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New study examines financial advisors use of client approved content and resources from leading product providers and distributors

Materials and Tools Related to Retirement Challenges and Investment Uncertainty Most Widely Used By Financial Advisors

BOSTON, September 3, 2014 – The range of materials and tools that asset managers, insurance companies, broker-dealers, and other sources make available for use directly with individual investors are widely integrated into most advisor practices, with resources that relate to dealing with retirement challenges and investing in an uncertain environment of greatest interest, according to a new report released today by **Practical Perspectives**, an independent consulting, marketing, and research firm working with wealth management providers and distributors.

The 94 page report “**Advisor Use of Client Approved Materials and Tools – Insights and Opportunities 2014**” examines how advisors use approved content and capabilities with investors, especially materials and tools provided by key sources such as product providers and distributors. The analysis reviews the influence these resources have on advisor behaviors, the formats of support advisors prefer, which firms offer the most useful client approved support, and what enhancements advisors desire. The report also examines the topics for additional resources of most interest to advisors in the next 12 to 24 months.

The vast majority of advisors use client approved resources in some form although the extent varies with practitioners readily segmented into heavy, moderate, and minor users. Advisors find client approved resources among the most useful marketing and sales support available from product providers and distributors. Yet satisfaction with these resources still lags, with advisors desiring capabilities that are shorter, more comprehensible by clients, and less biased to specific products.

“Client approved materials and tools are widely available to advisors and help them educate clients and support specific recommendations on various solutions”

says Howard Schneider, President of Practical Perspectives and author of the report. *“Product providers and distributors incorporate client approved resources – whether hard copy pieces, downloadable content, websites, on-line calculators, software, or other types of content and tools – as a crucial element in the value add support they use to differentiate their products and services. The resources which advisors typically rely on adhere to basic precepts of sound communication such as language that is easy for clients to understand, content that is not overwhelming to users, and pieces that are kept fresh and up-to-date. Unfortunately, given only modest advisor satisfaction, some firms appear not to be meeting these standards.”*

The report is based on input from over 500 financial advisors gathered through an on-line survey conducted in July 2014. Those surveyed include full service brokers, independent brokers, financial planners, and Registered Investment Advisors (RIAs).

Highlights of the report include:

- Most advisors use client approved resources and perceive that these materials and tools are well-received by clients. Nearly 2 in 3 advisors (65%) are significant or moderate users of client approved support.
- At least 7 in 10 advisors indicate that their primary use of client approved content and tools are to provide general education to investors or to support a specific recommendation.
- Advisors tend to use client approved materials and tools selectively based on the situation or need, with only 1 in 3 advisors indicating they typically use these resources across their entire client base.
- American Funds is the most frequently listed provider of useful client approved support, although firms identified as offering leading support vary across key channels.
- Advisors have taken advantage of a broad range of client approved content and tools in the past year, with topics related to managing portfolios in a changing environment and retirement challenges the most widely used.
- Looking ahead, advisors express continued need for support related to managing changes to interest rates, in helping clients plan for retirement or live in retirement, and for dealing with an uncertain economic environment.
- RIAs tend to be lower users of client approved support and appear to have less need for these resources given the unique nature of their practices.

“Our report builds on the analysis of value add support we conducted earlier this year and offers a unique, in-depth advisor driven view of how advisors are using

the client approved resources provided by product firms and distributors. There is a wide range of support offered to advisors, so it is important to have insight on how advisors actually use these capabilities, what can be done to improve the usefulness of these resources, and what subjects are of importance going forward” says Mr. Schneider.

The detailed report includes 74 Exhibits and is available for purchase by contacting: howard.schneider@practicalperspectives.com

About Practical Perspectives

Practical Perspectives was founded in 2002 and provides customized strategic and tactical support to companies involved in the creation and distribution of asset management products and services. Our support is provided for a variety of challenges including marketing, competitive intelligence, product, and retirement issues. www.practicalperspectives.com