

Financial Planning Needs by Life Stage

Talking with your clients about what matters most to them

Financial planning can allow you to fulfill the wide-ranging needs of your clients. In turn, this can help you not only increase their satisfaction and your retention, but find and manage more of their assets and obtain referrals leading to more opportunities. Necessarily, financial planning involves a shift of the nature of your client relationships from transactional to consultative, and the matters on which you might be asked to provide advice vary from client to client.

In order to best target clients to whom you want to offer financial planning, it may be helpful to consider (a) who your clients are and (b) what needs they may have. Below are five broad categories of clients based on their personal and financial stages in life and the corresponding planning issues they might be facing (and with which you might be able to help them). Of course, all of your clients will not fall neatly into one compartment or another; however, the table below should provide a guide to the areas of concern for your clients and the conversations you should be having with them.

Client Category	Defining Characteristics	Issues and Opportunities
New to the Workforce	<ul style="list-style-type: none"> • Single • Recent college graduate • First real job • Paying down debt (e.g., student loans, car, credit cards) • Saving for a down payment on a home 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Creating a spending plan • Tracking expenses • Managing debt and understanding credit scores • Identifying savings goals and ways to save • Establishing an emergency fund • Systematically depositing some of each paycheck to savings • Taking advantage of 401(k) and other plans at work • Choosing between a Traditional and a Roth IRA <p>Estate Planning:</p> <ul style="list-style-type: none"> • Durable Power of Attorney for financial matters • Durable Health Care Power of Attorney • Living Will • Beneficiary Designations
Married...	<ul style="list-style-type: none"> • Paying for the wedding • Buying a home • Making other large purchases • Establishing careers • Thinking about a family 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Balancing dual incomes and perspectives • Keeping spending under control • Defining common expectations and goals regarding spending, debt, and savings • Making joint decisions (e.g., separate or joint bank accounts, whose health insurance) • Increasing 401(k) deferrals and IRA/Roth contributions • Learning about investments • Buying life insurance • Starting a business <p>Estate Planning:</p> <ul style="list-style-type: none"> • Updated fiduciary appointments, i.e., agents under Powers of Attorney • Updated beneficiary designations • Wills

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Financial Planning Needs by Life Stage, *continued.*

Client Category	Defining Characteristics	Issues and Opportunities
...with Children	<ul style="list-style-type: none"> • Raising children • Arranging for child care • Moving to a bigger home • Greater income need • Career advancement 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Using credit wisely • Starting a 529 savings plan or other education fund • Estimating college costs • Prioritizing education, retirement, and other savings goals • Maximizing employee benefits (e.g., retirement plans, flexible spending accounts) • Evaluating life insurance needs • Providing for family health care • Ensuring adequate disability, property, and liability insurance <p>Estate Planning:</p> <ul style="list-style-type: none"> • Guardians • Contingent beneficiaries • Protective trusts (e.g., QTIP trust for the survivor, long-term trusts for children)
Empty Nest	<ul style="list-style-type: none"> • Prime earning years • Helping children to pay for their education • Helping parents pay for their care • Enjoying more free time • Nearing retirement 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Maximizing income tax deductions • Catching up on retirement plan contributions • Developing a business exit strategy • Paying off debt • Evaluating future expenses • Planning for medical and long-term care costs • Re-evaluating investment risk (while assessing the risk of inflation) • Retirement income planning (e.g., making Social Security and pension elections, taking qualified plan/IRA—and, as needed, 72(t)—distributions, evaluating a sustainable withdrawal rate) <p>Estate Planning:</p> <ul style="list-style-type: none"> • Crystallizing objectives • Making necessary adjustments • Trust planning (e.g., testamentary trusts, revocable living trusts, irrevocable trusts)
The Golden Years	<ul style="list-style-type: none"> • Reducing some expenses (e.g., job-related, housing) and increasing others (e.g., travel, medical) • Working part-time and/or volunteering • Staying healthy • Spending more time on hobbies • Enjoying children and grandchildren 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Exiting the business • Managing inheritances • Consolidating investments • Protecting capital • Reducing risk • Taking retirement plan distributions • Social Security and Medicare planning • Ensuring adequate income • Considering annuities • Re-evaluating life insurance needs <p>Estate Planning:</p> <ul style="list-style-type: none"> • Reviewing and updating documents and beneficiary designations • Making gifts to family and charity • Estate tax planning