
Everybody wants to be a wealth manager

By Kerry Pechter Thu, Dec 12, 2013

"Advisers are more likely to set an asset minimum (43%) than to have a definition of their ideal client," according to results of a survey by the Financial Planning Association and Advisor Impact.

"The Future of Practice Management," a study by the Financial Planning Association Research and Practice Institute done in collaboration with New York-based Advisor Impact, suggests that few advisers have business or retirement plans for themselves and that "wealth manager" is the position that many advisers and planners hope to attain.

Among the survey findings in the study:

- 50% of financial advisers do not have a written business plan.
- 46% of financial advisers do not have a retirement plan for themselves, yet 40% are planning to retire within the next 14 years.
- Only 25% of financial advisers have a succession plan in place to ensure their business transitions appropriately when they retire - the percentage with a formal plan increases slightly to 31% at age 60-64 and 41% at age 65+.
- 76% of "money managers" indicate they will change the positioning of their practice.
- Of those who plan on changing, 44% will transition to "wealth managers," who work on complex executive compensation and estate planning issues.
- 72% of "investment planners" indicate they will change.
- Of those who plan on changing, 46% will transition to Wealth Managers
- 53% of "financial planners" indicate they will change. Of those who plan on changing, 62% will transition to wealth managers.
- Only 30% of wealth managers plan to change.
- Only 25% of advisers have a formal definition of their ideal client, i.e., the best candidates for their services.
- Only 38% of advisers who have defined their ideal client say 75% or more of their current clients fit their definition.
- Advisers are more likely to set an asset minimum (43%) than to have a definition of their ideal client.

A full report of The Future of Practice Management study is available from FPA and includes additional details on these issues and other areas of business operations.

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