

5 HOT NICHE MARKETS

**WHEN YOU NARROW YOUR FOCUS,
YOUR MARKET GETS BIGGER.**

In This Article:

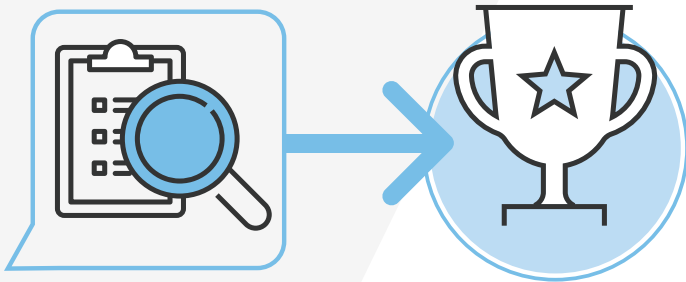
- 1** Start with Careers
- 2** Women Control Wealth
- 3** Narrow Your Focus
- 4** Millennials Matter
- 5** Understand Life Stages

AN INCREASED DEMAND FOR EXPERTS

In nearly every major industry, the most highly compensated individuals are those who specialize in one specific area within their fields. Medical, legal and engineering specialists can command triple or quadruple the incomes of those who are generalists.

It makes competition at all levels fierce. But, the more generic services are, the less valuable they are to consumers. But with increasingly complex issues there also comes an increase in demand for specialists who know how to navigate those waters.

CUT THROUGH THE COMPETITION BY SPECIALIZING



When it comes to financial services, the same is true. Clients want—as they do when it comes to surgeons—experts in their fields.

To the extent you can position your business as offering certain expertise to a specific group or for a unique need, you differentiate yourself from the competition.

There are many niche markets out there, and you can't effectively engage all of them. So, where do you focus your efforts? Align your prospecting activities with your own interests and concentrate on areas where you already have some influence. Is your cousin a cardiologist? Do you golf with a group of lawyers? Work your network.

IN THIS ARTICLE

THESE MARKETS CAN GET YOU MOVING

CAREERS 1



This might be the best place to start if you are interested in creating a niche market.

2 WOMEN

90% of women will eventually control their family's wealth as they outlive men by 5 years.



UNIQUE STRATEGIES 3



Take a closer look at insurance as a good and relatively easy way to build business.

4 GENERATIONS

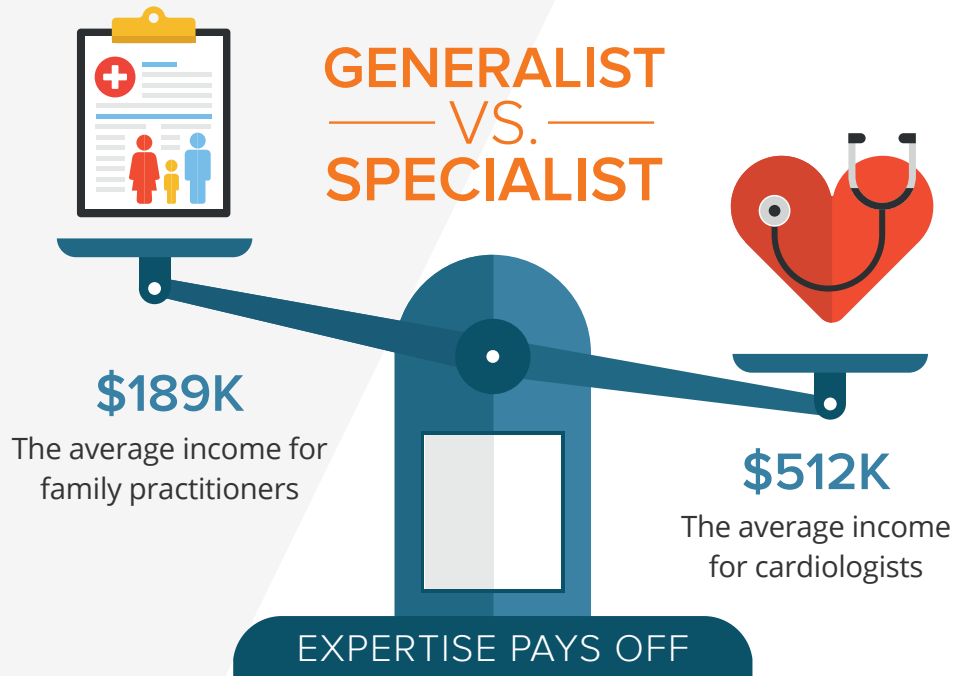
Understanding how people think, talk and what they respond to is essential.



LIFE STAGES 5



Focusing in on life stages—not just on ages—can set you up for good conversations.



1 CAREERS

This might be a good place to start if you are interested in creating a niche market for your business. People who have selected certain occupations often have common needs, interests and goals. And, they talk to each other. A positive experience with one professional will often open the door to otherwise hard-won referrals to their colleagues.

There are several reasons why this might be an ideal entry point if you are considering re-shaping your practice. First, some financial advisors didn't start out in this profession but rather made a switch later in life. If this is you, you may already have an inside track when it comes to communicating with and appreciating a specific sub-market.

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Here's where it's important to think outside of the box. Do you love animals? Volunteer at your local animal shelter. Odds are, veterinarians will be volunteering as well. Attorneys tend to be active in local government -- attend some meetings and get involved. Author an article in a magazine geared toward a specific area of medicine. Professionals of all stripes appreciate libraries -- host a seminar at one. Or perhaps your spouse or other family members are connected to a world that is underserved for investment planning. Take stock of your connections and think career fields rather than individuals.



2 WOMEN

Your success at engaging this lucrative market hinges on your ability to understand the unique situations they face. Here are the facts:

Women Control Vast Amounts of Wealth



NEARLY 60% of U.S. wealth is controlled by women.



48% OF \$5 MILLION + ESTATES are controlled by women.



WOMEN WILL INHERIT 70% of money over the next two generations.

What Puts Women at Financial Risk?



FOR EVERY DOLLAR a man earns, a woman earns \$.80, on average.



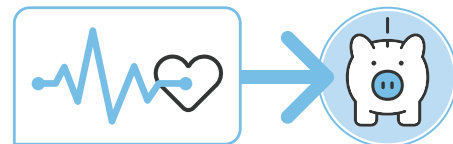
66% OF PRIMARY CAREGIVERS in the U.S. are women.



WOMEN LIVE 5 YEARS longer than men, on average.

A Financial Future in Flux?

Because of longer life spans, women need more money to sustain them through retirement and are disproportionately affected by rising health care costs. Because of pay disparities and time lost in the workforce due to caregiving, women's ability to fund retirement is compromised.



Opportunity

- 1 **ACKNOWLEDGE** the unique societal and economic challenges that impact women.
- 2 **DEMONSTRATE** that you have the expertise they are looking for.

- 3 **COLLABORATE** to develop actionable solutions women are comfortable implementing.
- 4 **MAKE SURE** both members of a couple are invested in the decision-making.



3 UNIQUE STRATEGIES

Most advisors find it hard to pass up the opportunity to be all things to all people. Unfortunately, this has not proven to be the most effective way to build a practice and secure personal wealth.

Although you can continue to offer a wide range of services, you may find that associating yourself indelibly with one approach, group or product, is the fastest way to get in front of new clients.

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Insurance—long-term care, life, annuities—is a good way to add to existing business or start a conversation with new individuals. Because there are products for nearly every life stage—and because research shows that most Americans are confused by the subject—financial advisors

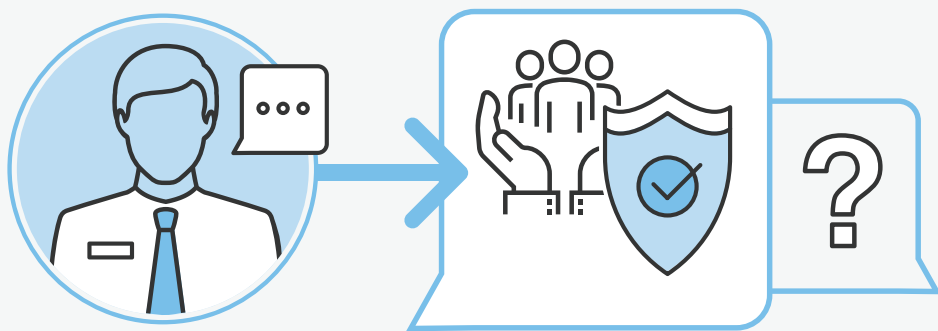
have a good opportunity to answer questions and meet many investment needs at the same time. The same is true for advanced estate planning, tax expertise and socially conscious investing. When you narrow your focus, your market gets bigger.

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Proprietary strategies also separate you from the crowd. You can do this easily enough (without a PhD in economics) through a combination of bundling and marketing. By taking products that are readily available (and profitable) and

then building some asset planning or income strategy around them, you become more attractive than the guy who is pushing one product.

This is referred to as the “buckets” strategy that many financial advisors have employed. A key element to success in such a venture is, of course, marketing. It might be a good idea to enlist the expertise of a graphic designer or advertising agency to help you put together the complete package. It’s important to remember that when it comes to marketing a product, perception is often reality. Done right, however, and it can provide a significant boost to your bottom line.



83%

// PEOPLE WHO SAY THEY WOULD **BUY MORE LIFE INSURANCE** IF SOMEONE COULD EXPLAIN IT TO THEM

4 MILLENNIALS

Articles on the uniqueness of each generation—from what their values are and how they talk (or perhaps what they hear) to what they list as their financial goals—are common in the financial services space.

Millennials are often at the heart of this discussion and for good reason. They are changing the face of the future. This generation—despite being mocked in popular culture—just might be the most important group for the long-term success of your business.

Unfortunately, if you don't know what Millennials are looking for—and how to present it to them—they'll find someone else who does. Consider this: the majority of Millennials place their values above money, see making a difference as more important than building a career, and believe business success should be measured by more than profit.

Couple this with the following and you'll see why you need to pay attention to this often misunderstood generation:



46% trust investment decisions to their financial advisor



48% have a retirement savings plan and regularly contribute to it



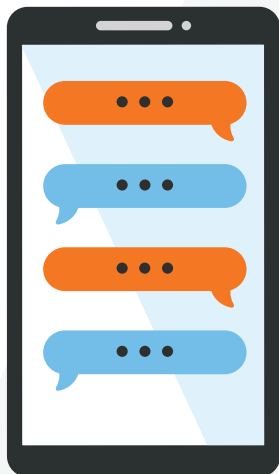
75% of the global workplace will be Millennials by 2025



50% have no credit card debt and 42% have savings

65%

// OF MILLENNIALS SAY **LOSING THEIR PHONE** WOULD BE WORSE THAN **LOSING THEIR CAR**



60%

// OF GENXERS SAY THEY ARE **NOT KNOWLEDGEABLE** ABOUT INVESTMENTS



5 LIFE STAGES

Although generational differences are one of the most obvious differentiators, life stages are definitely not restricted to age. In an era when couples are having children later in life and workers can retire earlier than anticipated, the original concept that life stage is tied to age is no longer the norm it once was. Societal changes have also thrown us some curveballs.

Financial planning, investing and distribution are more complex—and now demand has increased specialization—for clients getting married, going through divorce,

The original concept that life stage is tied to age is no longer the norm it once was.

having children, losing a spouse, caring for elderly parents, and transitioning a career. There

is no “typical” client. Financial advisors with specialized expertise will be well positioned to support the evolving needs of an ever diverse market. And rather than hunting for clients, they will seek you out.

In the America of today, few people follow the traditional course of past generations. The more you stay informed and flexible, the more likely you are to become their trusted resource.



STEP-BY-STEP

The stage of life a client is at can determine the investments they need.

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driven to be the most flexible, nimble and collaborative partner for your business.

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