

Advisor Report Summary(1)



- Advisors and consumers are in agreement that it is easy for consumers to spend money. However, there is a disconnect when it comes to saving and managing money. Consumers think it is easy, while advisors, as financially trained individuals, disagree.
- Advisors feel that those consumers with a discrepancy between spending and overall goals would benefit the most by having a cash flow management plan .
- Additionally, the majority of advisors agree that consumers who model cash flow are more confident and secure about their financial future.
- Withholding needed data, not providing accurate information and overall lack of time are barriers advisors face when discussing cash flow management with consumers.



- 74% of advisors currently provide some form of cash flow management for their clients, with over half (53%) including it in their client's plan at least very often.
- Financial advisors feel that cash flow management has many benefits to their clients including:
 - *Provides a tangible idea of what to expect*
 - *Helps fully understand and effectively manage spending behavior*
 - *Establishes realistic savings goals*
 - *Assists in overall financial planning to help reach goals*



Advisors believe it is easy for their clients to spend money, but difficult for them to save and manage their money.

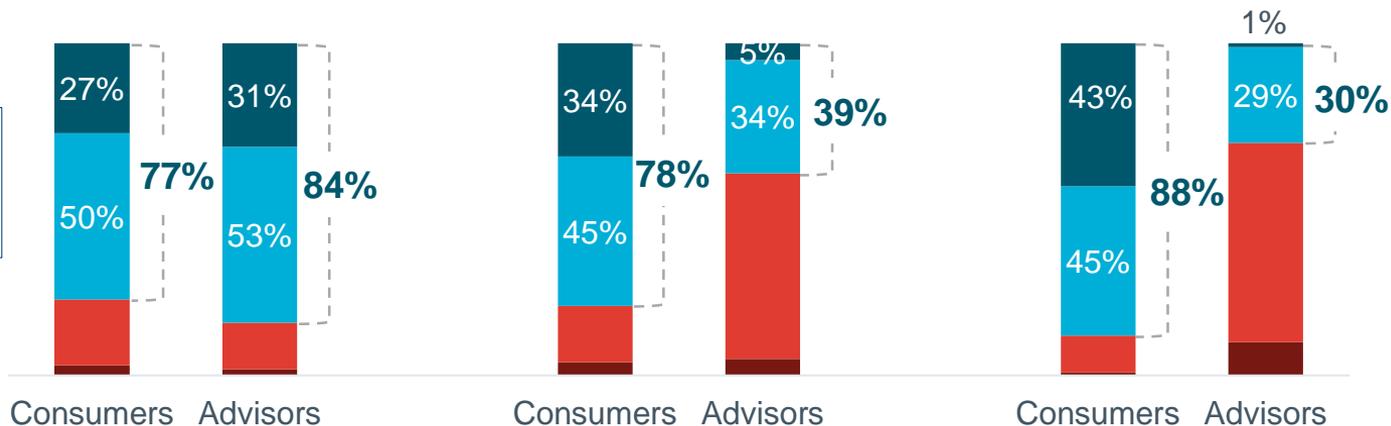


How Easy or Difficult It Is (Perceived) To:

Easy to Spend Money

Easy to Save Money

Easy to Manage Money



BASE: All Advisor Respondents (n=133), All Consumer Respondents (n=300)

Q2. From a spending standpoint, do you believe your clients are:

Q3a. Overall, would you say that your clients find it easy or difficult to spend their money?

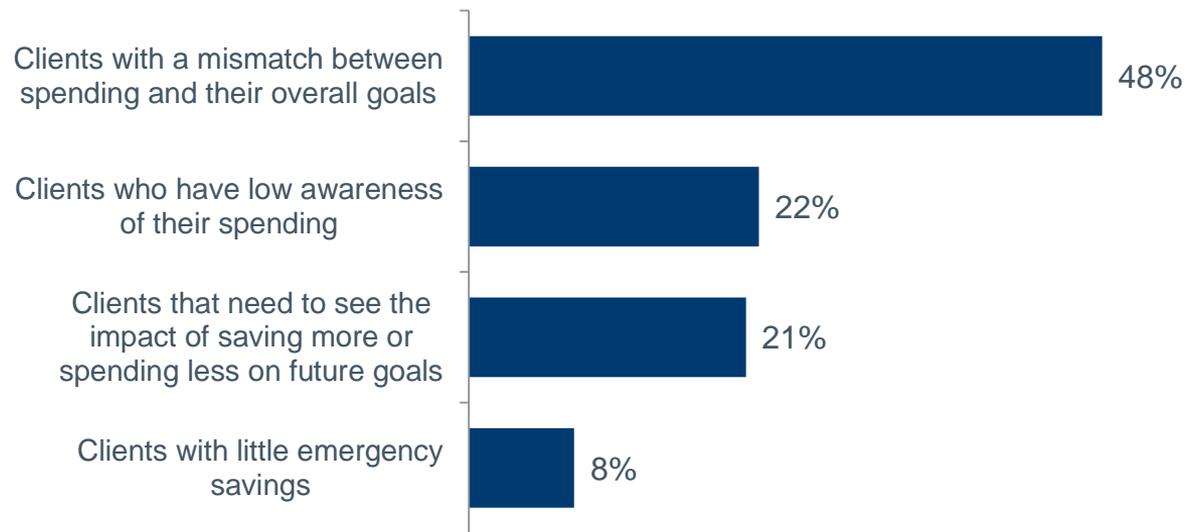
Q3b. Overall, would you say that your clients find it easy or difficult to save their money?

Q3c. Overall, would you say that your clients find it easy or difficult to manage their money?

Clients with a discrepancy between spending and overall goals are seen as those who would be most helped by cash flow management.



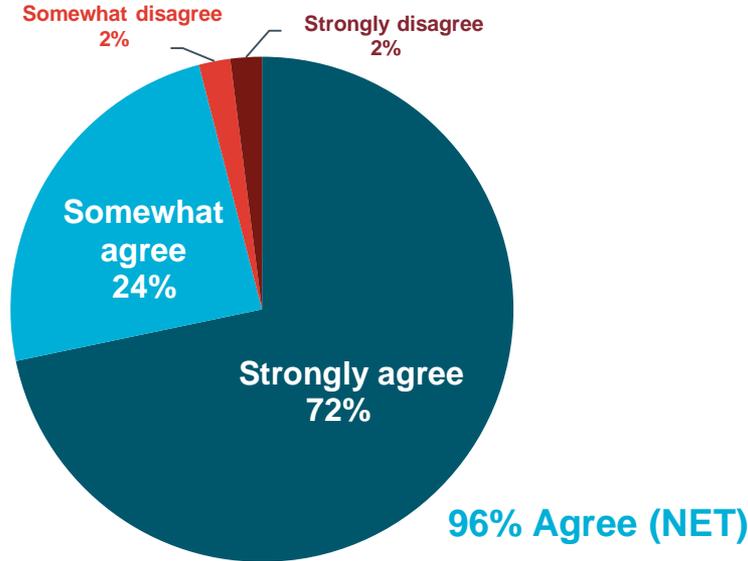
Situation That Is Most Helped By Cash Flow Management



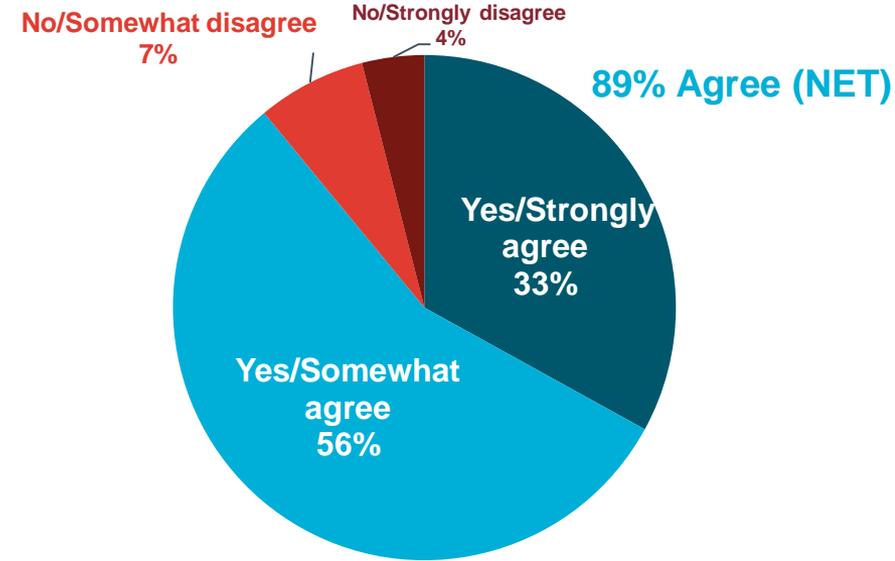
Advisors agree that budgeting and cash flow increase client confidence in their financial future.



Clients Who I Model Cash Flow For Are More Confident And Secure About Their Financial Future



If You Modeled Cash Flow, Do You Think Clients Would Be More Confident And Secure About Their Financial Future?



BASE: Financial Advisors Who Provide Budgeting And Cash Flow (n=98)

Q275. Please rate how much you agree with the following statement: "Clients who I model cash flow for are more confident and secure about their financial future."

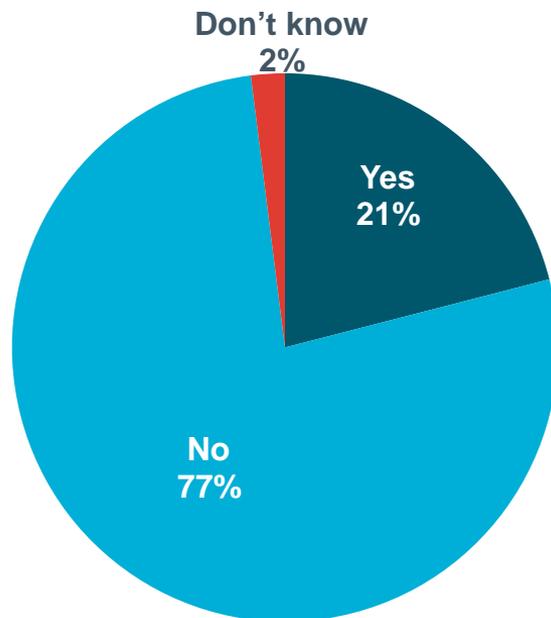
BASE: Financial Advisors Who Do Not Provides Budgeting And Cash Flow (n=27)

Q280. Earlier you said that your firm does not provide cash flow management. Imagine for a moment that your firm did offer cash flow management. Do you think clients using your firm's cash flow management would be more confident and secure about their financial future?

Advisors say that Clients are not requesting cash flow management plans.



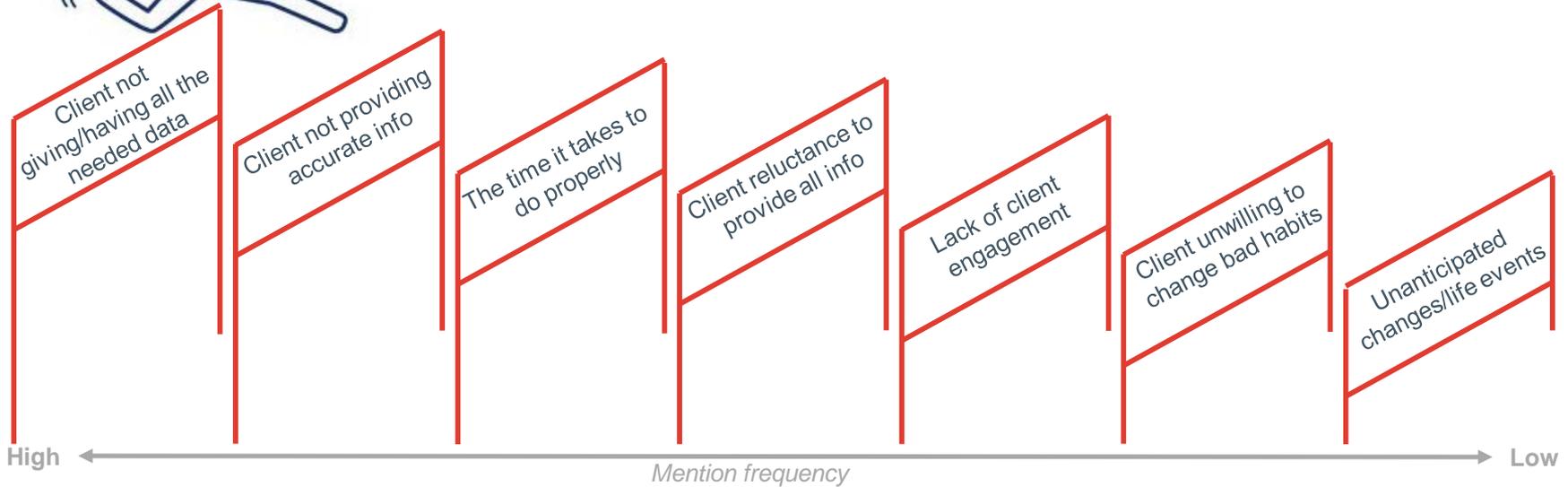
Do Clients Typically Request Cash Flow Management?



Clients themselves can present challenges.



Challenges/Obstacles Faced When Performing Cash Flow For Clients



BASE: Financial Advisors Who Provide Budgeting And Cash Flow (n=98)

Q400. First, please list and describe the challenges and/or obstacles you have when performing cash flow management for your clients.

BASE: Financial Advisors Who Do Not Provide Budgeting And Cash Flow (n=27)

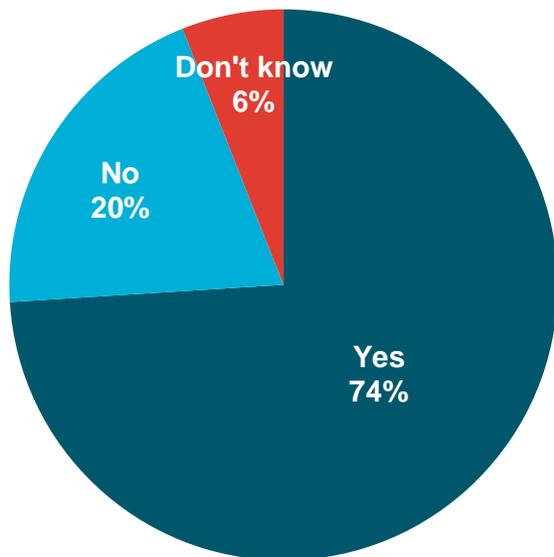
Q405. First, please list and describe the challenges and/or obstacles you would have if you performed cash flow management for your clients.



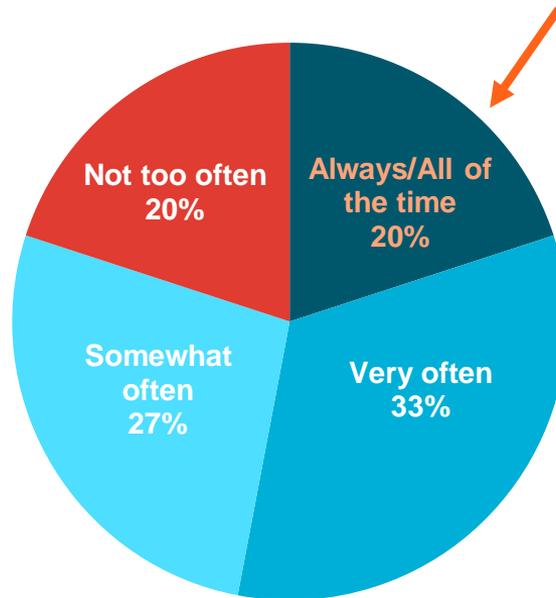
Three quarters of firms provide some form of cash flow management, and over half (53%) include it in a client plan all or most of the time.



Currently Provide Some Form of Cash Flow Management For Clients



How Often Cash Flow Management Is Included In Planning Engagements



BASE: Financial Advisors (n=133)

Q130. Does your firm currently provide cash flow management for clients?

Q260. How often would you say your firm includes cash flow management in planning engagements?

Advisors communicate client facing benefits.



WHY PERFORM CASH FLOW MANAGEMENT?

- ✓ Give clients a tangible idea of what to expect
- ✓ To understand client spending behavior
- ✓ Part of goals-based planning
- ✓ Help establish realistic savings goals
- ✓ Added benefit or value / Show we're putting client first

How Cash Flow Management Is Performed

"We review all income sources, current and projected, and detail a client's spending, both current and expected future. We also take into account major expense goals, like education, weddings, etc. We enter everything into eMoney and use its Advanced Planning feature and cash flow reports to identify opportunities."

"Review of all cash resources, expenses, taxation and income (or potential income) producing assets. Income and Expense are projected to determine potential surplus or deficits. Once the client's goals can be quantified, a comprehensive savings and investment plan is defined and implemented."

"We analyze clients' income statements/pay stubs, bank statements and credit card statements. We collaborate with clients so that they understand where their money is going and if they are on target to reach their goals. We rely upon their input and feedback to help them make modifications to their plan."

BASE: Financial Advisors Who Provide Budgeting And Cash Flow (n=98)

Q235. Why does your firm perform cash flow management? Please provide all of the reasons and benefits you can think of.

Q236. Please explain in detail how your firm performs cash flow management for clients.

Research Methodology



n=133 employed full-time Financial Advisors



AUDIENCES

n=300 Consumers between ages 35 and 65; primary or shared decision maker for personal finances; investable assets of \$100K+



MODE

Online survey



LENGTH

15 minutes



DATES

Oct. 25 – Nov. 2, 2018

Results adding to slightly under or over 100% may be due to rounding.