



Saving for Your Future: Get Advice the Way You Need It

Choice. Protection. Clarity. Opportunity.

We all have different needs based on our goals, our age, the amount we are able to save, and other factors, including how much advice we need to help make investment decisions. Whether you are ready to make investment decisions yourself, are comfortable getting online advice, or need someone to help you take the right steps, there are different options available for every type of investor. Investors need access to these different choices because what is best for one investor may not work for another.

Brokerage accounts: Investors only pay for services when they need them. These are also called commission-based accounts.

Advisory accounts: Investors typically pay an investment adviser a fee based on the assets held in the account and/or the type of service provided. These are also called asset-based or fee-based accounts.

Robo-advisors: An online service that provides automated investment management services based on a computer algorithm.

Many investors maintain several different types of accounts because of the different types of benefits they provide.

The following investor profiles are based on a compilation of different investors in various stages of the investment life cycle.

**All investors win with
clear choices and
strong protections.**



MEET DEBBIE



Who is she?

- **Early 20s**
- **Recently graduated college and started her career**
- **Earns a modest salary**

What does she need?

- Despite her modest salary, she has been saving \$25 from each paycheck into her bank savings account, but now she wants to expand her savings potential and invest more wisely.
- Debbie needs to better understand what her options are, she has limited financial resources, and she only wants to pay a one-time fee for her first investment.

What is right for her?

A **brokerage account** likely makes the most sense because:

- She wants to make one investment decision to start out with. It would not make sense to pay an ongoing fee.
- She will probably buy and hold for a longer period of time, since she is young.
- She has limited financial resources right now and may not be able to afford an ongoing fee.

How does she benefit?

- Her broker-dealer provides education on basic investing concepts, like how mutual funds operate, the importance of diversifying investments, and the benefits of tax-advantaged savings. Her broker-dealer also discusses long-term investment options such as IRAs and mutual funds.
- She studies her options and decides to open an IRA through a brokerage account.
- Because of the education provided by the broker-dealer, she has the confidence to invest in her future, increases her monthly contributions to her IRA over time, and may decide later to pursue additional investment options.

MEET TIM & CHRISTINA



Who are they?

- **Early 30s**
- **Young, married couple**
- **Renting an apartment**
- **Have one baby and another on the way**

What do they need?

- They have some debt, they keep savings accounts, and they both have small 401(k)s provided by their employers.
- They want to buy a house, save for their children's education, and retire on time.
- Tim has a finance background and a "do-it-yourself" attitude.
- They are already saving, but want to make additional investments toward specific, longer term goals.

What is right for them?

A **brokerage account** likely makes the most sense because:

- Most of their goals are long term, so they will be buying and holding for a longer period of time.
- Since Tim has some knowledge on investing, he doesn't need ongoing advisory services.
- Since they are buying and holding longer and have limited financial resources due to their new baby and recent wedding, paying an ongoing fee is not the best choice for them at this time.

How do they benefit?

- Their broker-dealer takes into account their goals, completes a retirement calculation, and discusses their options.
- This education empowers them to make several changes. They opt to open a 529 college savings plan and move some of their savings into mutual funds through a brokerage account.
- The couple goes on to buy a home, they build savings for their children's education, and they are on track to retire at 67.

MEET BRAD



Who is he?

- **Mid-20s (millennial)**
- **Single**
- **Tech-savvy**

What does he need?

- He has a 401(k) through his employer.
- He wants to invest to help build some assets to help pay off his student loans and have a down payment for a home.
- He can only afford to make a small initial investment and build slowly over time.
- He is comfortable with a technology-based solution.

What is right for him?

A **robo-advisor** likely makes the most sense because:

- He can answer a few questions online about his investment objectives and get started with a small investment.
- He wants the benefit of portfolio diversification with low fees and without having to spend too much time and effort managing his investments.

How does he benefit?

- The automated service chooses investments for Brad, based on his risk tolerance.
- Brad can manage the process quickly and easily from the comfort of his computer.

MEET PHIL AND TAMMY



Who are they?

- **Mid-40s**
- **Married with three children**
- **Both employed full time**
- **Homeowners**

What do they need?

- They have savings accounts, as well as 401(k)s through their employers.
- They have expensive mortgage payments; three kids involved in sports, theater, and music; and they assist with their aging parents' healthcare costs.
- They need to save for short-term expenses, emergencies, and family vacations.
- They want to make additional investments to fund their everyday lives.
- They also want flexibility to change investment strategies as necessary.

What is right for them?

An **advisory account** likely makes the most sense because:

- The couple's investment needs and goals will change as their family expands and the years go by.
- The couple does not have the time to manage their investments themselves and want the advantage of someone who can manage and update their portfolio for them.
- Paying an ongoing fee for an adviser to manage these varying and ongoing demands is the most efficient and effective option.

How do they benefit?

- Their investment adviser recommends a mix of short- and long-term investments and sets a schedule of upcoming transactions and investment options. Once the couple signs off on the investment strategy, the adviser executes the transactions on behalf of the couple while they lead their busy lives.
- Their adviser helps to update their investments over time, including rebalancing asset allocations, and provides advice through the various stages of their lives.
- Because of the investments managed in their advisory account, they comfortably pay their family's expenses, go on vacations, pay off their mortgage, and establish a financially-secure future for their family.

MEET CHRIS AND REBECCA



Who are they?

- **Early-60s**
- **Married**
- **Preparing to retire**
- **Two adult children who have begun their careers**

What do they need?

- They want to make sure they have enough income throughout retirement, that they have healthcare coverage, and that they leave money to their children.
- They've had an advisory account with their investment adviser for 30 years.
- They want to be sure they are financially secure throughout retirement and want to see different plans showing how their income will stretch out over the years.

What is right for them?

An **advisory account** likely makes the most sense because:

- They have various investments to manage and want help with continuous planning.

How do they benefit?

- Their investment adviser creates a financial plan showing the couple's cash flow throughout retirement under different scenarios. The adviser takes into account the full financial picture of the couple and provides comprehensive planning services including pension options, social security, Medicare decisions, tax and estate planning, and other life developments.
- They invest in annuities, a financial product designed to provide lifetime income. Annuities address the risks of market downturns and the possibility of outliving one's savings, allowing retirement savers to protect and potentially grow their assets for as long as they live.
- Everything is customized to them as they plan for retirement.

MEET DAVE AND SARAH



Who are they?

- **Late-60s**
- **Married**
- **Recently retired**
- **Two children and three grandchildren**

What do they need?

- They want to make sure they have steady income and money to spare throughout retirement.
- They've had a brokerage account and advisory account for more than 30 years.
- They want to collect on investments they've made throughout their lives and continue to generate extra income.

What is right for them?

This couple benefits from a **brokerage account** and an **advisory account** because:

- They set up a brokerage account many years ago to make certain investments focused on retirement. They are now in the distribution phase of those investments.
- As they progressed through the life and investment stages, they also opened an advisory account to supplement their income.

How do they benefit?

- Through their brokerage account, they opened IRAs when they were young and have purchased bonds with different maturities closer to retirement. These investments have generated predictable income throughout retirement.
- They invest in annuities, a financial product designed to provide lifetime income. Annuities address the risks of market downturns and the possibility of outliving one's savings, allowing retirement savers to protect and potentially grow their assets for as long as they live.
- Throughout retirement, they also maintain an advisory account with an adjustable risk profile to preserve their assets. With the additional income these activities generate, they are able to protect against emergencies, visit their family, and enjoy their golden years.



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