THE 9:03 COLLECTIVE · A WHITE PAPER FOR ADVISORS & FIRMS · 2026

The Next Alpha

Where advisory value migrates when the plan becomes a commodity, and why the advisors who win the next decade will manage more than money.

Adam Bruderly, BCC

FOUNDER, THE 9:03 COLLECTIVE · 25 YEARS IN FINANCE · 15 AT VANGUARD · BOARD-CERTIFIED COACH

TIME IS THE CURRENCY. SPEND IT ON PURPOSE.

EXECUTIVE SUMMARY

The argument in five moves.

01 **The first alpha has been priced to zero.** Passive funds now hold more U.S. fund assets than active funds.[1] Fees have compressed for two decades. Planning software builds in minutes what once took weeks. The portfolio and the plan, the products this industry sold for fifty years, are becoming commodities.

02 **The most durable alpha ever measured was never investment selection.** Vanguard's own Advisor's Alpha research puts the value of good advice at roughly 3% net per year, and the largest single component is behavioral coaching, not fund choice.[2] Morningstar found that better financial-planning decisions alone generate the equivalent of 1.59% per year: 22.6% more retirement income.[3] The industry's own math says the biggest line item is coaching humans.

03 **The client base is turning over.** Cerulli projects roughly $124 trillion changing hands through 2048, the largest wealth transfer in history.[4] Industry research consistently finds that most heirs do not retain their parents' advisor. The next generation isn't buying an efficient frontier. They're buying alignment between money and life.

04 **The science is clear about what the money is for.** Above sufficiency, well-being tracks relationships, health, time, and purpose far more than balances.[5–10] The binding constraint on a client's return-on-life is no longer capital. It's how their time, health, and attention are allocated.

05 **Therefore: the next alpha is life alignment.** McKinsey has already named where the role is headed: the advisor of 2030 looks less like an investment manager and more like an integrated life coach.[11] The advisors who operationalize that with a real system, not a slogan, will own the scarcest asset in the industry: relevance to the whole life, across generations.

This paper lays out the evidence for each move, then describes what the work looks like in practice: the framework The 9:03 Collective uses with clients and advisor partners.

PART I

The plan became a product.

For half a century, the advisory business sold two things: access to markets and the construction of a plan. Both are now abundant, and abundance is what kills a margin.

In 2024, passive funds crossed the line and now hold the majority of U.S. fund assets.[1] Asset-weighted fund fees have fallen by more than half over two decades. Robo-platforms set a public floor under portfolio construction. Planning software runs a thousand Monte Carlo simulations before the second cup of coffee. None of this is a critique of the tools. They are genuinely good, which is precisely the problem. **When every advisor has the same efficient frontier, the frontier stops differentiating anyone.**

>50%

OF U.S. FUND ASSETS ARE NOW PASSIVE. THE CROSSOVER THE INDUSTRY SPENT 40 YEARS ARGUING ABOUT[1]

~3%

NET ANNUAL VALUE OF GOOD ADVICE PER VANGUARD. MOSTLY NOT FROM INVESTMENT SELECTION[2]

Clients feel this even when they can't name it. The statements look alike. The pie charts look alike. The projections all end in a version of "you're probably fine." What clients increasingly cannot get, anywhere, is someone with the standing, the data, and the discipline to ask the harder question: **you're probably fine — for what?**

> *Scarcity has moved. It left the portfolio and moved into the life the portfolio is supposed to fund.*

What remains scarce is not analysis. It is trust, behavior, meaning, and time, and a professional relationship structured to manage them on purpose. The rest of this paper is about what happens when advisors take that seriously as a discipline rather than a marketing line.

PART II

The alpha that was already measured.

The industry has already quantified where advisor value actually comes from. It has simply been reluctant to follow its own data to the conclusion.

Vanguard's Advisor's Alpha research, the most cited value-of-advice framework in the profession, estimates that a good advisor adds about 3% per year in net returns. Decompose it and the striking part appears: the largest single component, worth up to roughly half the total, is **behavioral coaching**. Keeping human beings from doing the expensive thing at the worst time.[2] Not the glide path. Not the fund lineup. The coaching.

Morningstar reached the same destination by a different road. Its "Gamma" research found that better financial-planning decisions—withdrawal sequencing, asset location, dynamic spending—generate 22.6% more retirement income, the equivalent of 1.59% per year, without a single basis point of market outperformance.[3] And Morningstar's annual "Mind the Gap" study keeps finding that investors trail their own funds by roughly a percentage point per year through timing behavior alone.[12]

~50%	+22.6%	~1%/yr
OF VANGUARD'S ~3%: THE SHARE ATTRIBUTABLE TO BEHAVIORAL COACHING ALONE[2]	MORE RETIREMENT INCOME FROM PLANNING-QUALITY DECISIONS. MORNINGSTAR'S "GAMMA"[3]	THE BEHAVIOR GAP INVESTORS GIVE BACK THROUGH TIMING. "MIND THE GAP"[12]

And the gap is not closing on its own. In Schwab's 2025 investor research, 68% of investors say investing now demands more long-term patience than ever, while two in five report trading more often than when they started.[21] Clients know what patience is worth, and they are doing the opposite. That distance between knowing and doing is precisely the lane where the advisor's alpha lives.

I spent twenty-five years in this industry, fifteen of them inside Vanguard, watching this research land. The industry accepted the number and kept selling the old thing. But sit with the finding for one minute: **the single most valuable thing an advisor does is coach a human being's behavior around one asset class — money.**

> *If coaching behavior around money is worth 150 basis points a year, what is coaching the life the money is for worth? Nobody has priced it. That is the white space.*

A client's financial behavior does not live in a vault. It lives in their sleep, their stress, their marriage, their health, their sense of what the years are for. The advisor who coaches only the money is managing the symptom and leaving the system untouched.

PART III

The great handoff.

While the product commoditizes, the customer is being replaced. Both shifts point the same direction.

Cerulli Associates projects roughly $124 trillion in U.S. wealth changing hands through 2048: about $105 trillion flowing to heirs, with trillions moving “horizontally” to spouses, overwhelmingly women, before it moves down a generation.[4] It is the largest transfer of capital in human history, and it is not a future event. It is underway now.

The industry’s open secret is what happens at the handoff: **most heirs leave.** Capgemini’s 2025 World Wealth Report puts the hardest number yet on it: 81% of inheritors plan to switch wealth-management firms within one to two years of inheriting, as $83.5 trillion moves to Gen X, millennial, and Gen Z hands by 2048.[17] Older industry studies said 70% and up.[13] The number is not improving. The relationship was with the patriarch and the portfolio. The heir inherited the assets, not the relationship.

$124T	81%
PROJECTED U.S. WEALTH TRANSFER THROUGH 2048. THE LARGEST IN HISTORY[4]	OF INHERITORS PLAN TO SWITCH FIRMS WITHIN TWO YEARS OF INHERITING[17]

What does the next client buy? Every serious study of next-generation and women investors finds the same cluster: advice that is values-aligned, holistic, and life-centered. Planning that starts from what the money is for, not what the market did. McKinsey, mapping the industry’s trajectory to 2030, put it bluntly: the advisor of the future will look less like an investment manager and more like an “integrated life coach,” advising across financial wellness, health, protection, and purpose.[11]

> *Retention at the handoff is not a performance problem. It is a relevance problem. You keep the family by being indispensable to the family’s life, not to one generation’s statements.*

The advisor who runs the life-alignment conversation is in the room with the spouse and the heirs by design, because the conversation is about the family’s time, health, and purpose, not just its taxable events. That advisor does not get fired at the funeral.

The family you haven't met.

The attrition at the handoff is not fate. It is exposure, and it is measurable in who is, and is not, in the room today.

Fidelity's 2025 advisor research makes the mechanism plain: on average, advisors have never met the adult children of 70% of their clients, and have not met the spouse of one in four.[18] The heir who fires the firm is usually a stranger to it. Meanwhile, 43% of women say they may not stay with the couple's advisor after the death of a spouse or partner,[19] and the surviving spouse controls the assets first, before anything moves down a generation.

70%	43%	2.2×
OF CLIENTS' ADULT CHILDREN THE AVERAGE ADVISOR HAS NEVER MET[18]	OF WOMEN MAY LEAVE THE ADVISOR AFTER A SPOUSE'S DEATH[19]	THE ASSETS HELD BY HOUSEHOLDS WHERE SPOUSE AND NEXT-GEN ARE ENGAGED[18]

The other side of that exposure is opportunity, and it is not small. Households where both the spouse and the next generation are engaged hold 2.2× the assets and generate 1.9× the revenue of primary-client-only relationships.[18] And the client base itself is tilting: McKinsey projects U.S. women will control roughly $34 trillion by 2030, nearly double today, much of it arriving through exactly these transitions.[20]

> *You cannot retain a family you have never met. The life conversation—values, time, health, purpose—is the structural reason to be in the room with all of them, years before the transfer.*

PART IV

What the money is actually for.

None of this works as a marketing pivot. It works because the science points, with unusual consistency, at assets that never appear on a statement.

Money matters. Then it stops mattering most. Kahneman and Deaton famously found emotional well-being plateauing around $75,000; Killingsworth's larger 2021 study found it kept rising; their 2023 adversarial collaboration resolved the fight: money keeps helping, modestly, except for the least happy, for whom it stops helping much at all above roughly $100,000.[5,6] Either way the effect is small: past sufficiency, each additional dollar buys less life than the one before it, while its opportunity cost, paid in time and health, holds steady.

Clients already say so. Ask Americans what wealth means and they answer in the currency of this paper, not the industry's. In Schwab's 2025 Modern Wealth Survey, respondents were more likely to define wealth by their health, relationships, experiences, and free time than by net worth or possessions. 45% named happiness the single biggest contributor, and roughly eight in ten said they feel wealthy in the quality of their relationships (83%) and their free time (81%).[15] And the money that does get spent buys well-being poorly unless it is spent right: Dunn, Gilbert & Wilson's canonical review calls the money–happiness link "surprisingly weak," stemming "in part from the way people spend it," and points the spending toward experiences, other people, and time.[16]

45%	83%	81%
OF AMERICANS NAME HAPPINESS, NOT NET WORTH, THE BIGGEST CONTRIBUTOR TO THEIR DEFINITION OF WEALTH[15]	FEEL WEALTHY IN THE QUALITY OF THEIR RELATIONSHIPS. THE HIGHEST-SCORING FORM OF WEALTH[15]	FEEL WEALTHY IN THE AMOUNT OF FREE TIME THEY HAVE. TIME AS THE FELT CURRENCY OF WEALTH[15]

The people across the table have, in effect, already voted. The industry keeps reporting on the one definition of wealth its clients rank lowest, and wonders why the meetings feel interchangeable.

What actually predicts a good life.

The Harvard Study of Adult Development, 85+ years and the longest-running study of adult life ever conducted, lands on one headline: **the quality of relationships is the strongest predictor of health and happiness**, stronger than wealth, fame, or class.[7] The Surgeon General equates sustained disconnection with smoking 15 cigarettes a day.[8] Purpose is load-bearing too: among nearly 7,000 adults over 50, the weakest sense of life purpose carried roughly 2.4× the mortality risk of the strongest.[9] And Whillans' research shows people who trade money for time report reliably higher life satisfaction, yet clients systematically over-optimize the money and under-protect the time.[10]

2.4×	12.4yrs	11%
MORTALITY RISK, WEAKEST VS. STRONGEST SENSE OF PURPOSE. ADULTS 50+[9]	THE U.S. LIFESPAN–HEALTHSPAN GAP. THE WIDEST OF ANY NATION STUDIED[14]	OF A LIFETIME SPENT AT WORK, YET IT DICTATES HOW THE OTHER 89% FEELS

The asset nobody is managing. Americans now spend roughly the last 12.4 years of life in poor health, the widest lifespan–healthspan gap of any nation studied.[14] Advisors build plans to age 95; almost no one in the room is accountable for whether the client will be capable in those years. The retirement got funded. Whether it gets lived is left to chance.

> *The binding constraint on a client's return-on-life is no longer capital. It is the allocation of time, health, attention, and purpose: a portfolio nobody is managing.*

PART V

The next alpha, defined.

DEFINITION

Next alpha *(n.)* — the measurable improvement in a client's return on life produced by deliberately aligning capital with time, health, relationships, and purpose — and rebalancing all of it, on purpose, over decades.

The mechanics are familiar, deliberately so. Advisors already know how to run a portfolio discipline: define asset classes, audit the allocation, name the concentration risk, rebalance on a cadence. The next alpha applies that exact discipline to the whole life. At The 9:03 Collective we structure it as **four asset classes and twelve holdings**:

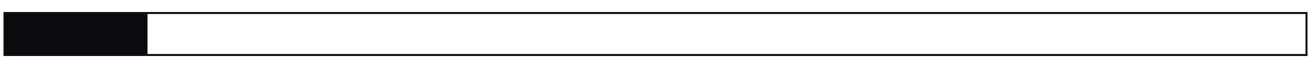
01
PHYSICAL
MOVE · FUEL · RECOVER

02
MENTAL
CONNECTION · EMOTION · PRESENCE

03
FINANCIAL
TIME · REAL WEALTH · NORTH STAR

04
SPIRITUAL
AWARENESS · AUTHORSHIP · TRANSCENDENCE

Run the audit and the finding is almost always the same one an advisor would flag in an instant on a brokerage statement: **catastrophic concentration.** Work is roughly 11% of a lifetime's hours, yet it dictates how the other 89% feels. No fiduciary would let a client hold 80% of their capital in one position. Most clients hold 80% of their *identity* in one.



■ WORK · ~11% OF A LIFETIME'S HOURS

THE OTHER 89%: WHERE THE LIFE ACTUALLY HAPPENS

Why is the advisor the right professional to run this? Three structural reasons. **Trust:** the advisor already holds the most privileged data in the client's life and a seat at its major decisions. **Cadence:** the review meeting already exists. It is simply spent re-explaining benchmarks. **Incentive:** a life-aligned client is calmer capital. Better behavior in drawdowns, longer retention, and a warm relationship with the spouse and heirs who will control the assets next.

> *This work cannot be indexed, automated, or compressed to zero. It is the one line on the value stack where the moat gets deeper as software gets better.*

PART VI

What it looks like in practice.

The 9:03 Collective works with advisors and firms to build this capability inside their own practice. Not as a referral out, but as a discipline in. The work happens in three layers.

1 · ALIGN THE ADVISOR FIRST

You cannot take a client somewhere you have never been. Every partnership starts with the advisor's own work: your own 9:03 Self-Assessment across the four pillars, your own baseline, your own audit of where the time actually goes. This is not a formality. It is the credibility layer. Clients can tell the difference between an advisor reciting a framework and one who lives inside it.

2 · EQUIP THE PRACTICE

Then we transfer the system, so you can run this work with your own clients, under your own brand. Training in the frameworks and the coaching conversations. The instruments: the assessment, the baseline, the worksheets, the interactive experiences that make the math impossible to unsee. Meeting-ready questions and insights for every stage of the client relationship. Ongoing coaching for the advisor as you build the muscle. The goal is capability, not dependence: your clients keep their advisor. Their lives get a discipline. Your practice gets the differentiator that compounds.

3 · PARTNER ON THE MOMENTS THAT MATTER

And when the moment calls for it, we work directly with your clients. Alongside you, never around you. The transitions where a balance sheet is the least of what's moving: the shift into retirement, where identity retires the same day the title does. UHNW family engagement and facilitation, getting three generations into one honest conversation about what the wealth is for. The transition of a family business, where a founder's life's work changes hands and so does a family's center of gravity. Liquidity events, inheritances, the year after a loss. These are the moments advisors win or lose families, and the moments this work was built for.

> *The division of labor stays explicit: the physician reads the data. The coach reads the life. The advisor reads the balance sheet. The client owns the portfolio.*

Bring it into the room.

The fastest way to feel the shift is to run it. Four questions, one per pillar, that change what an annual review is for.

FOUR QUESTIONS FOR YOUR NEXT ANNUAL REVIEW

Physical — “The plan funds you to 95. What are you doing, this year, to make sure you’re capable at 80?”

Mental — “Who are the five people you most want in your life in ten years, and does your calendar know it?”

Financial — “If we audited your last 500 waking hours the way we audit this portfolio, would you call it diversified?”

Spiritual — “If the money finished its job tomorrow, what exactly would it have bought?”

Notice what happens when these get asked. The meeting stops being a report and becomes a conversation the client cannot get anywhere else, which is the entire point. Nobody leaves a review about capability at 80, or five names on a calendar, and shops the relationship on fees.

Start small. Pick five clients approaching a real transition—retirement inside three years, a business heading toward sale, a family that has never had the money conversation across generations—and run the baseline with them. The conversations that follow will tell you more about the future of your practice than any industry report. Including this one.

THE CLOSE

The first alpha was measured in basis points. The next one is measured in years that were actually lived.

The portfolio is table stakes. The plan is a commodity. The client is about to be somebody new. What remains, the only thing that ever compounds without limit, is a life spent on purpose, and a professional with the discipline to help manage it that way.

That is the work. We built the system for it.

Adam Bruderly, BCC — Founder, The 9:03 Collective

Twenty-five years in finance, fifteen at Vanguard. Board-certified coach. Endurance athlete.

the903collective.com · adam@the903collective.com · (216) 904-6005

SOURCES & NOTES

The receipts.

1. Morningstar — U.S. fund flows research; passive funds' share of U.S. open-end and ETF assets surpassed active (crossover reported January 2024). Morningstar's annual U.S. Fund Fee Study documents the multi-decade decline in asset-weighted fees.

2. Vanguard, "Putting a value on your value: Quantifying Advisor's Alpha" — Kinniry, Jaconetti, DiJoseph, Zilbering & Bennyhoff; originally 2014, periodically updated. Estimated net value of ~3% per year, with behavioral coaching the largest single component (up to ~150–200 bps).

3. Blanchett & Kaplan, "Alpha, Beta, and Now… Gamma" — Morningstar, 2013. Five planning decisions produced 22.6% more certainty-equivalent retirement income, the equivalent of a 1.59% annual return premium.

4. Cerulli Associates — "The Great Wealth Transfer" projections (December 2024): ~$124 trillion transferred through 2048; ~$105 trillion to heirs; substantial "horizontal" transfer to surviving spouses, predominantly women.

5. Kahneman & Deaton, PNAS 2010 — emotional well-being and the ~$75k finding.

6. Killingsworth, PNAS 2021; Killingsworth, Kahneman & Mellers, PNAS 2023 (adversarial collaboration) — happiness rises with income for most, flattens above ~$100k for the least happy cohort.

7. Harvard Study of Adult Development — Waldinger & Schulz, The Good Life (2023); 85+ years of longitudinal data; relationship quality as the strongest predictor of late-life health and happiness.

8. U.S. Surgeon General Advisory, 2023 — "Our Epidemic of Loneliness and Isolation," drawing on Holt-Lunstad et al., PLoS Medicine 2010 (social disconnection risk comparable to smoking up to 15 cigarettes/day).

9. Alimujiang et al., JAMA Network Open, 2019 — among ~7,000 adults 50+, weakest life purpose associated with ~2.43× all-cause mortality vs. strongest.

10. Whillans et al., PNAS 2017; Whillans, Time Smart (HBR Press, 2020) — buying time and "time affluence" predict higher life satisfaction.

11. McKinsey & Company — "On the cusp of change: North American wealth management in 2030" (2020): the advisor's role shifting "from investment manager to integrated life coach" across financial, health, and protection needs.

12. Morningstar, "Mind the Gap" — annual study; dollar-weighted investor returns trail fund total returns by roughly 1.1% per year over trailing 10-year periods (2024 edition).

13. Cerulli Associates / industry retention research — consistently reported findings that 70%+ of heirs (and a majority of widows) change advisors after inheriting; figures vary by study from ~70% to ~90%.

14. Garmany & Terzic, JAMA Network Open, 2024 (Mayo Clinic) — U.S. lifespan–healthspan gap of ~12.4 years, the largest among 183 nations studied.

15. Charles Schwab, Modern Wealth Survey 2025 — conducted by Logica Research, April–May 2025, n=2,000 U.S. adults 21–75. Respondents were more likely to define wealth by health, relationships, experiences, and free time than by net worth or possessions; 45% named happiness the largest contributor to their personal definition of wealth; 83% report feeling wealthy in the quality of their relationships and 81% in their free time.

16. Dunn, Gilbert & Wilson, "If Money Doesn't Make You Happy, Then You Probably Aren't Spending It Right," Journal of Consumer Psychology, 2011 — the money–happiness relationship is "surprisingly weak," owing partly to how money is spent; eight evidence-based principles, led by buying experiences over material goods, spending on others, and favoring frequent small pleasures.

17. Capgemini, World Wealth Report 2025 — 81% of inheritors plan to switch wealth-management firms within one to two years of inheriting; $83.5 trillion passing to Gen X, millennials, and Gen Z by 2048. Survey of 6,472 HNWIs across four regions.

18. Fidelity, 2025 Advisor Insights Study — on average, advisors have never met the adult children of 70% of clients, or the spouse of 25%; households with both spouse and next-gen engaged hold 2.2× the assets and generate 1.9× the revenue of primary-client-only relationships.

19. Cerulli Edge — U.S. Retail Investor Edition, 4Q 2023 — 43% of women may not stay with their advisor after the death of a spouse or partner.

20. McKinsey & Company, "The New Face of Wealth: The Rise of the Female Investor," 2025 — U.S. women projected to control roughly $34 trillion (≈38% of U.S. retail assets) by 2030, nearly double today; survey of ~13,000 U.S. and European investors.

21. Charles Schwab, Modern Wealth Survey 2025 (investing wave, October 2025) — 68% of investors agree investing today requires more long-term patience; two in five trade more often than when they first started; 89% trade at least annually. n=2,400 U.S. adults.