

Who Are Exchange's Typical Clients?

By: Exchange Capital Management

October 5, 2022



When searching for a wealth management firm, you might be curious how you fit in with their existing clients. At Exchange, we have three primary categories of clientele. When discussing our typical clients, we don't categorize them by job title or income level, but rather by milestones they have reached.

Our clients share similar characteristics with one another. They're usually innate savers and often delegators that don't want to worry about the day-to-day burden that money often brings. They'd rather partner with professionals to guide them in reaching their long-term financial goals while continuing to maintain and grow their investment portfolio.

Transitioning Into Retirement

Most of our new clientele find us during their transition into retirement. They know it's time to retire, they've planned for retirement, but as they approach, they want professional reassurance that they are making the appropriate decision. Individuals seek a financial advisor to assist in the record keeping and consolidation of assets while being considerate of fees, taxes, and penalties.

The largest fear during this time is making an irreparable mistake that causes long-term financial damage. Some common questions during this stage are:

- How do I replace a missing paycheck?
- What impacts will take place on my taxes and insurance coverage?
- Do I have enough saved to retire and maintain or even increase my lifestyle expenses?

Experiencing Increased Level of Complexities

Our second largest client base are those who have financial complexities. These complexities consist of frequent job changes, tracking and maintaining stock options/other corporate benefits, and “golden handcuffs”. This refers to a position that offers benefits that are granted after a defined period of time.

Their concerns revolve around organizing and accounting their financials while coordinating unique options with their employer. Some common questions during this stage are:

- When/how do I receive company stock and what choices do I have?
- Which investment strategy and portfolio composition make sense for me?
- How do I efficiently transition assets to charities and family members?

In Retirement

This is the stage where most of our existing clients fall, but many found us before, or while transitioning into retirement. This clientele has been self-managing for years, but now wants to pass on the torch so they can enjoy retirement. Time has become their most valuable asset.

Their fears revolve around future healthcare costs, withdrawing from savings while optimizing current year tax rates, and developing a thorough estate plan along with how their assets will pass to the next generation and charitable organizations. Consider asking yourself these questions:

- Are there strategies I can take advantage of now that I’m no longer working?
- Who do I want to authorize to make decisions on my behalf when I’m no longer able to?
- Do I want my beneficiaries to receive assets outright or should there be some restrictions on inheritance?

The Bottom Line

Whether you are a nurse at the University of Michigan, a CFO of a growing startup, or recently left your 40-year career; your job doesn’t dictate if you should be a client but rather your complexity and goals. The real indication that it’s time to hire an advisor is grounded in understanding where you need support. If you’re concerned about how you’re using your time or lack the experience to manage finances yourself, it may be time to reach out for help. If this sounds like you, consider scheduling a discovery meeting with us. We are happy to sit down and discuss your circumstances.