9.3% over the subsequent six months and 18.1% over the subsequent 12 months.

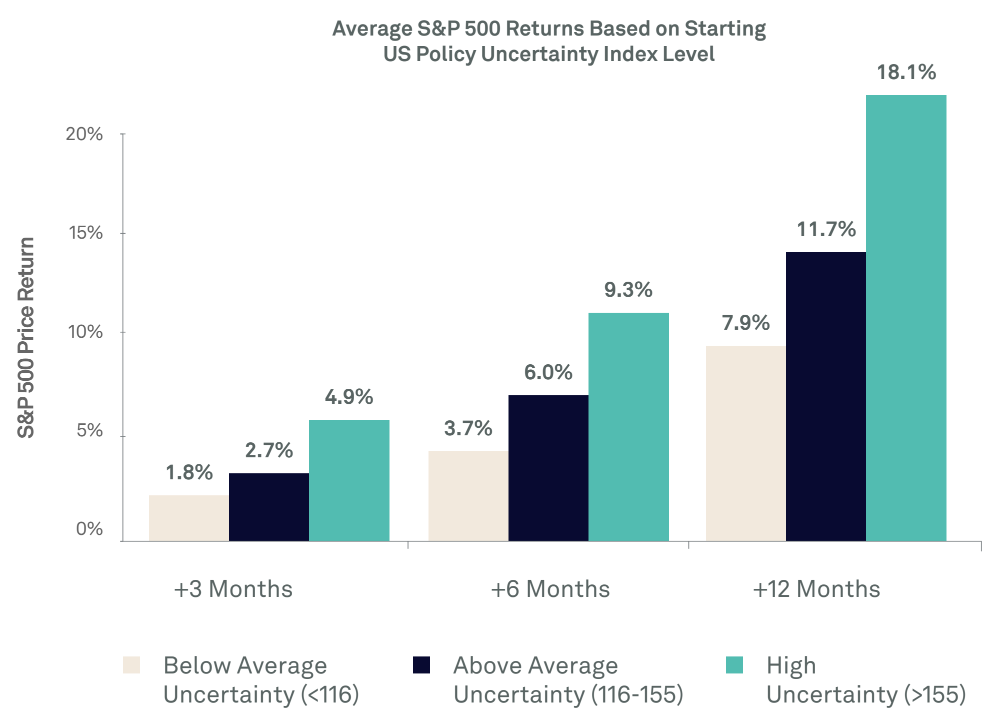
EXHIBIT 6: 1Q GROWTH SCARE COMMON



Note: 2010-present, ex-2020. Sources: US Bureau of Economic Analysis (BEA), Macrobond. Data as of March 27, 2025, latest available as of March 31, 2025.

Policy uncertainty tends not to remain elevated for sustained periods. However, should it remain so in the coming quarters, past trends may not be realized. This is a distinct possibility due to the harsher and broader than expected Liberation Day tariff announcements. Although volatility will likely remain elevated as market watchers attempt to parse out the economic implications and ultimate settling point for tariffs should trade negotiations progress, investors have typically been rewarded as policy normalizes.

EXHIBIT 7: CERTAINTY IN UNCERTAINTY



Note: Data shown from 1985 – present. Data as of March 31, 2025. Sources: Macrobond, S&P, FactSet, Economic Policy Uncertainty.

One way to help navigate through a period of elevated uncertainty is to focus on higher-quality companies with proven track records managing through periods of turmoil. Focusing on companies with a consistent ability to increase their dividends – a byproduct of being able to grow profits throughout the ups and downs of a cycle – is one such approach. These types of equities had been out of favor in the United States, experiencing a period of historically large underperformance relative to the broader benchmark. Following similarly large periods of underperformance in the late 1990s and early 2020s, dividend growers went on to pull ahead of the benchmark in subsequent years, making their recent run an encouraging sign.

WHAT ARE THE RISKS?
All investments involve risks, including possible loss of principal. Past performance is no guarantee of future results. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

Equity securities are subject to price fluctuation and possible loss of principal. Large-capitalization companies may fall out of favor with investors based on market and economic conditions. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks.

Commodities and **currencies** contain heightened risk that include market, political, regulatory, and natural conditions and may not be suitable for all investors.

US Treasuries are direct debt obligations issued and backed by the "full faith and credit" of the US government. The US government guarantees the principal and interest payments on US Treasuries when the securities are held to maturity. Unlike US Treasuries, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the US government. Even when the US government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

Navigating the new tax law: Tips for maximizing new deductions

BILL CASS
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It will take some time for taxpayers to digest the ramifications of the most comprehensive new US tax law in years.

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However, many of the provisions apply for tax year 2025, providing timely opportunities for planning right now. In particular, the timing of realizing income for provisions that are subject to certain phase-outs.

Let's explore two examples in the new law for consideration:

- The increase in the cap on deducting state and local taxes (SALT) from $10,000 to $40,000 (for tax years 2025 through 2029)
- The new deduction for seniors (age 65+) of $6,000 (for tax years 2025 through 2028)

INCREASE IN THE SALT DEDUCTION

The (temporary) $40,000 cap for the state and local tax (SALT) deduction will mean tax savings for certain residents in higher-taxed areas. At a marginal tax bracket of 35%, the increase in the cap translates into roughly $10,000 in tax savings.1

However, once a taxpayer's modified adjusted gross income (MAGI) exceeds $500,000, the increase in the cap begins to phase out. At $600,000 of MAGI, it is fully phased out, and a maximum $10,000 cap on deducting SALT applies.

For these higher-income taxpayers, are there planning considerations to avoid this phase-out, reducing the tax benefit? The answer to this question may be especially relevant for married couples filing a joint tax return since they are subject to the same cap and income phase-outs as taxpayers filing a single return.

For example, a taxpayer with income right at the phase-out limit ($500,000) for the expanded SALT deduction, is considering a $100,000 Roth IRA conversion. The additional income generated from the Roth IRA conversion will result in the loss of a $30,000 tax deduction (although the taxpayer could opt to claim the standard deduction).

Depending on the specific circumstances, this effectively increases the overall "cost" of that Roth IRA conversion where it would not make sense to proceed. Taxpayers need to carefully consider the impact of these types of income timing ramifications and consult with a qualified tax advisor. Lastly, some taxpayers may pursue owning property in a separate, taxable trust (i.e. non-grantor trust). For example, those with a second home owning that property within a non-grantor trust may allow another $40,000 SALT deduction. This type of strategy involves important considerations, so a thorough analysis working with a qualified tax and legal professional is essential

NEW DEDUCTION FOR SENIORS

Similar to the expanded SALT deduction, the new senior deduction also phases out at certain income levels. For single filers, once MAGI exceeds $75,000 and $150,000 for married couples filing a joint tax return.

Another important point is that the new deduction can be utilized whether or not the taxpayer itemizes deductions or claims the standard deduction on their tax return. For a married couple claiming the standard deduction, where both are at least age 65, here's what their total deductions would look like for 2025:

Taxpayer	Total deduction	Phase-out begins	Full phase-out
Single filer	$6,000	$75,000	$175,000
Married couples filing a joint return (both spouses are age 65+)	$12,000	$150,000	$250,000

Note: Income phase-out based on modified adjusted gross income (MAGI).

Assuming a marginal tax bracket of 22% where the income phase-outs apply, this new "senior" deduction represents a tax savings of $1,320 for a single filer or $2,640 for married couples where both are at least age 65.

Standard deduction	$31,500 (slightly increased for 2025)
Extra standard deduction for 65+	$3,200 ($1,600 each)
New senior deduction	$12,000 ($6,000 each)
Total	**$46,700**

OPPORTUNITY TO REALIZE CAPITAL GAINS WITHOUT ANY TAXES

However, there may be other benefits as well. Consider seniors subject to the 12% marginal income tax bracket, where long-term capital gains and qualified dividends are generally subject to a zero percent tax rate. With the slight increase in the standard deduction for 2025 and the new senior deduction, some taxpayers may be able to take advantage of this and harvest capital gains without owing income taxes. Of course, a large capital gain may effectively "push" a taxpayer's income into a higher bracket subjecting those gains to taxation.

Single filers	Married couples
Taxable income up to $48,350	Taxable income up to $96,700

Source IRS, 2025.

How does the zero percent capital gain rate apply?

A married couple where both are over the age of 65 may be subject to the zero percent tax rate until their gross income exceeds $143,400 (a standard and senior deduction of $46,700 plus $96,700, the threshold for where the zero percent tax rate applies on long-term capital gains and qualified dividends). This is another example of how the timing of income, depending on personal circumstances, may help to manage a tax bill. Given the numerous underlying factors and other considerations, consulting a qualified tax professional is crucial.

[1]. Note: Beginning in 2026 the tax benefit of itemizing deductions is capped at the 35% marginal tax bracket. This means a slight reduction in the tax benefit for those in the 37% marginal tax bracket.