

THE WALL STREET JOURNAL.

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MONEYBEAT

Wealth Adviser Daily Briefing: Practice Management Tip, Fiduciary Chat (With Continuing-Ed Credit for CFPs)

Curated news and analysis for wealth advisers and their clients from WSJ reporters and columnists and beyond

By **BRIAN HERSHBERG**

Dec 9, 2016 5:30 am ET

Ever wonder what wealth-management prospects and clients really think of you and your staff? It needn't be a mystery, writes WSJ Wealth Adviser.

Practice-management consultants say financial advisers and others in the industry should consider hiring mystery shoppers to help you find out how your firm is received. Mystery shoppers, who pose as regular customers and then provide feedback, can assess the appearance of your office, the friendliness of your staff or how you're connecting (or not connecting) with a new target market.

While mystery shoppers are typically used in the retail and food-services industries, financial advisers stand to benefit from mystery shoppers as the information they provide could help them expand their practices in an increasingly competitive environment, practice-management consultants say.

Below, some of the best analysis and insight from WSJ writers and columnists, and beyond, on investing, the wealth-management business and more.

TALKING POINTS

Record household wealth. The wealth of U.S. households climbed to a record

\$90.2 trillion in the third quarter, driven by a powerful buildup in both real estate and stocks. The Federal Reserve report shows that U.S. households, in aggregate, had tremendous assets at their disposal, about \$105 trillion against about \$15 trillion of debt.

Thursday's markets. The Dow Jones Industrial Average gained 65 points, or 0.3%, to 19615, extending its record and approaching the 20000 level. The S&P 500 rose 0.2% and the Nasdaq Composite added 0.4%.

BUSINESS AND PRACTICE

Fiduciary chat. Department of Labor assistant secretary Timothy Hauser and Marcia Wagner, an attorney and expert in labor law and fiduciary issues, discussed the fiduciary rule live on Facebook with WSJ Wealth Adviser's sister publication, MarketWatch.

Note to CFPs: Certified Financial Planner professionals can earn a one-hour credit of continuing education after watching the session (see the form at the end of the article).

Adviser Voices. Paul Boyd, managing partner of ClearPath Capital Partners, tells WSJ Wealth Adviser he is seeing a lot of interest in late-stage venture-backed companies. He says advisers should forget single companies and look for well-run funds with a track record, among other tips on how to navigate the space.

PLANNING AND INVESTING

Off target. Peter Hecht, a managing director at AQR Capital and a former professor of finance at Harvard Business School, says target-date funds miss the mark on a couple of key tenets of modern portfolio management: diversification and managing risk.

While target-date funds provide a total portfolio solution for savers—automatically shifting asset allocation to a more conservative mix as the target date approaches—by not fully embracing diversification and risk management, providers of the funds are making it unnecessarily difficult for savers to achieve a comfortable retirement, Mr. Hecht posits.

TRAVEL AND LIFESTYLE

Watching Your Wealth podcast. Kelley Blue Book's Jack Nerad joins WSJ Wealth Adviser's Veronica Dagher to discuss expert tips on how to purchase a luxury car and the best buys in store this holiday season.

Hit a homerun with mom. Some adult children say it is the ultimate display of gratitude to their parents: buying them a house that they can grow old in.

Proponents say it allows children to improve their parents' quality of life, and the approach can have benefits from a tax and investment standpoint. Experts warn, however, that buyers should tread carefully when mixing finances with family dynamics.

FOOD FOR THOUGHT

Generation gap. Economists and sociologists from Stanford, Harvard and the University of California set out to measure the strength of what they define as the American Dream, and found the dream was fading. They identified the income of 30-year-olds starting in 1970, using tax and census data, and compared it with the earnings of their parents when they were about the same age.

In 1970, 92% of American 30-year-olds earned more than their parents did at a similar age, they found. In 2014, that number fell to 51%.

ADVISER CALENDAR

- **AICPA Personal Financial Planning Summit** / Rancho Palos Verdes, Calif., Jan 23-25
- **TD Ameritrade Institutional 2017 National LINC** / San Diego, Feb. 1-4
- **T3 FinTech Conference for Advisers** / Garden Grove, Calif., Feb. 14-16
- **CFA Institute Conference: Wealth Management 2017** / Nashville, Tenn., March 7-8
- **FPA Retreat 2017** / Braselton, Ga., April 24-27
- **Morningstar Investment Conference** / Chicago, April 26-28
- **Fi360 Conference** / Nashville, Tenn., May 21-23
- **FPA NorCalConference** / San Francisco, May 30-31
- **AICPA Engage 2017** / Las Vegas, June 12-15
- **FPA NexGen Gathering** / Chicago, June 23-25

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Please send tips, suggestions or other comments to Michael Wursthorn at michael.wursthorn@wsj.com or Wealth Editor Brian Hershberg at brian.hershberg@wsj.com.

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