



Behind The Numbers

Asset Retention Through Yourefolio's Platform

The Challenge for Financial Advisors

Statistics vary on what percentage of assets are lost by financial professional when the passing of a client or clients occur under their management. Further studies also show that there is a significant wealth transfer occurring currently because of an aging population. While the numbers vary, we have been studying the retention and next generation numbers of the past few years to see how estate and legacy planning are affecting professional's retention of assets that they advise on.

"...significant wealth transfer occurring currently because of an aging population."

Our NTIS/Master Death File integration gives us an ability to track profiles that have passed in our system. Because of this integration, we can get an interesting look into the numbers. *Note, we did not include those profiles that have no beneficiaries' names included in the profile.*

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Institute for Preparing Heirs say that 90% to 95% of offspring leave their parents' advisors upon receiving their inheritance¹.

Disclaimer

We do not track individuals' names of the information gathered in our study. We only measure households and individual profiles in our platform with estate planning documents loaded, death of those households and the individuals. We then track profiles retained after death and profiles added by family or multi-generation plans. We are unable to track which specific beneficiaries have also been added as we can only track names or linked profiles.

The Baseline Numbers

Since 2017, we have had over 170 individual/household profiles that have deceased in our system. This means that we have been notified 170 times that a profile has had a death certificate processed in the NTIS² system. During this study, we also made sure that the subscriber advisor remained a participant over six months after the passing of a profile within their system. While this was a minimum tracking requirement, 94% of those subscribers remain today.

NTIS²/Death Master File

We will refer to this service throughout the study. The NTIS is the National Technical Information Service. The Death Master File (DMF) from the Social Security Administration (SSA) contains over 83 million records of deaths that have been reported to SSA. This file includes the following information on each decedent, social security number, name, date of birth, and date of death. *The SSA does not have a death record for all persons; therefore, SSA does not guarantee the veracity of the file. Thus, the absence of a person is not proof this person is alive.*

¹Fidelity

The Results

Since 2017, we have tracked those 170 individual/household profiles that we have received death notifications for profiles in our system. Our system scrubs the list daily to find matches by name and date of birth. Once a match occurs, a notification is produced and emailed to the professional. We track these notifications and profiles in our system.

- ✓ Only 11 of those profiles have been removed while the subscriber remained in our system over a 6-month period. That equates to less than six percent loss of profiles due to a death.
- ✓ 155 new profiles (91%) were added or modified as a result of the death notification, either spouse was removed, or family member profile was added.
- ✓ 73 profiles (43%) have generations linked to the profiles
- ✓ 89 profiles (52%) have multi-generational profiles in our system, some are linked while others are not.

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Conclusion

We are unable to track a decrease in assets under management because we do not individual AUM by profile.

While we do not make a claim that the results are a direct result of the use of our system, we do believe that being able to utilize our system for planning and tracking can provide significant impact on the retention results of an advisor. Merely having a technology platform for planning can get the advisor more involved in the process, relying less on the attorney and maintaining quarterback status over the clients planning.

About Yourefolio

Developed in 2016, Yourefolio has become the leader in estate and legacy planning practice management software for estate planning professionals. Created by financial advisors, estate planning attorneys, Certified Financial Planners® and insurance professionals, it is the first platform of its kind to service all aspects of estate and legacy planning for estate planners, their clients and their beneficiaries. Yourefolio has become estate and legacy planning software for the 21st century estate planner. For more information visit www.yourefolio.com