

Global Investment Office | May 15, 2025

The Power of Financial Planning: A Road Map to Achieving Goals With Confidence

Financial planning is more than just investing. Tailored to your unique circumstances, a financial plan evolves with life's changes to help keep you on track. It creates a road map to help you achieve your short- and long-term goals and to make data-driven decisions that reflect your priorities. Our research confirms that those with a financial plan experience healthier financial and mental well-being. Despite these benefits, only half of investors currently have a financial plan. Many admit they wish they had started sooner, underscoring the value of planning for everyone, no matter your stage in life.

Anthea N. Tjuanakis Cox
Senior Financial Planning Specialist



Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States. This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Past performance is not necessarily a guide to future performance. Please refer to important information, disclosures and qualifications at the end of this material.

Key Takeaways: Morgan Stanley 2024 Survey

To better understand the value of financial planning and trends among today’s investor population, Morgan Stanley conducted a poll of 1,013 mass affluent and high-net-worth respondents between 25 and 75 years old. This report highlights the results and presents the implications for how financial planning fits into the lives of everyday investors.

Key findings include the following:

- Most investors (66%) lack strong confidence in their ability to achieve long-term financial goals.
- Achieving financial goals requires setting clear objectives, identifying actionable steps and regularly tracking progress to ensure disciplined execution.
- Those with a financial plan express greater confidence and less worry in many aspects of their financial and personal lives than those without one (approximately a 10-percentage-point average difference).
- Undervaluing the role of a financial planner—along with perceived barriers, such as not having enough assets to warrant a plan—often stops or delays people from starting, which may lead to regret.
- At Morgan Stanley, the financial planning process starts with your short- and long-term goals and then introduces a mix of investment products, tax strategies and gifting approaches tailored just for you.
- Regardless of age or wealth level, financial planning can be a valuable step in your financial journey—and it is never too late to get started.

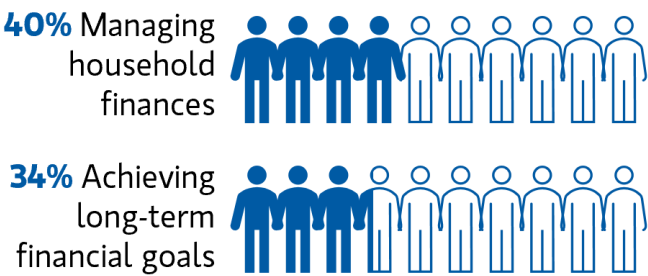
The Confidence Gap

When it comes to how investors feel about managing their money, most people are *not* very confident in their ability to manage their finances and achieve financial goals (see Exhibit 1). According to the study, at least 60% of respondents report a lack of strong confidence in managing their household

finances and achieving their long-term financial goals, with women reporting even lower confidence in dealing with day-to-day financial matters.

Exhibit 1: Lack of Investor Confidence Presents Growth Opportunities for Financial Planning Penetration

Feel “very” confident in ...



Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

Investors admit that they don’t always know the tangible steps needed to achieve their goals, and it is clear that they could benefit from greater professional support. Investors’ financial goals can vary between “must-haves” and “nice-to-haves.” Regardless, simply having financial goals is not enough. Achieving financial success requires additional effort and tactical plans for execution.

Notably, 53% of those still working feel very confident that they will be able to save for retirement. But only 36% feel very confident that they know how to do so—a 17-percentage-point knowledge-confidence gap (see Exhibit 2). Turning financial goals into reality requires more than wishful thinking. It’s critical that investors have a road map to help them get there. A financial plan can help crystallize these objectives.

Exhibit 2: Investors Demonstrate Significant Confidence Gaps Between Likelihood of Achieving Specific Financial Goals and Knowledge of How to Do So

Financial Goal	Likelihood of Achieving Goal (% Very Likely)	Knowledge of How to Achieve Goal (% Very Confident)	Knowledge-Confidence Gap (% Point Difference)
Starting Business	50%	15%	35%
Paying for Wedding	55%	33%	22%
Wealth Transfer	48%	28%	20%
Saving for Retirement	53%	36%	17%
Next Gen Education	51%	35%	16%
Buying a Car	57%	43%	14%
Travel	60%	47%	13%

Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

What Is Financial Planning?

Perceptions of financial planning differ. While some may see it as an informal review, true financial planning is about creating a personalized strategy—often executed with the help of a professional. However, confusion about the definition of financial planning has led many investors to express concerns about getting professional planning advice.

At Morgan Stanley, financial planning involves a Financial Advisor looking at a client’s entire financial situation and helping them set and work toward short- and long-term goals. The planning process is customizable and tailored to each client’s needs, considering time horizons, risk tolerance and the unique makeup of their assets.

Morgan Stanley financial plans include the following:

- Identifying and prioritizing clients’ financial goals through a comprehensive review of their financial picture;
- Exploring “what-if” scenarios to prepare for life’s uncertainties (e.g., economic downturn, change in retirement age, change in career, unexpected medical expenses);
- Implementing an investment strategy that incorporates topics personalized to client needs (e.g., tax optimization, alternative investments, estate planning, debt optimization, insurance);
- Tracking progress with measurable benchmarks to ensure accountability and alignment with goals.

Consider the financial decisions people are faced with every day:

- **Buying a home:** A couple purchasing their first home must decide how to save for and finance the purchase while considering tax consequences and the tradeoff for wealth accumulation.

- **Expanding the family:** While welcoming a new child comes with a lot of exciting changes, it’s important for families to consider childcare costs, education savings, life insurance and estate planning, among others.
- **Navigating retirement:** Transitioning from accumulation to decumulation requires new strategies; planning can help you navigate your income needs while optimizing after-tax wealth.

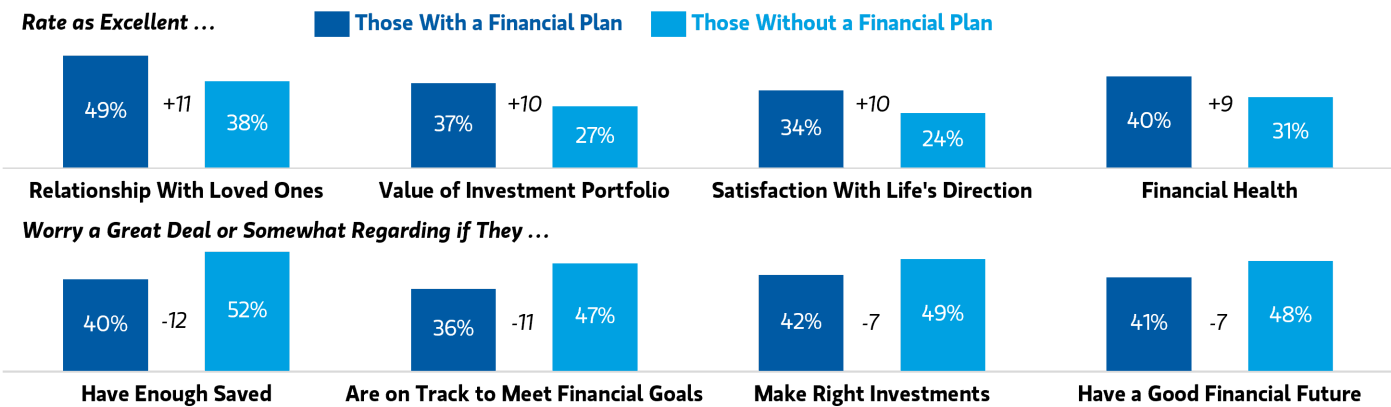
Planning allows you to make informed short-term decisions while balancing the tradeoffs that inevitably arise in life. Providing clarity on the definition of financial planning will positively impact investors’ and clients’ attitudes toward working with financial planners to seek advice for a stronger financial future. Survey respondents were given a definition of a financial plan to ensure that all participants were answering based on a consistent meaning of the term.

Benefits of Financial Planning

Turns out, planning works!

Those with a financial plan feel more confident, express greater satisfaction with their lives and have fewer financial worries. Investors with a financial plan are less likely to worry about whether they’re saving enough for their future than investors without one (36% versus 47%). They are more likely to rate the value of their investments and their financial health as “excellent” (10-percentage-point difference, on average) and use words like “prepared” and “hopeful” to describe how they feel about planning for their financial future (see Exhibit 3). Ratings of “excellent” extend to mental well-being in regard to relationships with loved ones, feeling in control of and satisfied with the direction of one’s life and having peace of mind about the future.

Exhibit 3: Clients With a Financial Plan Express Improved Quality of Life and Fewer Financial Concerns



Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

THE POWER OF FINANCIAL PLANNING: A ROAD MAP TO ACHIEVING GOALS WITH CONFIDENCE

Peace of mind is a key benefit of financial planning—and the data proves it isn’t superficial.

As markets fluctuate, investors are prone to panic and may make rash investment decisions. In the April 2025 article, ["How to Plan Instead of Panic in Volatile Markets,"](#) Morgan Stanley analyzed how nearly 120,000 investors with a Morgan Stanley financial plan fared before, during and after the 2020 COVID market crash, during which the S&P 500 Index plunged 34% in just 33 days. It found that more than three-quarters of “on-track” investors remained on track when the market troughed, before stocks began to bounce back. Clients with a financial plan did not have to give in to fear as the market experienced extreme volatility because their financial plans remained on track.

Overcoming Perceived Barriers

Though virtually all survey participants (97%) recognize the importance of planning to reach their financial goals, only half (53%) have a financial plan created with the help of a professional.

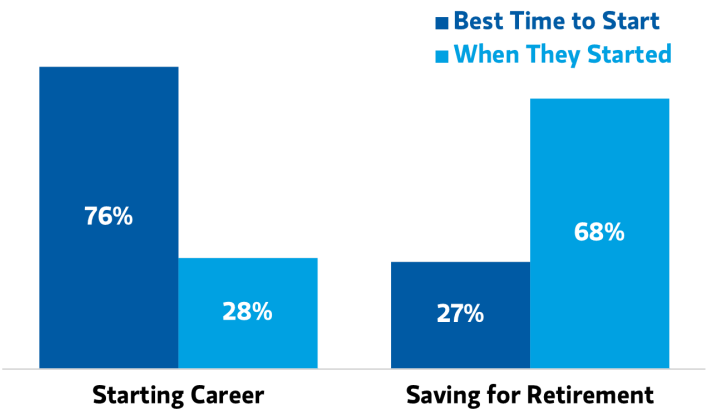
Many investors perceive financial planning to be time-intensive and expensive; they often believe that they are able to achieve the same results on their own. Many report “not having enough assets” to warrant needing a plan, not knowing much about personal finance in general and believing they are too young to start. Fear is also a common barrier, as people worry they will be told that their goals are not attainable.

In reality, we believe financial planning can be valuable for everyone, and starting early is often a key to success. A longer time horizon allows investors to benefit from the power of compounding and offers them greater flexibility as their portfolios grow and their needs and desires change. That said, it’s never too late to build an effective plan. Above all else, a financial plan can facilitate strategic decision-making and provide practical tools that guide investors as they make short-term decisions in the context of their long-term aspirations—an approach that helps address myriad circumstances and needs.

According to the study, many investors signal regret and wish they had started planning sooner. Although 76% of investors with a formal financial plan said they wish they began planning when first starting their career, only 28% say they actually did. A majority recount a very different reality: not planning until needing to save for retirement (68%), at which point there was less flexibility and time (see Exhibit 4).

Moral of the story: It is never too early—or too late—to start planning.

Exhibit 4: Many Investors With Professionally Prepared Plans Wish They Had Started Planning Earlier



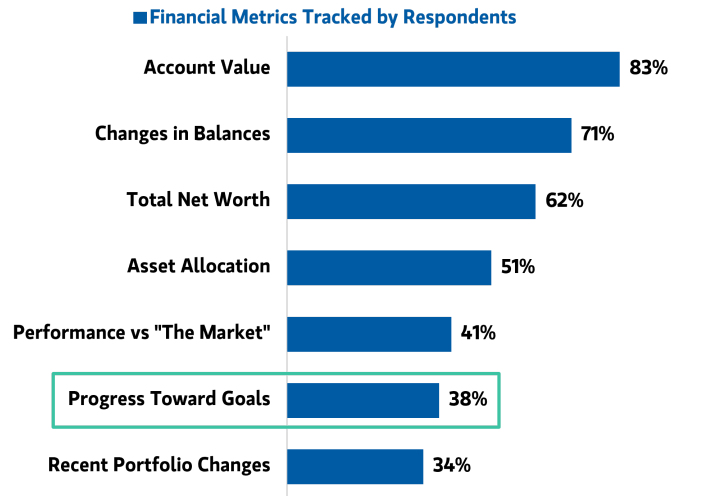
Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

Tracking Progress

Having a financial plan is just the start: Executing and tracking ongoing progress toward goals is just as important.

Virtually all investors (98%) track their investment portfolio performance, with 60% doing so monthly or more often. They check account values (83%) and stay up to date on changes in their balances over time (71%). However, only 38% of investors track their progress toward their own financial goals—indicating a need for greater awareness around the full process of financial planning (see Exhibit 5).

Exhibit 5: The Majority of Investors Do Not Track Progress Toward Financial Goals

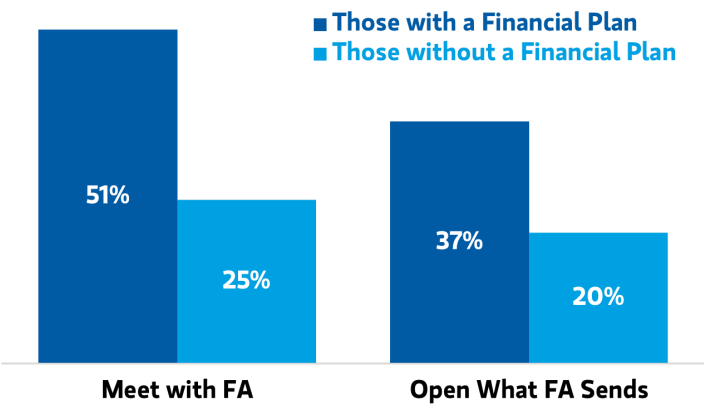


Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

Monitoring financial planning progress is more than just tracking investment portfolio performance relative to the market, which may provide an incomplete view and may not be the best way to judge “good” progress. In the August 2024 article, [“What’s Your Benchmark for Investing Success?”](#) Morgan Stanley takes a different approach, connecting the planning and portfolio conversations by providing each client with their own unique custom benchmark. By taking this highly tailored approach, investors’ portfolios can be optimized to achieve their unique goals—not to beat an index. Our Financial Advisors help clients meet their objectives without having to make overly cautious or aggressive investment, saving or spending decisions.

Financial Advisors play a crucial role in helping clients develop and stay committed to their financial plans. Respondents with a financial plan created with the help of a Financial Advisor are roughly two times more likely to not only meet with their advisor but to review what their advisor sends them (see Exhibit 6). Meanwhile, 74% of respondents, independent of having a plan, believe that engaging in the planning process with a professional is important. Having an accountability partner can be crucial to ensuring that you follow through on your commitments.

Exhibit 6: Clients With a Financial Plan Have a Greater Propensity to Interact With Their Financial Advisor



Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

Conclusion

So, what does this mean for you?

Financial planning is comprehensive and customizable to your life—and it works. Taking charge of your financial future removes a layer of stress that is only intensified by the uncertainty of the stock market. When you've gone through the financial planning process, you're better equipped to navigate the market's moves... *you've planned for that*. Reducing financial stress has compounding effects: Individuals with a financial plan look toward their future with greater confidence, feel better about their financial decisions and experience overall improved mental health.

We recognize the barriers investors face, but it's always a great time to lay the groundwork for your financial future.

And you do not have to do it alone. Personal finances are *not* simple, and they evolve over time. Everybody can benefit from meticulous, thoughtful and sophisticated collaboration with a professional.

Having a financial planning conversation with your Morgan Stanley Financial Advisor can be the next step in helping you feel more prepared to tackle your evolving and complex financial life. Advisors incorporate their deep knowledge of clients’ lives—including personal, professional and financial details—to help set appropriate goals and action plan toward them. Nothing in life is guaranteed, and we’re here to help you navigate during times of challenge and times of triumph.

Appendix

Methods

The Morgan Stanley Financial Plan Survey was conducted by Ipsos Public Affairs using the KnowledgePanel, the only large-scale representative panel of the adult population in the US, for which members are recruited using a probability-based, address-based sampling methodology. In order to maintain full representation of all adults, households without internet access are provided internet-enabled devices and an internet service provider (ISP). From Sept. 27 to Oct. 11, 2024, Ipsos interviewed a random sample of 1,013 respondents across the US. In order to qualify for this study, respondents were required to have \$250,000 or more in liquid household investable assets and be between the ages of 25 and 75. Results were weighted to age by liquid household investable assets, using benchmarks from the Federal Reserve’s 2022 Survey of Consumer Finances (see Exhibit 7).

Exhibit 7: Survey Demographics

	Investors Overall	Investors With a Financial Plan
Gender		
Male	59%	53%
Female	41%	47%
Generation		
Gen Z/Millennials (25-43)	18%	10%
Gen X (44-59)	37%	32%
Baby Boomers (60-75)	46%	58%
Investable Assets		
\$250,000 to under \$500,000	33%	30%
\$500,000 to under \$1 million	31%	30%
\$1 million or more	36%	40%

Source: Morgan Stanley Wealth Management Global Investment Office, High Net Worth Investor Financial Plan Survey, Q4 2024

Definition of Financial Planning given to respondents:

By creating a “financial plan,” we mean a financial professional looking at a client’s entire financial situation and helping them

set and work toward short- and long-term goals (e.g., saving for education, planning for retirement, managing taxes, etc.). The financial professional works closely with their client, seeking to give them confidence today and a more secure future. Their financial plan would include the following:

- An understanding of the client’s specific goals and entire financial picture;
- Insight into appropriate investment strategies and products;
- Help implementing an investment strategy;
- Measuring progress in ways that are specific to the client and their financial goals;
- Communicating regularly, and offering collaboration and support.

Morgan Stanley engaged Ipsos, an independent third-party firm, to host a secure online survey. All responses were combined with those of other participants who completed this survey. Ipsos shared the aggregate responses with Morgan Stanley. This material has been prepared for informational purposes only. It does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Morgan Stanley Smith Barney LLC (“Morgan Stanley”) recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a Morgan Stanley Financial Advisor, as well as their personal tax and legal advisor. The appropriateness of a particular investment or strategy will depend on an investor’s individual circumstances and objectives. Morgan Stanley Smith Barney LLC is not implying an affiliation, sponsorship, endorsement with/of the third party or that any monitoring is being done by Morgan Stanley Smith Barney LLC (“Morgan Stanley”) of any information contained within the website. Morgan Stanley is not responsible for the information contained on the third-party website or the use of or inability to use such site. Nor do we guarantee their accuracy or completeness.

THE POWER OF FINANCIAL PLANNING: A ROAD MAP TO ACHIEVING GOALS WITH CONFIDENCE

Disclosure Section

For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

Risk Considerations

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment.

Investing in foreign markets entails risks not typically associated with domestic markets, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, and the potential for political instability. These risks may be magnified in countries with **emerging markets and frontier markets**, since these countries may have relatively unstable governments and less established markets and economies.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

High yield bonds (bonds rated below investment grade) may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. High yield bonds should comprise only a limited portion of a balanced portfolio.

Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

Artificial intelligence (AI) is subject to limitations, and you should be aware that any output from an IA-supported tool or service made available by the Firm for your use is subject to such limitations, including but not limited to inaccuracy, incompleteness, or embedded bias. You should always verify the results of any AI-generated output.

Environmental, Social and Governance ("ESG") investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain and such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

The **indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment. The indices are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Comparing an investment to a particular index may be of limited use.

The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time.

Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment (such as with an investment manager or in a fund) is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment product.

Disclosures

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States. This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Past performance is not necessarily a guide to future performance.

The author(s) (if any authors are noted) principally responsible for the preparation of this material receive compensation based upon various factors, including quality and accuracy of their work, firm revenues (including trading and capital markets revenues), client feedback and competitive factors. Morgan Stanley Wealth Management is involved in many businesses that may relate to companies, securities or instruments mentioned in this material.

THE POWER OF FINANCIAL PLANNING: A ROAD MAP TO ACHIEVING GOALS WITH CONFIDENCE

This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security/instrument, or to participate in any trading strategy. Any such offer would be made only after a prospective investor had completed its own independent investigation of the securities, instruments or transactions, and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the accuracy or completeness of this material. Morgan Stanley Wealth Management has no obligation to provide updated information on the securities/instruments mentioned herein.

The summary at the beginning of the report may have been generated with the assistance of artificial intelligence (AI).

The securities/instruments discussed in this material may not be appropriate for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Morgan Stanley Wealth Management recommends that investors independently evaluate specific investments and strategies, and encourages investors to seek the advice of a financial advisor. The value of and income from investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies and other issuers or other factors. Estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and Morgan Stanley Wealth Management does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein.

This material should not be viewed as advice or recommendations with respect to asset allocation or any particular investment. This information is not intended to, and should not, form a primary basis for any investment decisions that you may make. Morgan Stanley Wealth Management is not acting as a fiduciary under either the Employee Retirement Income Security Act of 1974, as amended or under section 4975 of the Internal Revenue Code of 1986 as amended in providing this material except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol.

Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors do not provide legal or tax advice. Each client should always consult his/her personal tax and/or legal advisor for information concerning his/her individual situation and to learn about any potential tax or other implications that may result from acting on a particular recommendation.

This material is disseminated in Australia to "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813).

Morgan Stanley Wealth Management is not incorporated under the People's Republic of China ("PRC") law and the material in relation to this report is conducted outside the PRC. This report will be distributed only upon request of a specific recipient. This report does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors must have the relevant qualifications to invest in such securities and must be responsible for obtaining all relevant approvals, licenses, verifications and or registrations from PRC's relevant governmental authorities.

If your financial adviser is based in Australia, Switzerland or the United Kingdom, then please be aware that this report is being distributed by the Morgan Stanley entity where your financial adviser is located, as follows: Australia: Morgan Stanley Wealth Management Australia Pty Ltd (ABN 19 009 145 555, AFSL No. 240813); Switzerland: Morgan Stanley (Switzerland) AG regulated by the Swiss Financial Market Supervisory Authority; or United Kingdom: Morgan Stanley Private Wealth Management Ltd, authorized and regulated by the Financial Conduct Authority, approves for the purposes of section 21 of the Financial Services and Markets Act 2000 this material for distribution in the United Kingdom.

Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.

This material is disseminated in the United States of America by Morgan Stanley Smith Barney LLC.

Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

This material, or any portion thereof, may not be reprinted, sold or redistributed without the written consent of Morgan Stanley Smith Barney LLC.

© 2025 Morgan Stanley Smith Barney LLC. Member SIPC.

CRC 4444311 05/2025

RSI1747231733541 05/2025