

KITCES SUMMIT

Welcome, Advicers!

Meet Your Summit Hosts



Michael Kitces
Kitces.com



Taylor Schulte
Define Financial



Housekeeping Notes

Agenda

Prospects

12:00 ET Welcome & Housekeeping

12:05 ET Charging What You're Really Worth

12:25 ET Kristen Hull

1:00 ET Yohance Harrison

1:30 ET 10-minute Break

New Clients

1:40 ET John Mason

2:15 ET John Froberg

2:45 ET 10-minute Break

Ongoing Clients

2:55 ET Brian O'Neill

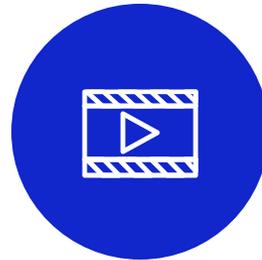
3:30 ET Emily Biehler



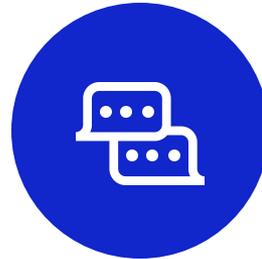
Download the Attendee Workbook in the Handouts tab



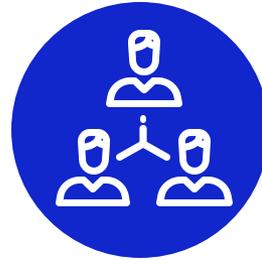
**Access handouts
provided by the guests
in the Handouts tab**



A recording is included with your registration and will be available by tomorrow evening.



Use the Chat tab to share thoughts and ask questions



Post-Summit Community Conversation

Make a connection.
Process what you've learned.

Shoutout to the Kitces Summit Adviser Ambassadors!

Adam Chapman, YESmoney
Amy Rosenow, Bold Vision Financial
Andrew McFadden, Panoramic Financial
Angela Furubotten-LaRosee, Avea Financial Planning
Chitra Patel, WealthWorth
Chris Chen, Insight Financial Strategists
Garrett Harper, Harper Financial Strategies
Kevin Giammalva, Brockmann Financial
Lauren O'Brien, XML Financial Group

Mark Jones, Rise Advisors
Melissa Ellis, Sapphire Wealth Planning
Myles Boege, Sovereign Financial Group
Nathan Brown, Farther
Patricia Jennerjohn, Focused Finances
Paul Caylor, Prudent Wealth
Sarah Fitzgerald, North Fork Advisors
Terry Parham, Innovative Wealth Building
Tina Mistry, Portfolio Advisors, Inc.



What are we doing here?

When you get paid a %age of what you sell (commissions), you never have to worry about setting the price.

You make more money by selling faster, or landing bigger sales.

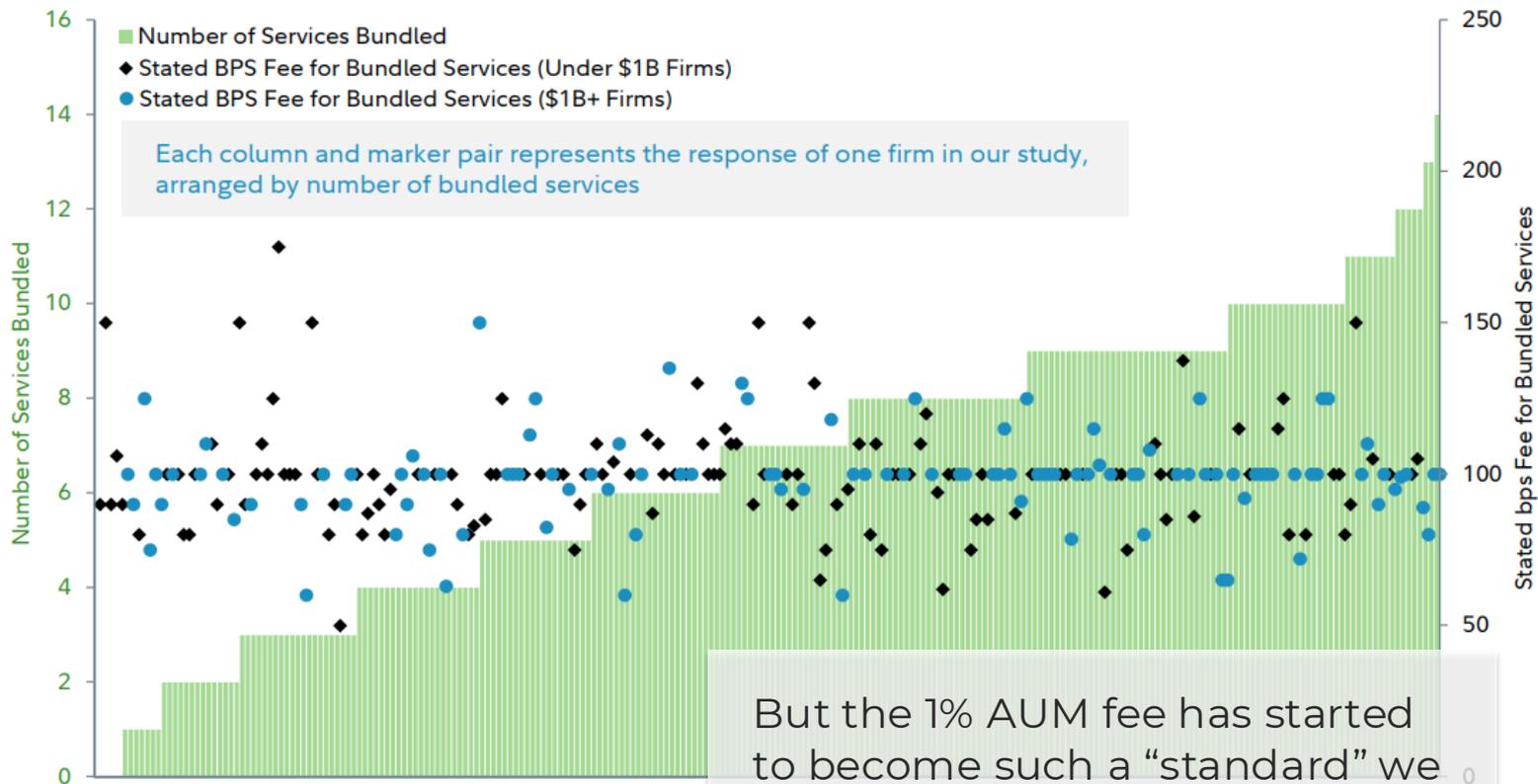


With the rise of the AUM model, we get paid a percentage of the assets we're responsible for.

We had to set the fee for the first time. But that's OK, "everyone" charges about 1% on a \$1M client. Benchmarks = defensibility.



Historical Progression Of Advisor Pricing



Source: Fidelity 2023 Benchmarking Study

When we begin to charge fees for standalone planning, all bets are off (there are no clear benchmarks).

We have to price our services entirely on our own.



Historical Progression Of Advisor Pricing

Commissions

The company tells me what %age of what I sell I will get to keep

AUM Fees

I charge a percentage of what I'm responsible for "just like everyone else charging 1%"

Planning Fees

I have to pluck a number out of thin air to say what I'm worth and justify it to a complete stranger!



Ease in setting the price



Confidence in setting the price



Question to the audience?

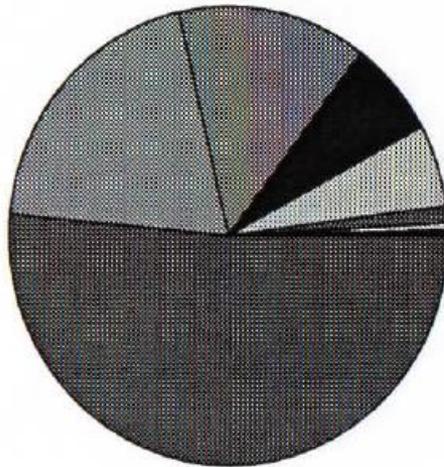
Taylor Time! 😊

2007 – 2012

(AUM + Commission)

Gross Revenue by Product - YTD

As of: Feb 14, 2012



- Rep as Advisor (\$10,582: 51.5%)
- Separately Managed Program (\$4,079: 19.8%)
- Investment Products (\$2,874: 14.0%)
- Mutual Fund Advisory (\$1,392: 6.8%)
- Unified Managed Accounts (\$1,190: 5.8%)
- Equities (\$250: 1.2%)
- Alternate Investments (\$100: 0.5%)
- Choice Select (\$43: 0.2%)
- Lending (\$41: 0.2%)

2012 – 2014

(Fee-Only Flat AUM)

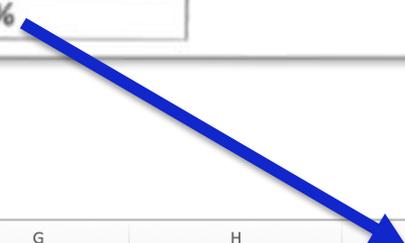
informed of any changes regarding the aforementioned items. The Client acknowledges that Adviser cannot adequately perform its services for the Client unless the Client diligently performs his/her responsibilities under this Agreement. Adviser shall not be required to verify any information obtained from the Client, Client's attorney, accountant or other professionals, and is expressly authorized to rely thereon.

2. MANAGEMENT FEES.

On an annualized basis, Adviser's Management Fee for services rendered herein is as follows:



| Assets under Management | Annual Management Fee |
|-------------------------|-----------------------|
| Any Assets | 0.85 % |



| A | B | C | D | E | F | G | H | I |
|----------------|-------|-----------|-------------------------------|------------|--------------|--------------|---------------|-----------------|
| Advisor | Fee | Acct # | Account Type - Client Name | As Of Date | Custodian | Billed Value | Investnet Fee | Net Advisor Fee |
| Taylor Schulte | 0.85% | XXXXX0216 | Individual Brokerage - Sam P. | 10/4/2013 | Fidelity IWS | \$29,274.73 | \$0.00 | \$62.21 |

2014

(\$1,500 One-Time Plans)

Most people mistakenly think that you need millions of dollars just to get financial advice.

THAT COULD NOT BE MORE WRONG!

A financial plan does not have to be expensive. We can cover many important aspects of your financial life for \$1,500.

WHAT DO YOU GET FOR \$1,500?

- An in-depth analysis of your investments
- A comprehensive review of all insurance policies
- A detailed report answering the BIG question: Am I on track to reach my financial goals?

**LET US CREATE YOUR VERY OWN
DEFINE FINANCIAL ROADMAP
TO SUCCESS™
FOR JUST \$1,500**

We can break up billing over three months meaning you'll pay only \$500 each month. And we can take credit card payments to make the process easier.

We look forward to working with you to help you:

- have more money
- so you can achieve your financial goals
- so you can have an awesome life!

Sincerely,



Taylor R. Schulte, CFP®
Founder & CEO, Define Financial

CONTACT US



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www.definefinancial.com

DEFINE FINANCIAL

**THE
DEFINE
FINANCIAL
ROADMAP
TO
SUCCESS™**

DEFINE FINANCIAL

2015/2016

(\$99 - \$349 Tiered Monthly Retainer)

| Monthly Retainer | \$99 | \$109 | \$149 | \$249 | \$349 |
|--|---|---|---|---|---|
| Unlimited Access to Your Financial Planner |  |  |  |  |  |
| Annual Reviews |  |  |  |  |  |
| Budgeting |  |  |  |  |  |
| Insurance Analysis |  |  |  |  |  |
| Investment Management |  |  |  |  |  |
| 401(k) Rollover Analysis | |  |  |  |  |
| Employer Benefits Review | | |  |  |  |
| Retirement Planning | | |  |  |  |
| Estate Planning | | | |  |  |
| Social Security Planning | | | | |  |
| Charitable Giving Planning | | | | |  |

2017

(\$500 Monthly Retainer)



Schedule A - Fee Schedule

The following are the fees charged by Adviser for services provided and are negotiable:

Financial Planning & Consulting

Potential areas covered are outlined above in SERVICES BY ADVISER. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

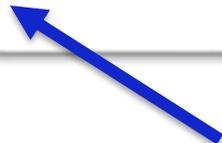
Initials

Initial

Monthly Fee: \$500

Description

The fixed monthly fee is paid in advance at the beginning of each calendar month. In the event of termination mid-month, the client will be billed for the hours already worked at a rate of \$350 per hour with the balance of the fixed fee (if any) refunded to the client.



2018 – 2021

(One-Time Plans + \$1MM Minimum Non-Tiered AUM)

FEE SCHEDULE AND PAYMENT

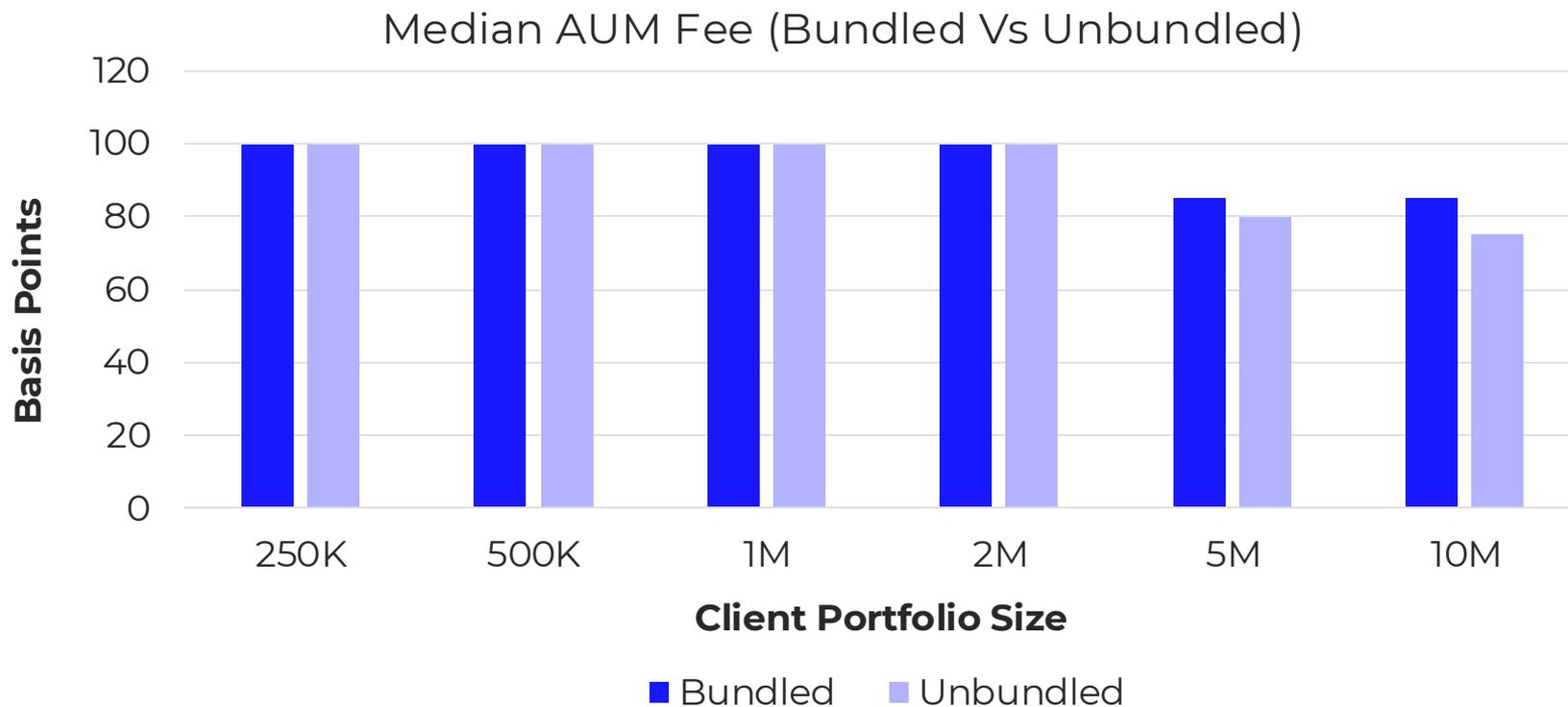
The following is the fee charged by the Adviser for the services detailed in this Agreement. The fee is paid up front and in full at the beginning of the process. In the event of early termination, the client will be billed for the hours worked at a rate of \$350.00 per hour.

The Define Retirement® PLAN

Financial Planning Fixed Fee (One-Time): **\$7,900**

| Household Account Value | Flat Annual Advisory Fee (Non-Tiered) |
|----------------------------------|---------------------------------------|
| \$1 - \$499,999 | 1.75% |
| \$500,000 - \$999,999 | 1.00% |
| \$1,000,000 - \$4,999,999 | 0.80% |
| \$5,000,000 - \$9,999,999 | 0.70% |
| \$10,000,000 & Above | Negotiable |

Emerging Issues of 'Fee Confidence'?



Source: Kitces Research on Advisor Productivity (2022)



Question to the audience?

2022 - Today

(\$2 Million Minimum + Premium "Graduated" AUM)

| Account Value | Annual Advisory Fee |
|----------------------------------|---------------------|
| For the first \$1,000,000 | 1.25% |
| From \$1,000,001 - \$2,000,000 | 0.95% |
| From \$2,000,001 - \$5,000,000 | 0.70% |
| From \$5,000,001 - \$10,000,000 | 0.30% |
| For any amount over \$10,000,000 | Negotiated |

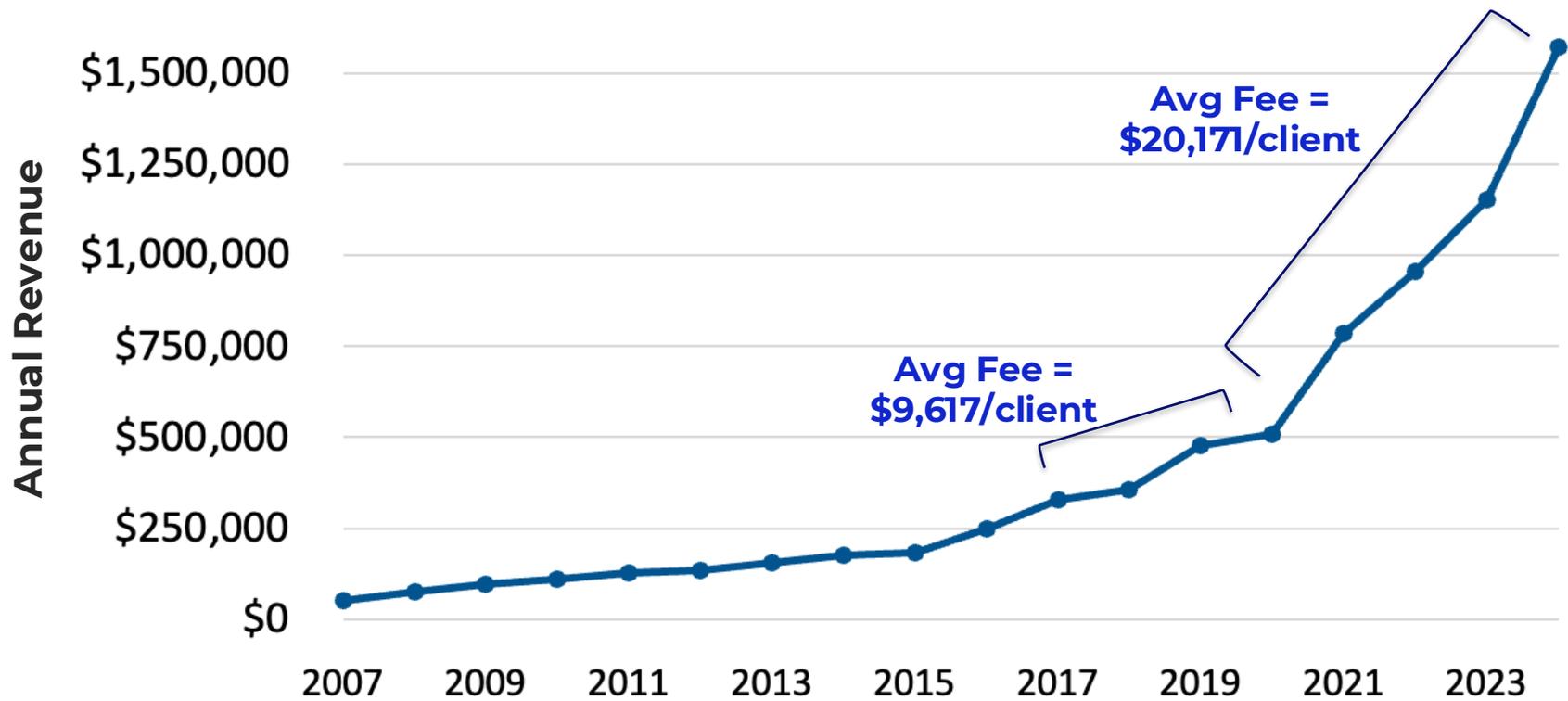
The Annual Advisory Fee is billed quarterly in advance, based upon the market value of the Assets on the last day of the previous quarter as valued by the Custodian, and subject to a Minimum Annual Fee. See Terms and Conditions for further details.

Ex (Minimum): \$2 Million = 1.10%/year

Ex: \$3.5 Million = 0.93%/year

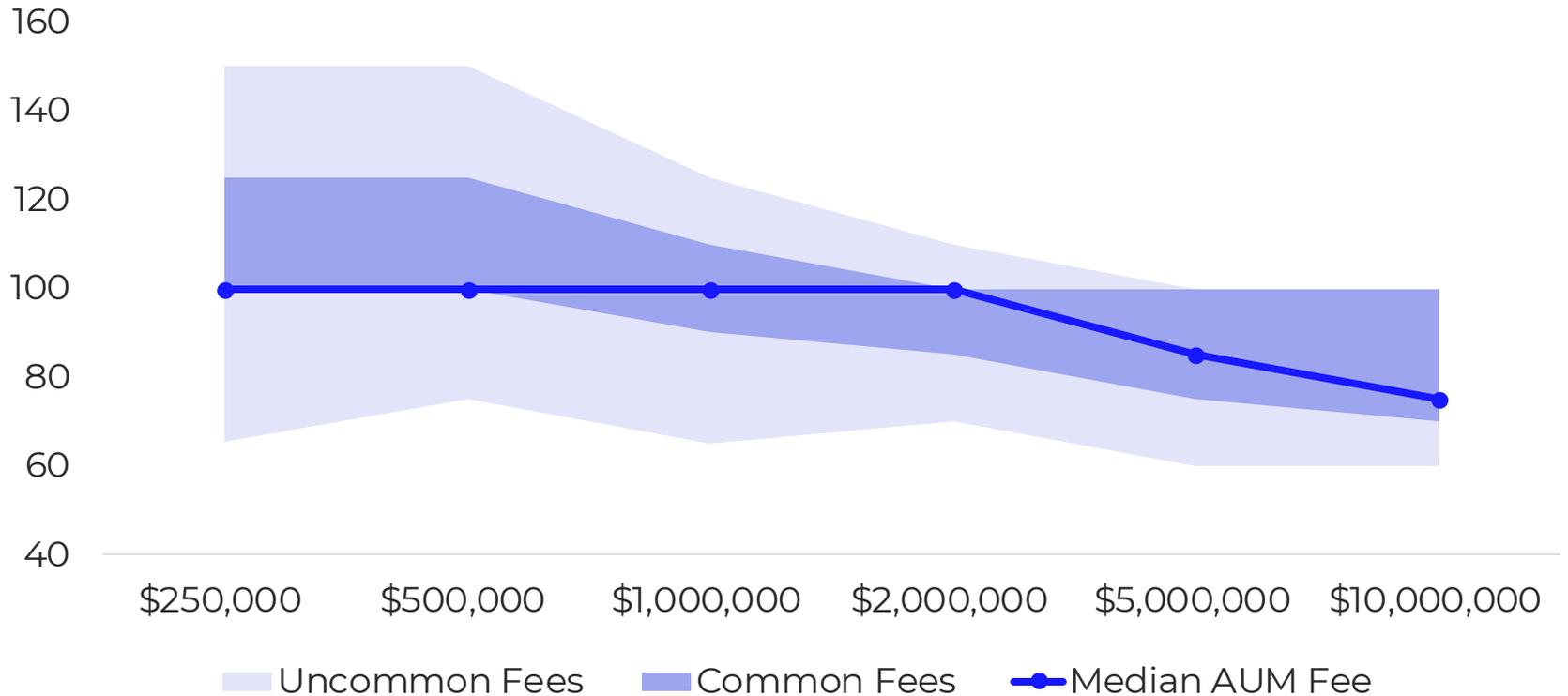


DEFINE FINANCIAL



Kitces Pricing Chart

(Where are all the Proudly-Premium Advisors?)



Source: Kitces Research on Advisor Productivity (2024)

Impact of Fee Confidence



Fee
Confidence



Charge Your
Full Value



Hire, Expand,
&/or Profit

How Do You Build Your Fee Confidence?



Time/
Experience



Look At The
Data! (Close
Rate, Retention)



Figure Out
How To Explain
& Show Better
Results

Explaining & Showing Planning Value



Prospects



New Clients



**Ongoing
Clients**

Kristen Hull

Using A Structured Meeting Agenda and Proposal Playbook To Explain The Value To Prospects



Yohance Harrison

Presenting A Clear Menu Of Planning Services And Fees To Close Prospects In One Meeting

John Mason

A Structured Process That Turns Initial (Paid) Planning Clients Into Ongoing (AUM) Clients



John Froberg

Creating A Written Implementation Plan To Clearly Show A New Client What Will Be Accomplished Together

Brian O'Neill

Systematically Creating Year-End Planning Summaries to Document Achievements And Next Action Steps



Emily Biehler

Building A Complexity-Based Fee Calculator To Ensure You Charge What You're Really Worth



Thanks for joining us!

Let's Get Started!

