

Values-based financial planning helps align your investment strategy with what matters most to you, creating a sustainable approach to wealth building that goes beyond chasing returns.

YOUR MONEY, YOUR VALUES: ALIGNING YOUR FINANCIAL PLAN WITH WHAT MATTERS MOST TO YOU

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Overview

Picture this: You're at a neighborhood barbecue, and the conversation inevitably turns to money. Someone mentions their latest stock pick that's "guaranteed" to double in a year. Another person brags about their crypto gains. Meanwhile, you're wondering if your steady, diversified approach makes you boring.

When it comes to building lasting wealth, boring often wins. And some of the most successful investors aren't chasing the latest hot trend. Instead, they've built their financial strategy around something much more powerful — their personal values.

What Is Values-Based Financial Planning?

Values-based financial planning flips the traditional investment script. Instead of starting with performance numbers or chasing market returns, it begins with a simple but profound question: What do you actually want from your money?

This approach recognizes that your financial decisions should serve your life goals, not the other way around. It's about creating an investment strategy that reflects your priorities, risk tolerance, and long-term vision for yourself and your family.¹

Think of it as the difference between buying a car because it's the fastest on the lot versus choosing one that fits your lifestyle, budget and values. Both might get you where you're going — but it is likely that only one will leave you satisfied with the journey.

Why Your Values Matter More Than You Think

Most people make financial decisions based on external pressures rather than internal compass points. During your working years, it's easy to get caught up in keeping pace with colleagues who boast about their latest purchases or investment wins. Parents often feel pressure to provide their children with everything their friends have, even if it means stretching their budget thin.



Those external influences often fade in retirement. Your kids are grown. You're no longer competing in the workplace. Suddenly, you're free to make choices based on what actually matters to *you*.

The retirees who thrive are those who figured this out early. They spent their working years building toward a retirement that reflects their authentic priorities — whether that's traveling the world, supporting causes they care about or simply enjoying quiet mornings with a good book and their favorite coffee.

Values-based planning helps you get clear on those priorities while you still have time to build toward them effectively.

Getting Clear on What Matters Most

The foundation of values-based planning starts with honest self-reflection. This isn't about choosing from a predetermined list of "good values"; it's about identifying what's genuinely important to you and your family.

Lifestyle priorities

How do you actually want to spend your time and money? Some people dream of maintaining an active lifestyle filled with travel and new experiences. Others value the confidence of a simpler life close to family. Neither approach is right nor wrong, but they require very different financial strategies.

Consider these questions:

- What does a fulfilling day in retirement look like to you?
- How much does maintaining your current lifestyle matter vs. simplifying?
- What experiences or activities would you regret not being able to afford?

Family considerations

Your values around family shape significant financial decisions. Do you prioritize leaving an inheritance, or would you rather spend your money on experiences with loved ones while you're alive? How important is it to pay for your children's or grandchildren's education?

Some families value financial independence and teach their children to be self-sufficient from a very early age. Others prioritize providing a financial foundation for future generations. Again, neither approach is superior, but clarity helps you make consistent decisions.



Social impact

Many investors want their money to reflect their beliefs about the world they want to create. This might mean avoiding investments in companies whose practices conflict with your values or actively seeking opportunities to support causes you care about.

Environmental sustainability, social justice, corporate responsibility — these considerations are increasingly important to investors who want their portfolios to align with their principles.

Building Your Values-Based Strategy

Once you've identified your core values, it's time to translate them into a concrete financial plan. This process requires balancing your ideals with practical considerations like risk tolerance, time horizon and tax efficiency. Your plan will incorporate several key components:

- **Asset allocation that reflects your priorities.** Your values should influence how you distribute your investments across different asset classes. If financial confidence is your top priority, you might allocate more heavily to stable, income-producing investments. If you're passionate about supporting innovation in clean energy, you might dedicate a portion of your portfolio to that sector.

The key is helping ensure your overall allocation still makes sense from a risk and diversification standpoint. Values-based investing shouldn't mean throwing sound investment principles out the window.

- **Account optimization.** Different types of accounts serve different purposes in a values-based strategy. Tax-advantaged retirement accounts like 401(k)s and IRAs are typically ideally suited for your core, long-term wealth-building investments. Taxable accounts might offer more flexibility for shorter-term goals or investments you might want to access before retirement.

If education funding is important to your family, 529 college savings plans help provide tax advantages specifically for that purpose. If charitable giving is a priority, donor-advised funds can help you maximize your impact while providing tax benefits.

- **Risk management.** Values-based planning often emphasizes preserving what you've built rather than optimizing growth at all costs. This might mean incorporating guaranteed income sources like annuities into your strategy, especially if maintaining your lifestyle in retirement is a top priority.

The goal is to help create a sustainable plan that supports your values over the long term.



The Role of Impact Investing

Impact investing — also known as socially responsible investing (SRI) or environmental, social and governance (ESG) investing — has become an increasingly important component of values-based investing.

This approach can allow you to direct your investment dollars toward companies and causes that align with your beliefs. You might choose to avoid industries like tobacco or firearms or actively seek out companies with strong environmental or social responsibility records.

The good news is you don't necessarily have to sacrifice returns to invest according to your values. Many ESG funds have performed competitively with traditional investments, and the universe of options continues to expand.²

Making It Work in Practice

The good news is you don't need to overhaul your entire portfolio or achieve perfect alignment between every investment and your values.

You may want to start by identifying the areas where alignment matters most to you. Maybe that's ensuring you have guaranteed income in retirement or dedicating a portion of your portfolio to clean energy investments. Build from there as your financial situation allows.

Regular reviews are important. Your values may evolve over time, and your financial strategy should evolve with them. What matters most to you at 35 might differ from what matters at 55 or 75.

The Long-Term Advantage

One of the most powerful benefits of values-based investing is the perspective it can provide during market volatility. When your investment strategy is built on a foundation of personal values rather than short-term performance, you're less likely to make emotional decisions during market downturns.

Investors who focus primarily on returns often find themselves constantly second-guessing their choices, especially during challenging market periods. Those who have built their strategy around their values tend to stay the course more effectively, which typically leads to better long-term outcomes.



The Bottom Line

Values-based financial planning works ideally when it's part of a comprehensive strategy developed with professional guidance. The intersection of values, taxes, risk management and investment selection can be complex, and a qualified advisor can help you navigate these considerations effectively.

The most important step, though, is the one you can take today — getting clear on what you actually want your money to accomplish. Once you know what you're building toward, creating a plan to help get there becomes much more straightforward.

Remember, the ideal investment strategy isn't the one that looks impressive on paper or to others. It's the one that helps you create the life you actually want to live.

Sources

¹ Debbie Carlson. *Britannica Money*. "How to invest according to your values or your faith." <https://www.britannica.com/money/values-faith-based-investing>. Accessed Aug. 29, 2025.

² Institute for Energy Economics and Financial Analysis. June 10, 2024. "ESG funds continue to thrive and outperform traditional funds across equity and fixed-income asset classes." <https://ieefa.org/articles/esg-funds-continue-thrive-and-outperform-traditional-funds-across-equity-and-fixed-income>. Accessed Aug. 29, 2025.

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