



FIDELITY INSTITUTIONAL INSIGHTS

Three Principles of Holistic Wealth Planning

An approach to financial planning to help
advisors advance their practice





Investors and advisors understand the value that financial planning can deliver.

Investors work hard to build their wealth so that they can live a life that aligns with their values. Financial planning plays a pivotal role: It lays out a plan to maximize the likelihood of achieving their goals for their wealth.



92% of investors who have a financial plan **feel that they are on track** or even ahead of their financial goals¹

Investors with financial plans reported **higher confidence and lower stress** across many areas of their life, including health, family, and work—not just finances.¹

Advisors are working to prevail over commoditization pressure while meeting shifting customer needs. They see that financial planning can both help clients on a personal level and grow their practice.



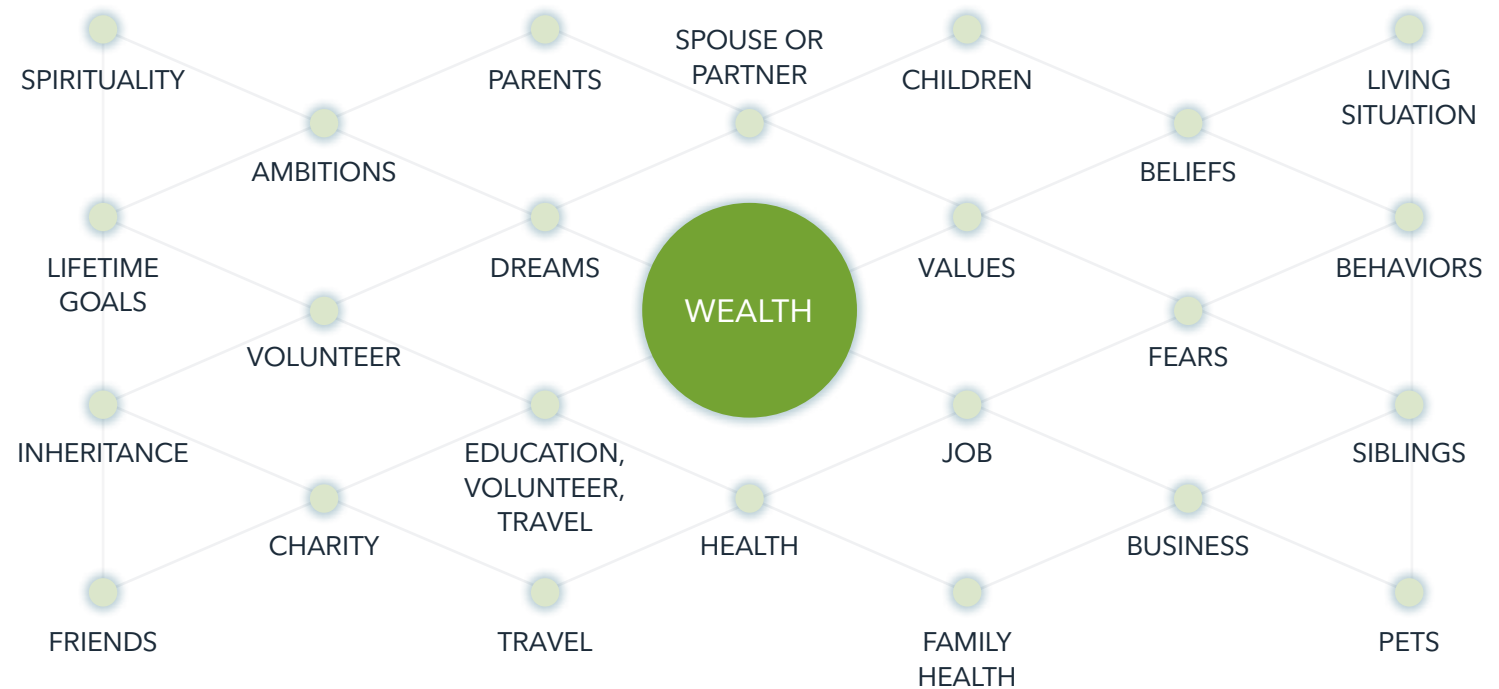
7 in 10 advisors believe **financial planning augments their revenue streams**

Advisors with more clients with financial plans felt they were **more successful calming clients' anxieties** during the early weeks of the COVID-19 crisis.²



Investors and advisors also understand that financial planning alone is not enough.

Few people define wealth through the lens of finances alone. While our research continues to reveal a connection between personal wealth and well-being, dozens of factors outside of investments can impact goals. The definition of wealth is highly individual.



Fidelity is proposing a new approach to financial planning: Holistic Wealth Planning

Holistic Wealth Planning goes beyond traditional financial planning. It engages a broader and deeper model of client engagement, considering factors across an investor's life.

Holistic Wealth Planning has three key principles:



Continuous



Personal



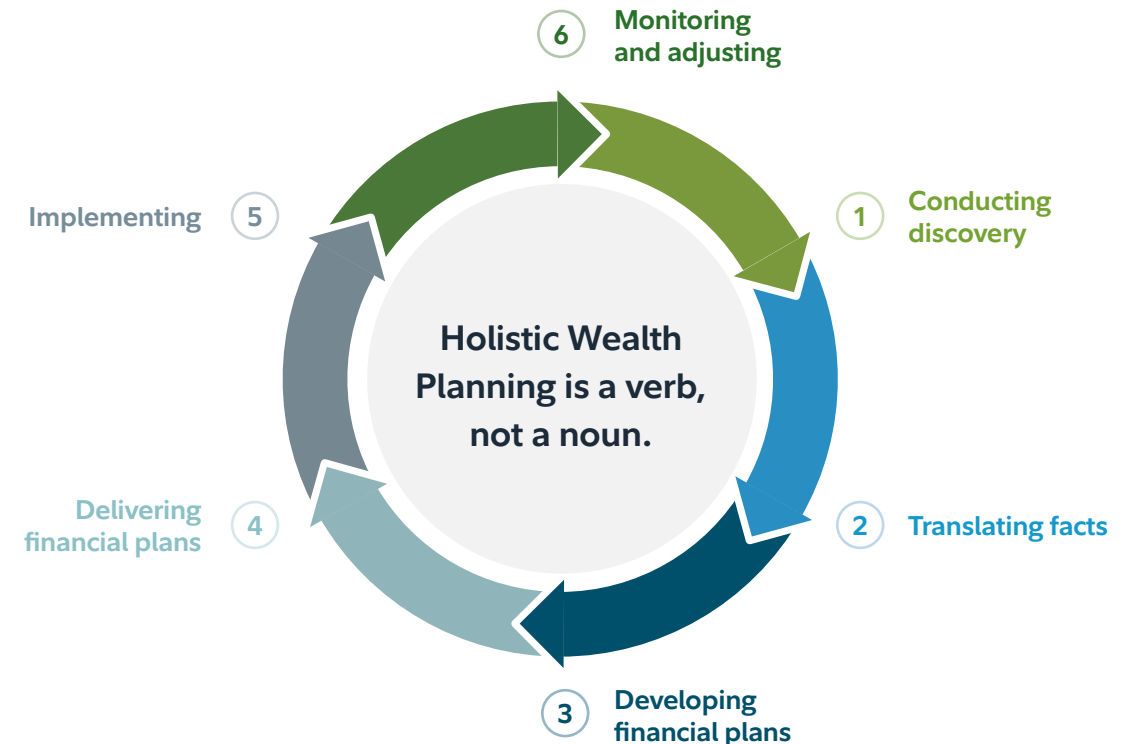
Comprehensive services



Holistic Wealth Planning is continuous.

With Holistic Wealth Planning, the creation of a financial plan is not a one-time event, but a **continuous cycle**. Discovery is never over: Advisors are always listening for cues to clients' needs, wants, worries, and behaviors to help them develop and refine financial plans. With each new element of discovery, advisors adjust the plan through translation, development, delivery, and implementation. Monitoring continues throughout to check performance and make any adjustments to the plan. The process does not end with the delivery of a plan.

Investors are interested in a continuous level of support: **More than half of investors surveyed indicated they are willing to pay more for an advisor who helps them on an ongoing basis to stick to their goals.**¹





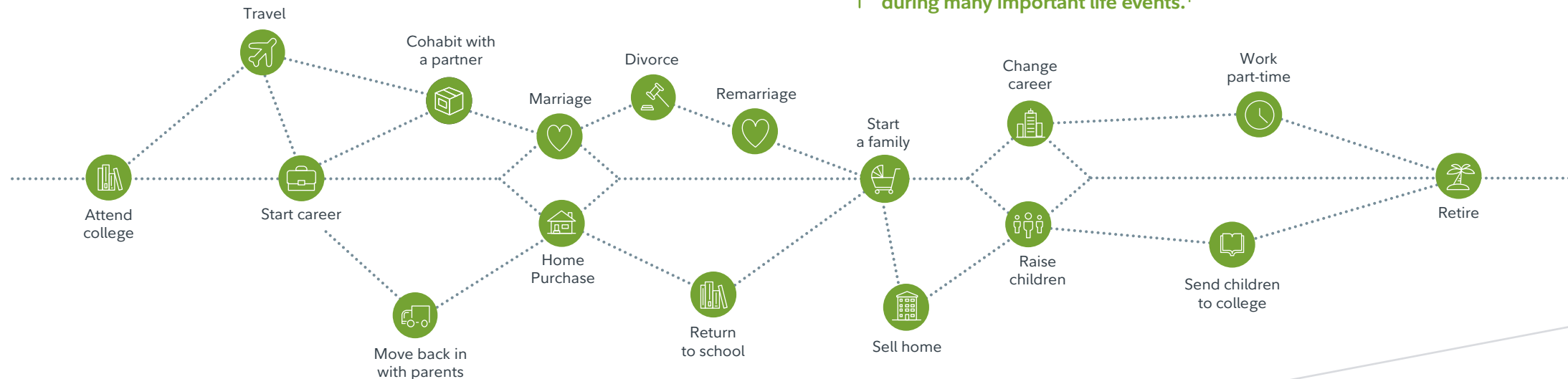
Holistic Wealth Planning is personal.

Holistic Wealth Planning requires that an advisor develop deeper, more connected relationships with clients. Those closer relationships can be brought to the forefront during important life events.

Life events—expected or unexpected, large or small—can have a significant impact on plans and well-being. Everyone can reflect on their life and the events that have shaped them and recall the people that were there as a resource to guide them through, or as a support for difficult decisions and complex emotions.

Life events can be uncomfortable to talk about, especially when someone has not experienced them personally. Advisors practicing Holistic Wealth Planning work to move past that discomfort, striving to be close confidantes and trusted advisors to their clients, especially during these important life events.

Unfortunately, **less than 10% of investors said they turned to their financial advisor during many important life events.**¹





Holistic Wealth Planning delivers comprehensive services.

Financial planning often stays within financial goals, but Holistic Wealth Planning includes a comprehensive range of services.

Investors today have broader needs from their financial advisor beyond traditional investment management. These investor expectations are represented in the Advice Value Stack®.

Financial planning may stop at cash flow and debt management, planning for retirement, and retirement income distribution. Holistic Wealth Planning broadens the offered range of services to include life planning, small business consulting, and long-term care decisions. Holistic Wealth Planning delivers value at all levels of the Advice Value Stack®.

The demand for more service exists: Fidelity research found that **28% of millionaires want their financial advisor to provide more comprehensive services.**¹

Advice Value Stack®





Advisors who practice Holistic Wealth Planning follow the three principles.



Continuous

Holistic wealth planners revisit their client's plans at least once per year. Only 3 in 4 other advisors do.



Personal

Holistic wealth planners feel extremely comfortable discussing many life event topics with their clients. Only 1 in 10 other advisors feel this comfortable.



Comprehensive services

Holistic wealth planners offer more than ten advisory services in house. Only 60% of other advisors offer this breadth of service.



Only **1 in 5 advisors** are practicing Holistic Wealth Planning, yet they are seeing results:

Over the last year, when compared to other advisors they reported:

47%
higher growth
of AUM

67%
higher growth in
number of clients

They also reported:

1/3 more clients with
over \$1 million
of assets with the advisor

At least **9 in 10**
reporting that planning
was a personal strength
or passion.



There is an opportunity for advisors to broaden and deepen their practice with Holistic Wealth Planning.

As you consider shifting your approach, there are key questions to answer:

- ✔ Does your discovery and onboarding process allow for deep conversations with clients and their families? Does your technology support a smooth and simple yet flexible process?
- ✔ What questions have you successfully used with clients to uncover life events, shifts in values, behavioral trends or revised goals? What obstacles have you worked around in developing a personal relationship with clients? Document the strategies that worked.
- ✔ How have you adapted to be comfortable with uncomfortable conversations? In what areas or situations can you improve? Do you have access to training to strengthen soft skills, including listening and empathizing?

- ✔ What services have clients been asking for? What services have they not yet asked for, but you know may serve their needs?
- ✔ How can you expand your service offering? Can you gain training to provide adjacent services? Can you team with other people in your firm for additional services or areas of expertise? Can you expand your Center of Influence for other services?
- ✔ What efficiencies can you drive in your process to free the energy needed for a more holistic approach? Can your technology scale to meet the needs of your practice?



Unless otherwise noted, all data referenced is from The 2020 Fidelity Financial Advisor Community—Financial Planning Study. The study was an online blind survey (Fidelity not identified) and was fielded from December 19, 2019 through January 2, 2020. Participants included 393 advisors who manage or advise on client assets either individually or as a team, and work primarily with individual investors. Advisor firm types included a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses), with findings weighted to reflect industry composition. The study was conducted by an independent firm not affiliated with Fidelity Investments.

¹ 2019 Fidelity Investor Insights Study: The study was an online, blind study conducted from August 6 through August 26, 2019. It involved a total of 2026 25-minute (on average) online interviews, with the sample provided by Brookmark, a third-party research firm not affiliated with Fidelity. The study was focused on understanding affluent investors' attitudes, goals, behaviors, and preferences related to investing, wealth management, and advice. Target sample included respondents across affluence levels, from \$50,000 to more than \$10 million in total investable assets, excluding any real estate or investments in 401(k), 403(b), pensions, or other employer-sponsored retirement plans.

² 2020 Fidelity Financial Advisor Community—April COVID Crisis Study: The study was an online blind survey (Fidelity not identified) and was fielded during the period April 8 through April 13, 2020. Participants included 468 advisors who manage or advise on client assets either individually or as a team, and work primarily with individual investors. Advisor firm types included a mix of banks, independent broker-dealers, insurance companies, regional broker-dealers, RIAs, and national brokerage firms (commonly referred to as wirehouses), with findings weighted to reflect industry composition. The study was conducted by an independent firm not affiliated with Fidelity Investments.

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