



A how-to guide for connecting with the Next Wave of investors

PROSPECTING THE NEXT WAVE OF WEALTH

The clients of tomorrow
likely don't look like your
clients today.

The top 10% of earners under 50 represent one of the largest high potential group of prospects for a financial professional's practice. They are a large group, with years of earning potential ahead. They are on track to control more and more wealth over time. And they are **underserved**. They often forgo professional financial advice even though they're less likely to feel like they are on track toward their goals and less likely to feel comfortable managing money on their own than traditional clients.

How much potential is there in the "Next Wave" of wealth?

The **top 10%** of **earners under 50** represent one of the largest high potential groups of prospects for a financial professional's practice.

There are nearly **10 times** as many households with **\$100,000–\$2 million** in investable assets as households with \$2 million–\$10 million.¹

For financial professional's in the top quartile of practice growth, **37%** of their clients are age 55 or younger. For the bottom quartile that proportion is only **12%**.²

This guide can help you take action to better understand, find, and serve clients who represent the Next Wave of wealth.

¹ The Cerulli Report: U.S. High Net Worth and Ultra-High Net Worth Markets. 2019.

² PriceMetrix, State of Retail 2019. Age 55 is as of 2020, so defined as clients born after 1965.

STEP 1

Identify potential Next Wave prospective clients and understand their priorities



Next Wave of wealth investors at a glance

Ages: 25 to 49

Top 10% of earners in the U.S.

Don't feel on track toward goals

Seek security and overall financial health

Focused on shorter-term goals, such as establishing an emergency fund, buying a home, and education savings

Open to new ways to consume and pay for advice

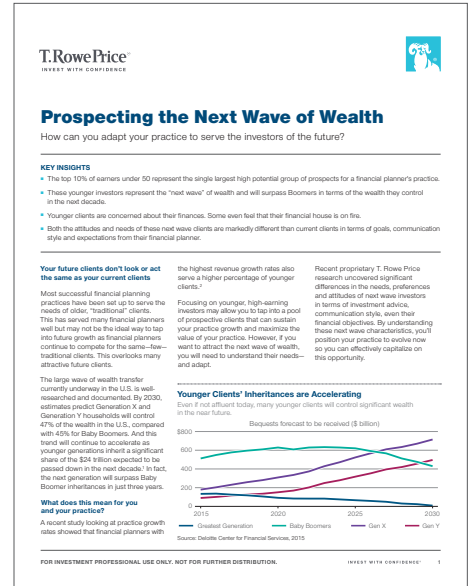
Want coaching, not just advice

Household income: \$120,000+

Generation X and Y are poised to inherit \$53 trillion over the next 25 years³

T. Rowe Price research has shown that high-earning Next Wave clients need and want help. They realize they could be doing more to save and invest toward their goals, but they don't really know how. They want help not just with traditional concepts like retirement, but a wide range of topics that include building short-term savings, paying down debt, and buying a first home.

They also view financial advice differently than today's traditional clients. Next Wave investors can be skeptical of wealth managers, whom they often perceive as out to sell products. They want a financial professional who is focused on their comprehensive financial health and will offer coaching to help them make steady progress toward their goals.



Learn more about the Next Wave of wealth in our white paper:
Prospecting the Next Wave of Wealth: How can you adapt your practice to serve the investors of the future?

³ Cerulli Edge, Advisor Edition Q1, 2020

STEP 2

Know the answer to this question: What do prospective clients see when they search your name online?



While referral is still the top way clients find a financial professional, online sources are a close second. Search engines and online reviews are used twice as much by Next Wave of wealth investors compared with traditional ones. In many ways, the digital space is your main source of competition. Next Wave clients also expect communication that is fluid, multichannel, and frequent.

To make sure you're visible to the Next Wave client:

Ensure you have an optimized presence online, which includes having a Facebook and LinkedIn profile.

It's important that your name, address, and phone number (NAP) are consistent wherever it can be found on the internet. This helps search engines validate your location and include you in local area searches.

Think about how social media can help by establishing a **LinkedIn®** routine. Post insights and commentary regularly—at least weekly—to stay front of mind. Include approved educational content that demonstrates your experience as well as a mix of personal posts and lifestyle content that highlights your personality.

BEST PRACTICES FOR CULTIVATING YOUR ONLINE REPUTATION:

Ownership: Single accountability.

Time: Schedule at least one “Media Morning” a week to post new content, make connections, and review notifications (like contacts who have changed jobs) that could be opportunities to connect.

Convert: Connect with the people already looking at you. During your Media Morning, review who is viewing your posts, visiting your site and follow up directly with them.

Review: Check your firm's Social Media Guidelines.

Make sure your LinkedIn profile is a good reflection of you by including the following:

- Professional headshot
- Strong headline and summary about yourself, your firm, and your experience
- Educational background
- Volunteer experience
- Licenses and certifications

Consider getting LinkedIn Sales Navigator for access to more advanced search capabilities and the ability to send messages to people outside your network. These features could help you connect with new groups of Next Wave prospects.

And because Next Wave clients are more likely to use multiple platforms and communicate more fluidly, you should explore how other social platforms—like **Facebook**, **Twitter**, and **Instagram**—can help you engage and stay relevant with Next Wave clients.

Here are some tips to help you get the most out of your social channels:

Make sure your clients follow your social pages. Include your handles (e.g., @TRowePrice, @JohnDoe) in your email signature so clients can easily find you.

Use pre-approved Hearsay Library content for business related items.

Establish a routine. For example, post a Q&A or retweet content on relevant financial topics regularly. Look to influencers across different industries for inspiration.

Use hashtags (e.g., #financialprofessional) so people who don't follow you can find your content, but make sure to vet them before adding to your post. For example, some hashtags have multiple meanings, so it's important to check that similar content is being posted with the hashtags you use. You can check this by simply clicking on a hashtag and seeing which posts show up.

Please be sure to work with your compliance team prior to engaging in social media activity to ensure you are adhering to all applicable regulatory requirements.

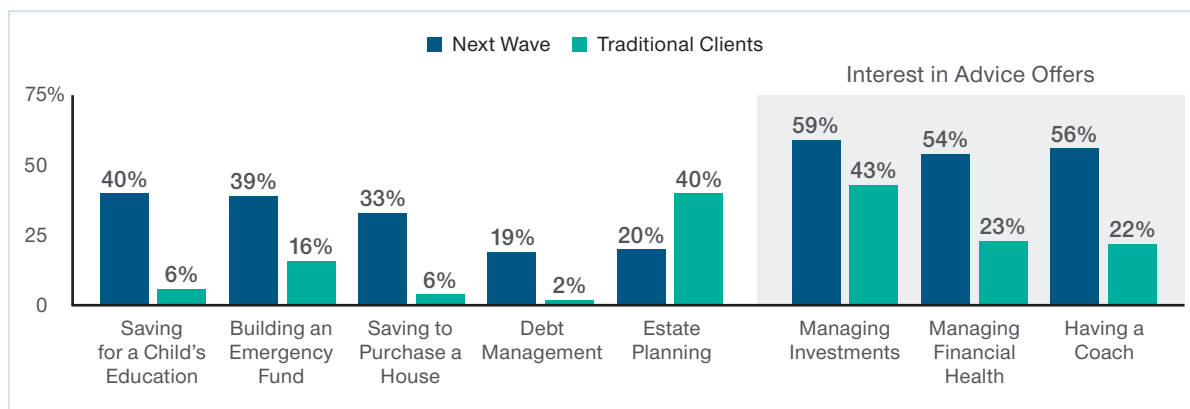
When thinking about content for digital posts or prospecting events, consider the topics that resonate with the Next Wave of wealth:

- Ways to reduce stress about money
- Investing with an environmental, social, and governance (ESG) lens
- How to create a dialogue with your partner about finances
- What to expect about education costs when you're expecting
- Balancing debts, current expenses, and savings goals
- How to save for your first home
- Talking to your aging parents about finances
- How to move from saving to investing

Check out T. Rowe Price's **InterGen Resources Library** at www.troweprice.com/familydynamics with content on the financial impacts of common life events like a new job or new baby.

STEP 3

Identify how your services and approach align with your target prospects' priorities



Source: T. Rowe Price Next Wave of Wealth Research Study, January 2020

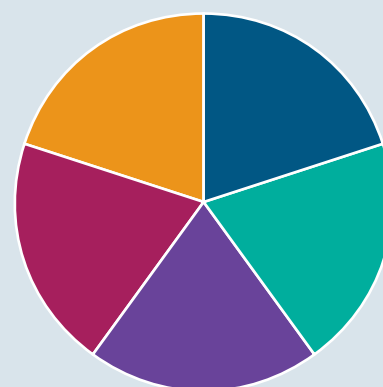
Use this table to compare traditional clients' priorities with those of Next Wave prospects to further understand their needs and expectations. You may also want to note any changes you may need to make to your service model in order to meet those different needs.

	TRADITIONAL CLIENT PRIORITIES	NEXT WAVE PRIORITIES	IDENTIFY OPPORTUNITES TO MEET NEXT WAVE PRIORITIES
How they feel about their current financial situation	I want a strategy to protect and enhance the wealth I've accumulated.	I feel like my financial house is on fire, but at the same time I don't feel wealthy or worthy of a financial professional.	Example: Do your digital promotions focus on wealth preservation? Could you start to promote content that focuses on Next Wave needs? > _____ _____ _____ _____ _____ _____ _____
Unspoken concerns they are asking themselves	Is a financial professional's fee really worth it?	If I ask for help, will I get the advice I need? Will I be turned away because I don't have enough money?	Example: Consider how you position your services. Are you inclusive of Next Wavers? > _____ _____ _____ _____ _____ _____ _____

	TRADITIONAL CLIENT PRIORITIES	NEXT WAVE PRIORITIES	IDENTIFY OPPORTUNITIES TO MEET NEXT WAVE PRIORITIES
Top-of-mind financial topics	Saving for retirement Planning for retirement income Estate planning Mitigating taxes	Managing competing priorities Navigating financial implications of life events (job change, marriage, divorce, children) Coping with financial and health concerns of aging parents	<p>Example: Evaluate your initial meetings with clients. Do you start with retirement or do you ask them what aspects of their finances they want your help with?</p> <p>></p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
What they want from a financial professional	I'm looking for an expert.	I'm looking for a financial coach who can help me with my overall financial health.	<p>Example: Offer a financial boot camp, a series of engagements for a set amount of time that will onboard Next Wavers.</p> <p>></p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
How they will find you	I'll ask my friends about you.	I'll ask my family but validate with online reviews.	<p>Example: Cultivate a good reputation online (see step 2).</p> <p>></p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

SAMPLE FINANCIAL PROFESSIONAL ENGAGEMENT AREAS

- **Health Review:** Comprehensive look at your finances designed to help identify areas of financial stress and create a strategy to address
- **Coaching:** Ongoing help in staying motivated to meet your financial goals, discuss concerns, and help give you confidence
- **Investments:** Helping you optimize your investments and asset allocation
- **Ongoing Education:** Ongoing content about markets, financial strategies and investing to help you and your family get educated on the financial topics important to you
- **Advice:** We are there to help you navigate key decisions and transitions, whether you are changing jobs, considering purchasing real estate, concerned about aging parents or whatever financial issues come your way.



STEP 4

Create your positioning statement with words that connect you to your prospective clients



Using the insights you gained in steps 1–3, determine which of your unique strengths align with the needs of your target prospects. Use these ideas to create a positioning statement that will appeal to the Next Wave client.

Remember, you may have multiple positioning statements if you have different types of clients. Think about how you can craft a message that resonates with this specific audience and uses comforting, familiar language. You can use your positioning statement as a guideline for developing sales and marketing materials as well as to inform how you speak when working with Next Wave clients.

USE THIS CHECKLIST TO HELP DEVELOP YOUR NEXT WAVE POSITIONING STATEMENT:

- ☐ Does it demonstrate an understanding of the needs of the Next Wave client?
- ☐ Does it reflect how you can serve the Next Wave client effectively?
- ☐ Does it address your products and services in terms of the Next Wave clients' priorities and concerns?
- ☐ Does it sound like a statement that only you and your firm could make?
- ☐ Will it fit on two-thirds of a page?
- ☐ Can it be embraced by other members of your team?
- ☐ Does it answer this question for the prospect: "Why should I choose you over the other financial professionals available to me?"

LANGUAGE MATTERS WITH NEXT WAVE INVESTORS

The language the financial industry uses today often doesn't resonate with the Next Wave of wealth. Commonly used jargon like "holistic," "boutique", and "fiduciary" is off-putting to younger investors. A heavy focus on retirement savings and income also falls flat. The Next Wave wants advice that is more approachable and better reflects them and their goals.

Words to use

Financial health
Financial coach
Customized
Financial strategy
Goals based
Investment manager

Words to lose

Holistic
Risk management
Portfolio management
Boutique firm
Fiduciary
Wealth management

As you go through this exercise, don't just think about language. Also take time to evaluate the visuals, especially photos that you use. Make sure your materials look and feel modern and reflect younger, more diverse investors.



A POORLY WRITTEN POSITIONING STATEMENT

My firm, XYZ Services, provides investment services to clients of significant means. We help our clients protect what they have built and realize the goals they have. We have years of experience working with wealthy clients and helping them address the wide range of financial concerns they face. We look forward to working with you to help you realize your goals.

What's wrong with this positioning statement?

It is self-centered. It states the financial professional's position in terms of the business, not in terms of the client's needs.

It is generic. It does not define a specific service or unique need that can be addressed.

It doesn't speak to the specific needs of Next Wave clients, focusing instead on wealth.

It doesn't define how the products and services might be different from the competitor's offer.



A WELL-WRITTEN POSITIONING STATEMENT

My clients come to me with needs as diverse as they are. They have competing financial priorities and lead busy lives. Some have been investing for a while and some don't know where to start. I even have a few that didn't think they were ready or needed a financial professional.

Our process is centered on you. First we do a financial health assessment, identifying your financial strengths and potential opportunities. Then we create a financial strategy that builds on your strengths and addresses your main areas of concern. Most importantly we identify what will motivate you to stick to the strategy.

With a strategy in place, we can identify the level of ongoing help you need and explore a range of payment options to establish a working relationship that works for you.

What's right with this positioning statement?

It starts with the client first and demonstrates an understanding of the diverse nature of clients today.

It explains, in plain language, the process to offer transparency without making the client feel uneducated and, in doing so, tackles key Next Wave pain points head-on.

It demonstrates flexibility that Next Wave clients are seeking in terms of how the relationship can work as well as pricing.

It's specific and feels unique, stressing attributes that not just any financial professional can claim and deliver.

DRAFTING YOUR POSITIONING STATEMENT IN THREE STEPS:

1

Describe your firm's main target and their key need(s): *For African American professionals in their 40s who earn \$125–250K per year who, despite being high earners, feel like they are not in the best financial health...*



2

Describe your firm's key competitive differentiator: *Our firm provides ongoing financial coaching, goal prioritization and strategy, investment management, and ongoing financial education...*



3

Describe the client benefit of working with your firm: *So that our clients can have confidence knowing they're in control of their lifelong financial health...*



STEP 5

Create a prospecting strategy to target the Next Wave of wealth



Establish a clear and actionable prospecting strategy to tap into the Next Wave of wealth. Use the ideas below to brainstorm a strategy based on these three areas:

1. CLIENTS

Review the roster of your top clients over the age of 70 with adult children. Make a list of 10 whom you think would be viable prospects.

When current clients mention major life events, such as the arrival of a new grandchild, proactively offer appropriate content and to meet with their son or daughter.

If you've never met the children of your future clients, use the tools in our InterGen tool kit to develop a personalized strategy to connect.

Connect with your client's children on LinkedIn. Review your notifications for relevant times to engage, such as a job change.

2. DIGITAL

Expand your reach by promoting your Next Wave expertise online to all your clients. and potential prospects.

Set up a quarterly webinar series that addresses the financial needs of the Next Wave of wealth.

Encourage your clients to extend the invite to their adult children, family members, or colleagues who may benefit.

Cultivate your online reputation by posting more frequently. Share approved content relevant to the financial needs of the Next Wave.

Continue to expand your list of connections, particularly on LinkedIn.

3. COMMUNITY

Consider tapping into diverse groups in your community to access new Next Wave prospects.

Identify local diversity groups in your community and get involved. For example, if you decide to focus on African American Next Wave investors, look for ways to engage with this demographic through local community groups.

Most Fortune 500 companies have internal groups of diverse associates. Ask a client who works at a local, large company if they have an associate group for women, or multicultural employees. Share that you are looking for ways to support a particular diverse group and ask to be put in touch with the group's corporate contact.

Proactively reach out to diversity groups using your positioning statement to introduce yourself and express your commitment to supporting their community.

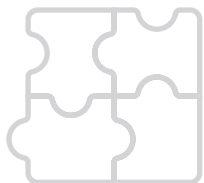
Hold networking events for Next Wave clients. The Next Wave values networking with one another, but also consider hosting an event with Next Wave and traditional clients who are in the same industry. Both types of clients could benefit from working together.

Use the ideas above to start, and brainstorm more ideas on your own to create a prospecting strategy for your firm in these three areas.

	Q1	Q2	Q3	Q4
Clients	<p>> <i>Contact 10 of your clients' adult children</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
Digital	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> <i>Set up quarterly financial strategy webinar series</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
Community	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> <i>Contact diversity/affinity groups in your area</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

STEP 6

Create a strategy to continue to adapt further to serve the Next Wave of wealth



While changes to your service model, communications, and prospecting efforts can set you on the path to capturing Next Wave clients, these steps are only a start. Younger investors are challenging the status quo, demanding new ways to access advice and more flexibility in the financial professional experience. A key takeaway is that young investors don't see financial professionals that are "like them." People of color and women struggle to connect with financial professionals that are predominately older, white, and male.

As your practice grows, making conscious decisions to alter your approach to advice delivery and the composition of your team can be the most powerful ways to demonstrate your commitment to the Next Wave of wealth.

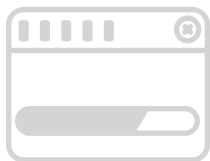
Embrace best practices for diverse hiring as you add members to your team.

Make sure your recruiting practices attract professionals with a diversity of backgrounds, perspectives, talents, and experiences—and from a wide range of sources.

Look for opportunities to collaborate with younger financial professionals or less well-established teams that are as diverse as the Next Wave of wealth.

STEP 7

Monitor your progress



Tapping into the Next Wave of wealth is a process. Some of the actions noted here will be quick; some will take longer to implement. To help you stay on track, set a recurring meeting every quarter where you can:

Evaluate the actions you have taken in adapting your service model and communications.

Measure the success of your prospecting efforts and adjust based on learnings from these efforts.

Set an attainable long-term strategy to adapting your practice further.

You may also want to share your strategy—and your progress—with your T. Rowe Price Relationship Manager. Share new ideas and insights about the Next Wave of wealth as they become available.

INVEST WITH CONFIDENCE®

You can find additional resources at **troweprice.com/nextwave**.

This piece is part of the T. Rowe Price Client Acquisition program, which has been designed to provide financial professionals with insights and tools to help them grow and thrive while serving the Next Wave of wealth.

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