The Kitces Report
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How Financial Planners Actually Do Financial Planning

2024 Financial Planner Productivity Study

Kitces.com

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What Actually Makes Financial Planners More Productive

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Before joining Kitces, Mark worked as a Financial Advisor for a Rhode Island-based RIA. He holds a master's degree in political science and is currently completing his Ph.D. in the same field. With experience as both a financial planner and a quantitative researcher, Mark is dedicated to creating data-driven, insightful content that supports Kitces.com's mission of helping financial advicers become better and more successful.

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Michael Kitces is the Chief Financial Planning Nerd at Kitces.com, dedicated to advancing knowledge in financial planning and helping to make financial advisors better and more successful, and the Head of Planning Strategy at Focus Partners Wealth, an independent RIA with more than $50 billion of assets under management, that provides private wealth management to consumers and turnkey asset management platform services to advisors.

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For more than two decades, Dan has directed a broad spectrum of industry executives toward a better understanding of how to succeed in the financial advisory marketplace. He has worked with broker-dealers, asset managers, leading RIAs, and every major industry custodian, helping to identify emerging trends in the distribution and demand for financial advice as well as best practices in firm management.

Once part of the Moss Adams consulting team that pioneered the field of advisor "practice management" in the mid-2000's, Dan later co-founded his own boutique industry research and consulting firm, FA Insight. After just seven years he successfully sold the firm to TD Ameritrade, at the time one of the country's leading providers of brokerage and custody services.

His research and consulting experience covers a broad range of issues affecting financial advisors, including strategic planning, organizational design, compensation, operations, and M&A. For over a decade Dan led the production of the FA Insight Annual Study of Advisory Firms, a leading resource of critical intelligence for financial advisory firms as well as the institutions that serve them.

Dan began his career as a government economist, including several years leading the Bureau of Economic Research in the U.S. Virgin Islands, before overseeing the marketing research function for Russell Investments. Dan holds bachelor's and master's degrees in economics from the University of Washington and is a CFA Institute charter holder.

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Our Fourth Look Into Advisor Productivity

- Productivity refers to the output generated per unit of input. In the context of professionalized financial advice, Kitces Research's preferred metric of productivity in its 2018, 2022, 2022, and now this 2024 study, is the revenue that teams produce for every lead advisor working on the team – although, at times, we also utilize other measures such as revenue per employee or the implied hourly rate a financial advisor generates per hour of client work. We explore productivity at the level of the *service team* (i.e., the group of one or more individuals collectively serving a defined client base).

- Understanding what drives advisory team productivity is crucial, as clients increasingly expect more from their relationships with advisors in a planning-centric marketplace. However, advisory firms must be careful not to provide 'too much' service relative to the fees they charge. Even when fees are well aligned with services, the productivity of advisory firms determines which will be more profitable – and, by extension, have greater enterprise value. Many advisory firms have increasingly invested in technology to boost productivity and efficiency – though, as we repeatedly emphasize throughout this report, there is far more to advisor productivity than just the use of technology!

Four Key Drivers Of Team Productivity

Client Affluence

- The most straightforward way for teams to command higher fees for their time and services is by working with clients who have greater financial complexity and the financial willingness and ability to pay higher fees for the complex planning work they require. In other words, advisors serving clients with greater needs and more at stake can generate more revenue with the value of their time – similar to an attorney with the specialized skillset to work with hyper-complex business clients and charge $1,000/hour or more for their expertise. In practice, the relationship between productivity and typical client affluence remains relatively modest until clients reach $2 million in net worth, at which point productivity sharply increases.

- Teams aiming to move upmarket must start by building planning-centric practices. At a minimum, this requires being led by advisors with CFP marks and developing plans that address components relevant to high-value clients, updated about once per year. (Notably, earning post-CFP marks does not appear to be a further driver in attracting more affluent clients.) They must also maintain sufficient team support to meet the high-touch service demands of high-value clients by ensuring a high ratio of support staff to lead advisors – ideally two support staff members per lead advisor – and leveraging outside support (either centralized firm/platform support or external third-party platforms or vendors) to offload some planning work.

- Given these high ongoing service obligations, as teams progress in moving upmarket, they must gradually prune their client base as well. For example, teams serving clients with $3 million or more in assets typically have fewer than 50 client households per lead advisor – half the number typical for an advisor serving $500,000 clients, who often manages an average of 100+ clients. Firms that fail to prune or otherwise transition their 'legacy' clients eventually become capacity-constrained and unable to work with clients who are willing to pay more for the advisor's time and expertise.

Pricing Confidence

- Many firms fail to align their fees with the value they deliver, which negatively impacts productivity. Often, the key to productivity is not leveraging more technology to deliver (under-)priced services efficiently but simply addressing underpricing itself in the first place. Correcting underpricing provides an immediate lift in productivity (and profitability) with the same advisory team. Similarly, offering more services than fees justify – that is, 'overservicing' – results in unsustainably low levels of revenue capacity, as advisory teams spend their hours on under-or entirely uncompensated services.

- In practice, our research suggests that teams that overservice often hold more than two client meetings per year, exceed 10 personalized client touchpoints annually, or include unnecessary services in plans that are not especially valuable to their clients (e.g., an annual review of P&C insurance when most clients aren't willing to pay higher fees for such an add-on service). Firms looking to 'right-size' their fees should focus not only on raising fees but also on establishing a minimum fee that any client valuing the service must pay, regardless of their AUM, to maintain a sustainable level of revenue per client relationship. Additionally, firms reliant on AUM fees can implement upfront planning fees to cover in-depth initial financial planning services or ongoing planning fees (in addition to AUM fees) to better align fees with the depth of routine planning services provided.

Optimizing Face Time With Clients

- A third way teams can boost productivity is by allocating their advisors' time more effectively – minimizing back- and middle-office work and targeting about one-third (30–35%) of their time to meet directly with clients (compared to just 16% for the typical team). Notably, our research finds that highly productive advisors do *not* need to spend 50% to 75% of their time in client meetings to be productive; instead, one-third is 'enough' if they're otherwise working with the right clients (who value their time and pay commensurately) in the first place. The most straightforward and impactful way to optimize lead advisors' time with clients is by maintaining strong staff leverage, achieved through a high ratio of support staff (e.g., Associate Advisors and Client Service Administrators) to lead advisors – ideally a 2:1 ratio.

- Another method involves implementing a systemized planning process for handling key steps like gathering data, delivering and updating plans, managing ongoing meeting schedules, and maintaining a client service calendar to further standardize services offered. Advisors on teams with routines in place for each of these services spend 7 percentage points more time in meetings than advisors who handle these tasks on a case-by-case basis.

- Additionally, properly utilizing tactical scheduling methods such as meeting surges can increase time spent in client meetings. Advisors on teams that properly utilize surge meetings spend 5 percentage points more time in client meetings (though, notably, our findings indicate that this benefit generally occurs only for teams with one lead advisor, as surge meeting structures are more difficult to implement with multi-advisor teams).

Implementing The Right Team Structure

- Building a productive team starts with carefully choosing the roles included. Our research shows that the most effective team structure is the "1+2" model – one lead advisor supported by two staff members, typically consisting of a Client Service Administrator (CSA) and an Associate Advisor, hired in that order. The typical 1+2 team generates $1,237,000 in annual revenue, and more generally, only 1+2 and 1+3 teams (with $1.1M in revenue) surpass a median average of $1 million in revenue per advisor.

- The 1+2 structure is successful because of its high support ratio, which provides the Senior Advisor with enough leverage to maximize productivity while avoiding common inefficiencies seen in larger teams. These inefficiencies include the 'management tax', where lead advisors devote an increasing share of their time to managing team members rather than working directly with clients, and the 'shared-clients tax', where multiple lead advisors attend the same client meetings, leading to redundant efforts and additional coordination challenges across the combined client base.

- Larger teams may improve productivity by splitting into smaller, self-contained units, each with its own lead advisor and dedicated support staff. In addition to adopting the 1+2 structure, teams can enhance productivity by outsourcing semi-frequent services (e.g., insurance implementation or estate document preparation, which may occur about 5–10 times annually but are necessary for at least some clients) and by operating exclusively in the RIA channel, which affords additional flexibility to structure team support according to the specific needs of the advisor.

- Notably, multi-advisor teams (e.g., 2+2 or 2+3 structures) may still be beneficial in certain situations. For instance, they can serve as a way to train advisor talent, create capacity for Senior Advisors to focus on business development, or simply allow Senior Advisors more vacation time. However, these structures come with trade-offs in productivity, so firms with multi-advisor teams should be mindful of whether these trade-offs align with their desired outcomes

Financial Planning Trends

Use Of In-Person Versus Virtual Meetings

- One of the most significant disruptions the COVID-19 pandemic brought to the financial planning profession was the shift in the location of planning meetings. Before the pandemic, in-person meetings dominated, and utilization of video calls was relatively low. By 2022, the percentage of teams holding initial planning meetings in the office plummeted to just 28%. In contrast, 26% of teams began holding all their meetings via video calls, while 32% used video calls on a case-by-case basis, likely reflecting client comfort levels. By 2024, the share of advisors primarily relying on in-person meetings partially rebounded to 49%, while the share of advisors primarily relying on video calls also ticked up slightly – each of which came at the expense of teams opting for a case-by-case approach. The partial rebound of in-person meetings suggests that advisors who only occasionally used video calls reverted to face-to-face interactions as soon as they could, while those who fully embraced video calls recognized their value and made them a permanent fixture of their practices. The end result is that advisors are reestablishing routines after the pandemic, although – given the enduring popularity of video calls – not necessarily the *same* routines they had before.

Financial Plans Are (Finally) Simplifying

- Past editions of this Kitces Research study on Advisor Productivity have noted 'scope creep' in the breadth of financial plans, which have steadily expanded to include more components over time. Between 2018 and 2022, the share of financial plans incorporating 13 or more components rose from 39% to 54%. By 2024, however, this figure dropped to 44%, driven largely by teams scaling back on services outside their core offerings (e.g., fewer teams are now reviewing property and casualty insurance). Teams appear to have recognized that they overextended themselves and are refocusing on delivering value through their core offerings in the more 'traditional' domains of financial planning.

- This reduction in plan breadth has been accompanied by a sharp decline in the use of most categories of specialized planning tools, with the exception of those used for tax and estate planning. This shift is also likely attributable to improvements in the functionality of comprehensive planning tools, which now address areas that previously required specialized software.

Continued Shift Toward Collaborative Planning

- While advisors may be downsizing the scope of their financial plans, they have increasingly shifted toward more collaborative planning, leveraging financial planning software to deliver results and update plans in real time during client meetings. The share of teams adopting a "Collaborative" approach has grown from 1 in 3 in 2020 to just over 1 in 2 today.

- This growth has largely come at the expense of "Comprehensive" approaches, where advisors generated and printed a comprehensive financial plan report from their financial planning software. Once used by half of teams, this method is now adopted by fewer than 1 in 5.

- As noted in past editions of this report, the trend toward collaborative planning reflects, in part, a broader shift among teams to 'levelize' their planning work. By breaking it into smaller pieces accomplished collaboratively over time, advisors avoid front-loading the work early in the client relationship with 'The Plan' – a single, voluminous document that is crafted and delivered all at once to the client.

Advisors Struggle With Pricing Discipline, Especially Those Primarily Reliant On Planning Fees

- After 10 years in business, teams reliant on planning fees have implied hourly rates of less than $200/hour for their client work, compared to $558 for advisors primarily relying on AUM fees, making the latter group significantly more productive. This is despite the fact that advisors using project and subscription fees serve clients who are equally as affluent as those charged AUM fees (ironically, advisors relying on hourly fees serve, on average, the most affluent clients overall).

- As previously noted, teams that charge both planning fees and AUM fees are more productive than those charging only AUM fees, in part because it makes upfront planning work profitable for clients who don't follow through with implementation. However, in practice, separate planning fees are often still waived for clients with higher levels of AUM; in fact, just 17% of teams incorporating both fee types routinely charge both to all clients, indicating that most advisors use planning fees to shore up revenue for lower-AUM clients rather than as a strategy to expand revenue per client for all clients served.

- Among firms charging AUM fees, clear differences in fee confidence emerge across teams. First, although it might be expected that teams bundling planning fees into AUM fees would charge higher AUM fees (to reflect compensation for two services instead of one) than teams charging separately for planning, in practice, these groups charge nearly identical AUM fees. Which means that teams currently bundling fees should either right-size their AUM fees to properly compensate them for their planning work or introduce separate planning fees to increase total revenue per client (charging separate planning fees have clearly demonstrated that clients *are* willing to pay for the services provided). Second, teams using graduated fee schedules charge 10-15 basis points lower in AUM fees than those using cliff schedules. While this may seem counterintuitive – since graduated schedules apply higher rates to lower tiers compared to cliff schedules, which charge the same rate to the entire portfolio – this disparity arises because cliff-schedule teams charge higher fees overall and provide less generous discounts for higher tiers. In other words, firms that use graduated fee schedules appear to be unnecessarily aggressive in their breakpoints at higher asset levels (as shown by what clients of cliff-pricing advisors are willing to pay).
- Just over one-third of teams charging AUM fees have no AUM minimums. Among those that do, only 11% of this group strictly enforces them, with 78% occasionally waiving minimums and 19% regularly waiving them. Routinely waiving minimums is particularly problematic for firms serving less affluent clients, as it can drive down revenue per advisor to levels that fail to reflect not only the value of the services delivered but also the basic cost of overhead required to support the client relationship. This creates a scenario where higher-dollar clients actually end up cross-subsidizing the fees of the advisor's less affluent clients, just to maintain a financially viable practice.

Introduction

Study Objectives And Coverage

Methodology

1

Study Objectives and Coverage

This is the fourth report in a biannual series by Kitces Research entitled "How Financial Planners Actually Do Financial Planning", which explores factors that drive advisor *productivity*.

Productivity, in its essence, refers to the output generated per unit of input. While this can be conceptualized in many ways in the context of professionalized financial advice, Kitces Research's preferred metric is the revenue that teams produce (i.e., the dollar value that consumers are willing to pay for the advisor's services) for every lead advisor working on the team – in essence, the number of advisors is the input and the revenue that they generate for services rendered is a measurement of the output. However, at times we incorporate additional measures of productivity as well. The central aim of our research studies on advisor productivity is to identify factors that distinguish the most productive teams – those that generate the highest revenue per advisor providing services to clients – from the rest.

The importance of understanding what drives advisor productivity is magnified, given that features that were once distinctive among service teams are becoming increasingly commonplace. While 25 years ago, only one in ten advisors were Certified Financial Planner professionals, this figure is nearly one in three today. Indeed, offering 'holistic' financial planning services – let alone offering *any* planning services – are no longer the differentiators that they once were. As advisors continue to expand the array of services that they offer to demonstrate value beyond the rapidly growing array of low-cost investment alternatives, such as robo-advisors and brokerage platforms offering retail investors no-cost trading, it has become more challenging to stand out from the flock. With long-held beliefs about boosting productivity continuing to lose relevance in an increasingly planning-centric industry, understanding what works (and what doesn't) in driving advisor productivity has never been more relevant.

With each successive study in this series, Kitces Research has sought to provide deeper insights pertaining to what really matters in building a productive team. This report represents no exception. Few reports have ever provided this level of detail on how financial planners do their jobs and the factors that contribute to their success.

In service of our goal of understanding the factors that drive advisor productivity, we focus on four key domains of the financial planning landscape.

Time. The number of hours worked by different members of the service team and how these members go about allocating these hours across a range of responsibilities.

Process. The processes that teams follow pertaining to the development, presentation, and ongoing maintenance financial plans with both new and existing clients.

Technology. The software tools teams rely on, their satisfaction with these tools, and the amount that they pay for them.

Pricing. The charging methods and the fee levels that teams use to get paid.

While these four domains do not encompass all possible factors that might influence the productivity of teams (e.g., marketing strategies that generate new growth or operations workflows that realize greater efficiency), they do cover many key dynamics from which we can derive insights into how advisors and their firms can best allocate their scarce time and resources to make their teams more productive.

Given this broad scope, our three key objectives in this report are as follows:

1. Identify what financial planners are currently doing in relation to the four aforementioned domains of the financial planning landscape;
2. Highlight ways in which advisors' practices have evolved since past editions of this report; and
3. Outline the key factors driving advisor productivity to benefit advisors, as well as the teams, platforms, and vendors that support their work.

Methodology

This report utilizes original survey data gathered between August 30th and September 30th of 2024 through the Kitces.com platform. Participation in this Research study was promoted to the Kitces.com audience through emails to the Nerd's Eye View mailing list, banners on the Kitces.com website, and multiple affiliated social media channels.

To be eligible for this study, participants had to be part of a US-based business that was operational for the entirety of 2023 and that provides financial advice or sells investment products; they were also required to play some role in the delivery of financial advice. Accordingly, individuals eligible to participate in our study included firm executives, Senior and Service Advisors who lead client relationships, and Associate Advisors and Paraplanners who support them, across all industry channels (definitions of these roles are found in the Glossary). However, those working exclusively in operations or administrative positions were not eligible.

Over 1,200 participants started the questionnaire for this study, which took approximately 40 minutes to complete in full. Of these participants, 621 met the stringent qualifications and completion requirements necessary for inclusion in the analyses and, subsequently, this report.

For most questions in this survey, participants were asked to respond at the level of their *service team* rather than about themselves personally (although for solo advisors, the individual advisor represents the 'team'). This reflects the recognition that multiple roles are often accountable for building and sustaining client relationships as well as developing, delivering, and maintaining financial plans.

For the purposes of this research, a "service team" is defined as one or more individuals working within a financial advisory firm who collectively serve and deliver financial planning advice to a defined client base.

Given that this survey drew from Kitces.com readers, the sample represents a somewhat unique segment of the financial advisor community. Kitces.com readers tend to be more advice- and planning-centric relative to the broader industry, which has a comparably greater focus on (standalone) asset management and/or investment or insurance product sales. This distinction is important, as the results may not fully represent everyone who identifies as a "financial advisor". For example, 73% of respondents in our sample are affiliated with an independent RIA – higher than what is typical across the industry.

Nonetheless, these results should be particularly meaningful for those who identify as “financial advicers” – professionals in the business of delivering financial advice (not exclusively selling products) to clients and getting paid for that advice.

While participants may have been limited to Kitces.com readers, they nonetheless represent a wide range of professional organizations, pricing structures, and client profiles, among other variables.

Meaningful shares of respondents were members of organizations such as the Financial Planning Association (32%), The National Association of Personal Financial Advisors (24%), and XY Planning Network (12%). Team revenue generally fell between $300,000 to $1.75M per year, with the number of clients served varying considerably, typically falling across a rather wide range between 57 and 265 clients per service team.

While the vast majority of teams generated at least some revenue through AUM fees, a substantial share of respondents reported that these fees accounted for as little as 15% of their total revenue, indicating a substantial reliance on separate planning fees.

Figure 1.1. Typical Survey Respondents

Respondent Age	38 - 58 Years
Age Of Respondent’s Practice	7 - 25 Years
Primary Industry Channel	73% Ind. RIA
Service Team Size (including all advisors)	2 - 5 FTEs
Service Team Revenue	$300,000 - $1.75M
Service Team Revenue Per Advisor	$200,000 - $833,000
Share Of Revenue Dependent Upon AUM Fee	15% - 99%
Clients Served By Team	57 - 265
Clients Per Advisor	38 - 127
Typical Investable Assets Per Client	$500,000 - $2M
Share Of Clients 60 Years Or Older	35% - 65%

Note: Ranges represent 25th—75th percentiles unless noted otherwise.

Figure 1.2. Respondent Membership By Organization

Share With Membership

FPA	32%	**NAPFA**	2%
NAPFA	24%	**NAIFA**	2%
XYPN	12%	**NAEPC**	2%
CFA	6%	**Garrett Planning Network**	2%
FSI	5%	**Society of FSP**	<1%
AICPA	4%	**ACP**	<1%
Kingdom Advisors	4%	**Other**	6%
IWI	4%	**None**	29%

How Financial Planners Actually Structure Their Teams

2

Understanding The Service Team

Before highlighting how teams vary across our four domains of time, process, technology, and pricing, it's necessary to understand the service team itself – what this term encompasses, the composition of teams, and how their members came to hold their current roles.

Kitces Research defines "service team" as:

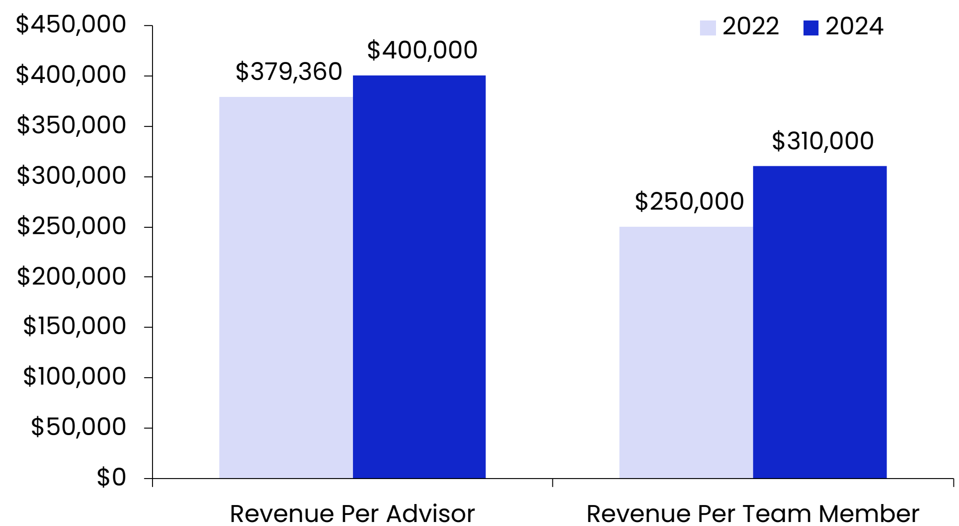
- one or more individuals,
- working within a financial advisory firm,
- who are collectively serving and delivering financial planning advice to a shared client base.

Shared resources, such as centralized Financial Planning Specialists, an investment or trading team, operations staff, or outsourced support external to the practice, were not considered part of the service team for the purposes of our research. At a minimum, service teams have at least one individual who manages client relationships and leads the delivery of financial planning advice. Most often, this role is filled by a Senior Advisor responsible for managing client relationships, driving business development, and mentoring others. Occasionally, in the absence of a Senior Advisor, a Service Advisor (accountable for managing and retaining existing clients but typically with little or no new business development responsibilities) will lead the team. Support roles within the team may include an Associate Advisor, Paraplanner, or Client Service Administrator (CSA).

When focusing solely on current participants who completed the questionnaires for both our 2022 and 2024 studies on advisor productivity – allowing us to track changes among the same set of teams over time – the typical team appears to have become more productive since our 2022 report (Figure 2.1). Our primary measure of productivity is the revenue generated for each lead advisor on a team, who is directly accountable for client relationships. By this metric, revenue per advisor for the typical team increased by 5%, rising from $379,360 to $400,000, which is largely in line with the ongoing growth of markets themselves and clients becoming incrementally more affluent over time.

Alternatively, when measured as revenue per employee, productivity showed a more substantial increase of 24%, climbing from $250,000 to $310,000. This larger increase in revenue per employee reflects improved operational efficiency among support staff, as the ongoing evolution of technology has enabled teams to generate more revenue without adding lead advisors and, in some cases, even by reducing back-office staff. This further highlights how technology is doing far more to lift the efficiency of advisory firms' back-office operations, rather than the front-office time of the advisors themselves.

Figure 2.1. Advisor Service Team Productivity (2022-2024)

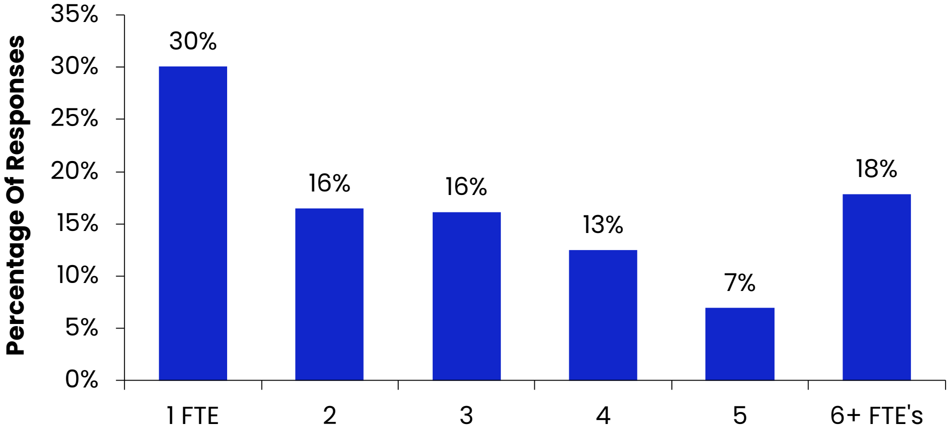


Note: Only includes respondents who completed both the 2022 and 2024 surveys

What Does The Service Team Look Like?

Using the Kitces Research definition, the median service team in our sample consists of three members: typically a Senior Advisor, a Service or Associate Advisor, and a CSA. However, only 16% of teams have precisely this number of members; indeed, 30% of teams consist of a single unsupported solo advisor and 16% contain two members, while 38% contain more than four members (Figure 2.2).

Figure 2.2. FTE Ranges For Advisor Service Teams

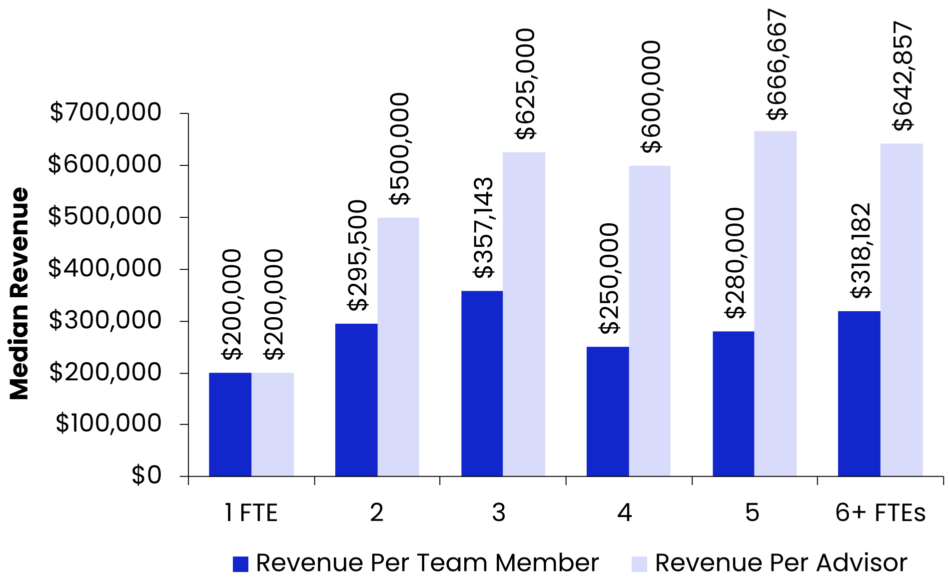


However, while there is little uniformity in the preferred size of a service team, productivity levels do vary significantly by team size. When examining teams' annual revenue per advisor – our key measure of productivity – we observe an increase from $200,000 for single-member teams to $625,000 for teams with three members, after which it levels off as team size grows (Figure 2.3).

This differs from our 2022 report, where revenue per advisor peaked with three members and declined sharply for teams consisting of five members. A similar peak is observed when looking at revenue per employee, which reaches $357,124 for teams with three members and declines as team size grows.

This pattern – where revenue per advisor plateaus after three members while revenue per employee falls – suggests that larger teams are attempting to proactively utilize support staff to leverage advisors' productive capacity but aren't actually succeeding in doing so. As team size increases, revenue per team member declines, yet revenue per advisor does not actually expand. As a result, advisory firms with larger teams may see a productivity improvement by splitting into smaller teams (e.g., one 6-person team divided into two 3-person teams) in cases where this change would not significantly disrupt the existing service model.

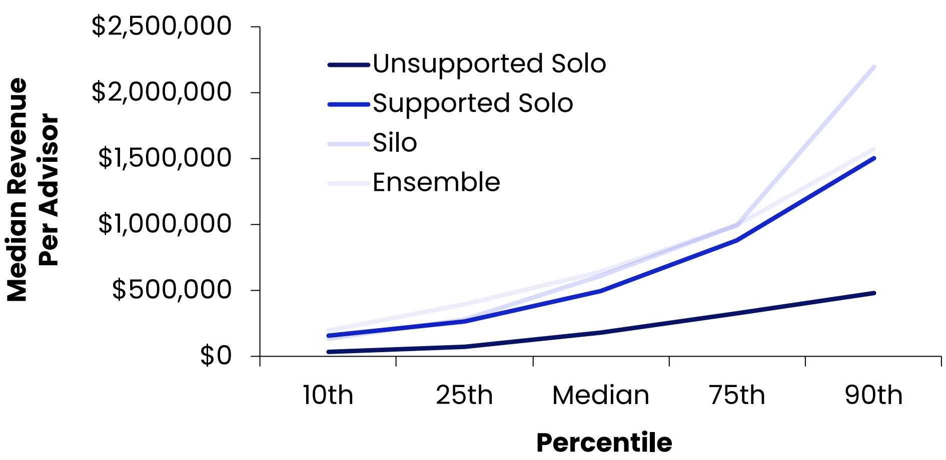
Figure 2.3. Productivity By Team FTE Range



It's worth emphasizing that teams consisting of a solo advisor are the least productive, implying that the inability of solo advisors to delegate non-revenue-generating tasks meaningfully reduces their capacity to produce. However, it's important to note that in some cases, solo advisors don't have lower revenue productivity because they lack a support team; instead, they may have a smaller support team because they haven't yet grown to the point that they can afford to hire additional team members, as they are still developing their client base. A deeper dive into the data reveals that when comparing revenue per advisor by practice structure (see the Glossary for in-depth definitions of these categories), teams where a solo advisor has support typically earn more across the spectrum.

The median unsupported solo advisor, who still generates $182,500 in revenue (enough to at least partially reinvest into team support), grosses $317,500 (64%) less than the $500,000+ revenue median of supported solo advisors (Figure 2.4). In turn, the differences remain just as stark amongst the most productive solo advisors; those at the 75th percentile as unsupported solos do manage to generate a healthy $350,000 of revenue; yet, this is 61% less than supported solo advisors, who are able to leverage their time and productivity to generate $900,000 of revenue as advisors. Or stated differently, advisors who do not hire staff support appear to 'cap out' at barely one-third of what they can achieve with a support team. More broadly, supported solos actually mirror productivity teams with silo and ensemble structures more closely than they do unsupported solos!

Figure 2.4. Revenue Per Advisor By Practice Structure



Perhaps more important than the number of members on a team are the roles fulfilled by these members. Figure 2.5 reveals that Senior Advisors are the most popular role, found in nearly all teams, followed by CSAs who provide administrative support and are present in 60% of teams. Other advisory support team members include Service Advisors (36%), Associate Advisors (25%), and Paraplanners (22%).

Figure 2.5. Frequency Of Roles Used In An Advisory Service Team

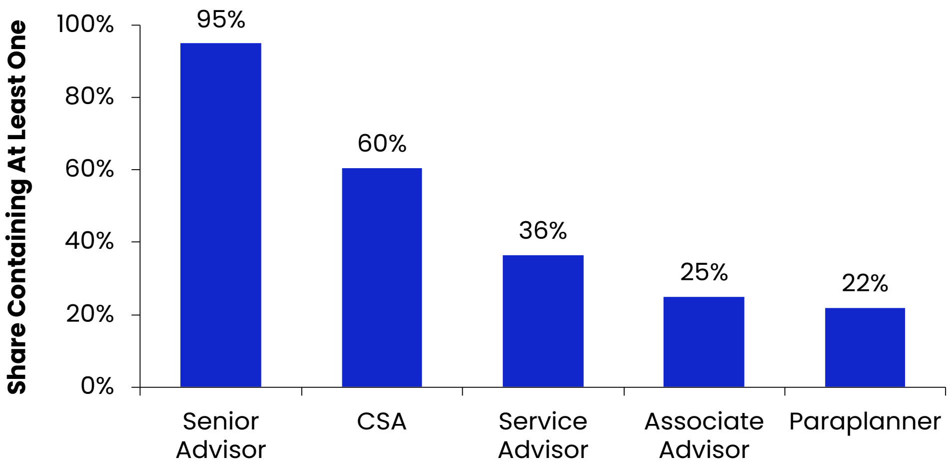
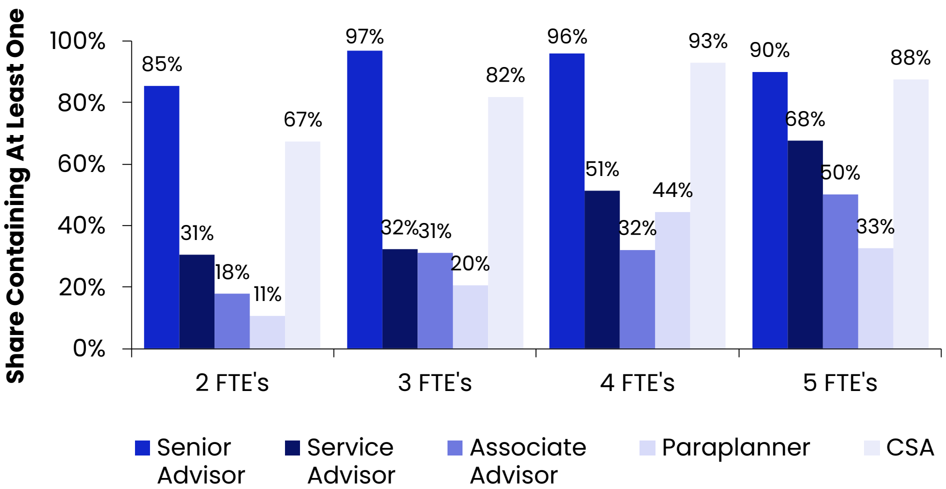


Figure 2.6, displaying the prevalence of each role by service team size, confirms that the CSA is the second-most common position in a two-person team, following the Senior Advisor. In addition to Senior Advisors (a staple of nearly all teams) and CSAs (common on most multi-member teams), the presence of specific roles on a team depends significantly on its size. For example, the proportion of teams with a Service Advisor does not exceed 50% until the team has at least four members. Similarly, Associate Advisors do not reach this threshold until the team expands to five members. Also notable is that Paraplanners are far less common until teams are at least 4 people (and have multiple advisors to whom they can provide paraplanning support and be fully utilized).

Figure 2.6. Roles Teams Use By Team Size



The typical hiring sequence for teams is shown in Figure 2.7. Single-member teams generally consist of a Senior Advisor, with the addition of a CSA marking the formation of a two-person team. From there, the third and fourth hires are typically a Service Advisor and an Associate Advisor, respectively, with a second Senior Advisor commonly added as the fifth team member.

Figure 2.7. Typical Service Team Hiring Cadence By Team Size

	FTEs By Role				
Team Size (FTE's)	Senior	Service	Associate	Para	CSA
1	1				
2	1				1
3	1	1			1
4	1	1	1		1
5	2	1	1		1

Note: Median Team Size: 3

What Is The Optimal Team Size?

It's important to note that just because the aforementioned hiring cadence is typical does not mean that it is optimal; alternative ratios of advisors to support staff at a given team size, for instance, could potentially enhance productivity.

To get insight into the question of optimal team size, we compare productivity levels across different team structures of up to five members, examining variations in the number of lead advisors versus support roles.

For our purposes, we divide roles in the service team between "lead advisors" and "support staff" based on whether the team member has primary responsibility for managing any client relationships (Figure 2.8). Based on this definition, Senior and Service Advisors are considered lead advisors, while all other team members – Associate Advisors, Paraplanners, FP Specialists, and CSAs – are considered support staff because they support those managing client relationships but don't directly deliver advice or increase client and revenue capacity.[1]

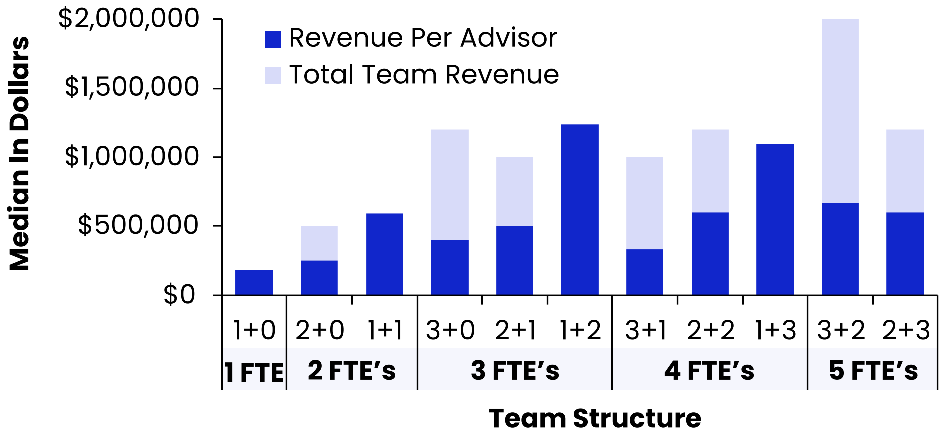
Figure 2.8. Breaking Down The Service Team

	Lead Advisors	Support Staff
Roles	Senior Advisors, Service Advisors	Associate Advisors, Paraplanners, FP Specialists, and CSAs
Accountabilities	Responsible for maintaining client relationships	Support those maintaining client relationships

[1] *In past research studies, Kitces Research has used the term "lead advisor" to refer specifically to Senior Advisors. Broadening the lead advisor term to encompass both Senior and Service Advisors reflects our recognition of the key similarity between the two roles—accountability for maintaining client relationships—that is unique from all other members of the team*

Figure 2.9 displays both revenue per advisor (dark blue bars) and total team revenue (light blue bars) across different team structures. In practice, these measures are identical for teams containing a single lead advisor (because team revenue is just being 'divided' by one member), while total team revenue can be higher for teams containing multiple lead advisors. (In this respect, Figure 2.9 is interpreted differently than most 'stacked' bar charts because total team revenue corresponds to the 'top' of the light blue bars rather than the portion of the y-axis covered by the light blue bars.) Figure 2.10 displays an alternative measure of productivity – revenue per team member. Notably, only 7% of service teams consist of five members, resulting in smaller sample sizes for these groups; therefore, the findings should be interpreted as indicative rather than conclusive.

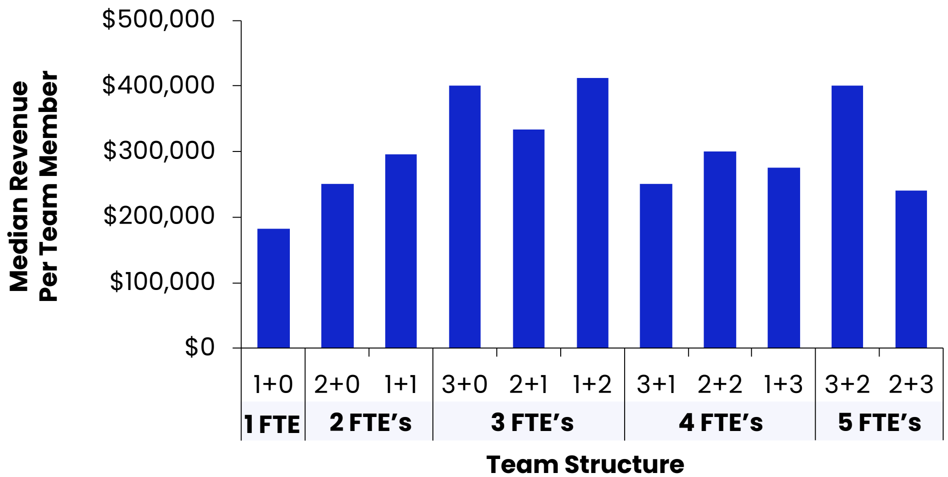
Figure 2.9. Revenue Per Advisor And Total Team Revenue By Team Structure



When comparing revenue per advisor across different team structures, it becomes clear how leveraging staff support enhances lead advisors' productivity. As shown in Figure 2.9, two- to four-person teams with a single lead advisor are significantly more productive than multi-advisor teams. Still, not all highly leveraged teams are equal. The single most productive structure on a revenue-per-advisor basis is the "1+2" model – comprising one lead advisor supported by two staff members, typically a Senior Advisor, Associate Advisor, and CSA. Two support staff members seem to provide the lead advisor with the benefit of additional leverage without being offset by the 'management tax', where an increase in the number of support staff requires the lead advisor to dedicate more time to managing the team, crowding out time for client work and ultimately diminishing productivity.

Even when considering other productivity measures such as revenue per team member, teams using the 1+2 model consistently emerge as the most productive. This suggests that if team size and structure decisions are based solely on productivity metrics, the most effective approach is not to keep expanding the service team with more lead advisors (and total staff members); instead, it is to bring the lead advisor to capacity within a 1+2 team and then establish a *new* team with a separate lead advisor (operating independently without shared clients) when the first lead advisor is ready to transition clients over to the new team.

Figure 2.10. Revenue Per Team Member By Team Structure



While many firms adopt a shared-client team structure under the belief that it enhances the client experience, our data indicates that these firms have not been able to generate sufficient additional revenue per client – whether through higher pricing or attracting higher-value clients – to offset the advisor capacity consumed by sharing clients in a multi-advisor team-based approach. Indeed, there appears to be a 'shared-clients tax', where having more lead advisors increases the behind-the-scenes effort required to coordinate across the team. This dynamic often requires multiple lead advisors to dedicate time to the same client, ultimately reducing productivity. Hence, firms with already-larger teams might consider splitting their teams into smaller units, especially when recognizing that – as described in the next section of this report – lead advisors in the most productive five-person (3+2) team structures typically work seven additional hours per week compared to those on 1+2 teams. This means that, when considering actual hours worked, the figures presented here actually understate the extent to which 1+2 structures drive productivity.

The fact that highly leveraged teams seem to perform better does not mean teams should never add additional lead advisors. At least in theory, teams could choose to prioritize revenue capacity by adding a greater number of (less productive) lead advisors. In practice, however, teams with multiple lead advisors often fail to achieve this in practice. In most cases, teams with multiple lead advisors generate less total revenue than 1+2 teams. Or stated more simply, highly leveraged teams not only have more productive advisors, but they also often generate higher overall revenue. One exception to this trend appears to be 3+2 teams – those with three lead advisors and three support staff – which achieve higher aggregate revenue due to their larger size. Thus, teams that prioritize revenue capacity over productivity may prefer this structure. Still, 1+2 teams remain the optimal choice when considering revenue on both a per-advisor and per-team-member basis.

Figure 2.11. The Negative Consequences Of Larger Teams

	The Management Tax	The Shared Clients Tax
What It Is	As the number of support staff increases, lead advisors spend more time on team management, which crowds out time for client work and thus negatively impacts productivity	As the number of lead advisors increases, there is more behind-the-scenes effort required to coordinate across the team on shared clients, and often multiple lead advisors taking time to be in the room with the same client, which negatively impacts productivity
When It Occurs	An initial expansion of an advisor's team allows for efficient delegation of tasks, but once an advisor expands beyond 2 support team members to manage, productivity begins to decline	This can occur as early as when a second lead advisor is added to the team, and the team must determine and coordinate on which advisor will be the primary support for which clients

The fact that 1+2 teams are optimal is particularly notable given conventional industry wisdom suggesting that as teams grow, they should hire additional Service Advisors to free up capacity for the Senior Advisor. However, this often fails to materialize in practice due to the inefficiencies stemming from the aforementioned 'shared-clients tax'. Instead, teams tend to be more productive when Senior Advisors are supported by a well-structured support team.

One striking implication of the fact that highly leveraged two- to three-person teams are more productive than the more common two- to three-person structures with multiple lead advisors is that many teams appear to be hiring sub-optimally. From a team productivity perspective, these firms would benefit by adding support staff rather than another lead advisor. When total client capacity constraints are reached, the better approach would be to split off and create a new team rather than expand the number of lead advisors within the existing team. Expanding the team places additional burdens on lead advisors to manage more team members and facilitate increased coordination across the team's collective client base, including the possibility of staffing multiple advisors for a single client meeting. The result is a combination of a 'management tax' and a 'shared-clients tax' that offsets any potential productivity gains from expanding the service team.

If teams choose to add multiple lead advisors, then it should be for reasons beyond just enhancing productivity. For example, while adding lead advisors may allow the Senior Advisor to shift client relationships and free up time, the actual benefit depends on the Senior Advisor's (and the firm's) overall goals. In some cases, the additional time freed up is simply lost to the aforementioned management and shared-client taxes. In others, the Senior Advisor may use the extra time for business development and growth efforts, or they may prioritize reducing their own workload. (Indeed, as outlined in the next section of this report, Senior Advisors on four-person teams frequently add multiple Service Advisors to lighten their workload and take more time off by transferring client responsibilities rather than to drive growth.)

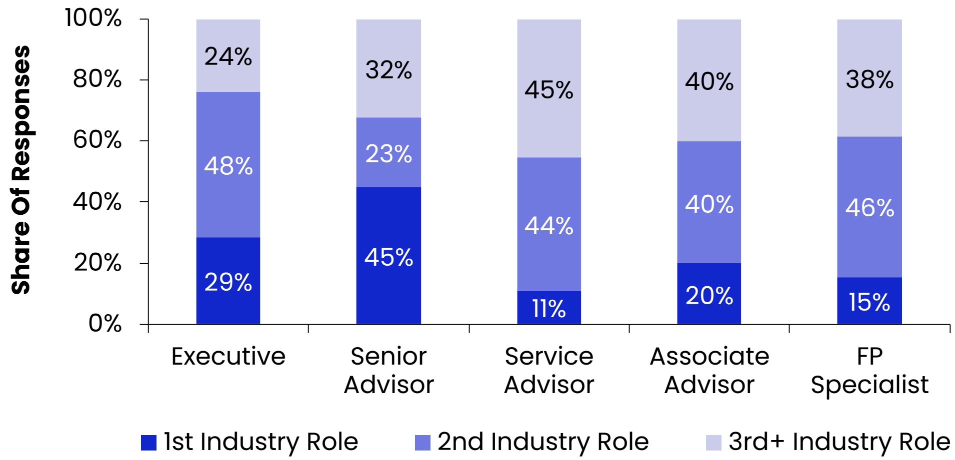
Career Progression Among Advisors

Teams differ not only in terms of the roles of their members, but also in how these members arrived at their current roles in the first place. Many Senior Advisors, especially those with more than 20 years of experience, got their start in the financial services industry by 'hanging out the shingle' right away and engaging in aggressive prospecting to build their client base from scratch; others joined firms (especially over the past decade) with structured career paths – often starting out in support roles and, after receiving substantial training, eventually progressing to an advisor role in which they were responsible for maintaining client relationships.

For the first time in 2024, Kitces Research asked respondents about their career progression in the financial services industry, enabling us to explore not only how career tracks vary by role, but also how they have evolved over time and the extent to which Senior Advisors' prior industry experience impacts the productivity of their teams.

When looking at respondents' number of past roles in the financial services industry, it appears that Senior Advisors are the least likely to have had prior industry experience before starting their own firms, fitting well to the historical paths that new advisors took when entering the profession in decades past. Forty-five percent of Senior Advisors 'hung out the shingle' right away (Figure 2.12), with 23% indicating that they are in their second industry role and 32% indicating that they have worked three or more roles.

Figure 2.12. Number Of Industry Roles By Current Role

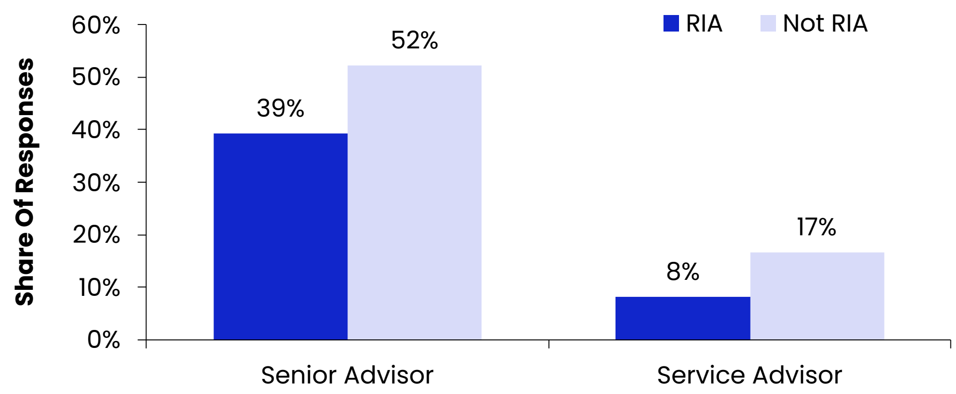


While 29% of executives started out in their current role, no other group of advisors comes even close to Senior Advisors in this regard – with only 20% of Associate Advisors, 15% of FP Specialists, and just 11% of Service Advisors having started in their current role! This may be especially surprising for Associate Advisors, as it suggests that while this role is often considered the entry point to an advisory service team, 80% of those in this position did *not* start their careers there. Instead, they progressed there from another role, such as a Paraplanner or a non-advisory role such as administrative support. Moreover, as Associate Advisors are often already in their second role by the time they join an advisory service team, Service Advisors tend to have the most robust career tracks, with 45% indicating that that they have worked in three or more industry roles (e.g., starting in an administrative support role, progressing to Associate Advisor, and eventually becoming a Service Advisor).

The fact that Service and Associate Advisors are both more likely than Senior Advisors to have established career tracks is not exactly surprising. Advisory firms have grown significantly larger over the past two decades, as the industry went from a 'large'" firm having $100M of AUM to one that has $1B of AUM to one that has several billion (or even tens of billions) of AUM. And, as noted earlier in this section of the report, Service and Associate Advisor roles are more common in larger teams (which themselves are more common at larger firms), which are more likely to have pre-defined career tracks in place for employees. By contrast, as noted earlier, a significant percentage of Senior Advisors who started out as unsupported solos in independent RIAs hung out the shingle right away.

We can gain some insight into this latter phenomenon by contrasting the share of advisors serving in their only industry role by channel. 39% of Senior Advisors exclusively affiliated with RIAs are in their first industry role compared to 52% of advisors affiliated with other channels such as independent B/Ds and W-2 brokers (Figure 2.13).

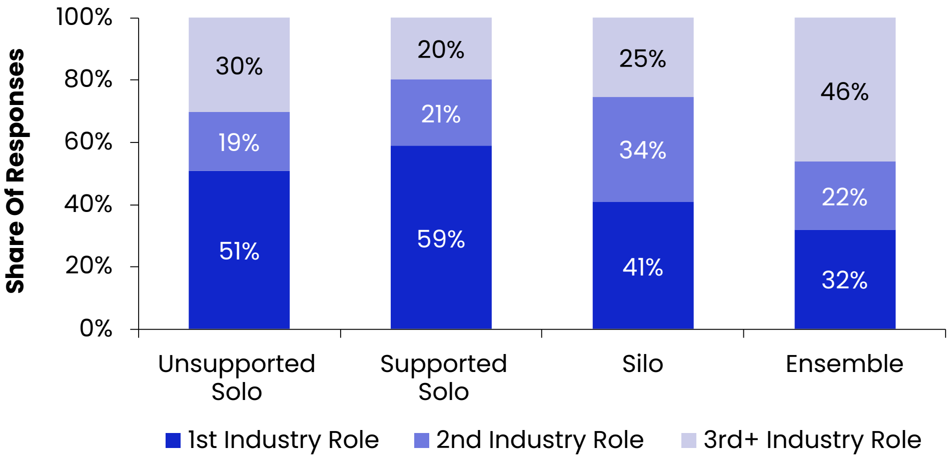
Figure 2.13. Share In First Industry Role By Current Role And Industry Channel



Service Advisors at RIAs are also more likely to have followed pre-defined career tracks. The growing availability of non-business-development Service Advisor roles appears to be creating even more career path opportunities for internal staff at RIAs. These roles enable team members to take on more client-facing responsibilities while continuing to support the firm's existing clients (rather than needing to bring in new clients).

This also varies in expected ways based on practice structure. Namely, the larger the team and support infrastructure of the organization, the more likely it is that advisors pursue a career track progression across that firm environment to eventually reach the Senior Advisor role. For example, a majority of solo advisors – whether supported or not – got started in their current role as opposed to working in multiple roles. For "siloed" multi-advisor teams responsible for their own client base and profits, this figure drops to 41%, with a decisive majority of these advisors having experience in at least one prior industry role (Figure 2.14). For "ensemble" teams, which pool resources and profits with other teams at the firm, the share of those with multiple roles jumps to 68%, with 46% of this group indicating that they have worked in three or more industry roles.

Figure 2.14. Number Of Industry Roles By Practice Structure, Senior Advisors



The typical career tracks of the various industry roles are displayed in Figure 2.15. Executives have the most industry experience of all roles, with a median of 22 years evenly split between their time in their current role and their prior experience as a Senior Advisor. By contrast, the typical Senior Advisor has 19 years of industry experience, the majority of which has been spent in their current role, with only four years as a Service Advisor. Notably, both Service Advisors and FP Specialists typically spend four years as Associate Advisors before reaching a career crossroads, where they choose to either stay in client-facing roles (often transitioning to Service Advisor positions) or move into more senior, back-office specialist roles. In turn, the typical Associate Advisor has four years of experience, evenly split between two years as an Associate and two as a Paraplanner.

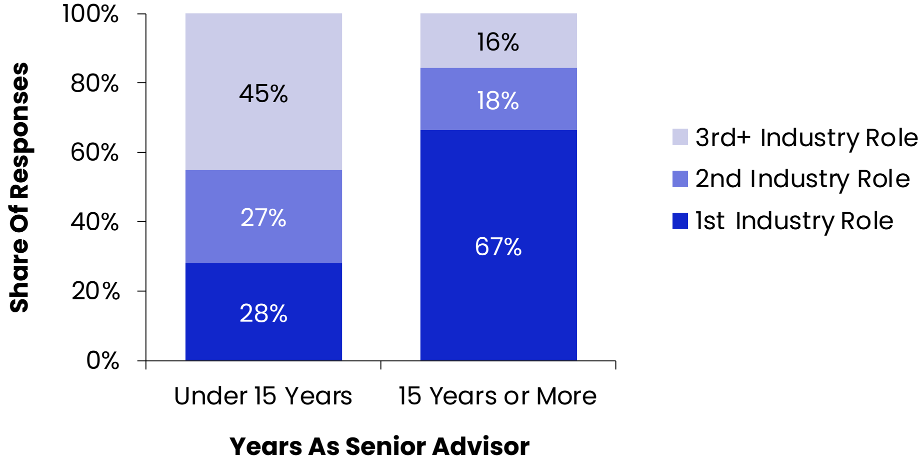
Figure 2.15. Typical Career Progression By Role

Years of Experience by Role	Executive	Senior Advisor	Service Advisor	FP Specialist	Associate Advisor
Years as Executive	11	0	0	0	0
Years as Senior Advisor	11	15	0	0	0
Years as Service Advisor	0	4	6	0	0
Years as Associate	0	0	4	4	2
Years as Paraplanning	0	0	0	0	2
Years as FP Specialist	0	0	0	3	0
Total Years (of above)	**22**	**19**	**10**	**7**	**4**

However, the fact that advisors in earlier-career-stage roles (e.g., Associate and Service Advisors) have a more multi-step career progression than longer-term Senior Advisors suggests that these current career tracks are themselves evolving with industry trends, such that advisors who started before 2010 (e.g., 15+ years ago) had a different career progression experience than those who entered more recently.

And indeed, as the data shows, among Senior Advisors with 15 or more years of industry experience in their current role, 67% report being in their first industry role, while only 16% have worked in three or more industry roles (Figure 2.16). Senior Advisors with fewer than 15 years of experience, however, appear much more likely to have followed established or at least emerging career tracks; just 28% of this group indicate that they entered the industry in their current position, while the remainder reached Senior Advisor from some other role in the industry (and nearly two-thirds of those indicate that they have worked in three or more roles). It appears that as the share of advisors working at RIAs continues to grow, the proportion of young advisors emerging through the career tracks commonly established within those firms is also increasing.

Figure 2.16. Number Of Industry Roles By Senior Advisor Experience, Senior Advisors

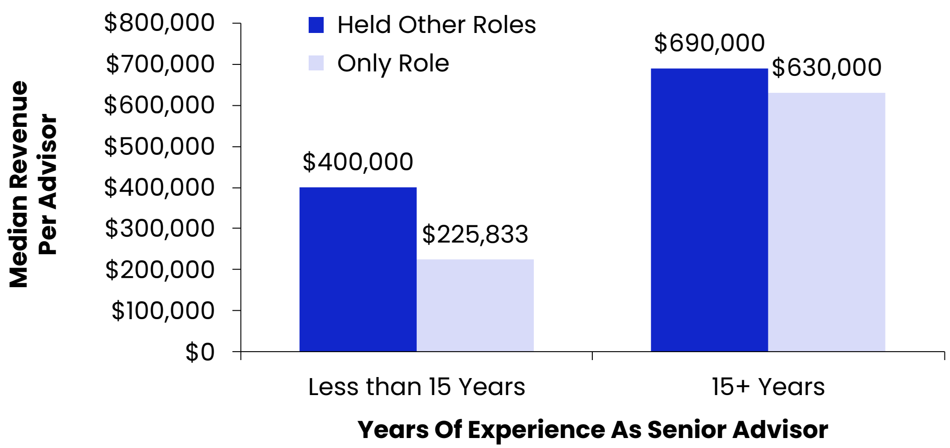


Taken together, these findings raise an important question: Is there any relationship between prior industry experience and productivity? Are the advisors who follow the profession's emerging career tracks actually more productive when they reach the Senior Advisor position? Conventional wisdom suggests that Senior Advisors entering their current role with prior industry experience would be better positioned for success early on in their careers because they would be more likely to start with a pre-existing client base (at least in the case of former Service Advisors, or perhaps Associate Advisors who received at least a small segment of clients to start working with) and able to utilize their institutional knowledge to more tactically allocate their time and attract high-value clients. As their careers progress, and Senior Advisors who started out by simply hanging out the shingle gain on-the-job experience, the productivity gap between these groups will steadily narrow.

The relationship between productivity and prior industry experience is particularly relevant given the industry's trend towards more established career paths. If prior industry experience is positively associated with productivity, this trend bodes well for the profession's earning potential, because a growing share of advisors will bring such experience to their roles.

The data displayed in Figure 2.17 supports this conventional wisdom. Among Senior Advisors with fewer than 15 years of experience in their current role, those with experience in prior roles are on or lead teams that generate nearly double the revenue per advisor of those who started out from scratch pursuing clients ($400,000 versus $225,833). By contrast, for Senior Advisors with 15 or more years of experience in their current role, this gap narrows to less than $100,000 in revenue per advisor (though those who followed a career track still overperform on productivity by nearly 10%!).

Figure 2.17. Revenue Per Advisor By Years Experience As A Senior Advisor And Past Industry Experience



Notably, overall years of experience as a Senior Advisor is more strongly related to productivity than having worked in multiple industry roles. Senior Advisors with fifteen or more years of experience are associated with generating $300,000–$400,000 more in revenue per advisor, regardless of whether they have held multiple industry roles.

Planning Expertise

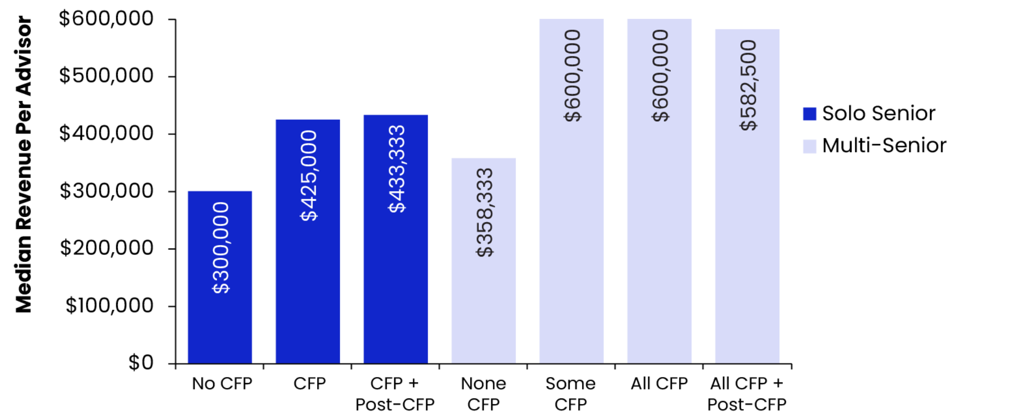
Advisors gain expertise not only on the job (both in their current and former roles), but also through sacrificing evenings and weekends studying for courses required for professional designations. The Certified Financial Planner marks represent the dominant planning credential in the industry. Established in 1973 as a voluntary program for advisors committed to professional development, CFP Board has since set increasingly rigorous ethical and professional standards for obtaining the marks. Passing the exam for CFP certification requires expertise in diverse subjects, including investment planning, risk management, estate planning, tax planning, and the psychology of money. The substantial growth in the share of financial advisors who are CFP professionals – from one in ten 25 years ago to one in three today – reflects the industry's shift toward a more advice-centric approach.

As the share of advisors with their CFP marks has steadily risen, so too has the share of advisors who have also obtained certain post-CFP marks, such as the CPWA, CLU, RICP or RMA, and CIMA or CFA, that advance the advisor's knowledge into even more specialized domains beyond the broad-based CFP educational curriculum (see the Appendix for a full list of designations Kitces Research considers to be post-CFP marks).

For the first time in 2024, Kitces Research asked respondents to report not only whether they personally hold CFP and post-CFP marks, but also whether each Senior Advisor on their team holds these designations. This provides insight into how the credentialism of all the team's Senior Advisors – those primarily responsible for maintaining client relationships and driving business development – relates to overall team productivity.

Among teams with a single Senior Advisor, the data shows a clear relationship between productivity and holding the CFP marks (Figure 2.18). Advisors who are CFP professionals generate $125,000 more in revenue per advisor compared to those without the credential ($425,000 versus $300,000). However, there seems to be no significant additional benefit from holding both the CFP marks and other post-CFP marks, as productivity remains virtually the same as for those with only CFP certification.

Figure 2.18. Revenue Per Advisor By Senior Advisor CFP And Post-CFP Status



A similar trend is observed among teams with multiple Senior Advisors. Teams whose Senior Advisors all hold CFP marks are more productive than those where only some do; however, adding post-CFP marks does not appear to provide additional benefits. Interestingly, the productivity boost associated with CFP certification does not require every Senior Advisor to hold the designation; teams with only some Senior Advisors with the CFP marks are just as productive as those where all Senior Advisors are CFP professionals. This indicates that as long as a team has at least one CFP professional who can go deep into planning topics, it is not necessary for the other Senior Advisors to have the same expertise.

Ultimately, then, the data suggests that advisory firms are seeing a clear productivity boost from at least some of their Senior Advisors having the CFP marks, but have not yet been able to cultivate additional productivity or pricing power from the additional expertise of pursuing post-CFP designations. (In theory, such expertise may still help advisors win new clients in a competitive landscape and support greater client growth rates, but this cannot be tested with the productivity data collected here.)

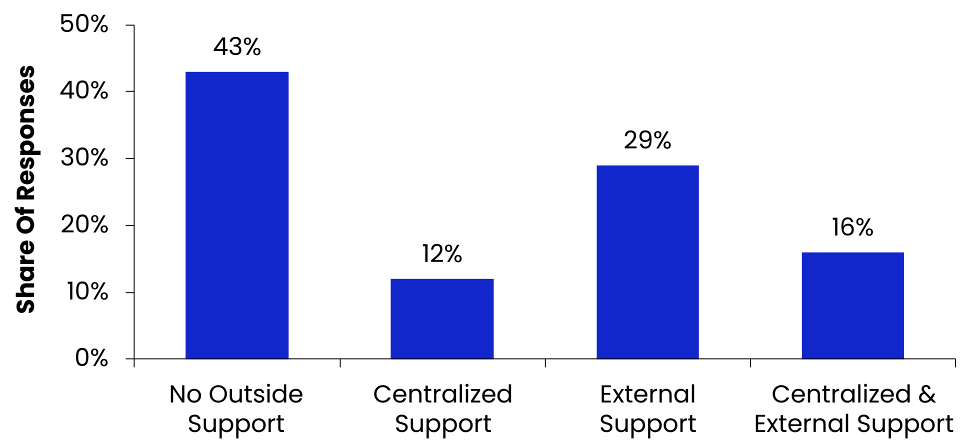
Reliance On Outside Support

Beyond the service team itself, teams can benefit from tapping into expertise *outside* the team to handle various services for their clients. For the first time in this study, Kitces Research asked respondents whether each of the components covered in their financial plans is handled *internally* by the service team, by a *centralized* support team affiliated with the team's firm or platform, or *externally* by a third-party vendor or outsourcing provider. This internal/centralized/external framework enables us to explore the extent to which teams rely on outside support to complete planning work, the particular services that they choose to outsource, and which decisions are most associated with a lift in productivity.

Internal
The service is provided by member(s) of the service team
Centralized
The service is provided by a centralized support team affiliated with the team's firm or plantform
External
The service is provided by an external third-party vendor or outsourcing provider

As shown in Figure 2.19, 43% of teams rely on no outside support whatsoever in providing the typical components of their financial plan, while 57% rely on centralized or external support to handle at least one service that they offer to clients. In terms of teams' reliance on outside support, 12% of all teams rely on exclusively centralized firm support, 29% rely exclusively on external support, and 16% leverage both centralized and external support for at least one service. It's worth highlighting that 45% of teams rely on specifically external support – either alone or in conjunction with centralized support, which is higher than the share relying on no outside support at all.

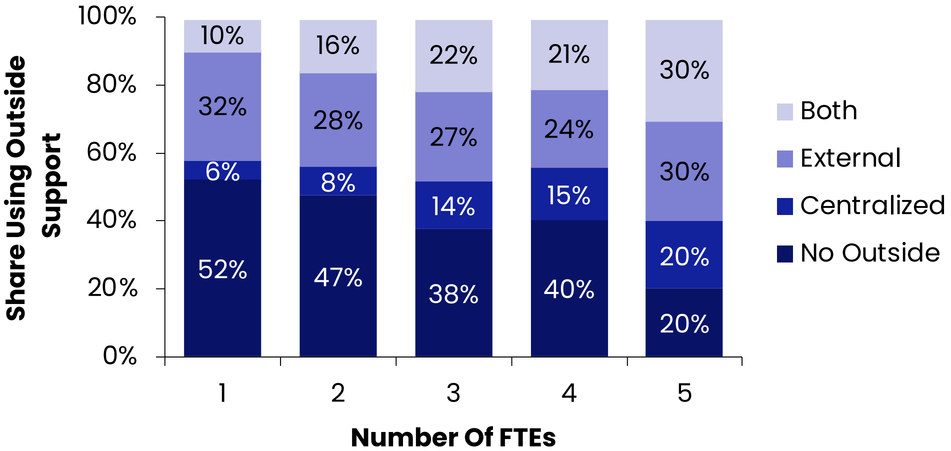
Figure 2.19. Frequency Of Advisor Service Teams Relying On Outside Support



Overall, it appears that a majority of teams outsource expertise to entities outside of the team itself to provide services to their clients, aligning with the conventional framing that the financial advisor often serves as the 'financial quarterback' to the client relationship across the multiple experts they may work with.

Consistent with the findings of our 2022 report, though somewhat counterintuitively, our results show that reliance on outside support does not *replace* additional employees; instead, it *complements* them. The data displayed in Figure 2.20 reveals that larger service teams are *more* likely than smaller teams to rely on, or rather perhaps to leverage the benefits of, outside support. Indeed, solo advisor teams are the only group where a minority rely on outside support; by contrast, this figure is 80% for teams with multiple members.

Figure 2.20. Share Using Outside Support By Team Size



The *type* of outside support that teams utilize also varies by team size. More than half of 1–2 person teams using outside support rely exclusively on external third-party vendors or outsourcing providers; less than 10% of these groups rely exclusively on centralized support. Larger teams are more likely than smaller teams to rely on centralized support – both in isolation or alongside external support. This is likely because larger teams tend to be associated with larger advisory firms almost by definition, which increases the likelihood that they would have the resources to staff more centralized support roles (e.g., a centralized Paraplanner support department for all their service teams).

Figure 2.21. Revenue Per Client Based On Outsourcing Of Insurance Work

Service	Revenue Per Client of Teams Handling Internally	Revenue Per Client of Teams Handling Externally
Life Insurance	$5,477	$7,500
Health Insurance	$5,000	$7,500
Disability Insurance	$5,019	$6,465
Property & Casualty Insurance	$6,425	$7,874
LTC Insurance	$5,200	$7,500

In turn, the use of outside support is substantially higher among solo advisors earlier in their practice lifecycle, with 53% relying on it as they build their client base, compared to just 38% of those with established practices. Which further indicates that while larger firms appear to leverage outside support to expand or deepen their services beyond what is handled internally (whether through a central department or external outsourcing), solo advisors often rely on outsourcing support as a form of 'fractional staffing' *until* they reach a point of financial sustainability where they can hire up their own team to in-source those capabilities instead.

Notably, both large and small teams include approximately 15 components in their financial plans, indicating that larger firms are not simply outsourcing to create more 'comprehensive' plans. Instead, it appears that when smaller teams include a component in a financial plan and provide it internally, they are more likely to offer only the advice, leaving implementation to the client and perhaps providing a referral. By contrast, larger teams – serving higher-value clients with greater service expectations – are more likely to handle both advice *and* implementation. This is supported by evidence comparing the typical client size of teams that handle various insurance services internally versus those that outsource them: teams outsourcing these services tend to serve wealthier clients (or at least, those willing to pay more) compared to teams doing so internally (Figure 2.21).

Beyond differences in team size, reliance on outside support doesn't vary much across industry channels – being relatively similar for those affiliated exclusively with RIAs, Independent Broker-Dealers, or hybrid versions of both. However, outsourcing is more common amongst firms whose revenue primarily comes from AUM fees and commissions, compared to firms that rely on hourly and project or subscription fees.

Outsourcing services as a means of importing expertise from outside the team becomes more evident when examining outsourcing rates by CFP certification status. Figure 2.22 shows the proportion of financial plan components outsourced based on the certification status of teams' Senior Advisors. For both single-advisor teams and multi-advisor teams, CFP professionals are more likely to handle services internally than non-CFP professionals, despite including more components in their financial plans. In short, the expertise gained through CFP certification translates both into offering additional services and being able to handle these services in-house. This suggests that firms with a lower percentage of CFP professionals should look to provide more centralized Paraplanner support for their advisors, while firms with a higher percentage of CFP professionals may be able to 'save' on centralized staffing resources by simply allowing their teams to continue doing the bulk of their own planning work.

It's worth emphasizing that all these groups consistently handle 80%–90% of their services internally within the service team. Across our entire sample, the average share of services that teams outsource is 16%, which, as we'll discuss later in this report, are most commonly tasks related to insurance and estate planning. This suggests that outsourcing primarily supplements the core services provided by the team with select specialized offerings. For now, the key point is that while outsourcing, particularly to external vendors or platforms, is very common, it accounts for only a small portion of the services that teams provide.

Figure 2.22. Plan Components Outsourced By Senior Advisor CFP Status

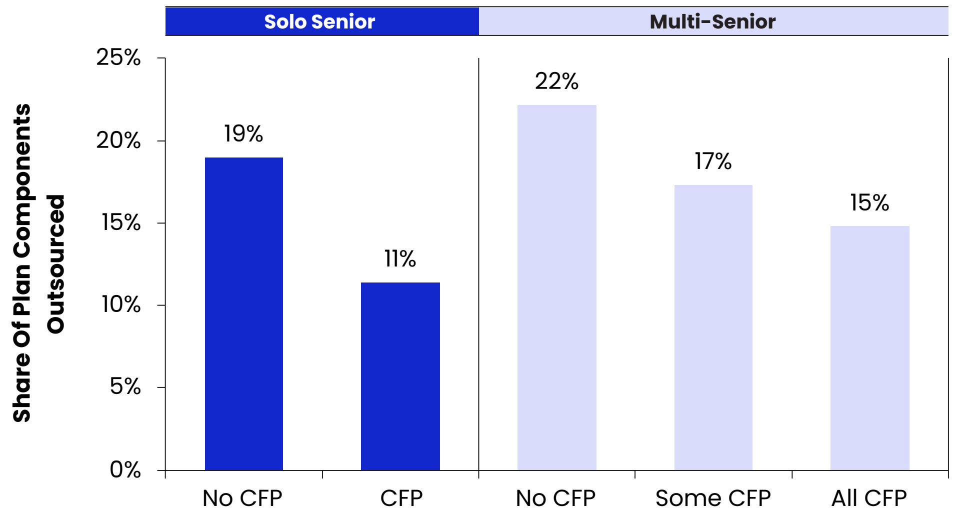
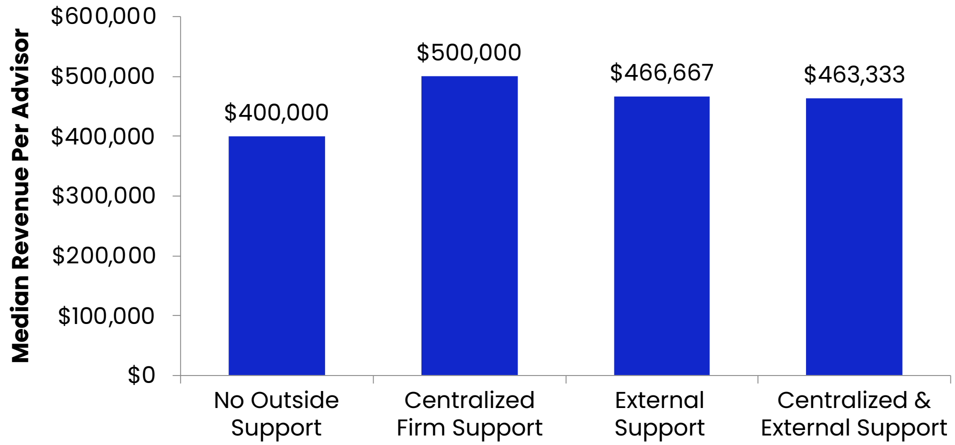


Figure 2.23. Revenue Per Advisor By Reliance On Outside Support Among Established Practices



Note: "Established Practices" are defined as any practice not in the startup phase of its development.

Looking at the relationship between reliance on outside support and productivity among established teams (i.e., those not in the 'startup' phase), teams that do not outsource a single service earn $440,000 in annual revenue per advisor, compared to $500,000 for those exclusively relying on centralized support, $466,667 for those exclusively relying on external support, and $463,333 for those relying on both (Figure 2.23). Which means ultimately, similar to our earlier findings on the benefits of gaining advisor leverage from support staff, teams that rely on outside support in any capacity are more productive than teams that do not, though there do not appear to be any substantive differences in outsourcing channels used by advisory service teams.

Key Takeaways

The Importance Of Having Support

In summary, several key dynamics within service teams are strongly correlated with productivity. Beginning with team size, multi-person teams of any capacity are more productive than teams consisting of an unsupported solo advisor. Unsupported solo advisors face significant growth limitations – for example, those in the 90th percentile of revenue per advisor generate only $480,000 annually. This is less than the $500,000 earned by supported solo advisors at the *50th percentile* and only about one-third of the nearly $1.5 million in revenue achieved by top-performing advisors (90th percentile) with support teams. Put simply, solo advisors who do not establish some form of support – whether by hiring or leveraging a platform – effectively cap their revenue potential at half or less of what advisors with support can achieve.

Crucially, the data suggests that almost *any* support infrastructure is sufficient to gain leverage; across the income spectrum, supported solo advisors perform comparably to multi-advisor ensemble firms, while unsupported solos just fall increasingly behind. This highlights how large (and ever-growing) teams of multiple advisors are not essential to experience meaningful increases in earnings. Instead, simply adding a CSA can significantly enhance the earnings potential of solo advisors to levels comparable to those of larger teams.

The Optimal '1+2' Team Structure

While having support is important, not all team structures are equal. Teams aiming to maximize productivity – defined as achieving higher revenue per advisor and per employee while minimizing the need for lead advisors to work overtime – should grow to a '1+2' team structure, consisting of one lead advisor and two support staff (typically comprised of a Senior Advisor, Associate Advisor, and CSA). Adding additional support roles risks negatively impacting productivity due to the 'management tax' while adding additional lead advisor roles also risks harming productivity due to the 'shared-clients tax'.

Expertise Matters—Both On And Off The Team

Finally, expertise is key when it comes to the productivity of service teams. This expertise can come in a range of different forms. One form of expertise at the center of many industry studies is the knowledge gained from accumulating years of experience on the job. Consistent with these studies, we find that productivity increases sharply over advisors' careers as they gain years of client-facing experience.

However, this report also highlights a related form of expertise that impacts advisors' productivity: the number of different roles advisors have worked in the financial services industry. The impact of such experience is large. Among Senior Advisors with fewer than 15 years of experience in their current role, those who previously held another industry position – typically spending around four years as a Service Advisor – are part of teams that generate nearly double the revenue per advisor compared to those without such experience ($400,000 versus $225,833). While this gap narrows as careers progress, it never fully disappears. Hence, experience in an advisor's current role and prior industry experience both play a significant role in team productivity.

Beyond the amount of time advisors spend on the job, expertise can also be gained through the additional education required for key industry designations – although this point warrants some nuance. Teams with a single Senior Advisor are about 40% more productive when the advisor holds CFP certification compared to those without it. For teams with multiple Senior Advisors, productivity is approximately 70% higher when all advisors hold CFP marks compared to teams where none do. However, while the CFP designation is strongly correlated with productivity, additional post-CFP certifications do not appear to provide further gains beyond those associated with the CFP marks. This suggests that while additional education can expand expertise, its benefits have limits, at least with respect to its impact on commanding higher fees.

Service teams can also choose to outsource expertise to entities outside of the team. Just over half of teams provide at least one service by utilizing centralized firm/platform support or external vendors – most commonly for insurance or estate planning needs – with an average of 16% of their services handled centrally or externally. While both productive and unproductive teams handle over 80% of their services internally – indicating that outsourcing primarily serves as a supplement to key in-house offerings – the most productive teams are nonetheless more likely to leverage external resources beyond 'just' what their team alone can produce.

Taken together, the ability of teams to access expertise – whether on or off the service team – is crucial to providing value that clients are willing to pay for, ultimately driving team productivity.

Planning Profiles

As highlighted in this first section of the report, there is remarkable variance among service teams – not only in their structures but also, as we'll explore in the following sections, across our four key domains of time, process, technology, and pricing.

One challenge in examining these domains individually is understanding how service teams compare and where similarities and patterns emerge across them. To truly grasp the financial planning landscape, it's essential to identify how the various types of teams discussed throughout this report naturally cluster together. Put simply, we aim to uncover distinct profiles by which service teams vary.

To identify these profiles, Kitces Research utilized factor analysis – a statistical technique that groups together related variables – to identify connections among variables across our four domains. Figure 2.24 illustrates how these variables relate to productivity along their spectrums, highlighting which have the greatest effects and identifying points where they may have greater impact or diminishing returns.

The result of this analysis is the identification of five distinct Planning Profiles. These profiles are not designed to encompass all teams; as while some may fit neatly into one of these dimensions, others may overlap multiple dimensions or fall outside these clusters altogether. Instead, our goal is to address the broader question: Amid the diversity of service teams, what key similarities stand out?

Leverage And Touch: Teams scoring high in this dimension represent well-established, highly leveraged multi-person teams with more support staff than advisors. These teams include experienced advisors who, thanks to their ample support, manage more clients than the average team and are able to dedicate a greater proportion of their time to client meetings. This Profile is the most strongly correlated with productivity among all five Profiles, indicating that the ability to leverage support staff empowers advisors by enabling more face time with clients. However, after a certain point, team productivity experiences diminishing returns, consistent with past Kitces Research findings that the work required to manage and coordinate amongst overly large teams ultimately comes at the cost of productivity.

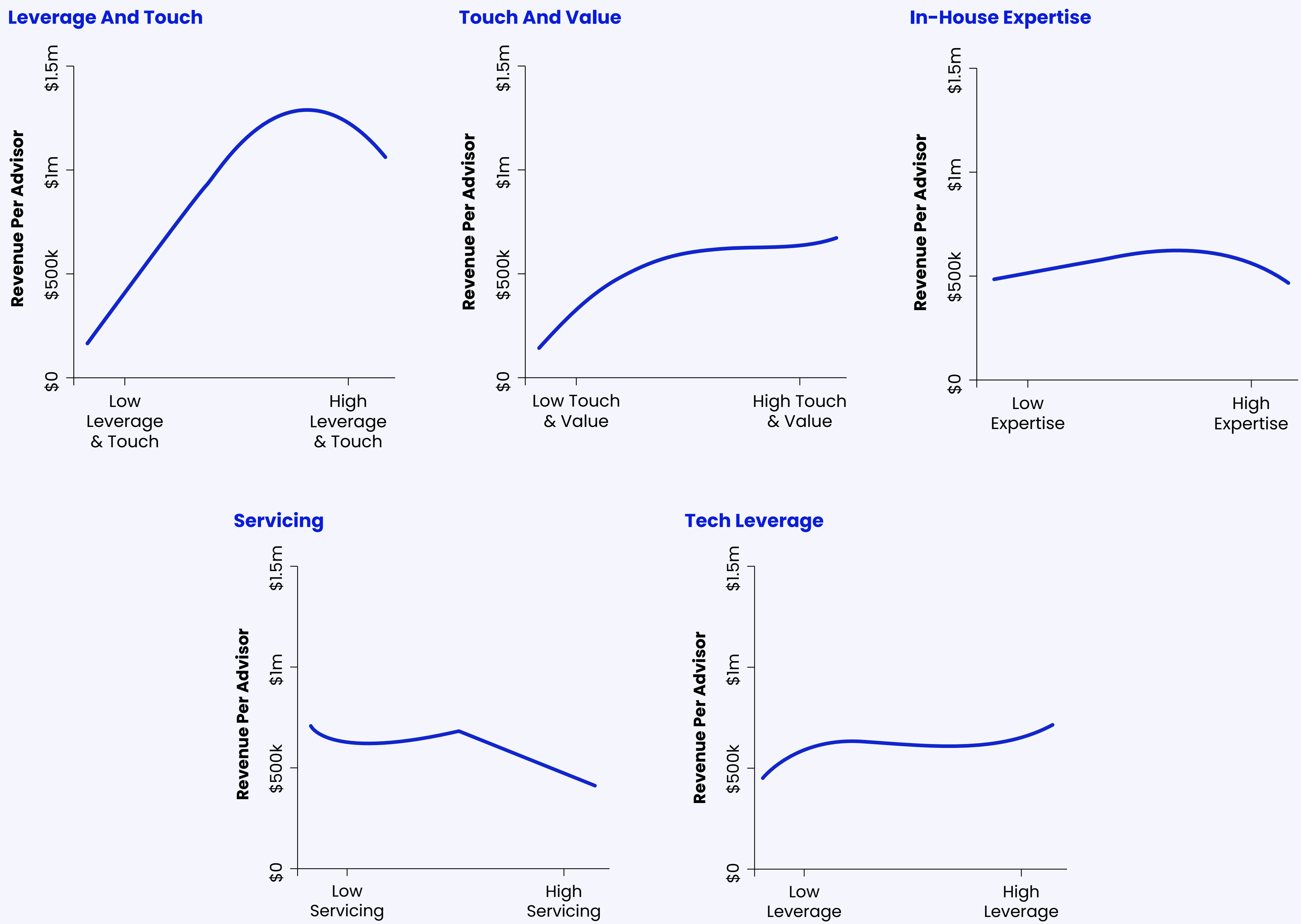
Touch And Value: Teams scoring high in this dimension typically operate within independent RIAs, serve a small number of affluent clients, and demonstrate strong pricing discipline. Following Leverage And Touch, this Profile has the second strongest relationship with productivity. Intuitively, working with fewer high-value clients proves to be an efficient practice model. Conversely, teams scoring low on this Profile – those serving many small clients with poor pricing discipline – are the least productive group. While the relationship between the Touch And Value Profile and productivity does not peak like the Leverage And Touch Profile, it does plateau, indicating that beyond a certain level of focus on high-value clients, additional efforts yield marginal productivity gains.

In-House Expertise: Teams scoring high on In-House Expertise are more likely to hold key industry designations such as CFP certification and adopt an aggressive approach to planning for their clients. These teams handle most services in-house rather than by outsourcing. The relationship between In-House Expertise and productivity is modestly positive up to a point, after which it begins to decline. This suggests that while having sufficient expertise to provide core services in-house is beneficial, an overly planning-centric approach, where all work is kept internal, may lead to clients being overserviced or at least 'over-analyzed' with a depth of financial plan beyond what they wanted or needed (or were willing to pay more for), diverting advisors from more productive uses of their time.

Servicing: Teams scoring high on Servicing invest significant time meeting with clients, have frequent client touchpoints between meetings, and include a wide range of services in financial plans. The relationship between the level of client servicing and productivity remains relatively stable up to a threshold, beyond which it declines sharply. Like In-House Expertise, this Profile suggests that overservicing clients comes at the expense of advisors focusing on higher-value activities, ultimately reducing productivity. More generally, though, it's notable that advisors with average servicing do not see significantly higher revenue productivity than those with narrower service models. This implies that advisors who do less, see their clients less, and charge less can, in fact, make up for it by serving more clients; instead, the only real impact of Servicing is to avoid *over*servicing.

Tech Leverage: Teams scoring high in Tech Leverage make extensive use of technology, investing heavily in financial planning software and time-saving tools like AI meeting notes. This allows them to either free up time to do planning for more clients or to go deeper in planning with their clients. Among the Profiles, Tech Leverage has a weaker correlation with productivity. However, the data highlights that the least productive teams are those investing almost nothing in planning technology. Conversely, the most productive teams are those with a robust technology stack that includes tools to streamline time-consuming tasks. Still, the fact remains that the key drivers of productivity are found outside of technology; in practice, the effectiveness of an advisory firm's staffing decisions and team structure matters far, far more than their use of technology.

Figure 2.24. Revenue Per Advisor By Planning Profile



3

How Financial Planners Actually Spend Their Time

Time: A Scarce And Precious Resource

The single greatest constraint on advisors' productive capacity is *time* – making it their most valuable resource. Time is inherently finite; nominally, everyone has the same amount of time in the day and week and a similarly long workweek. Teams attempting to drive productivity by grinding out longer hours can expand their time capacity incrementally, but will still inevitably reach the limits of the hours available in a day. Moreover, this approach carries the risk of burnout or even leading advisors to exit the profession entirely.

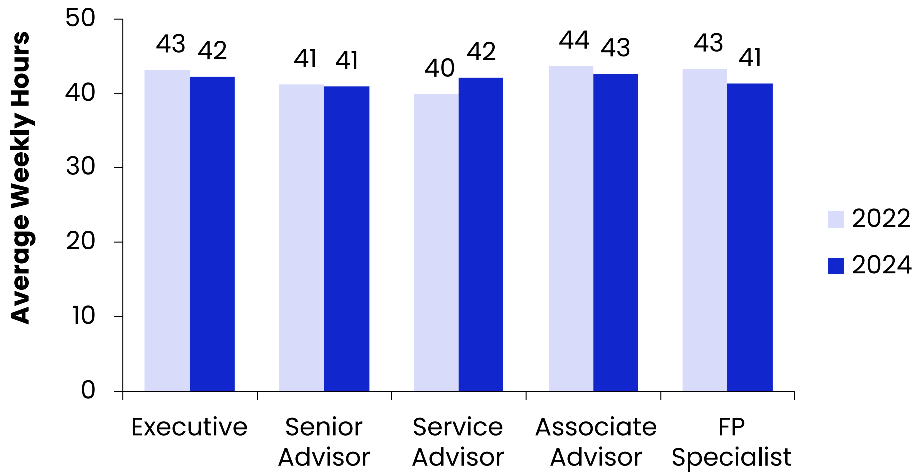
The process of time management is made more difficult by the fact that key aspects of advisors' jobs can't be automated away. Regardless of how well advisors streamline their workflows, invest in time-saving technology, and outsource time-intensive tasks, substantial portions of time will always be dedicated toward building relationships with clients and delivering advice in a manner that inspires trust – a process that only moves as quickly as clients make decisions. Hence, teams trying to maximize their productivity will inevitably need to engage in trade-offs regarding how best to spend their time. Indeed, when it comes to productivity, the central challenge for advisors pertains not to the number of hours *that* they work, but instead toward maximizing the revenue that advisors can command for every hour that they *do* work. Simply put, when it comes to the relationship between time and productivity, it's all about how you use it.

Time Worked

In 2024, the typical advisor worked 41.0 hours per week, roughly identical to the typical American worker (40.5 hours). This figure has declined from 41.5 hours in 2022, and 43.7 hours in 2020 when many advisors were still dealing with the increased burden of servicing clients in a year of extreme market (and economic and life) volatility.

Senior Advisors, the largest group of advisors, aligned with this overall median at 41 hours per week, as did FP Specialists. Executives and Service Advisors each worked 42.0 hours per week, while Associate Advisors worked the longest at 43.0 hours. Notably, in both our 2022 and 2024 reports, Associate Advisors consistently recorded the longest hours among these roles, though overall differences across roles remain modest (Figure 3.1).

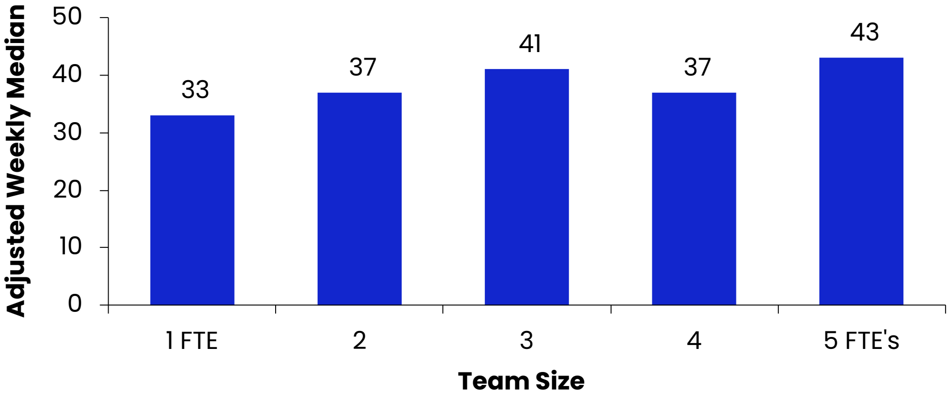
Figure 3.1. Average Weekly Hours Worked By Role (2022-2024)



In terms of vacation and other forms of paid time off, Executives, Senior Advisors, and Service Advisors typically took four weeks per year – an increase of one week compared to 2022 – while Associate Advisors and Financial Planning Specialists took three weeks, consistent with previous years.

While the steady decline in advisor work hours has continued into 2024, longer hours remain common among certain segments of advisors, especially when accounting for differences in time off. One example, first identified in our 2022 report, is the relationship between work hours and team size (Figure 3.2). Contrary to the belief that adding support staff reduces Senior Advisors' hours by enabling delegation of time-intensive tasks, Senior Advisors on larger teams actually work more hours than those on smaller teams – although this relationship is not exactly linear, as Senior Advisors on four-person teams work fewer hours than those on three-person teams. This fact suggests that the time required to manage additional staff members can result in more work than Senior Advisors are able to delegate.

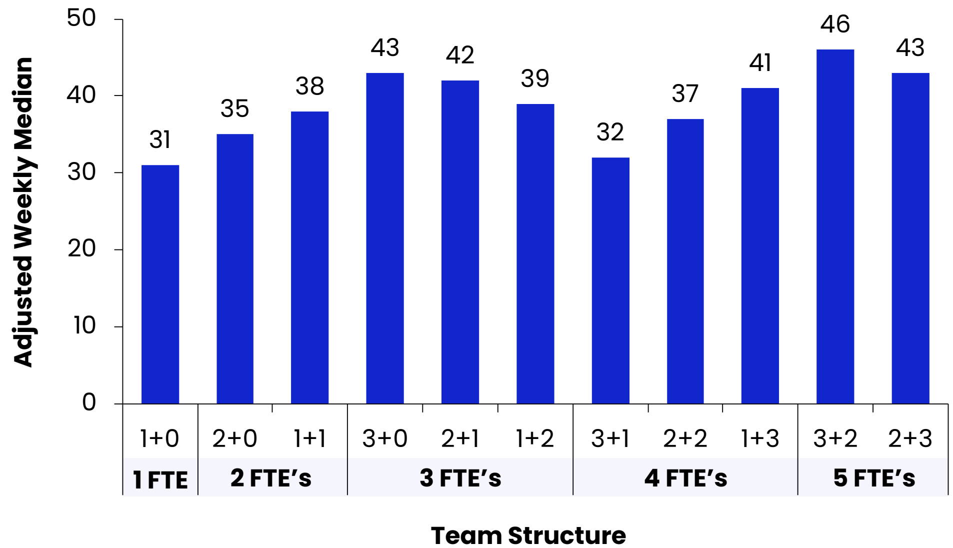
Figure 3.2. Senior Advisor Hours Worked By Size Of Service Team



However, understanding the relationship between team size and lead advisor work hours requires more nuance, particularly when considering the structure of these teams – specifically, the balance between lead advisor and support roles (Figure 3.3). When analyzing the impact of each successive support hire on lead advisors' work hours, a clear trend emerges: Lead advisors on 1+0 teams work fewer hours than those on 1+1 teams, who in turn work fewer hours than those on 1+2 teams, and fewer still than those on 1+3 teams. Hence, while highly leveraged teams generate more revenue per advisor compared to less leveraged alternatives, this increase in productivity comes at the cost of longer work hours for lead advisors – likely due, in part, to the additional management overhead required to lead larger teams.

To some extent, this pattern holds as the size of the team increases: Lead advisors on all two-person teams work more hours than solo advisors, and those on all three-person teams work more than those on two-person teams, with five-person teams averaging the most hours overall. Four-person teams, however, do appear to be an exception, as lead advisors in these teams have work hours that are particularly sensitive to the team's composition. This suggests that Senior Advisors on these teams hire subsequent Service Advisors as a means of lightening their workload, enabling them to take more time off.

Figure 3.3. Lead Advisor Weekly Hours Worked By Team Structure

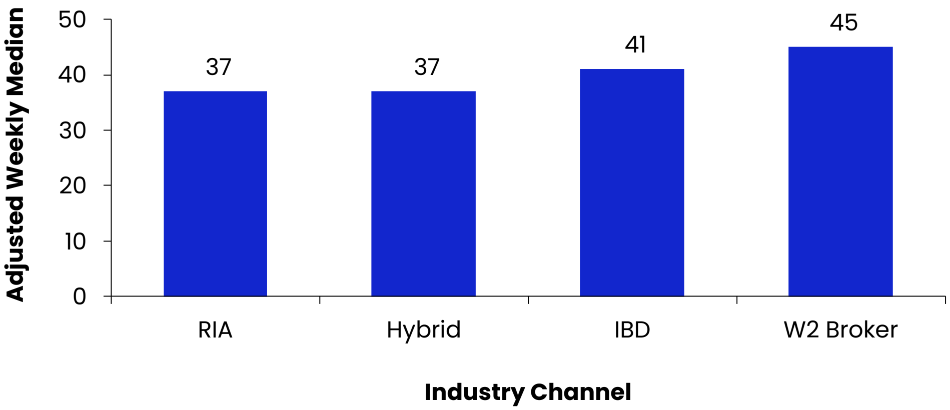


Building on our findings from the previous section of this report, 1+2 teams (typically consisting of a Senior Advisor, Associate Advisor, and CSA) remain the ideal structure for maximizing productivity. These teams tend to work hours comparable to 1+1 and 1+3 teams (approximately a 40-hour work week) while achieving the highest revenue per advisor and per team member.

For teams focused on maximizing profitability with a 3+2 structure, however, lead advisors must work an additional 7 hours per week compared to those on 1+2 teams to achieve the increased revenue capacity and profits – significantly elevating the risk of burnout.

Hours worked also vary by channel and, relatedly, advisors' primary source of revenue. Adjusted for time off, the typical Senior Advisor at an RIA – working either exclusively for the RIA or for a hybrid broker-dealer – works four fewer hours than advisors exclusively affiliated with a B/D, and 8 fewer hours than advisors exclusively affiliated with a W-2 broker (Figure 3.4).

Figure 3.4. Senior Advisor Weekly Hours Worked By Channel



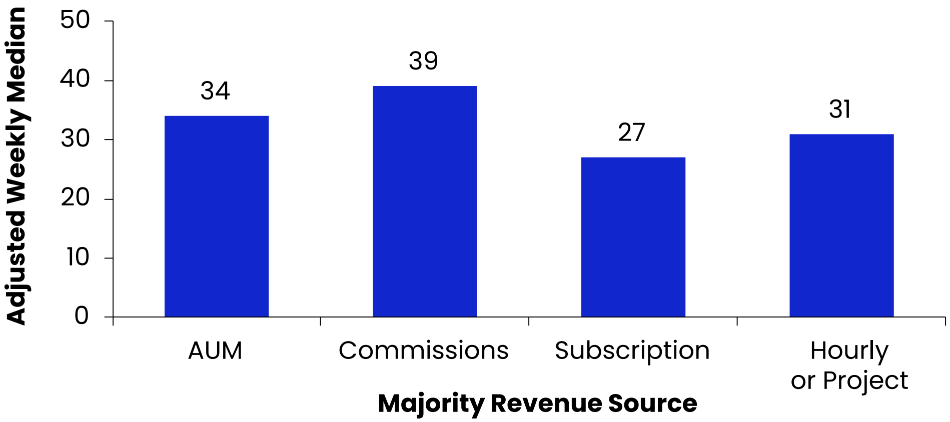
The large difference in work hours between advisors at RIAs and W2 brokers is not attributable to differences in age (the median age for both groups is 48) or to spending more hours on any *single* task. Instead, the difference is due to the result of W2 brokers working more *across the board*: They dedicate more hours per week prospecting (2.6 hours versus 1.7 hours for advisors at RIAs), marketing (3.8 hours versus 2.7 hours), preparing financial plans (6.2 hours versus 5.4 hours), doing investment research (3.3 hours versus 1.9 hours), and doing client service (5.2 hours versus 4.6 hours).

Conversely, these groups dedicate similar hours towards investment management (about 2 hours per week), professional development (about 1.8 hours), and other tasks (~1.3 hours), while advisors in RIAs dedicate slightly more time to administrative work, management activities, and compliance. This implies that while RIAs spend more time managing the actual business itself as an independent, W-2 brokers devote more time navigating the complexities of larger organizations and their bureaucracy. Overall, the management burden that RIAs take on is still outweighed by the time they save operating a smaller, leaner organization (another likely factor to the broader industry trend of 'breakaway brokers').

Similarly, advisors who primarily work on commissions typically work 5 more hours per week than advisors who rely on AUM fees, 8 additional hours per week compared to advisors who rely on hourly fees, and 12 additional hours per week compared to advisors who rely on subscription fees (Figure 3.5). This disparity persists even though broker-affiliated advisors have greater access to centralized firm resources and support, which can take time-intensive tasks off advisors' plates. Instead, the difference is likely due to the time commitment required to generate consistent revenue in commission-based business models, compared to advisors at RIA advisors, who are more likely to have recurring revenue streams such as AUM fees and subscription fees. Indeed, this can be seen in the fact that advisors at independent B/Ds spend just over an additional hour per week prospecting (2.9 hours versus 1.7) and just under an additional hour per week marketing (2.7 hours versus 3.6) than advisors at RIAs.

The fewer number of hours worked by subscription and hourly advisors can be partly attributed to their higher likelihood of working part-time or still being in the early startup stage compared to other advisors. This suggests that they are either in the process of building their client base or are not actively looking to expand it further (and want to remain with more limited part-time hours). These trends are particularly pronounced among hourly advisors: 41% of hourly advisors work fewer than 30 hours per week, compared to just 8% of other advisors, and 29% of hourly advisors are still in the startup stage of their business, compared to only 6% of other advisors.

Figure 3.5. Senior Advisor Weekly Hours Worked By Majority Revenue Source

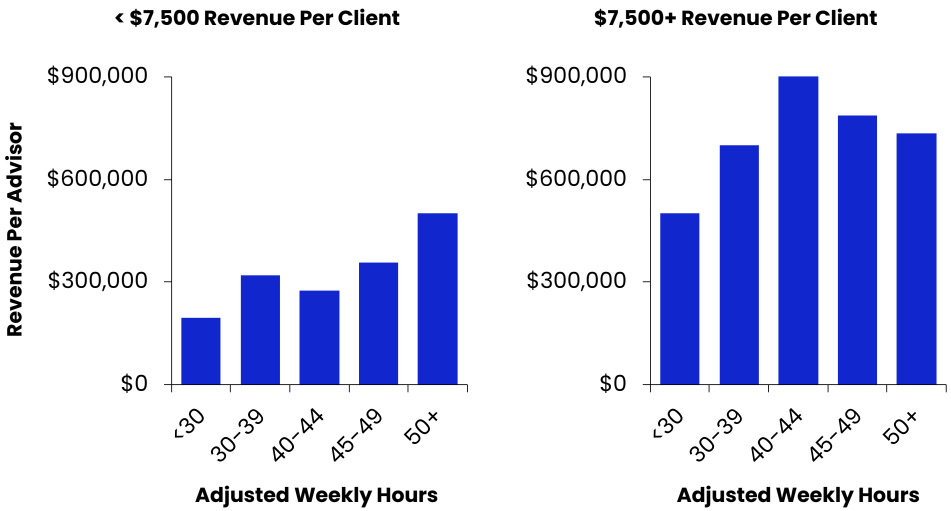


When it comes to the relationship between the hours that Senior Advisors work and the productivity of their teams, time does seem to matter for those working with lower-dollar clients; work hours for Senior Advisors are positively associated with team productivity among this group. However, for advisors serving higher-dollar clients, there seems to be an upside-down U-shaped relationship, in which team productivity peaks at the 40–44-hour mark before declining (Figure 3.6).

It's worth putting into perspective that, for the most part, serving high-dollar clients matters much more for productivity than for the number of hours Senior Advisors work. Hence, moving upmarket is a preferable means of boosting productivity, as advisors working fewer than 30 hours with higher-dollar clients are *still* as revenue-productive as advisors working 50+ hours per week with lower-dollar clients (and any further increase in hours worked with high-dollar clients quickly outpace the productivity of the latter advisors).

Further, even for advisors serving lower-dollar clients, those seeking to boost their productivity in this manner are ultimately limited by the number of hours in the day and their personal ability to withstand grueling work schedules. Indeed, for both groups of advisors – although perhaps especially for those working with high-dollar clients – 'working smarter' is likely to matter much more than 'working harder'.

Figure 3.6. Senior Advisor Adjusted Weekly Hours By Revenue Per Advisor

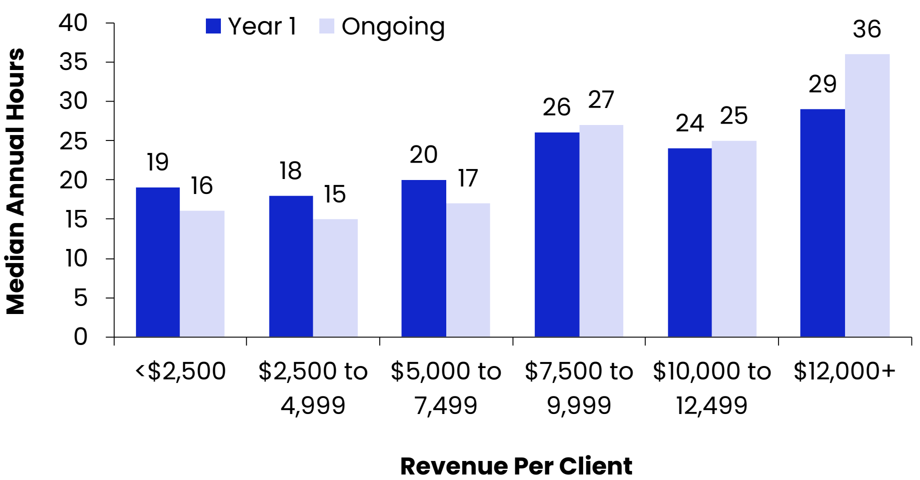


Time Per Client

Another way to examine the relationship between how advisors spend their time and productivity is by looking not only at the hours worked by individual members of service teams, but also at the hours worked by the entire team. A useful way to think about this relates to the number of hours that teams dedicate toward each client per year. This includes both face time with advisors and work done by support staff to service clients between meetings. Of course, the time advisors dedicate to their clients can vary based on whether the client relationship is new or established. New relationships require advisors to dedicate substantial hours to gathering information, opening new accounts, and creating financial plans. Ongoing relationships, by contrast, generally involve monitoring plan progress and making additions and adjustments as needed. Hence, we distinguish between hours dedicated to each client in the first year of the relationship and hours dedicated on an ongoing basis.

The typical team dedicates 22 hours to each client over the first year of the relationship and 21 hours over subsequent years. This narrow gap may appear immediately surprising; some may assume that the time-intensive initial planning work is completed early in the advisor-client relationship, which only requires modest revisions on an ongoing basis. However, an explanation behind this narrow gap is revealed when segmenting time spent per client by client size, as measured by revenue per client (Figure 3.7).

Figure 3.7. Total Team Time Per Client By Revenue Per Client



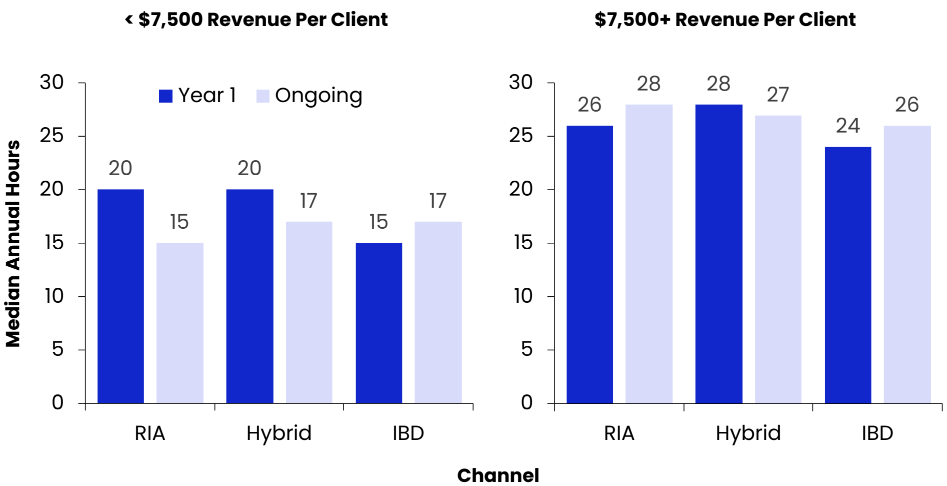
Intuitively, there is a positive relationship between typical client size and the time that service teams spend servicing clients, both in year 1 and on an ongoing basis, as more affluent clients tend to have specific needs that require more complex planning. This relationship is steeper (albeit less linear) for ongoing hours, likely because a meaningful share of time spent with new clients – such as hours worked to onboard the client and build the initial plan – is 'fixed' and tends to vary less with client size. Ongoing hours, by contrast, vary much more by size, given the specific needs and demands of higher-dollar clients.

In fact, as the results show, teams earning less than $7,500 in revenue per client dedicate more hours in year 1 than on an ongoing basis. By contrast, teams earning more than $7,500 of revenue per client dedicate more time on an ongoing basis than during the first-year planning process. This is likely because the sheer amount of pressure on advisors to retain high-dollar recurring revenue clients (which can be difficult to acquire in the first place), coupled with the higher service expectations of this group, gives teams clear and strong incentives to continually invest time back into the relationship to validate their ongoing fees with real value provided.

Total team time per client also varies by channel in important ways, especially for teams earning less than $7,500 in revenue per client (Figure 3.8). For these teams, we see that those affiliated with RIAs (either exclusively or hybrid with a broker-dealer) spend more time per client in year 1 compared to those exclusively affiliated with a broker-dealer, though the differences across channels largely evaporate when examining ongoing hours. For teams earning more than $7,500 per client, by contrast, there are little differences across channels in hours per client either in year 1 or thereafter. Here, too, we again witness the same two key dynamics outlined earlier: Teams working with higher-dollar clients invest more hours in their client relationships, especially on an ongoing basis after relationships are already established.

When examining the number of hours teams dedicate to their clients and the productivity of the advisors serving them, it appears that the dynamics we have outlined so far exist for good reason: The most productive teams dedicate more hours to their clients – especially on an ongoing basis.

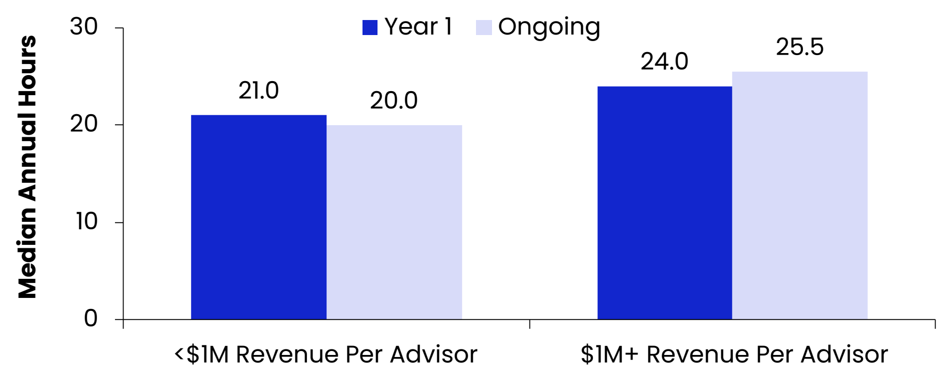
Figure 3.8. Total Team Time Per Client By Industry Channel And Revenue Per Client



Overall, it appears that as teams move upmarket and serve higher-net-worth clients, they naturally invest more work hours to retain these clients and meet their elevated service expectations and complex planning needs (Figure 3.9). Consequently, teams aiming to increase productivity should recognize that this may require additional work hours – particularly for Senior Advisors managing client relationships – unless they implement effective team structures to distribute the workload. Alternatively, they may find that moving upmarket is only feasible after hiring and leveraging a support team to handle the increased client demands and expand overall capacity.

Still, the fact that time is inherently finite and teams are limited in the hours that they can work without taking on new members – which can hurt productivity or increase hours worked when teams exceed three members – suggests that teams looking to boost their productivity should focus less on the number of hours worked and more on the type of clientele they serve, the demands they place on advisors, and *how these hours are utilized*.

Figure 3.9. Total Team Time Per Client By Revenue Per Advisor



How Advisors Spend Their Time

Given that staff hours represent a scarce resource, teams looking to boost their productivity inevitably must engage in trade-offs regarding how to best allocate their time. To capture such trade-offs, our survey respondents not only reported the total number of hours they worked but also detailed how those hours were distributed across various key job functions. Figures 3.11 through 3.15 display these activities grouped into nine categories across select roles as a series of pie charts. The left-hand pie charts show the overall breakdowns of time allocation, with all direct client activity grouped together, while the right-hand pie charts provide a more detailed view of this direct client activity, breaking down this direct client activity between time spent in client meetings as well as other supporting activities.

To help readers more easily identify differences in time allocation across these select roles, the table below categorizes team members' time into three broad groups: client-facing *front-office activities*, knowledge-focused *middle-office activities* that support front-office functions (such as planning, investment research, and compliance), and administrative and operational *back-office activities*.

Where Does Time Go?

Front Office
Meeting With Clients Meeting With Prospects Other Marketing/Prospecting
Middle Office
Client Meeting Preparation Financial Plan Preparation Investment Research General Management Compliance Professional Development Other Miscellaneous
Back Office
Investment Management *(Including Trading)* Client Servicing Administration

Looking across roles, differences in time spent on front-, middle-, and back-office tasks aren't particularly large. FP Specialists, typically focused on middle-office advisor support, have the lowest rate of front-office time at 16%, while Senior Advisors, whose primary responsibilities are client- and prospect-facing, spend the most amount of time on this work at 33% (Figure 3.10).

Still, the fact that Senior Advisors 'only' spend a third of their time on front-office work is worth emphasizing, given that this group is primarily responsible for maintaining client relationships. Indeed, just 19% of Senior Advisors' time is spent meeting with clients (with the rest of their front-office time focused on growth and bringing in new clients instead)! Given the typical workweek, this translates into roughly eight hours of client meetings, or an average of one to two hourly client meetings per day (or, more commonly, three days per week with two to three meetings per day through the middle of the week, with time for meeting preparation and follow-up set for Mondays and Fridays, respectively).

Middle-office tasks are most common among executives (with a focus on management responsibilities), along with Associate Advisors and FP Specialists (who have more planning and client-support tasks). For example, executives spend a quarter of their workweek (about 10 hours) on general management, Associate Advisors spend a quarter of their week exclusively on meeting preparation (almost 11 hours), and FP Specialists spend nearly 40% of their week on financial plan preparation (about 15 hours).

Figure 3.10. Time Allocation By Front, Middle, And Back Office

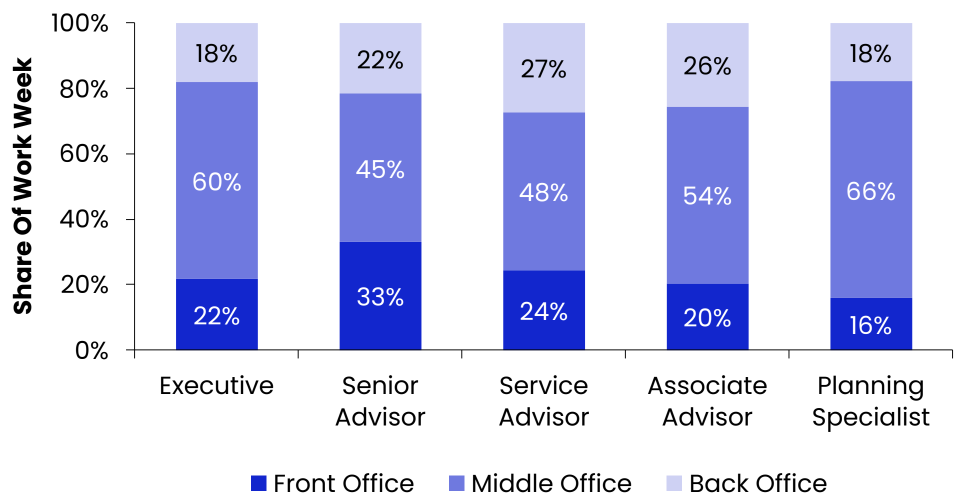


Figure 3.11. Hours Spent By Typical Senior Advisors Across Various Weekly Tasks

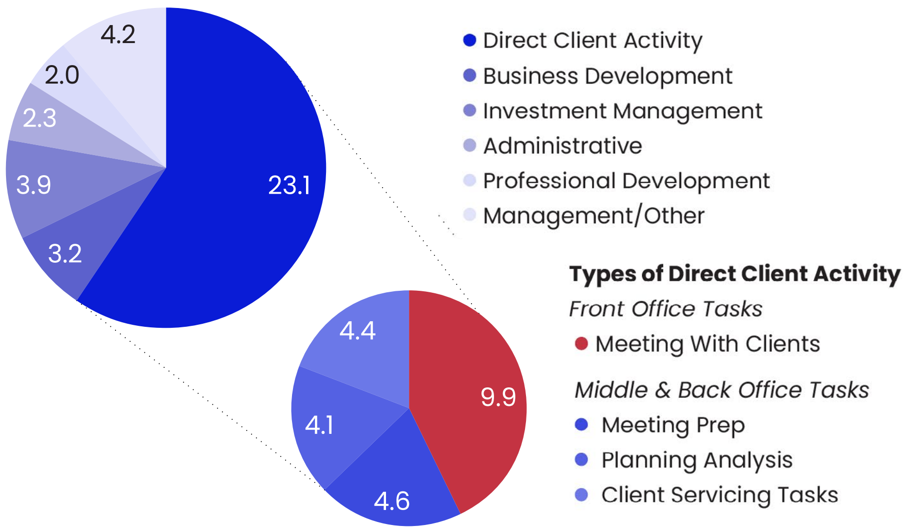


Figure 3.12. Hours Spent By Typical Executives Across Various Weekly Tasks

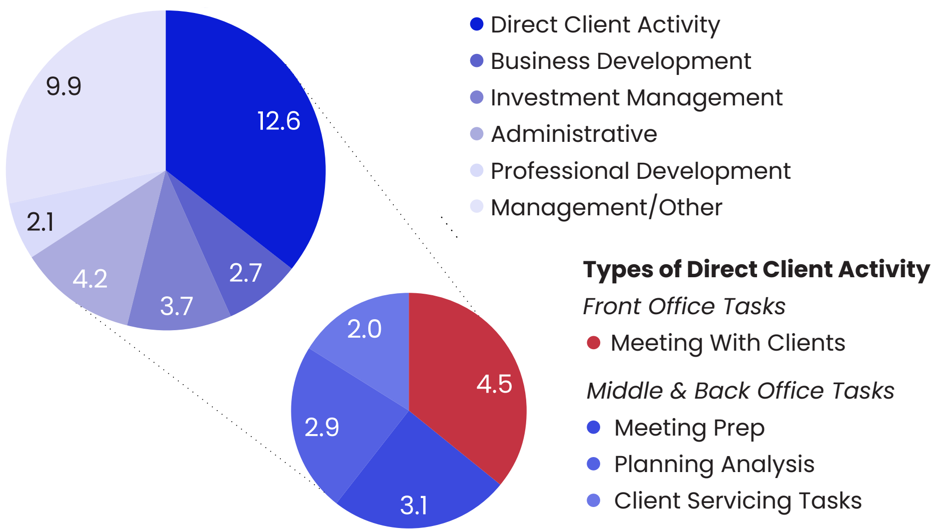


Figure 3.13. Hours Spent By Typical Service Advisors Across Various Weekly Tasks

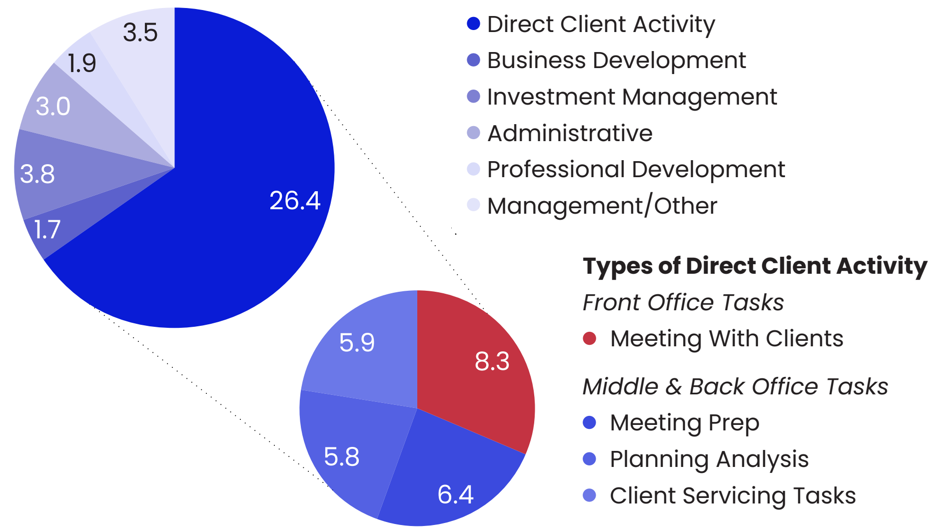
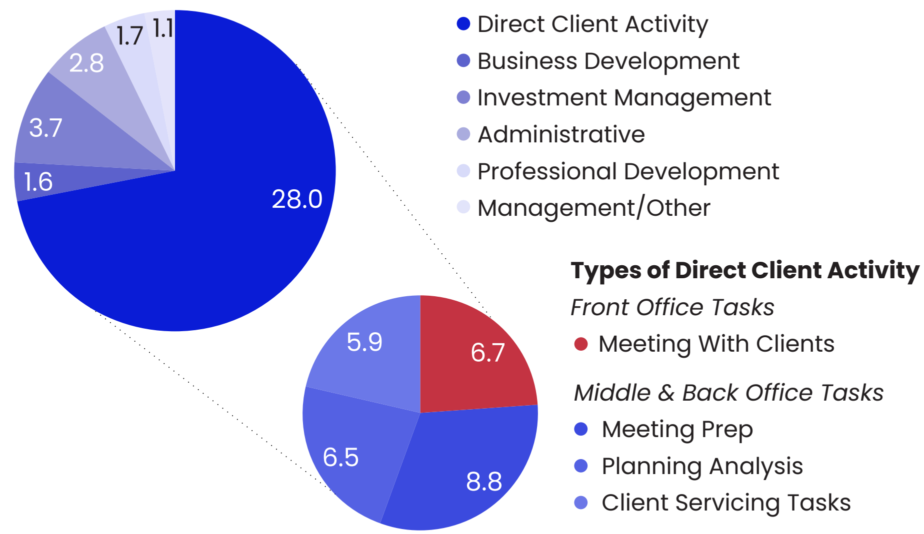
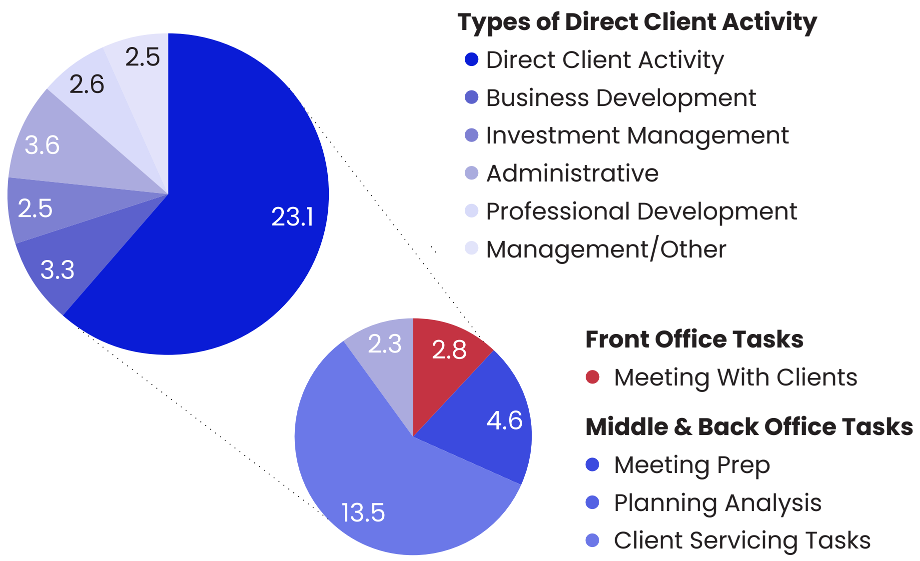


Figure 3.14. Hours Spent By Typical Associate Advisors Across Various Weekly Tasks



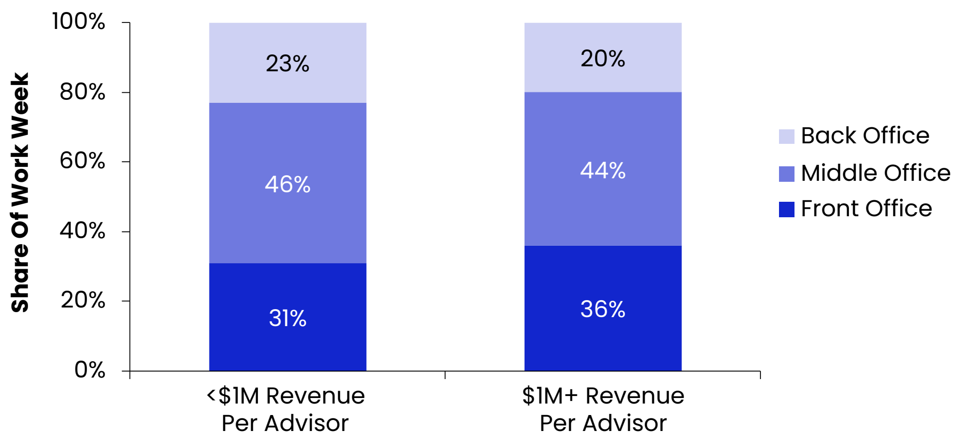
Back-office tasks, by contrast, are most common among Service and Associate Advisors. For instance, both roles dedicate approximately 15% of their week (about 6 hours) to client servicing tasks. The significant amount of time spent on back-office tasks by these advisors, combined with the fact that they work the longest hours, suggests that adding more CSAs to teams with these roles could allow them to focus more on advice activities. This trend is particularly evident among Service Advisors, who, while not typically tasked with prospecting, share the responsibility of maintaining client relationships with Senior Advisors. However, in practice, Service Advisors do not use the time saved from prospecting to meet more frequently with existing clients. Instead, much of this time is redirected to middle- and back-office work for those clients.

Figure 3.15. Hours Spent By Typical Financial Planning Specialists Across Various Weekly Tasks



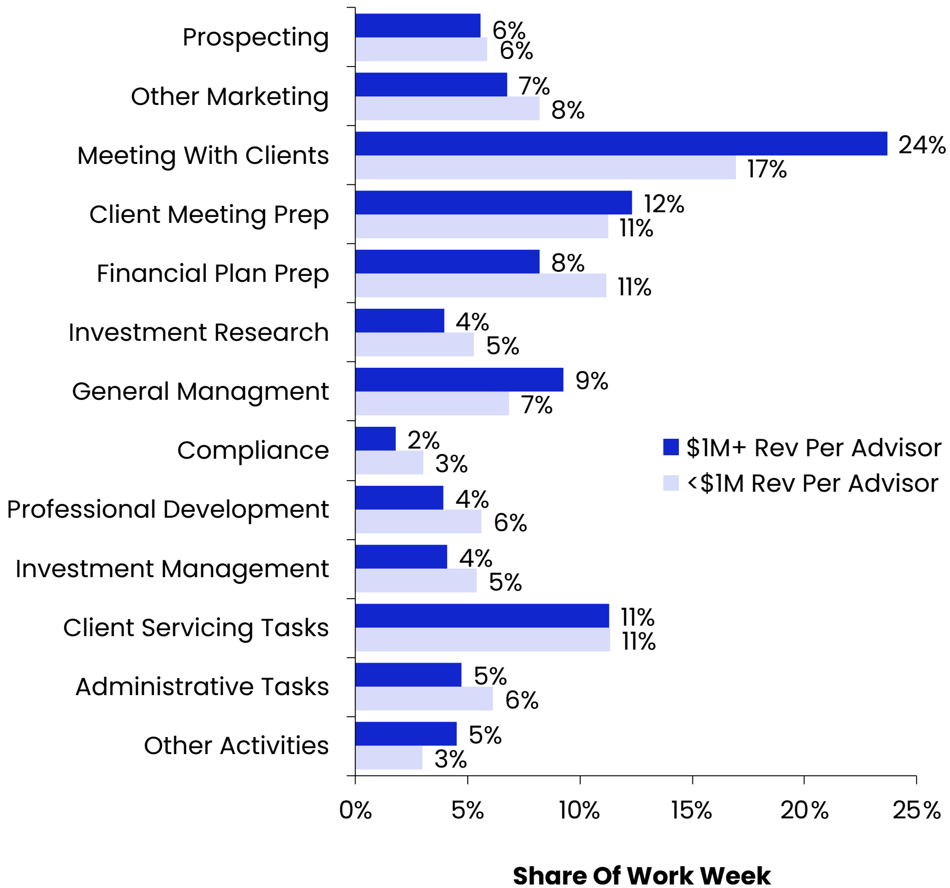
What is the relationship between front-office time and productivity? As one likely expects, Senior Advisors on the most productive teams spend more time on front-office client-facing tasks (and less on other tasks) than those on the least productive teams (Figure 3.16). Indeed, the single greatest difference between these groups relates to the time spent actually meeting with clients. Senior Advisors on teams earning greater than $1M in revenue per advisor spend 24% of their time meeting with clients, compared to 17% of advisors on teams earning less than $1M (Figure 3.17). Given a typical workweek, this amounts to nearly three additional hours per week meeting with clients. This additional time spent in meetings generally comes at the expense of administrative tasks, investment management and research, preparing financial plans, and marketing.

Figure 3.16. Senior Advisor Time Allocation By Revenue Per Advisor, Front, Middle, And Back Office



At the same time, it's notable that the most productive advisors still 'only' spend about one-fourth of their time on front-office activities, amounting to about 10 one-hour meetings per week, or roughly 250 client meetings per year (enough to see a max-capacity client base perhaps two to three times per year, depending on the exact client load of the advisor).

Figure 3.17. Senior Advisor Time Allocation By Revenue Per Advisor, Specific Activities



Taken together, when it comes to the relationship between time allocation and productivity, advisors' share of client-facing time matters a lot. Which means that teams looking to boost their productivity should seek to increase the amount of time their Senior Advisors spend with clients, while recognizing that even highly productive advisors may only do three to four meetings per day for three days per week (and have two days for prep and follow-up) with existing clients. Or viewed another way, highly productive advisors still spend less than half of their client-related time in actual client meetings, with the other half dedicated to all the middle-office support functions. Additionally, total time meeting with clients and doing business development with prospects, even amongst the most productive advisors, is still only about a third of their total time every week.

This naturally raises the question of how advisors can maximize client-facing time. Many would be delighted to spend fewer hours on administrative work if only they could find ways to offload these tasks. The data indicates that the most productive advisors achieve this by reducing back-office time in particular.

Accordingly, the most straightforward way for lead advisors to increase client-facing time is by delegating support tasks to staff such as CSAs and Associate Advisors (which, as noted earlier in this report, can more than *double* revenue productivity compared to an unsupported solo advisor).

In fact, as shown in Figure 3.18, the impact of effective delegation becomes immediately evident when comparing lead advisors' front-office time across different team sizes and support levels. Advisors on two-, three-, and four-person teams with a higher ratio of support members spend more time meeting with clients than those with more advisors. This difference is most pronounced in four-person teams, where advisors on 1+3 teams dedicate an additional 13% of their time to client meetings – equivalent to over five additional hour-long meetings per week – compared to those on 3+1 teams. However, the fact that 1+3 teams spend more time with clients than 1+2 teams while being less productive suggests that they serve a higher volume of lower-dollar clients. Interestingly, this trend reverses in five-person teams, where relationship-managing advisors on 2+3 teams spend approximately the same amount of time with clients as those on 3+2 teams.

Figure 3.18. Lead Advisor Share Of Work Week In Client Meetings By Team Structure

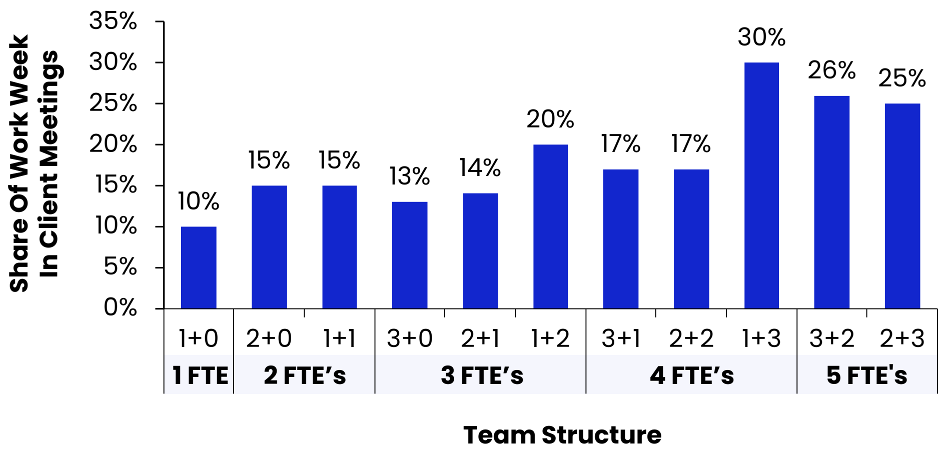
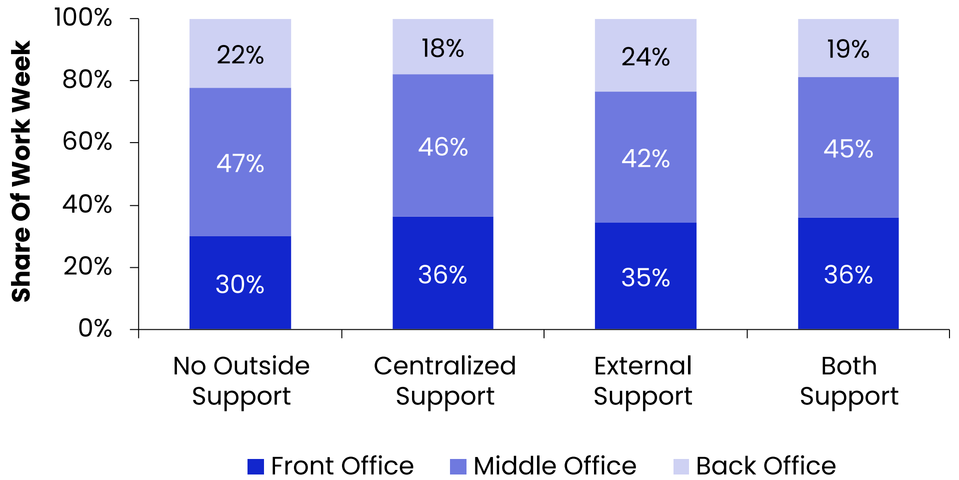


Figure 3.19. Senior Advisor Time Allocation By Reliance On Outside Support



Taken together, since face time with clients is a significant predictor of productivity, these findings reinforce a key insight from the previous section of the report: Teams with more support staff are consistently more productive than those with more advisors (at least up to four people).

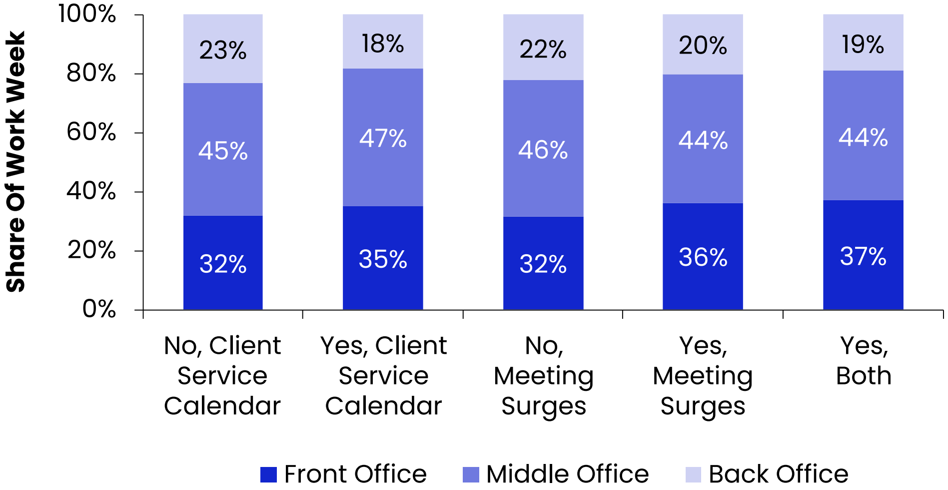
Some teams can increase their front-office time by delegating to entities beyond the service team, such as centralized firm or platform support teams and external third-party vendors. As shown in Figure 3.19, teams that outsource – whether internally, externally, or both – spend more time on front-office work than those that do not. Hence, delegation – whether within or outside the service team – appears to increase front-office time.

Not every advisor is necessarily in a position to delegate tasks, though. For example, solo advisors actively building their client base may lack the financial capacity to hire a CSA or pay for third-party vendor support. Similarly, some advisors may work at smaller firms without the scale to maintain centralized support units.

Therefore, it's essential to explore alternatives beyond delegation that can help advisors increase the share of their time spent with clients. One effective approach is gaining better control of their schedules. Allocating time reactively – scheduling meetings and setting staff priorities ad hoc based on client requests as they come in – risks administrative tasks piling up. By contrast, tactical scheduling strategies, such as implementing systematized client service calendars or meeting surges (discussed at length in the next section), can help advisors be more intentional with their time and maximize client interactions.

As shown in Figure 3.20, Seniors Advisors on teams that utilize client service calendars and meeting surges appear to spend slightly more time on front-office work (and fewer hours on back-office work) compared to those who do not. (Although, as we'll go on to show later in this report, tactical scheduling only boosts productivity when applied effectively.)

Figure 3.20. Senior Advisor Front, Middle, And Back Office Time, By Use Of Tactical Scheduling



Notably, though, we find no evidence that the use of AI meeting notes tools, servicing a niche client base, or holding specific credentials (namely, whether an advisor has no designations, non-CFP marks, CFP marks, or post-CFP marks) is positively associated with front-office time.

Key Takeaways

In summary, what matters most for increasing advisor productivity is not the number of hours worked, but instead how those hours are allocated. While working more hours can help advisors grow their team beyond a solo practice, attract and retain higher-dollar clients, and manage larger teams, the key driver of productivity lies in how effectively those hours are used.

Hence, teams looking to boost their productivity should clearly understand the hours required to expand their teams (up to three or four members) and to move upmarket, particularly for Senior Advisors managing client relationships. However, because time is inherently finite and expanding beyond four team members often reduces productivity – or increasing hours worked risks burnout – the most productive teams will prioritize 'working smarter' over 'working harder'.

Working smarter primarily means optimizing the amount of time advisors spend in direct interaction with clients. Indeed, this kind of front-office work – especially time spent in client meetings – is a key predictor of productivity.

While many advisors would like to increase their front-office time, they often feel constrained by a seemingly endless stream of administrative tasks. Still, advisors are not powerless when it comes to their time allocation. In this section, we outlined three key strategies for advisors to increase their share of client-facing time:

Hiring Support Staff. While many teams may be tempted to hire additional lead advisors as their team grows, hiring support staff – such as CSAs and Associate Advisors – meaningfully increases both front-office time and, by extension, productivity.

Outsourcing Services (Externally Or Internally To Centralized Teams). Although not an option for every team, outsourcing components of financial plans to external entities – such as centralized firm or platform support or third-party vendors – can free up advisors to spend more time meeting with clients.

Implementing Tactical Scheduling. While some advisors do not have the financial or practical capacity to hire additional support staff or outsource services, many advisors can still increase their front-office time by simply being more intentional about how they fill their calendars. Tactical scheduling methods, such as meeting surges and client service calendars, offer a way for advisors to increase their front-office time (with optimal structures discussed later in this report).

4

How Financial Planners Actually Develop, Deliver, And Maintain Financial Plans

Developing And Delivering Financial Plans

The Components Included In Financial Plans

What Components Planners Do (And Don't) Outsource

Time To Completion

Working With Clients - Year 1

Working With Clients - Ongoing

Time Optimizing Processes

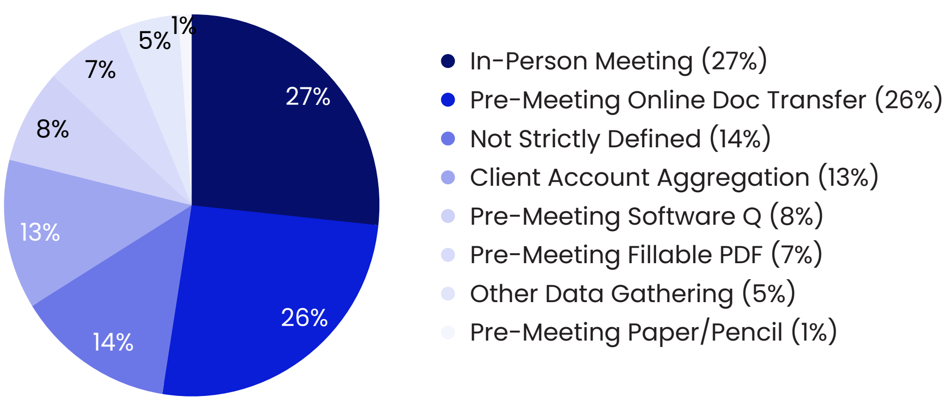
Key Takeaways

Across the four domains covered throughout this report, the domain most central to the advisor-client relationship is the *process* by which advisors develop, present, and maintain financial plans. At minimum, this process includes gathering data from clients, the initial and subsequent planning meetings, the construction of the financial plan, the presentation of the financial plan to the client, ongoing maintenance of the plan, and any subsequent interactions between advisors and clients on an ongoing basis.

Developing And Delivering Financial Plans

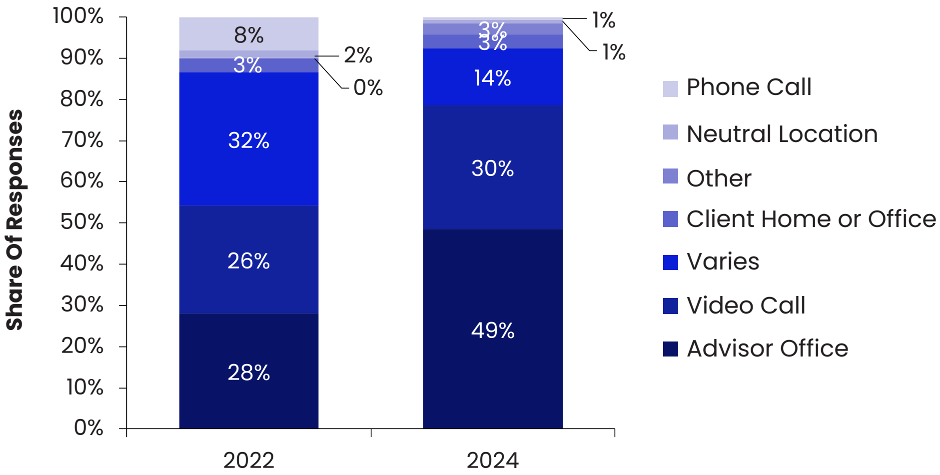
The first step in the planning process is gathering data from clients to construct their plans. 27% of teams collect this information during in-person meetings. Beyond this, 39% of teams ask clients to provide raw financial data through various software tools, such as uploading documents to a secure vault or linking accounts to an aggregator. Additionally, 8% of teams ask clients to complete a pre-meeting questionnaire, whether through an online tool, a fillable PDF, or even on paper. Notably, 14% of teams report having no defined process in place for this task (Figure 4.1).

Figure 4.1. Primary Approach To Data Gathering



When it comes to the first client meeting, the industry continues to recover from the disruptions of the COVID-19 pandemic. Although our 2018 survey asked about the location where teams presented their financial plan (rather than the initial planning meeting, as in 2022 and 2024) and included different response options, it provides a useful baseline of pre-pandemic meeting trends. At that time, over 75% of teams held this meeting in-person, with just 6% doing it via video presentation or screenshare. In 2022, the percentage of teams holding initial planning meetings in the office plummeted to just 28%. In contrast, 26% of teams began holding all their meetings via video calls, while 32% used video calls on a case-by-case basis, likely reflecting client comfort levels. By 2024, the share of teams primarily relying on in-person meetings partially rebounded to 49%, while the share of teams primarily relying on video calls also ticked up slightly – each of which came at the expense of teams opting for a case-by-case approach (Figure 4.2). The partial rebound of in-person meetings suggests that teams that only occasionally used video calls reverted to face-to-face interactions as soon as they could, while those that fully embraced video calls recognized their value and made them a permanent fixture of their practices.

Figure 4.2. Location Of Initial Planning Meeting



Overall, teams seem to be re-establishing routines for the initial planning meeting following the disruption of the COVID-19 pandemic, although, given the enduring popularity of video calls among teams that fully embraced them, not necessarily the same routines they had before.

After gathering data and holding their initial meeting with clients, advisors then go about constructing the plan itself. Here, too, tactics vary. Kitces Research broadly distinguishes between four different approaches that advisors take when constructing financial plans: Calculator, Comprehensive, Custom, and Collaborative. Descriptions of these categories, along with the kinds of advisors who use them, are displayed in Figure 4.3.

Teams' approaches to plan development have changed significantly since this question was first asked in our 2018 report (Figure 4.4). The share of teams adopting Collaborative approaches has increased from 35% in 2018 to 53% in 2024, and now represents how the majority of all financial plans are delivered to clients. This approach is most commonly used by CFP professionals with robust technology stacks, and is slightly less common among corporate employees or advisors exclusively affiliated with an IBD.

The increase in the shares of advisors adopting the Collaborative approach has come almost entirely at the expense of those adopting a Comprehensive approach involving printed reports from planning software. This approach – once used by nearly half of advisors, is used by fewer than one in five today. Or stated more simply, printing and delivering "The Plan" is steadily being replaced by sharing the plan software live and interactively on the screen to engage the client with.

In the meantime, the share of advisors using a Calculator-based approach has increased slightly, from 5% in 2018 to 11% in 2024. This

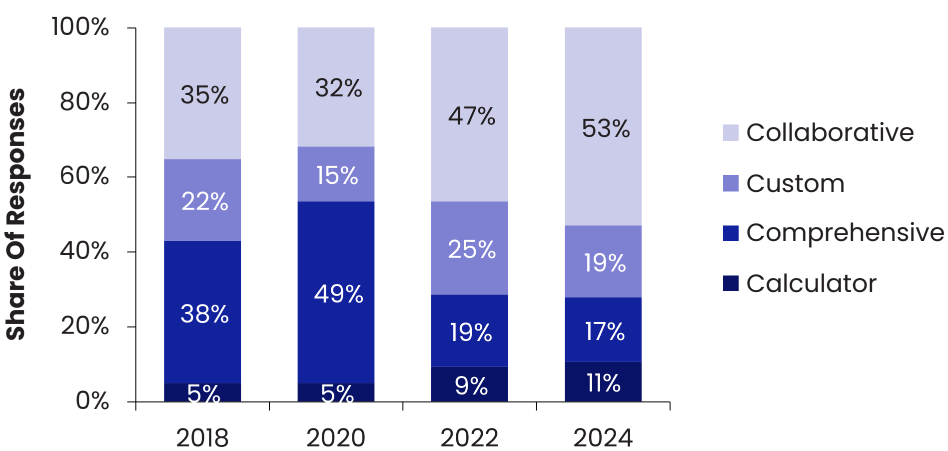
Figure 4.3. Four Approaches For Creating And Delivering Financial Plans

Calculator	
Financial plan analyses are used to calculate the client's needs or gaps (e.g., in retirement savings or insurance coverage) in specific domains, which helps the advisor identify products to implement to fill those gaps.	More common among less-experienced advisors working on commission who use planning as a tool to identify opportunities to sell products.
Comprehensive	
Printed reports from financial planning software are used to show a more comprehensive picture of the client's current and projected financial situation.	More common among broker-dealers who have a higher volume of small-to-mid-sized clients and need to deliver "a plan" in a software-efficient manner.
Custom	
A custom-written financial plan is developed for each individual client's circumstances.	More common amongst fee-for-service advisors who can charge fees commensurate to the additional customization and complexity that comes with the plan (and often serving more affluent clients with more complex needs who need this depth).
Collaborative	
Planning software is used as a collaborative tool (e.g., via screen sharing or a conference room screen) live in client meetings.	More common amongst CFPs who can leverage their existing technical knowledge to "talk through" the plan live with the client and focus the conversation more on the client's values and concerns than 'just' present technical recommendations.

approach is most common among advisors outside of RIAs who focus on identifying commissionable products to sell to clients. These advisors typically construct narrow financial plans, covering only the components necessary to identify client needs that align with the solutions they can sell. This contrasts with more comprehensive plans, which are both more time-consuming to develop and more time-consuming to deliver.

The share adopting Custom approaches has fluctuated between 15–25% across our four reports, and is the method of choice for planning-centric teams who receive a majority of their revenue through planning fees, where they at least have the potential to be able to charge for the additional time and complexity of producing and delivering a more customized financial plan.

Figure 4.4. Primary Approach To Plan Development (2018-2024)



Taken together, it appears that advisors are continuing the trend identified in 2022 of favoring Collaborative approaches to financial planning. Rather than delivering a finalized plan to clients – whether through financial planning software or a custom-written document – advisors are increasingly developing plans with clients in real time. This approach reflects a growing preference for 'levelizing' planning work across the client relationship, distributing the effort more evenly over time instead of heavily front-loading it. Ultimately, this trend underscores how advisors are adapting their processes to make more efficient and productive use of their time in addition to strengthening their bonds with clients through closer collaboration.

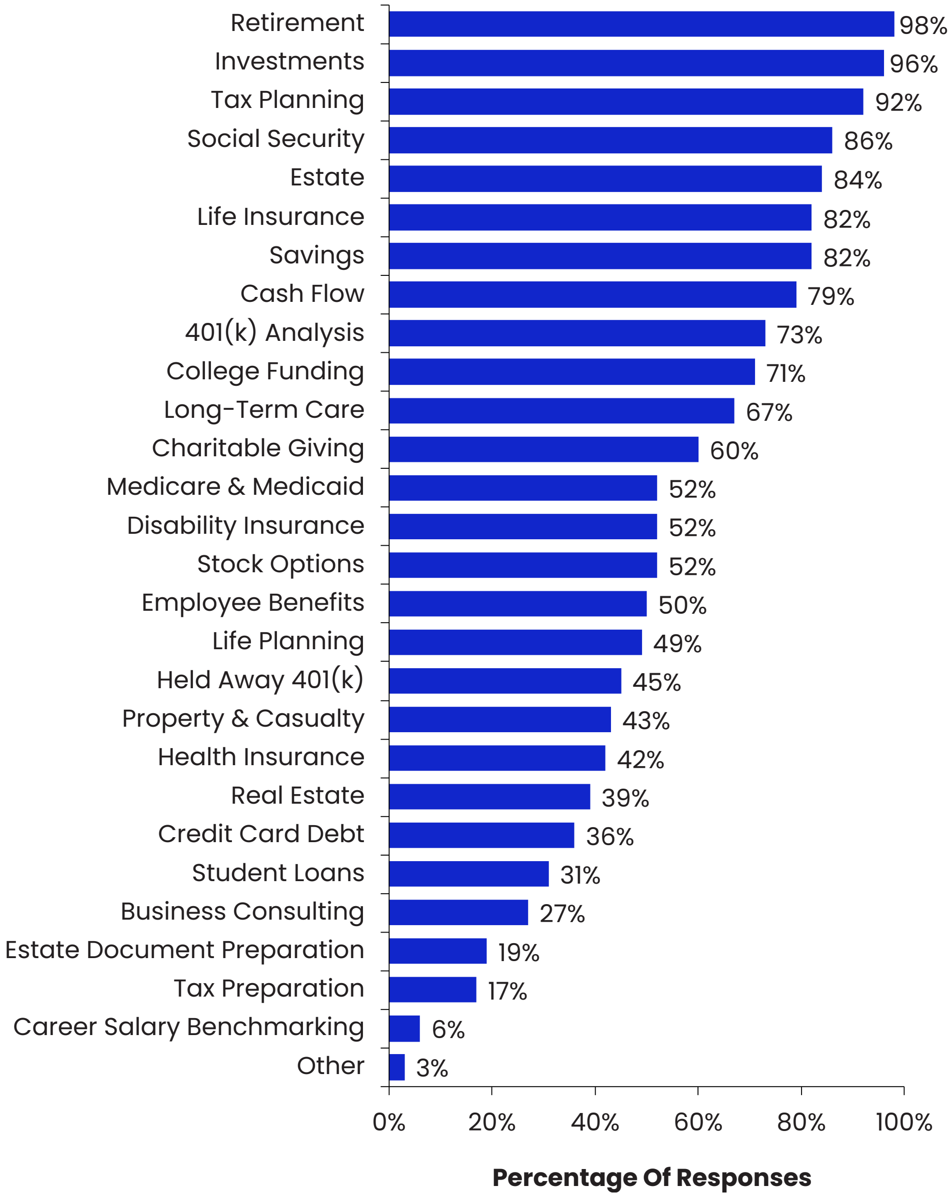
The Components Included In Financial Plans

While teams clearly vary in the approach that they take to plan development, they also vary in the number of financial planning domains that they include in their plans.

In past reports, Kitces Research asked respondents what they include from a list of 20 different potential components of their plans, including planning areas such as retirement planning, investment management, stock options, and business consulting. In 2024, we amended this list to include seven additional components, given the ongoing evolution of advice services: estate document preparation, held-away 401(k) management, charitable giving, social security planning, Medicaid and Medicare planning, life planning, and real estate planning. This year, the typical team indicated that they covered 15 of these 27 categories.

As shown in Figure 4.5, there were three items which were covered in over 90% of plans which represent planning essentials for financial advisors: retirement planning (98%), investment management (96%), and tax planning (92%). Perhaps not surprisingly given its breadth of relevance, Social Security planning ranks as the fourth most common component, utilized in 86% of plans, reflecting the concentration of advisors working with retirees and pre-retirees for whom Social Security is a core component of the broader retirement category.

Figure 4.5. Components Included In Financial Plans



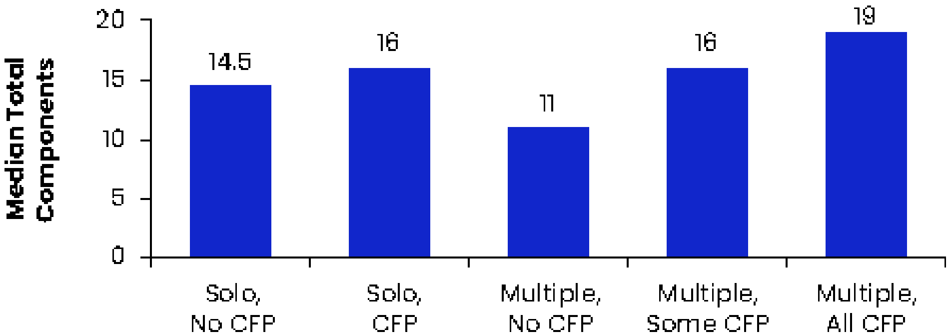
Conversely, the least common components include career salary benchmarking, tax preparation, and estate document preparation – the latter two being new additions to this report. Though given that historically advisory firms didn't 'do' tax preparation or estate document preparation at all – those were accomplished with CPAs and attorneys with whom advisors often established cross-referral relationships – the fact that more than one in six advisors today are reporting each service almost certainly reflects a significant uptick in advisory firms continuing to expand their service offerings to clients.

Held away 401(k) management – another new addition to this report – is covered by roughly half of teams. This almost surely represents an increase over recent years given the rise of tools such as Pontera making it easier for advisors to manage clients' employee retirement accounts. Though the fact that it is substantively higher adoption than other domains like tax preparation and estate document preparation likely connects to the reality that most advisory firms still charge fees on an assets-under-management basis, where held-away 401(k) management represents not just a value-added service to clients but an expansion of the advisory firm's core service (and revenue-generating) offering.

Plan coverage varies predictably by CFP status (Figure 4.6). Teams in which the Senior Advisors have the CFP marks cover more areas in their financial plans – a fact especially true of multi-advisor teams. Indeed, teams in which multiple Senior Advisors all hold the CFP mark cover 73% more components in their financial plans compared to teams in which none hold the mark.

Similarly, teams providing clients Custom financial plans typically cover 17 components, more than advisors taking any other approach.

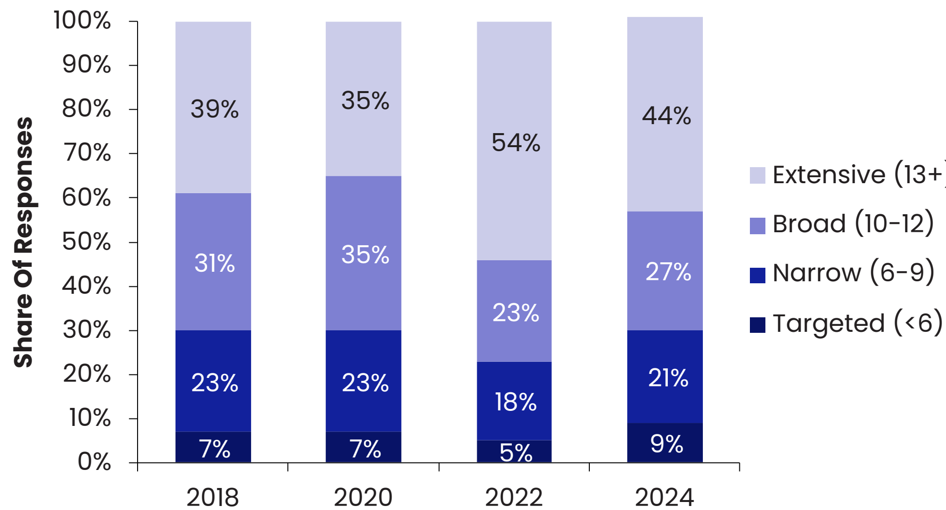
Figure 4.6. Plan Coverage By Senior Advisor CFP Status



Past editions of this report have emphasized how advisors are steadily offering more components in their financial plans. Indeed, between 2018 and 2022, the share of advisors including 13 or more components in their financial plans increased from 39% to 54% (Figure 4.7). When stripping out the seven unique to the 2024 report to allow for symmetrical cross-year comparisons, though, the share of advisors covering 13+ components actually dropped to 44%. Similarly, the share of advisors offering targeted plans containing fewer than six services ticked up to 9% – its highest level across all four editions of this report. Which signals that advisory firms that were feeling the pressure to increasingly expand the comprehensiveness of their financial plans (at the risk of spending more time on the financial plan than what clients are willing to pay) may now be starting to swing the pendulum in the other direction, focusing their financial plans on the core areas that really matter the most to clients (rather than trying to just be "as comprehensive as possible").

To understand precisely where advisors are dialing back, we examine changes in their likelihood of covering different components between 2022 and 2024. One risk of such cross-year comparisons is that any identified changes may simply be an artifact of the changing composition of our samples across years. To eliminate this risk, we identified participants who completed both our 2022 and 2024 questionnaires, and looked at changes exclusively among these individuals. Which means that changes across years cannot be reduced to a different group of advisors completing our surveys because we explore longitudinal changes among the *same group of advisors.*

Figure 4.7. Trends In Plan Comprehensiveness (Core Components), 2018-2024

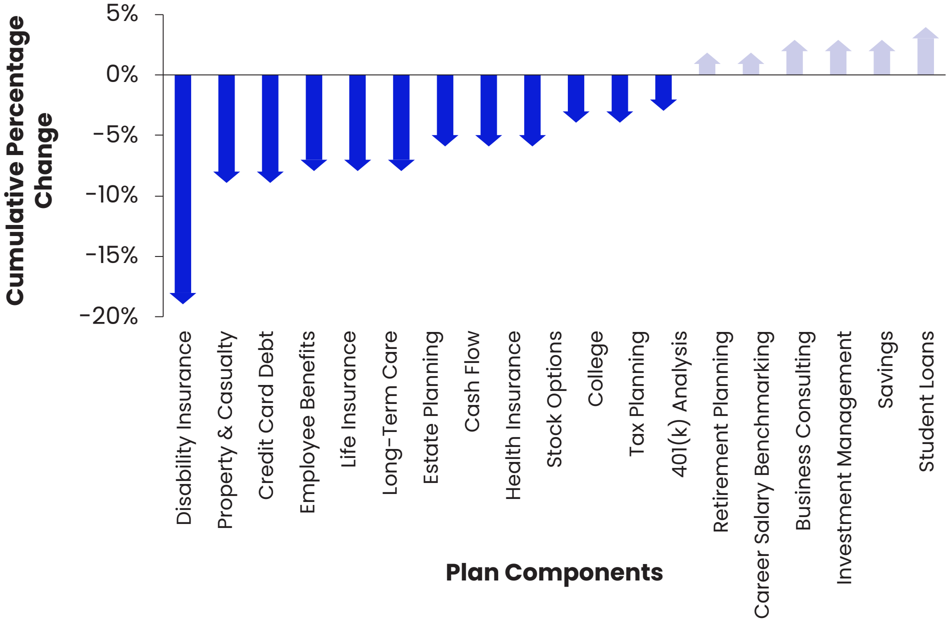


Note: "Core Components" include components consistently asked across our 2018, 2020, 2022, and 2024 surveys and are not unique to any particular subset of reports.

Confirming the earlier trend, advisory firms appear to have become substantially more concentrated in the scope of their financial plans. Disability insurance experienced the greatest percentage decline across years, with 18% fewer advisors offering this service in 2024 than 2022 (Figure 4.8). Property & casualty insurance, credit card debt, employee benefits, life insurance, and LTC all experienced declines of 5% of advisors or more. Notably, almost all of these focus on various types of insurance (life, disability, LTC, and P&C) or aspects of the client's spending (cash flow, credit card debt), where advisors appear to be scaling back.

Conversely, not one single component experienced an increase of 5% or more across years. Though the few areas where advisors did grow their focus are notable, including what appears to be an emerging effort to work more with younger clients and the issues relevant to them (student loans, salary benchmarking, and savings and investment management), and what may be an emerging expansion to work with business owners in particular (providing business consulting).

Figure 4.8. Change In Components Included In Financial Plans (2022-2024)



Note: Only includes respondents that completed both the 2022 and 2024 surveys and components included in both questionnaires.

It's important to emphasize that comprehensive plans covering many components remain here to stay. The typical plan in 2024 contained 15 components and, when comparing "core" components across years (i.e., the items we've included in every survey since 2018), advisors remain more likely to offer extensive plans (i.e., covering 13+ core components) than they were back in 2018 or 2020. Instead, what appears to have occurred is that advisors broadened the scope of plans too widely in 2022, so now they are dialing back and focusing more on services relevant to their core clientele and less on an overly broad array of services for non-typical clients, with a small but more focused expansion into working with younger "next-generation" clients in particular.

What Components Planners Do (And Don't) Outsource

Teams vary not just in the services that they offer to clients, but also in who is doing the work. Given the volume of services that teams offer, it's unsurprising that, as noted earlier in this report, more than half of advisors rely on some form of outside support to aid in plan production – whether centralized firm support, an external platform or vendor, or both.

The only component that teams are more likely to outsource than handle internally is estate document preparation; among the 19% of advisors offering this service, about two-third of this group does so by outsourcing while one-third does so internally (Figure 4.9). Which isn't entirely surprising – unlike tax preparation, which advisory firms were more likely to centralize, estate document preparation work occurs far less frequently with clients (often every 5–10 or even 15 years, compared to annually for tax returns), and has more licensing restrictions when navigating clients with some geographic dispersion (CPAs have to learn other states but can prepare returns across all states, while estate attorney actually need to be admitted to practice in every state where they're serving clients). As a result, for firms looking to expand further into tax and estate document preparation, the emerging rule seems to be "insource tax, outsource estate".

Figure 4.9. Share Of Plan Components Handled Internally, Centrally, Or Externally

Percentage of All Responses

	How Service is Handled			Component Not Provided
Component	Internal	Central	External	
Retirement Distribution Analysis	91%	6%	1%	2%
Portfolio Analysis	82%	11%	3%	4%
Tax Planning	76%	8%	8%	8%
Social Security Planning	78%	6%	2%	14%
Estate Planning	58%	8%	17%	16%
Savings Analysis	77%	4%	1%	18%
Life Insurance	56%	8%	18%	18%
Cash Flow/Budgeting	74%	4%	1%	21%
401(k) Analysis	66%	5%	1%	27%
College Funding	65%	5%	1%	29%
Long-Term Care Insurance	44%	7%	16%	33%
Charitable Giving	55%	4%	1%	40%
Disability Insurance	36%	5%	12%	48%
Stock Options Analysis	49%	3%	0%	48%

Percentage of All Responses

	How Service is Handled			Component Not Provided
Component	Internal	Central	External	
Medicare & Medicaid Planning	38%	4%	9%	48%
Employee Benefits Review	47%	2%	0%	50%
Life Planning	46%	2%	1%	51%
Held Away 401(k) Management	37%	5%	3%	55%
Property & Casuality Insurance	28%	2%	13%	57%
Health Insurances	29%	2%	11%	58%
Real Estate Planning	36%	1%	1%	61%
Credit Card/Debt Management	34%	2%	1%	64%
Student Loan Analysis	27%	2%	2%	69%
Business Consulting	23%	2%	2%	73%
Estate Document Preparation	6%	2%	10%	81%
Tax Return Preparation	11%	3%	4%	83%
Career/Salary Benchmarking	6%	0%	0%	94%

Still, significant shares of advisors also choose to outsource other key services. Insurance in particular is frequently outsourced; about one in three advisors offering most types of insurance opt to outsource rather than handling them internally, Additional commonly outsourced services include provision of disability insurance or Medicare/Medicaid assistance.

External support is generally more common than centralized support for most services. Only one service (portfolio analysis) is handled centrally by more than 10% of advisors, while seven services are handled externally by more than 10% advisors. However, there are clear cases where centralized support is more common than external support, particularly for services typically managed in-house by centralized Paraplanners (e.g., retirement planning and Social Security) or a centralized investment team (e.g., portfolio analysis).

In contrast, services more frequently outsourced from the service team itself – like estate document preparation, tax preparation, and various insurance types – are more likely to be handled externally. Notably, of the ten services most likely to be handled internally, teams that do outsource them are more likely to do so centrally; of the ten services most likely to be outsourced away from the service team altogether, though, all are more commonly handled entirely externally rather than centralized. Which isn't entirely surprising; firms that already see a service as core (primarily delivered by its service teams) tend to still keep the service in-house and simply centralize, while non-core services that were never commonly handled by advisory teams themselves are more often just externally outsourced altogether.

Overall, when it comes to the relationship between outsourcing and productivity, the most productive teams do seem to outsource slightly more. Teams earning over $1M in revenue per advisor outsource 19% of the services that they offer, compared to 14% for teams earning less than $1M per advisor. However, it's not clear from these data alone whether this is simply due to the most productive teams having more access to outside support. (The relationship between reliance on external support and productivity will be evaluated further at the end of this report.) Ultimately, though, these groups are much more alike than not; each primarily provides services in-house but tactically relies on outside support to outsource expertise more efficiently handled by entities outside of the team.

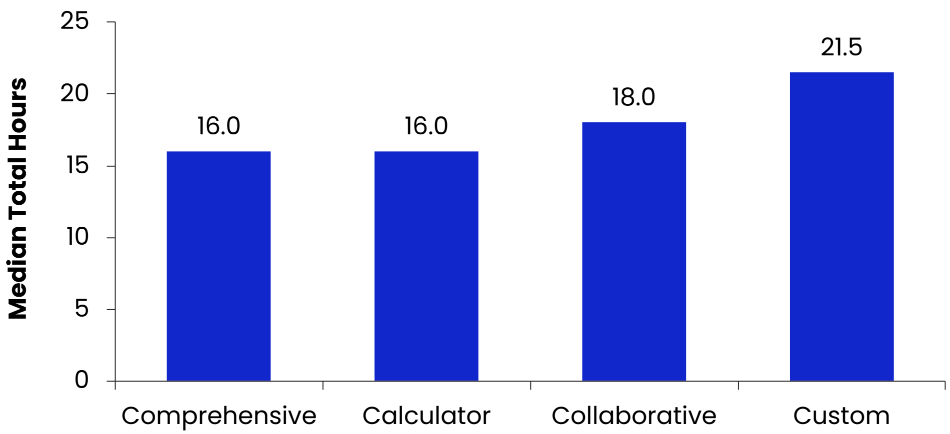
Time To Completion

Given that most planners construct detailed plans containing a large number of components, it can take them considerable time to do so – both in terms of the amount of hours that is required to complete the plan, and the amount of days and client meetings over which these hours are spread out.

The typical team requires 18 hours of staff time to complete and implement the initial financial plan, although this varies substantially based on the approach advisors adopt to construct plans, the number of components included within plans, and the type of advisor doing the constructing.

Teams that create custom-written plans based on clients' unique circumstances dedicate a median of 21.5 hours to plan construction and implementation, compared to 18 for those taking Collaborative approaches, and 16 for those offering Comprehensive or Calculator approaches (Figure 4.10).

Figure 4.10. Team Time To Prepare And Implement New Plan By Planning Approach

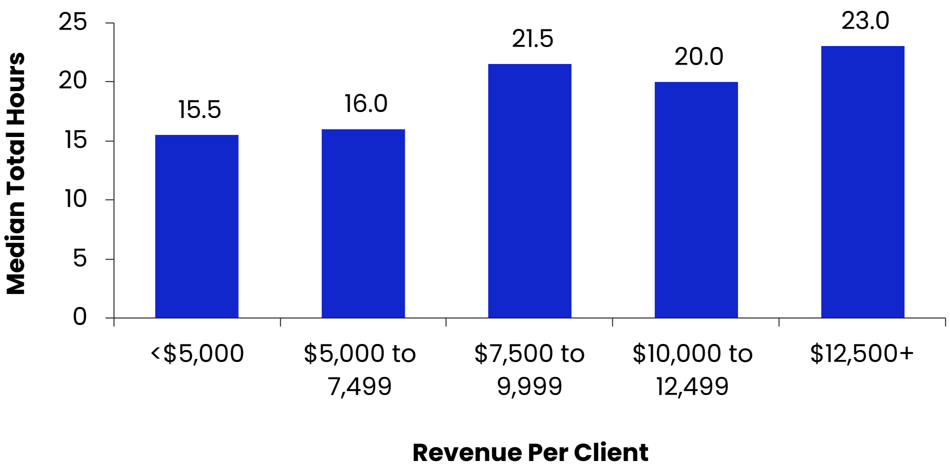


While the relationship between the hours required to complete a financial plan and the number of components included within plans is not linear, extensive (13–19 components) and most extensive (20+ components) plans take longer than plans that contain fewer than 13 components.

Finally, teams earning more revenue per client dedicate significantly more time to constructing and implementing financial plans compared to those serving less affluent clients (Figure 4.11). Teams making more than $12,500 in annual revenue per client typically spend

23 hours constructing plans, compared to 15.5 hours for those earning less than $5,000 in revenue per client. This is partly because advisors working with higher-value clients are more likely to work with CFP professionals who create customized plans tailored to their unique circumstances (at a significantly higher time per plan), while lower-value clients are more likely to work with a commission-based agent (who more commonly does narrow Targeted financial plans focused on the particular areas of product sale implementation).

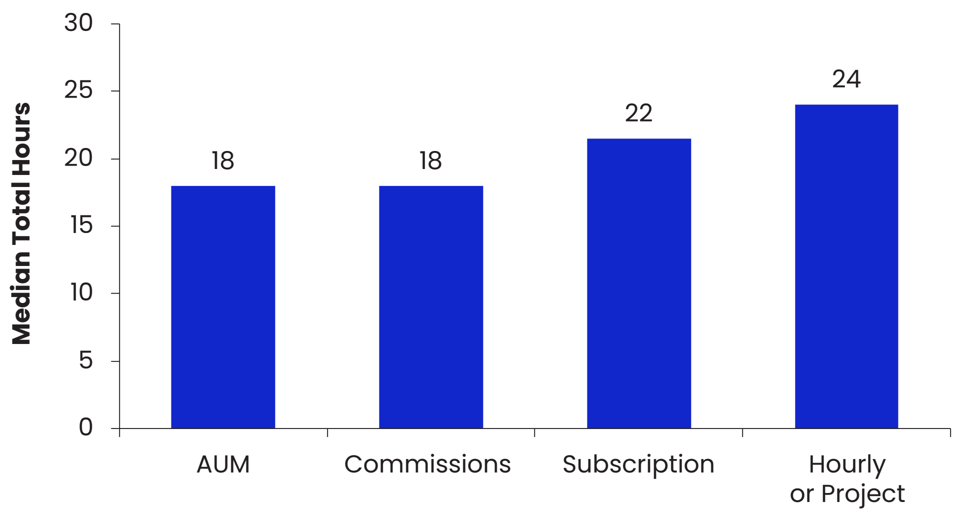
Figure 4.11. Team Time To Prepare And Implement New Plan, By Revenue Per Client



More broadly, though, this does suggest that, despite criticisms of the AUM model – that more affluent clients may not necessarily be more complex or time-consuming – high-value clients (which disproportionally come from affluent households) generally do present enough of an increase in complexity to require substantially more time to develop their financial plans. Finally, despite these large differences in the time required to prepare and implement plans, it's worth reiterating that, as noted earlier in this report, the most pronounced differences in total team hours dedicated between low- and high-value clients are not observed during this plan creation phase, but rather later in the relationship, when affluent clients receive considerably more ongoing attention.

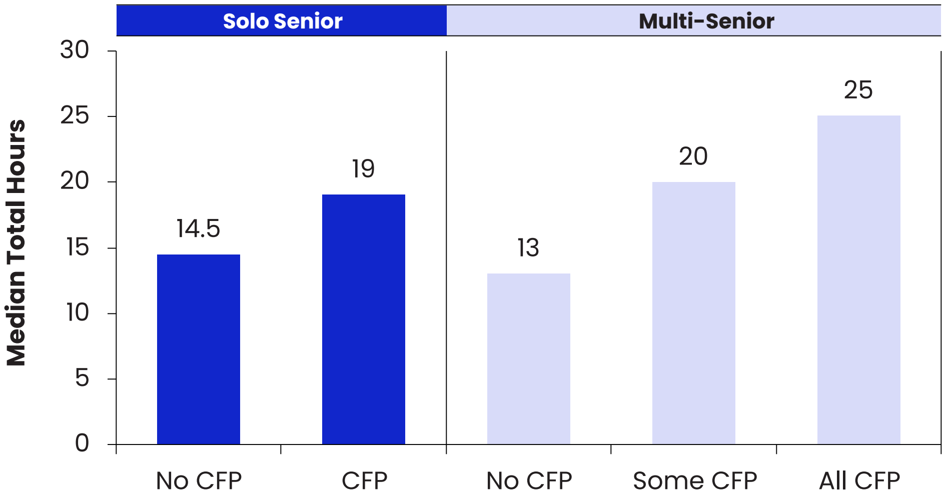
Additionally (though perhaps unsurprisingly), teams whose primary revenue source is some form of planning fee also dedicate more time to plan construction to those that primarily rely on revenue from commissions or AUM fees) (Figure 4.12). The cynical view to this phenomenon, which has been consistently observed in prior Kitces Research studies as well, is that when advisors are primarily compensated for the time it takes them to complete the plan, they pursue more breadth and time-consuming analyses to increase their billable hours. The client-centric view is simply that when clients are actually paying for the financial plan, advisors put more time and energy into its depth and quality. Either way, though, the trend is clear: teams whose primary revenue source is hourly or project fees take 24 hours to complete financial plans, compared to 22 hours for advisors reliant on subscription fees, and 18 for those reliant on AUM fees or commissions.

Figure 4.12. Team Time To Prepare And Implement New Plan, By Majority Revenue Source



The amount of time to complete financial plans also varies both by the CFP status of teams' Senior Advisors, and the number of Seniors Advisors on the team (Figure 4.13). Both for teams with a single Senior Advisor, and teams with multiple Senior Advisors, those where Senior Advisors have the CFP marks spend more time creating new plans than teams that don't. However, the magnitude of this disparity is much larger for teams with multiple Senior Advisors than teams with just one.

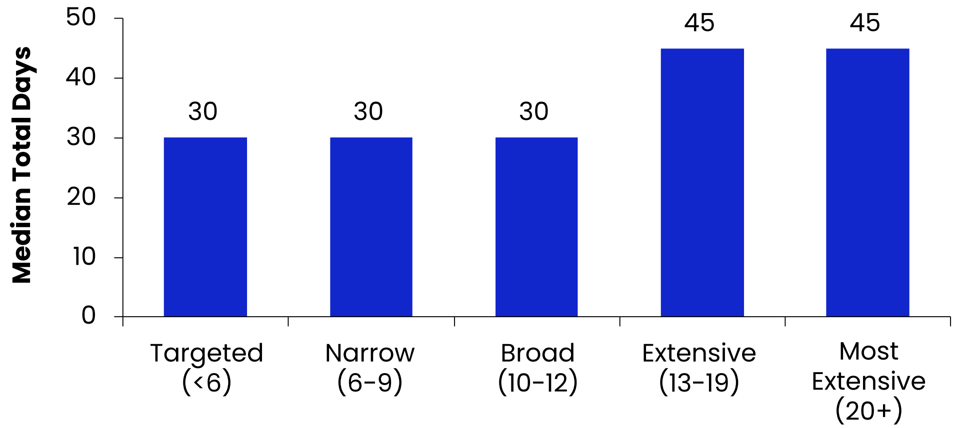
Figure 4.13. Time To Prepare And Implement Plan, By Senior Advisor CFP Status



Indeed, for teams with multiple Senior Advisors, teams in which all of these advisors have CFP marks spend about double the amount of time creating new plans compared to teams in which no Senior Advisors is a CFP professional – a 12-hour disparity. This disparity is just 4.5 hours for teams with a single Senior Advisor. And notably, these differences are not attributable to multi-Senior teams servicing more affluent clients; even when segmenting findings by typical client AUM, these disparities remain effectively unchanged. The fact that teams in which Senior Advisors have the CFP marks spend more time preparing plans makes sense given that these teams also cover a greater number of components within their financial plans. Which means, simply put, if advisory firms want to see more and more in-depth planning for their clients, their service teams should be led by CFP professionals. (And vice versa for those who do not!)

The considerable amount of time teams invest in constructing clients' financial plans often leads to a significant delay between the initial data gathering and the final delivery. For the typical team, this process takes 45 days, though timelines can vary widely. For example, teams creating plans with fewer than 13 components typically complete the process two weeks faster, completing plan implementation within 30 days of data gathering (Figure 4.14).

Figure 4.14. Days From Client Sign-On Thru To Plan Implementation, By Plan Comprehensiveness



Over the course of the typical 45-day window between data gathering and plan implementation, over 70% of advisors meet with onboarding clients two or three times, although 7% meet with them just once and 22% meet with them four or more times (Figure 4.15). Indeed, it seems that most advisors opt for one of two approaches, (a) a discovery meeting and a delivery meeting, or (b) a discovery meeting, delivery meeting, and an implementation meeting.

Figure 4.15. Number Of New Client Meetings Thru To Delivering The Financial Plan

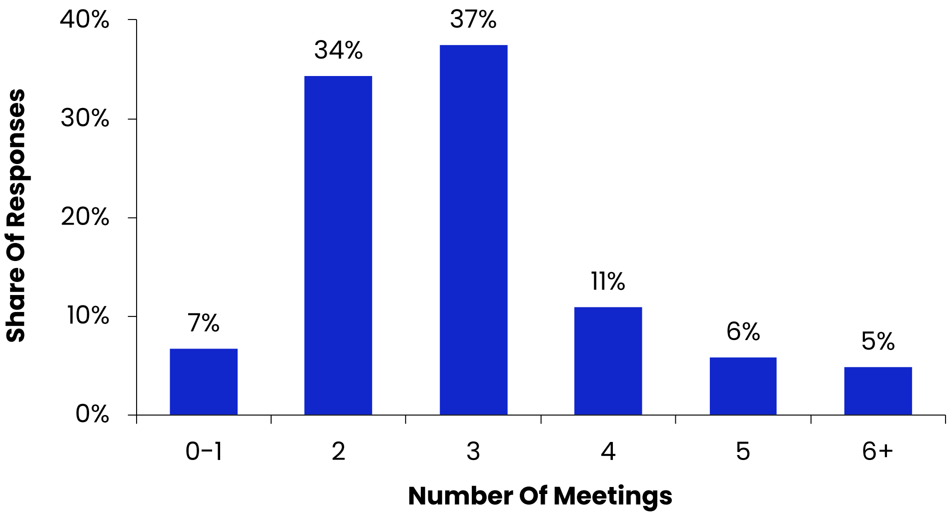
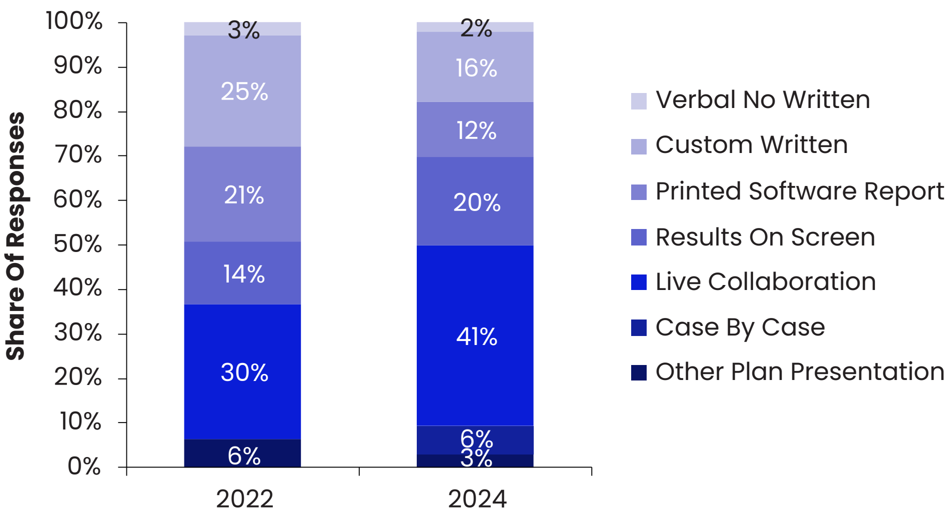


Figure 4.16. Primary Method For Presenting Results



When it comes time to deliver financial plans to new clients, the trend toward collaborative processes continues to grow (Figure 4.16). The proportion of teams opting for a real-time, "on-screen" experience – whether sharing results on a screen or otherwise engaging in some form of live collaboration – increased by 17 percentage points between 2022 and 2024. This shift is particularly striking given the addition of a new "case-by-case" option in 2024, which by definition drew responses away from existing categories. Equally notable is the decline in the share of teams relying on printed output from financial planning software – a method once widespread among advisors who would print "The Plan" to deliver in a nicely-bound format to clients – which dropped by 9 percentage points over the same period. Overall, these changes reflect a broader industry movement away from printed reports and toward interactive, on-screen experiences.

Working With Clients – Year 1

While developing the financial plans and delivering the financial plans to clients represent important pieces of the early advisor-client relationship, the typical team takes 45 days to complete the initial planning process. This means that the first year of the advisor-client relationship primarily involves not the creation of the financial plan, but its implementation, as well as transitioning into the ongoing monitoring and review stages of the client relationship.

Moreover, while the creation of financial plans is often time-intensive – particularly as it is typically completed within a two-month window – teams spend a roughly equal portion of their collective time per client during the first year on plan implementation and initial monitoring meetings as they do on the upfront plan creation. Broadly speaking, during the first year of the advisor-client relationship, teams allocate approximately 45% of their per-client time to preparing the financial plan, which includes establishing goals, data gathering, and building the plan itself (Figure 4.17). Just over 10% of their time is spent presenting the plan results to clients, while the remaining 45% is dedicated to implementing the plan and initiating ongoing review meetings.

Figure 4.17. Total Team Year 1 Time Allocation Per Client By Activity

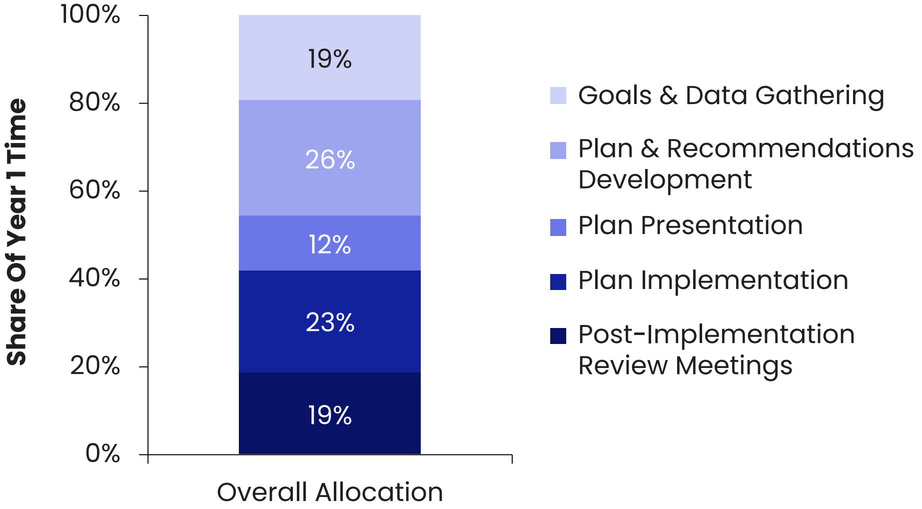
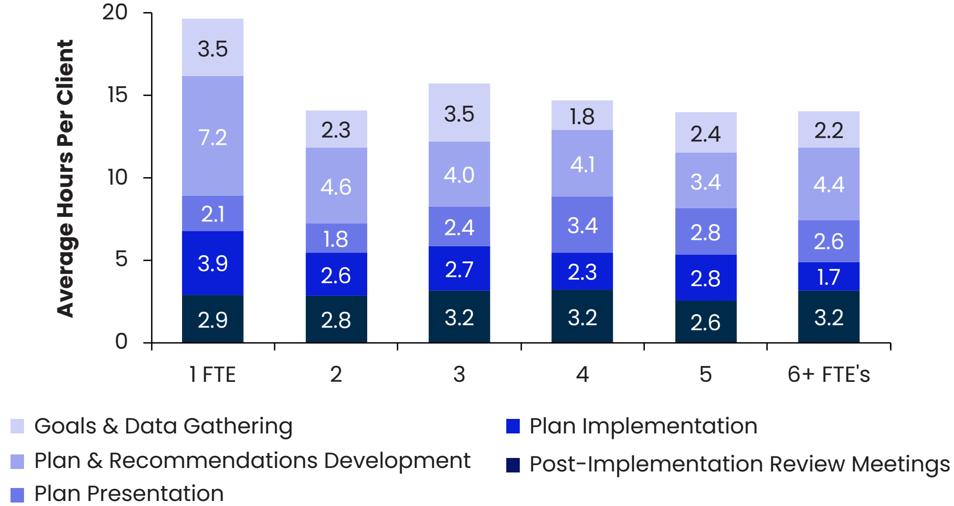


Figure 4.18. Year 1 Senior Advisor Hours Per Client, By Activity, By Team Size



When looking at the number of hours that specifically Senior Advisors dedicate to these tasks, there are substantial differences by team size. Solo Senior advisors, lacking team support, tend to dedicate more time to these tasks – 20 hours per client over the first year – and allocate a larger share of this time (40%) to developing plans and recommendations. In contrast, only 26% of their time is spent meeting with clients to present results or conduct post-implementation reviews. By comparison, Senior Advisors on teams with six or more members spend only 14 hours on these activities, with 41% of that time focused on presenting results or conducting post-implementation reviews, and the rest of the planning work handled by their team itself.

In terms of absolute hours, both solo Senior Advisors and those on larger teams spend a similar amount of time in client meetings (Figure 4.18). The key difference lies in delegation: Senior Advisors on larger teams can offload much of the plan development process to team members, while solos must handle it themselves. As a result, Senior Advisors on larger teams spend significantly less time on middle- and back-office tasks per client, which in turn allows them to take on more clients.

In the previous section of this report, we highlighted how "1+2" teams (i.e., teams consisting of one relationship-managing advisor and two support staff) consisting of a Senior Advisor, an Associate Advisor, and a CSA, are ideal for maximizing productivity. When looking at the typical one-year breakdown of tasks for specifically this team structure, Senior Advisors and Associate Advisors allocate a similar number of hours per client to most key tasks, with the notable exception of presenting results, where Senior Advisors spend an additional 2–3 hours (Figure 4.19). For Senior Advisors, these 2–3 meeting hours commonly take the form of a single two-hour presentation meeting, multiple presentation meetings, or a presentation and subsequent implementation meeting. Associate Advisors, by contrast, generally participate for a single hour of those meetings (likely to cover the core planning areas where the Associate may have been involved in the analysis or take notes on portions relevant to their responsibilities). Meanwhile, CSAs primarily focus on plan implementation, dedicating slightly more time to this task than either of the advisors.

Figure 4.19. Year 1 Hours Per Client By Role And Activity For Ideal Team Configuration

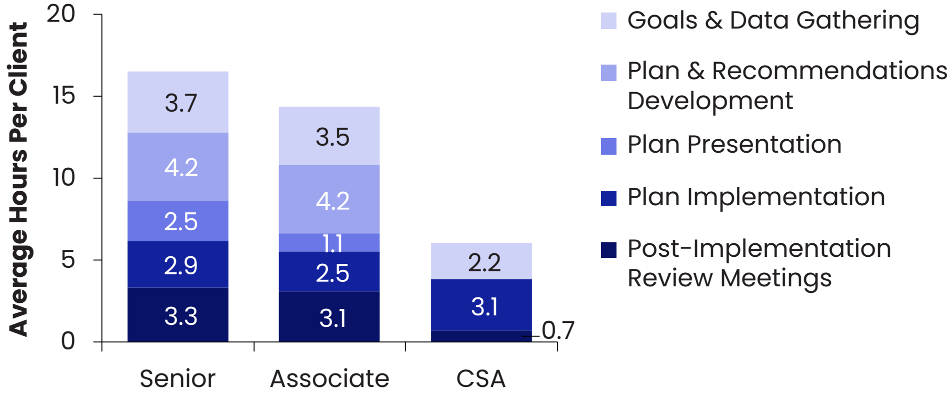
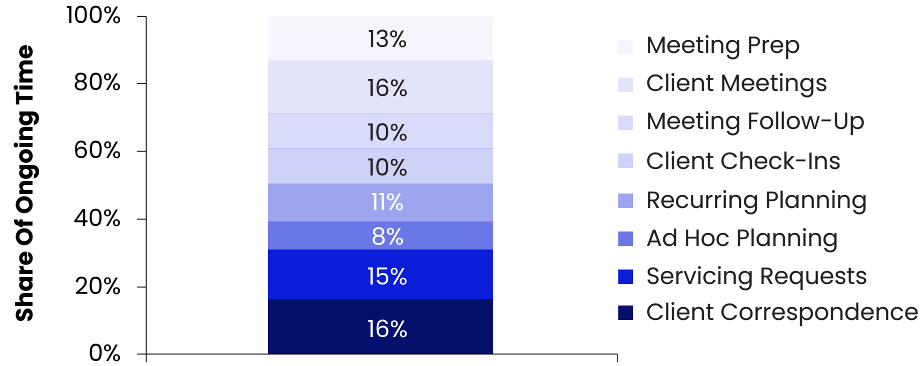


Figure 4.20. Total Team Ongoing Time Allocation Per Client By Activity



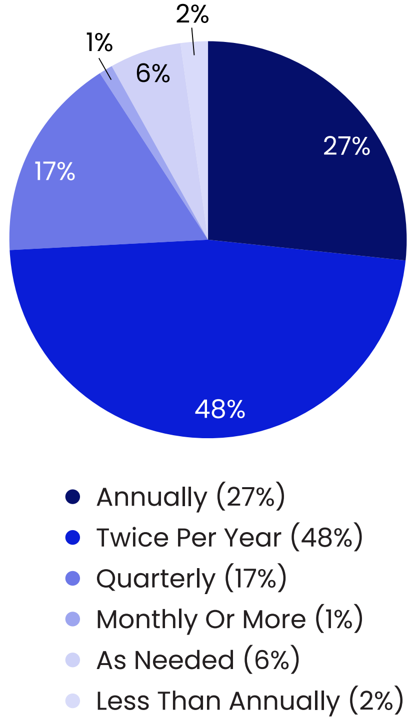
Working With Clients – Ongoing

As we noted in the previous section, service teams on average only dedicate one additional hour per year to clients in the first year of their relationship versus on an ongoing basis. This indicates that, while investing in relationships early on is important for client retention, so too is such investment thereafter. Especially since ongoing service time demands also tend to rise further as client affluence (and client expectations for advisors to earn their ongoing fees) rises as well.

Beyond the first year of the advisor-client relationship, teams allocate just 16% of their collective time per client to meetings (Figure 4.20). Remaining time is split between meeting preparation and follow-up (23%), behind-the-scenes planning work for recurring or ad-hoc planning requests (19%), handling various service requests (15%), and client communication outside of meetings (26%) – which includes advisor-initiated interactions and client-initiated correspondence, such as emails, phone calls, or video check-ins. As noted in past editions of this report, the average team continues to spend more than one hour on meeting preparation and follow-up for every hour spent in meetings!

When narrowing our focus to ongoing client meetings, teams differ in how frequently they hold these meetings (Figure 4.21). Only 8% of teams meet with their clients less than once per year or lack a routine altogether, while over 90% of advisors meet with their clients at least once annually – with half meeting at least twice per year. Interestingly, these figures show little variation based on client affluence, despite the expectation that advisors working with more affluent clients might update plans more frequently to retain them. Instead, when advisors allocate more ongoing time to higher-dollar clients, it appears to be spent delving into deeper specific plan components rather than simply meeting more frequently.

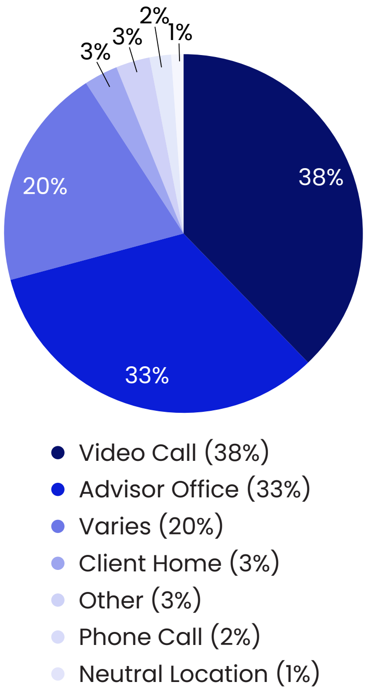
Figure 4.21. Typical Meeting Frequency With Ongoing Clients



As with the initial planning meeting, service teams seem to be reestablishing routines for subsequent planning meetings disrupted during the COVID-19 pandemic – though not necessarily the same routines as before. This shift is evident in the sharp decline in the share of teams reporting that their meeting location "varied" – likely influenced by clients' personal circumstances and comfort levels with in-person meetings – from over 35% in 2022 to just 20% in 2024. This decline coincided with an increase in the share of teams conducting in-person meetings, which had been one in five and rose to one in three. Notably, the use of video calls remained steady at just under 40%, suggesting that advisors found this format valuable during the pandemic and chose to retain it as part of their ongoing routines, even as they also tried to expand (or rather, re-establish) their frequency of in-person meetings.

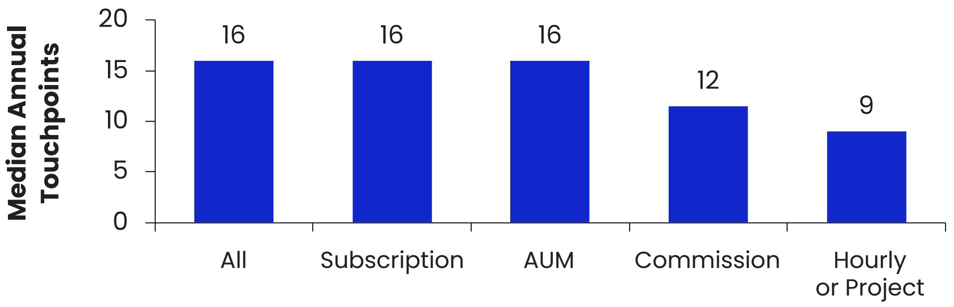
Of course, meetings – whether in person or virtual – are only one means by which advisors may connect with their clients on an ongoing basis. The typical advisors has 16 touchpoints with their clients per year. In addition to meetings, this includes newsletters, text messages, educational events, phone calls, and webinars (Figure 4.23).

Figure 4.22. Location Of Ongoing Planning Meetings



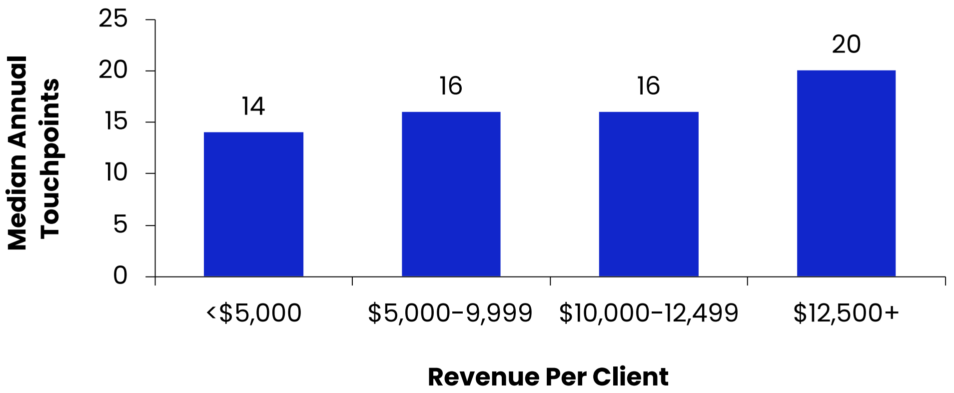
However, the precise number of touchpoints varies predictably based on teams' primary majority revenue source and client affluence. Advisors with revenue structures geared towards recurring revenue sources (such as AUM and subscription fees) have 16 client touchpoints per year, compared to those with transactional revenue sources such as hourly/project fees and commissions, who have only nine and 12 touchpoints, respectively (Figure 4.23).

Figure 4.23. Ongoing Client Touchpoints Per Year, By Majority Revenue Source



Turning to client affluence, teams servicing clients generating $12,500 or more in revenue per year have 20 client touchpoints – six more than teams servicing clients generating less than $5,000 in revenue per year. Simply put, when advisors have a financial incentive to engage clients more frequently – by recurring revenue to retain, and by the dollar-value of the fees that clients pay – they really do reinvest more into their client touchpoints (Figure 4.24).

Figure 4.24. Ongoing Client Touchpoints Per Year, By Revenue Per Client



When examining the types of touchpoints teams use to maintain ongoing client connections, these strategies depend on the overarching approach adopted by each team. Broadly, we identified three distinct approaches to client touchpoints, all of which include one annual in-person meeting and one annual video call, but differ in the additional touchpoints offered (Figure 4.25).

Figure 4.25. Three Common Touchpoint Approaches

Personalized Low Touch	About 10 client touchpoints per year, which are primarily individualized
Personalized High Touch	More than 20 client touchpoints per year, which are primarily individualized
Standardized High Touch	More than 20 client touchpoints per year, which are primarily standardized

The first, the **personalized low-touch** approach, involves approximately ten client touchpoints per year (Figure 4.26). Beyond the meeting and video call, this approach includes about two phone calls, three client-specific emails, and four standardized emails or newsletters. This is the most common approach, used about three times more frequently combined than the other two approaches that follow – each of which include over 20 annual client touchpoints.

The **personalized high-touch approach** (Figure 4.27) includes two additional phone calls and standardized emails or newsletters than the low-touch approach, but stands out most significantly with its inclusion of 12 individualized client emails (representing approximately monthly personalized check-ins with clients).

Conversely, the **standardized high-touch** approach (Figure 4.28) has slightly more phone calls and client-specific emails than the low-touch approach. However, its key distinction lies in its reliance

Figure 4.26. Personalized Low Touch

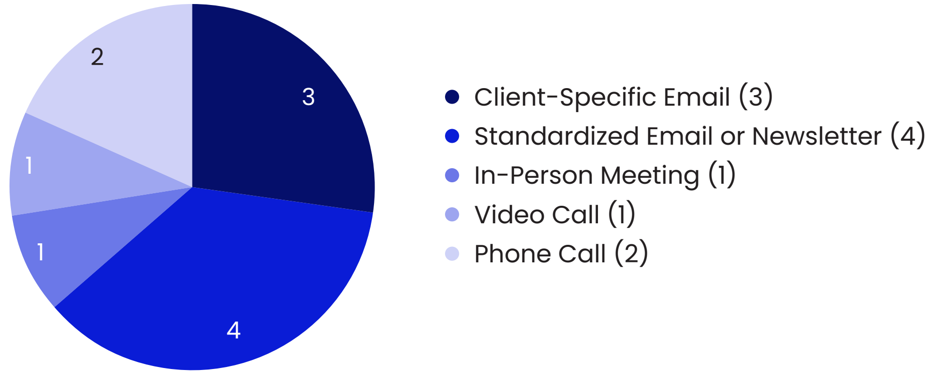


Figure 4.27. Personalized High Touch

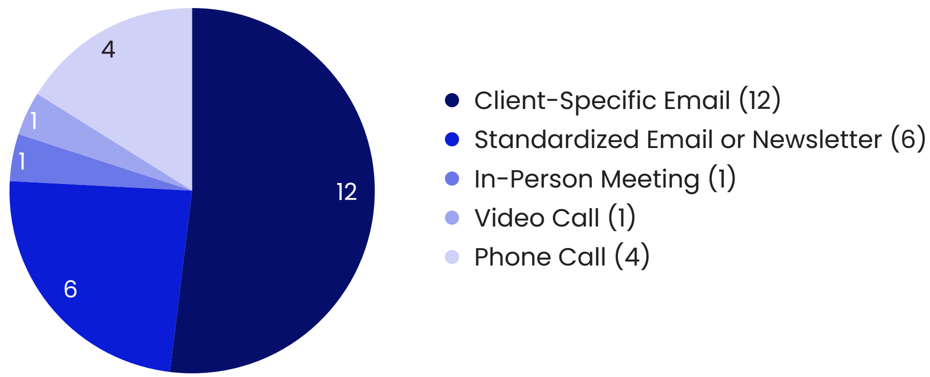
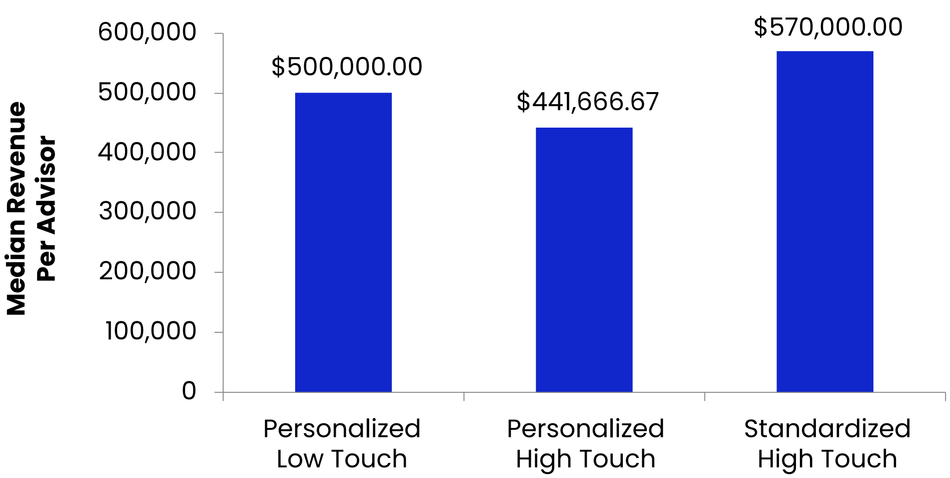


Figure 4.28. Standardized High Touch

on standardized touchpoints, with half of its interactions comprising standardized emails or newsletters, along with leveraging one-to many touchpoints via three client events (including a webinar, a client appreciation event, and an educational event).

The relationship between these three approaches and team productivity hinges on whether teams standardize their ongoing touchpoints. Teams using standardized high-touch approaches generate $70,000 more in revenue per advisor compared to those following the personalized low-touch approach. Conversely, teams delivering a high volume of personalized touchpoints see nearly $60,000 less in revenue per advisor than low-touch teams. This suggests that frequent touchpoints can boost productivity by demonstrating value to clients, but only when delivered efficiently. Relying heavily on individualized communications, while providing a "personal touch", also creates a work burden that outweighs the benefits (or at least, advisors providing such services don't appear able to charge additional fees commensurate with the additional time and revenue capacity it takes to deliver them).

Figure 4.29. Revenue Per Advisor By Touchpoint Approach



Time Optimizing Processes

As we've seen in this section of the report, the financial planning process is exceptionally complex. While the total team hours invested in client relationships remain largely consistent over time, the focus of these efforts gradually shifts from the creation and delivery of the financial plan to ongoing monitoring and maintenance. As highlighted earlier, growth often necessitates additional staff hours to manage a larger client base, retain high-dollar clients, and oversee larger teams, making it critically important for teams to adopt processes that optimize time management. In the remainder of this section, we will explore three strategies that teams are increasingly adopting to streamline their workflows: two tactical scheduling methods (meeting surges and client service calendars) and the use of AI-generated meeting notes.

Tactical Scheduling Methods

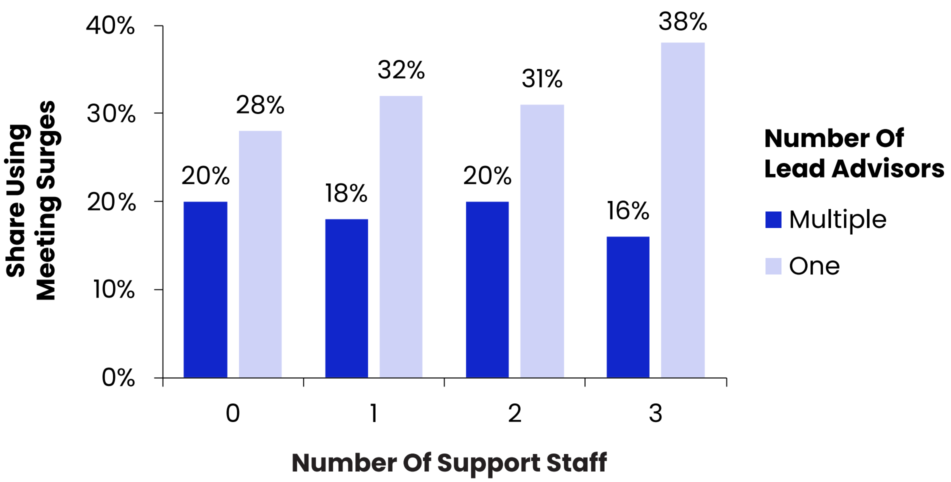
Meeting Surges

Given the significant number of staff hours required to create, present, and maintain financial plans, many teams may seek out strategies for allocating their time more effectively. The reason why teams would choose to be intentional about how they allocate their time is straightforward. Face-to-face time with clients is a key driver of productivity; managing one's schedule on an ad-hoc basis without defined time for client meetings risks underservicing clients and letting administrative, service, and other non-revenue generating tasks pile up. Hence, theoretically, getting control of one's calendar is an appealing means by which advisors could boost their productivity because it doesn't necessitate investing in additional staff or providing more services when a team may already be operating near their capacity – just that they be intentional with their time.

For the first time in 2024, Kitces Research asked respondents whether they utilize two tactical scheduling methods: meeting surges and client service calendars. Beginning with the former, meeting surges are defined as concentrated time windows during the year in which advisors schedule a high volume of client meetings for the purpose of streamlining their meeting process, to free up substantial time with few or no meetings outside of surge periods which can then be dedicated to other business or personal activities. Based on this definition, 27% of teams use this method of tactical scheduling.

The use of meeting surges is more prevalent among teams with advisors newer to the industry. These teams are more likely to have lower revenue per client relationship, are more likely to be reliant on planning fees versus AUM fees, and are also more likely to operate as hybrids affiliated with both an RIA and IBD, rather than exclusively with one. Meeting surges are particularly common among teams with a single lead advisor supported by a large number of support staff (Figure 4.30).

Figure 4.30. Share Using Meeting Surges By Team Composition (75+ Clients Per Advisor)



This trend likely stems from the fact that such teams have enough staff leverage to manage the high workload during surge periods while allowing breaks between surges. In contrast, teams with multiple lead advisors often lack sufficient support staff to handle simultaneous surges for multiple advisors, which at best would necessitate staggering surges across a multi-advisor team. Yet staggered surges could result in an unsustainably prolonged period of high workload for the support staff, as they would need to juggle surges from one advisor to the next (such that advisors who surge get a reduced post-surge workload as relief, but support staff of a multi-advisor surging team never would). Thus, again, this tactical scheduling method is most commonly utilized by teams with a single lead advisor and multiple support staff.

As shown in Figure 4.31, most teams (52%) who use meeting surges schedule 2 surge periods per year, while 15% have a single surge period, and 33% have three or more. The typical surge period lasts 6 weeks, though there is considerable variation among teams (Figure 4.32). Specifically, 13% have surge periods lasting just 1–2 weeks, 34% last 3–4 weeks, and the remaining 53% extend for 5 or more weeks.

Figure 4.31. Number Of Meeting Surge Periods Per Year

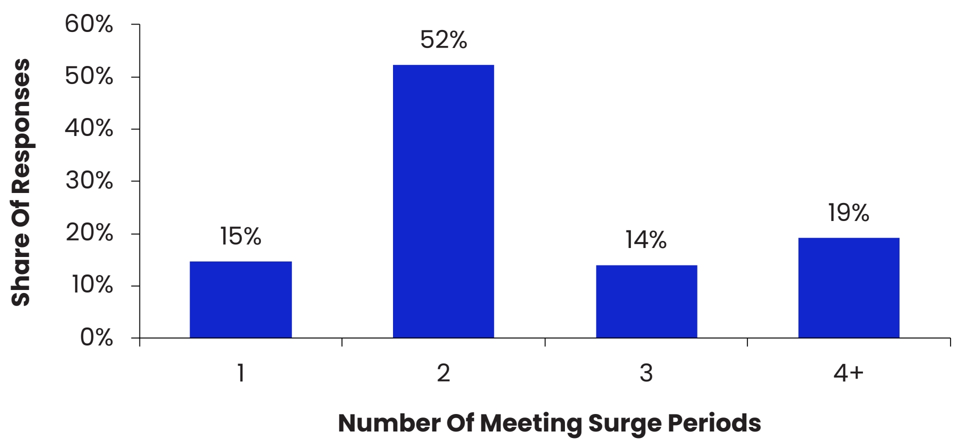
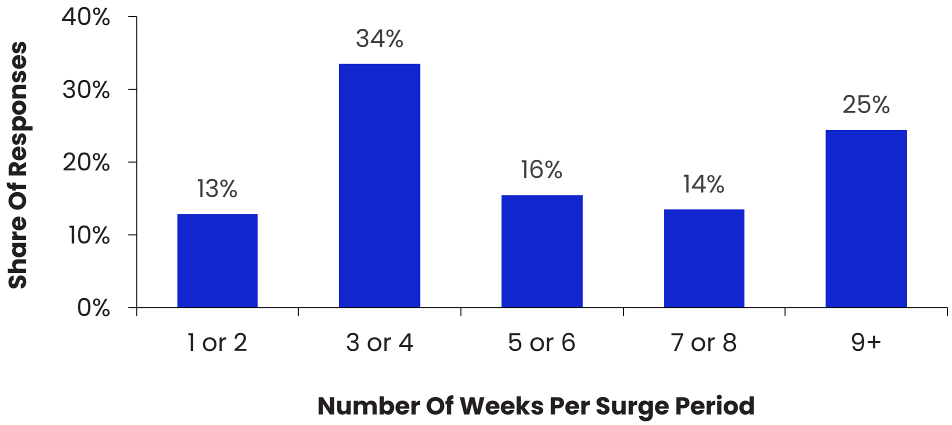
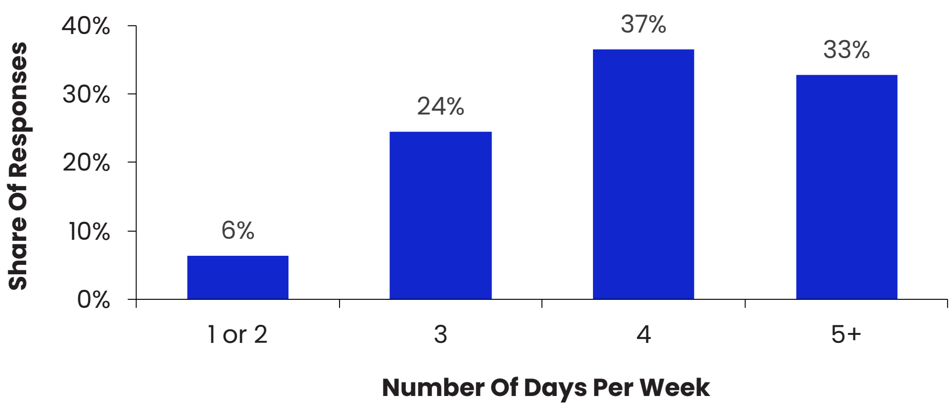


Figure 4.32. Number Of Weeks Per Meeting Surge Period



Even during surge periods, only about three in ten advisors have meetings all five days of the week, with the rest opting instead to leave days clear for meeting preparation and follow-up. The most common frequency involves holding meetings four days per week, leaving one day for various meeting-related prep and follow-up tasks (Figure 4.32). However, one in four advisors hold meetings just three days week, allowing for one day of meeting prep and a separate second day for meeting follow-up.

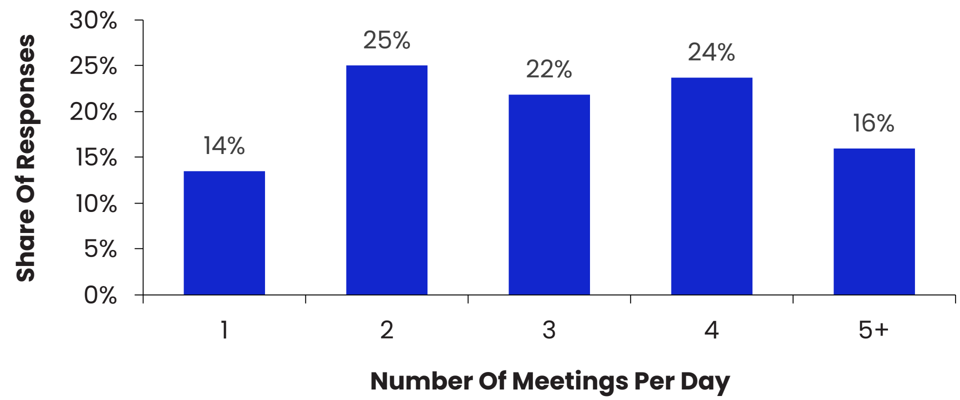
Figure 4.33. Number Of Days Per Week Meetings Are Held



Somewhat surprisingly, even during surge periods advisors rarely spend more than half of the day in meetings, assuming an 8-hour workday and hour-long meetings. Roughly similar proportions of advisors (22-25%) hold just 2, 3, or 4 meetings per day, with just 16% of advisors doing meeting surges holding more than 4 meetings per day (Figure 3.34).

These limitations on the number of meetings advisors are able to handle each day without burnout, even during a surge period, also helps to explain the aforementioned variability with the length of surges; simply put, when the number of meetings that can be sustained through surge is still limited, the number of clients the advisor has in total (that need to be scheduled during their surge period) dictates how long the surge period must be to accommodate.

Figure 4.34. Number Of Meetings Per Day During Surge Periods



The typical meeting surge schedule is displayed in Figure 4.35. This involves holding 2 surge periods per year each lasting 6 weeks, during which advisors have 3 meetings per day, 4 days per week – totaling 12 meetings per week. Over the course of a single surge period, this amounts to 72 meetings; over the course of a year this amounts to 144 meetings during surge periods.

Figure 4.35. Typical Surge Schedule

Number of Surge Periods Per Year	2 Periods
Length of Surge Periods	6 Weeks
Number of Days Per Week Containing Meetings	4 Days
Number of Meetings Per Day	3+

When considering why meeting surges might boost team productivity, one explanation is that surges encourage advisors to proactively schedule client meetings to 'fill' surge periods, thereby increasing face-to-face time with clients – a key driver of productivity. One of the fundamental questions that arises with the use of surge meetings, though, is whether surge meetings actually enhance advisor productivity with a better and more efficient meeting cadence, or if they simply rearrange the meetings that advisors were conducting anyway (for a net equivalent productivity result).

However, as shown in Figure 4.36, the data indicates that advisors who surge – and use a typical surge structure – really do have higher revenue per advisor, and are successful in spending more time in client meetings. Advisors on teams using the typical schedule spend 79% more of their time in client meetings, which translates to 216 additional one-hour meetings per year (assuming a 41-hour workweek and 4 weeks of vacation) and a healthy $100,000 increase in revenue per advisor. In contrast, advisors who adopt surge schedules that deviate from the typical structure spend only 3 percentage points more time in client meetings compared to those not using meeting surges at all, while generating $150,000 less in revenue per advisor. Broadly speaking, it seems that the typical surge schedule that advisors have converged upon exists for good reason – it is enabling those advisors to maximize face time with clients, ultimately boosting the productivity of their teams.

Figure 4.36. Productivity By Meeting Surge Structure

Use of Meeting Surges	Share of Time Spent in Client Meetings	Median Revenue Per Advisor
No	14%	$500,000
Yes (non-typical)	17%	$350,000
Yes (typical)	25%	$600,000

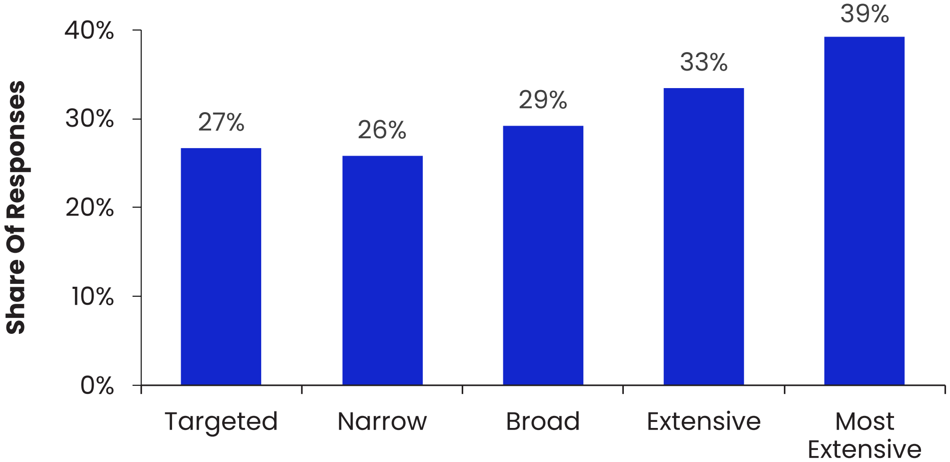
The one caveat, though, is that teams can only effectively implement surges if they have a sufficient support staff in place; and as shown earlier, advisory firms with larger support staff teams are *already* more productive simply by virtue of the leverage they gain from their support team in the first place. As a result, from these data alone it's still not clear whether advisors that use meeting surges with their teams are more productive because of the meeting surges, or simply because they have team support in the first place – a possibility that will be further explored at the end of this report. For our purposes here, though, the key point is that teams with the infrastructure to do properly utilize meeting surges may be able to leverage them to boost their productivity by increasing face time with clients.

Client Service Calendars

An alternative method of tactical scheduling is client service calendars. Client service calendars are defined as schedules that dedicate particular client service activities for all clients to occur during specific periods throughout the year. For example, an advisor may dedicate the first month of the year to planning RMDs, the second month of the year to insurance, in so forth. Based on this definition, 33% of teams utilize these calendars.

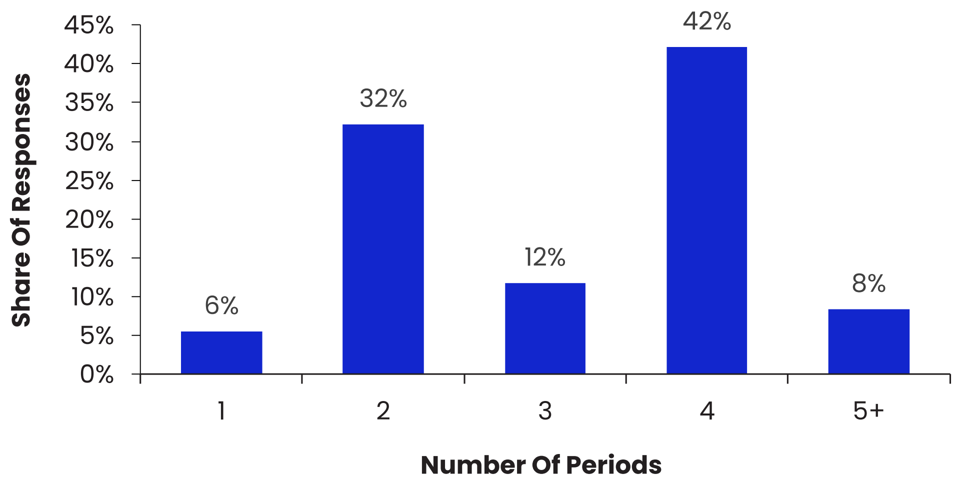
Use of client service calendars is more common among advisors covering a large number of components in their financial plans (Figure 4.37), and those with more client-facing experience, who ostensibly are trying to be proactive in breaking down a larger number of comprehensive planning topics into smaller bite-sized units. They are also more common among advisors who service more affluent clients and those who primarily rely on subscription fees for their revenue (who ostensibly feel more pressure to *show* their ongoing financial planning value, beyond what AUM advisors can naturally show with their investment management activity). There is no difference in utilization of client service calendars by team size or by the CFP status of teams' Senior Advisors.

Figure 4.37. Use Of Client Service Calendars, Plan Breadth



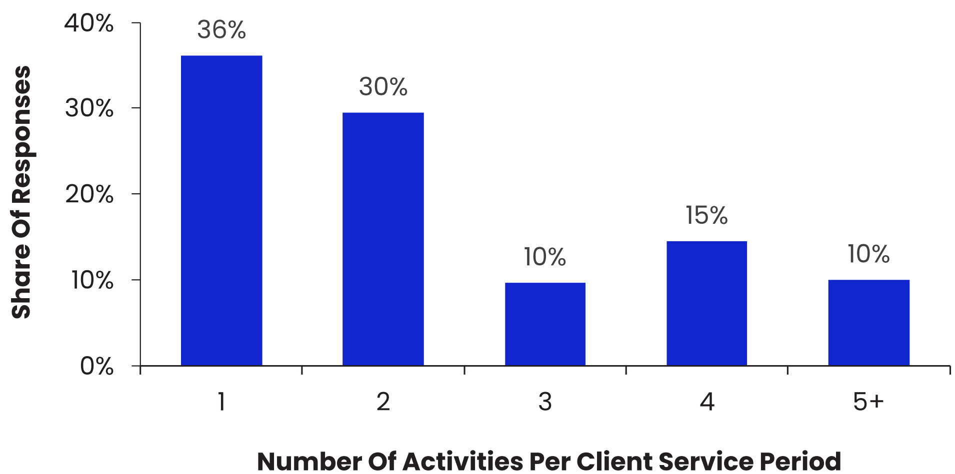
Of course, not all client service calendars are alike. When it comes to the structure of these calendars, the first question pertains to the number of client service periods – namely, the number of defined windows of time teams dedicate on specific activities – that teams schedule per year. A clear plurality of advisors (42%) schedule 4 client service periods a year – one per quarter – with a large number also scheduling 2 semi-annually (32%) (Figure 4.38).

Figure 4.38. Frequency Of Client Service Periods



After specifying their number of client service periods, teams then assign particular client service tasks to these periods. Two-thirds of teams utilizing client service calendars choose to focus on just 1–2 activities per client service period rather, than spreading themselves thin over many tasks (Figure 4.39). Indeed, just 10% of teams using this tactical scheduling methods include 5 or more activities per period.

Figure 4.39. Number Of Activities Per Client Service Period

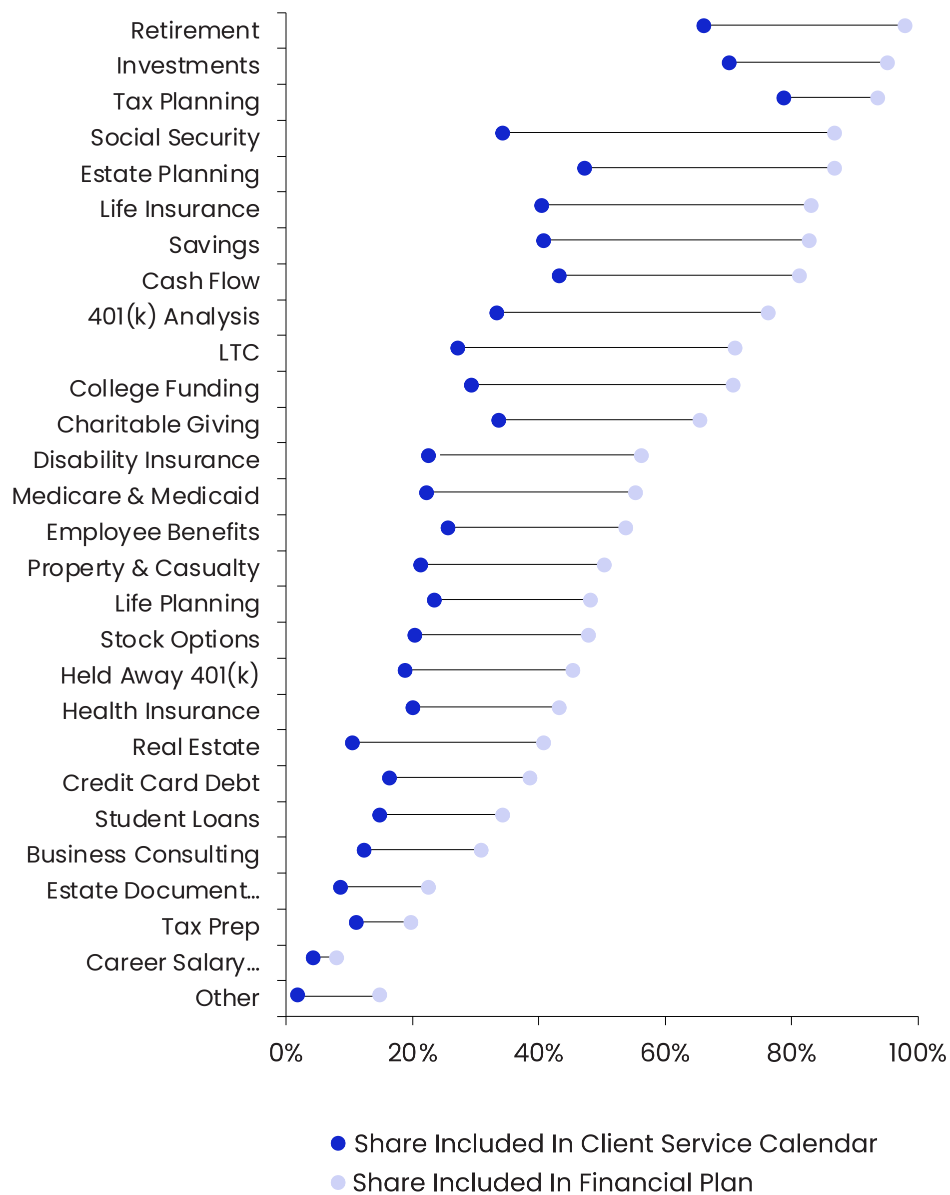


Not all teams prioritize the same tasks in their client service calendars. The only three services included in more than 50% of calendars are tax planning, investment management, and retirement planning, while the least common services are career salary benchmarking and estate document preparation (Figure 4.40). Notably, these are also the most and least common components of financial plans, respectively, as well.

In general, there is a positive correlation between the likelihood of a service being included in financial plans and its inclusion in client service calendars, though some notable exceptions exist. As, ultimately, having an ongoing annual service calendar is only relevant for issues that recur on a regular annual basis; thus, for instance, why tax planning (with its annual tax filing requirement) is the most likely to be in an annual service calendar if it's offered at all in the first place, while services that occur at a particular point in time (e.g., enrolling in Social Security, buying a piece of real estate, funding college, or signing up for LTC insurance) are relatively less likely to be included in a client service calendar. Simply put, the best services for a client service calendar are those that have a naturally recurring cadence to be analyzed, evaluated, engaged, or otherwise reviewed on a regular periodic basis in the first place.

Taken together, the most common structure of a client service calendar consists of four client service periods, each containing just one or two services. These typically focus on a team's core offerings, such as tax planning, retirement, and investment management. However, just because this configuration is common does not mean it is optimal for productivity. Alternative configurations – such as fewer service periods with more activities per period – could potentially yield better results. To explore the relationship between client service calendar structure and productivity, we compare teams' revenue per advisor based on the number of service periods and the activities included in each period (Figure 4.41).

Figure 4.40. Component Coverage Vs Inclusion In Client Service Calendar



Note: Only includes respondents utilizing client service calendars

Figure 4.41. Revenue Per Advisor By Calendar Configuration

Calendar Configuration	Median Revenue Per Advisor
No client service calendar	$466,668
4+ service periods containing 1 activity	$525,000
4+ service periods containing 2+ activities	$310,046
<4 service periods containing 2+ activities	$425,000
<4 service periods containing 1 activity	$400,000

As the results show, the only calendar configuration associated with higher revenue per advisor productivity, compared to not using a calendar at all, is having four or more periods per year, each containing a single service (Figure 4.42). In contrast, calendars with many periods containing many activities tend to result in over-servicing (more work without a commensurate increase in revenue to pay for those additional calendered services), while those with fewer periods and only one service per period lead to under-servicing (more difficulty attracting higher-dollar clients that are broadly associated with higher productivity). A smaller number of periods with multiple services is better than these extremes, but still less productive than not using a client service calendar.

Figure 4.42. Ideal Client Service Calendar

Number of Client Service Periods	4
Number of Activities Per Periods	1
Specifically Included in Calendar	Tax Planning Investment Management Retirement Planning Estate Planning

Ultimately, having a manageable number of client service periods (where many firms are already accustomed to a quarterly cadence), each focusing on a single service, enables advisors to prioritize key services, maintain control of their schedules, and maximize productivity.

AI Meeting Notes Tools

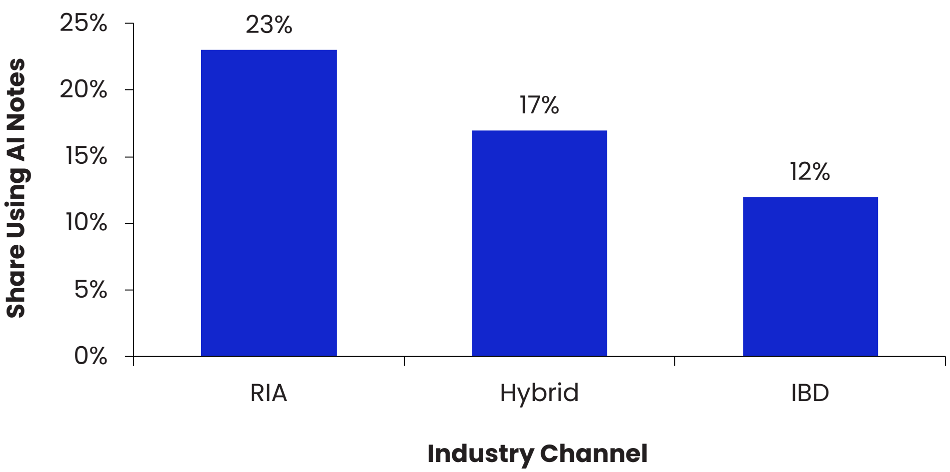
Beyond being more intentional with how they structure their calendars, teams looking to boost productivity might look to other ways to reduce unproductive back- and middle-office time and increase face time with clients. One area many advisors aim to streamline is administrative work related to client meetings.

As noted earlier in this report, Senior Advisors spend more than one hour of prep and follow-up for every one hour of client meetings. This process is essential for advisors to be mindful and up to date on a client's issues before the meeting, and after the meeting to not only ensure follow-through to implement whatever was discussed during the meeting, but also to document for compliance purposes what was covered in the meeting with clients. Historically, this was done by advisors preparing for their meetings or taking notes, or perhaps augmented by support staff who would help with meeting prep and post-meeting follow-up. But in the modern area, some advisors are trying to expedite the process by leveraging emerging new AI meeting notes tools.

AI meeting notes software typically involves recording client meetings using an AI tool, either through a phone/computer application or by connecting it to a web conferencing software. After the meeting, the tool provides a structured summary, including lists of discussion points, takeaways, and to-dos. These notes can then be saved in the client's file for future reference, streamlining the post-meeting workflow. In some cases, the meeting notes may also prompt or queue up post-meeting action items. And the existence of such meeting notes, over time, can become reference data to generate a summary in preparation for the next meeting with that client as well.

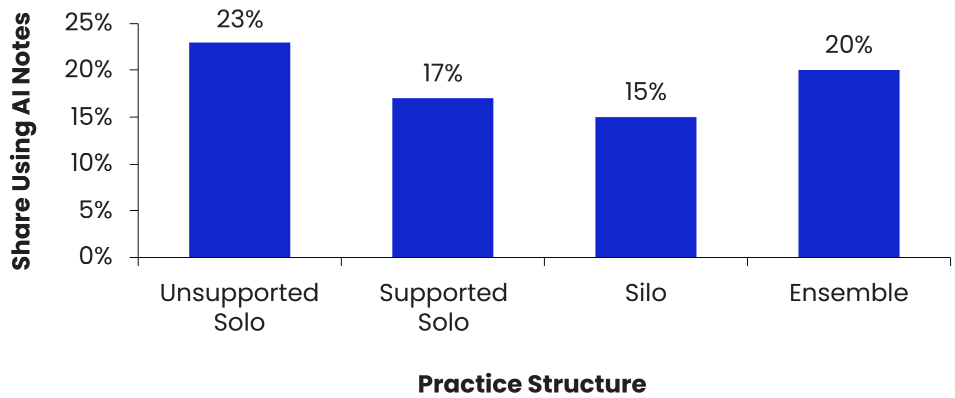
Currently, about 18% of teams use an AI meeting notes tool, which costs approximately $200 per year. Teams affiliated exclusively with RIAs are about twice as likely to use these tools as those exclusively affiliated with broker-dealers, which isn't surprising given the shorter compliance review process to adopt new technology in a (typically small-to-mid-sized) RIA compared to the home office of a mid-to-large-sized broker-dealer (Figure 4.43).

Figure 4.43. Use Of AI Meeting Notes Tools By Channel



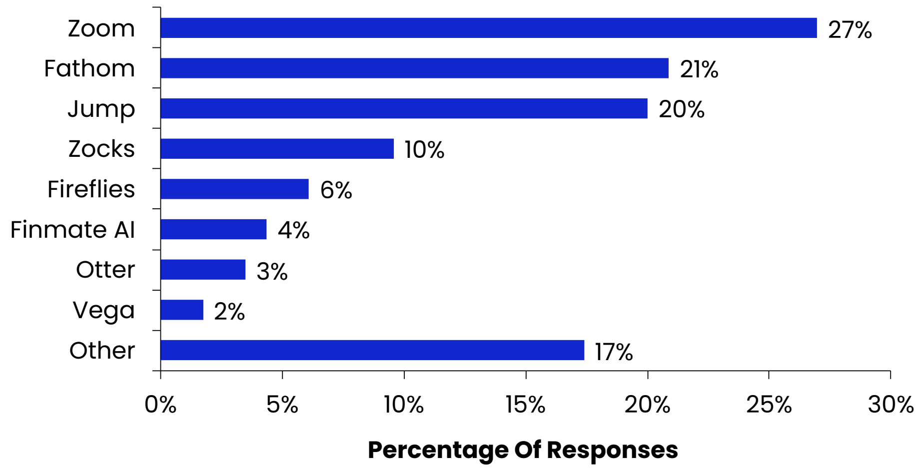
Use of these tools is particularly common among unsupported solo advisors, who lack the ability to delegate key tasks, and are more inclined to adopt time-saving solutions that leverage themselves personally instead (Figure 4.44). AI meeting notes are also more frequently used by teams producing "extensive" financial plans with 13+ components, though their use shows little variation in adoption based on the CFP status or years of client-facing experience of Senior Advisors.

Figure 4.44. Use Of AI Meeting Notes Tools By Practice Structure



Among teams using AI meeting notes, the built-in AI capture capabilities of Zoom is the most popular tool, used by nearly three in ten teams, followed by Fathom as the most popular standalone (and not industry-specific) AI meeting notes tool (Figure 4.45). When it comes to industry-specific tools, the most popular are Jump (20%), followed by Zocks (10%), and Finmate.AI (4%), though it's notable that in the aggregate industry-specific solutions comprise barely one-third of total advisor adoption even amongst those who are using such software. More broadly, the fact that no single tool is used by more than 30% of teams, combined with the 17% who indicated using a tool not included in the eight options listed in the questionnaire, underscores how this is still a budding market, raising questions of which will ultimately prove to be the dominant players.

Figure 4.45. AI Software To Support Notetaking



On the other hand, while the two most widely adopted programs, Zoom and Fathom, are general-purpose tools rather than industry-specific solutions, it is an industry-specific solution – Jump – that was the highest-rated tool, and by a considerable margin. On the other hand, Zoom – the current market leader by adoption – was ranked lowest amongst all the tools that had a sufficient user base to score user satisfaction at all (Figure 4.46). Which broadly signals a looming battle between tools that are built-in and ready to use but less effective (e.g., Zoom) versus those that are more built-to-purpose for advisors and higher-rated but require additional effort to set up and use (e.g., Jump).

Still, since AI meeting notes tools are relatively low-cost and involve minimal require integration with other software programs included in teams' tech stacks beyond the CRM system, switching between tools is far less disruptive than transitioning to alternatives in categories like comprehensive financial planning software. As a result, significant shifts in market share are likely as the market matures. With user satisfaction often a leading indicator of future adoption, industry-specific tools like Jump seem well-positioned for increased adoption in the coming years – at least unless platforms like Zoom prove capable of improving the quality of their own offerings.

Figure 4.46. AI Notetaking Software Satisfaction

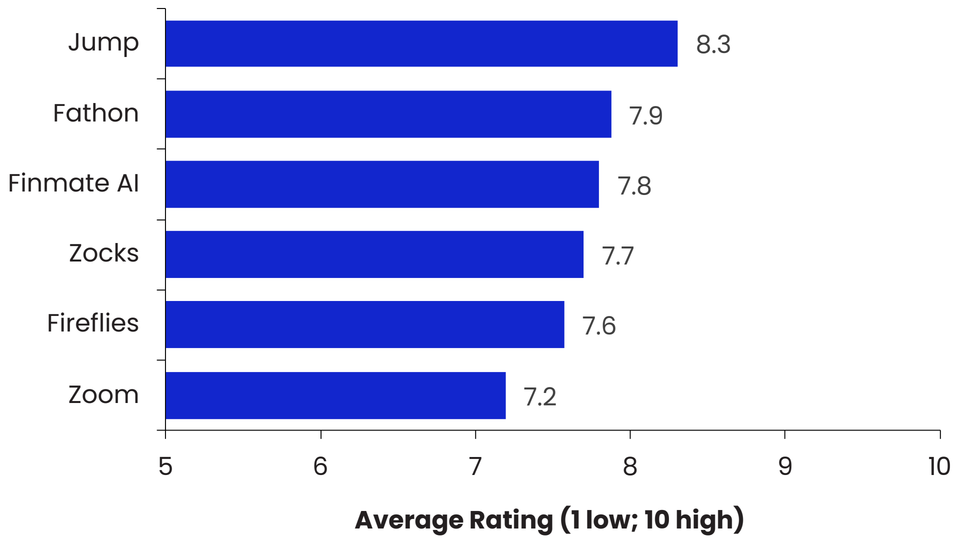
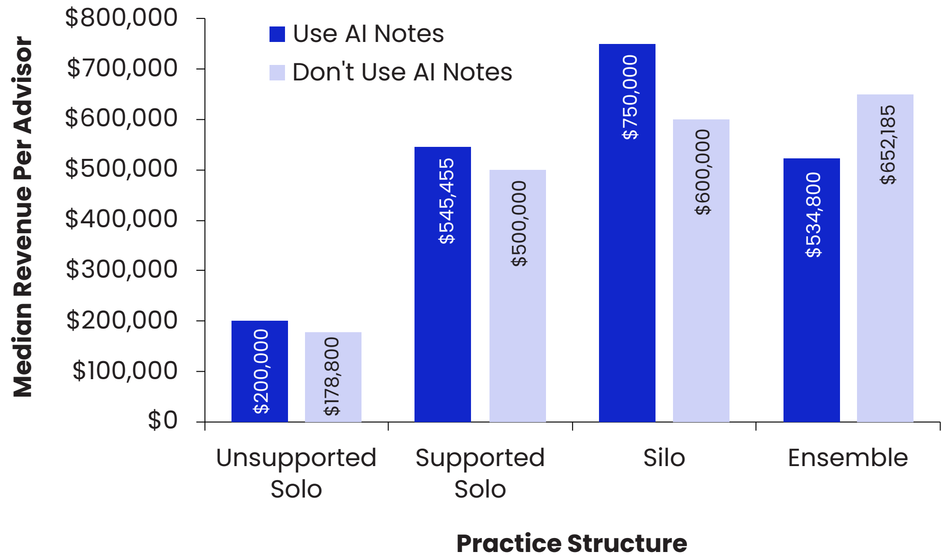
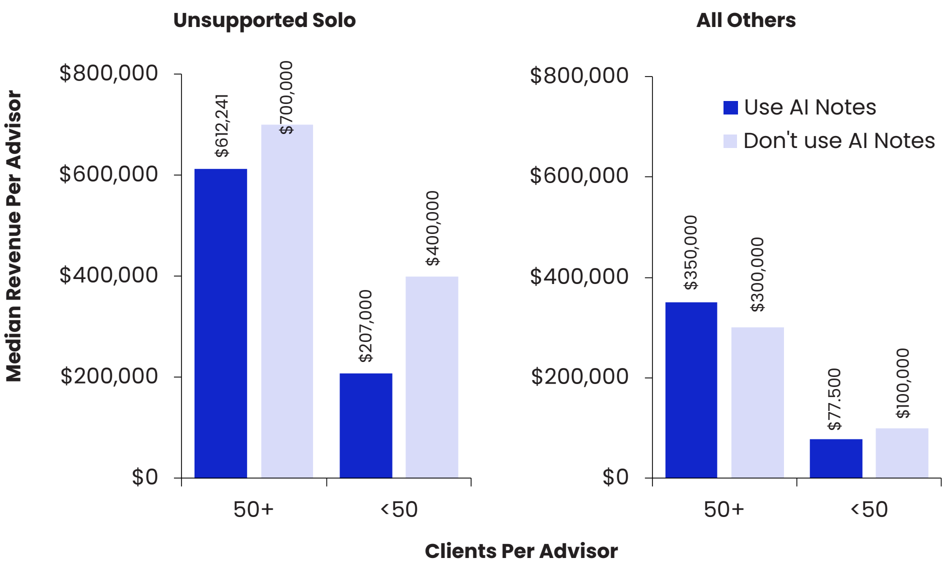


Figure 4.47. Revenue Per Advisor By Practice Structure And Use Of AI Notes



When it comes to the relationship between AI meeting notes and productivity, individual advisors who can directly implement the tools to support their personal productivity appear to benefit, which has incremental positive lifts across both solo and siloed advisors (Figure 4.47). On the other hand, the relationship of productivity and using such technology tools actually turns negative in Ensemble firms, suggesting that firms which already have a depth of team and centralized resources are at best struggling to figure out how to leverage AI meeting notes tools effectively, or at worst are actually hindered by their attempts to integrate the tools into their broader workflows. On the other hand, it's also simply possible that the ensemble firms seeking out AI Meeting Notes tools may be the ones who are already the least productive, and are hoping for the AI tools to 'save' them from problems beyond its scope to resolve.

Figure 4.48. Productivity By Practice Structure, Clients Per Advisor, And Use Of AI Notes



When digging deeper on the relationship between AI meeting notes and productivity, it appears that they are most beneficial for unsupported solo advisors with more clients per advisor (Figure 4.48). For everyone else (grouped together due to sample size), AI notes are negatively associated with productivity. Or viewed another way, AI meeting notes tools appear to be solving the same problem that an advisor's support team already solves as advisors increase their client volume; such that those without a support team while meeting with a high number of clients benefit greatly from the technology, but those without as many clients simply have time to do meeting prep and follow-up 'the old-fashioned way', and those with a support team may be finding it redundant to the capabilities and workflows of the team and processes they already have.

Key Takeaways

During the COVID-19 pandemic, many advisors abandoned formalized onboarding routines, but they are now re-establishing these processes, including decisions about the location of initial planning meetings. Some of these routines reflect a return to pre-pandemic trends, such as a renewed emphasis on in-person meetings, while others highlight new trends, such as the continued rise in video conferencing as a meeting venue.

Advisors are also continuing to adopt collaborative planning approaches, involving real-time planning while sharing their screen (or putting the plan on a big conference room screen) with clients. Meanwhile, the use of printed reports generated by financial planning software – once a staple for half of teams – has declined sharply, with fewer than one in five advisors now using this method.

When it comes to the components included within these plans, after years of 'scope creep', in which financial plans steadily grew to include more elements, 2024 marks a significant pullback. Indeed, the share of plans covering 13 or more components has dropped by ten percentage points since 2022. When constructing these plans, advisors typically handle over 80% of the work themselves, focusing on core services such as tax planning and investment management. However, they continue to rely on outside support for specialized services that apply only to a subset of their client base, particularly in the domains of insurance implementation and estate document preparation. Though services like tax preparation appear to be on the rise as an internal bundled component of an advisor's service offering, now provided by nearly one in six advisory teams.

For many teams, optimizing internal processes has become an appealing strategy to boost productivity, as it requires less time and fewer financial resources compared to methods like hiring additional staff, obtaining advanced industry designations, or outsourcing services. Hence, in this section, we outlined three ways in which teams can streamline their workflows to drive growth.

The first two methods involve tactical scheduling, with the first being meeting surges. The optimal surge scheduling involves teams structuring their year around 2 surge periods, each lasting 6 weeks, holding 3 or more meetings per day for 4 days a week. Speaking broadly, teams following this structure closely spend more face time with clients, leading to higher productivity, while alternative structures tend to be associated with lower productivity. This is not to say that deviations could never be justified. The number of meetings built into the aforementioned schedule supports about 72 client households for the typical practice; teams with a higher rate of clients per advisor may benefit by extending surge periods beyond 6 weeks. Ultimately, the key point is that the usefulness of implementing a meeting surge schedule depends on implementing a schedule that works.

The second tactical scheduling method is client service calendars. Teams with 4 or more service periods per year, each focusing exclusively on one client activity, experience meaningful productivity gains. By contrast, other configurations – often leading to over- or underservicing – can harm productivity. However, the caveat to all of these 'tactical scheduling' methods is that they require team support to implement, and our data also shows that simply *having* team support in the first place may be a more significant driver than any of these methods for systematizing in particular.

Finally, the use of AI meeting notes appears to be growing in popularity and is particularly impactful to solo advisors with established client bases but without a support team to delegate to. Instead, the tools are enabling these advisors to streamline their administrative tasks effectively, helping them maintain their workload without adding additional staff. Advisors have thus far gravitated to built-in solutions like Zoom or popular 'generalist' offerings like Fathom, but the highest-rated of the AI meeting notes providers come from the category of industry-specific solutions, namely Jump.

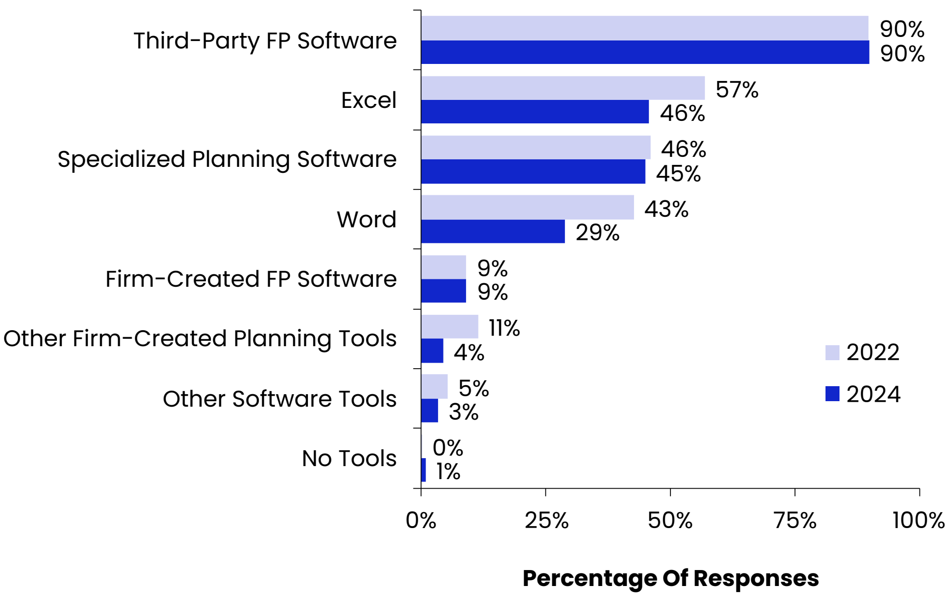
5

How Financial Planners Actually Use Technology To Develop And Deliver Financial Plans

With financial plans covering more than a dozen components being the norm, most financial advisors rely on multiple technology tools to support the production and delivery of financial plans. For 90% of advisors, the staple of this process involves third-party comprehensive financial planning software (Figure 5.1). Though notably, only 28% of advisors rely exclusively on this software, and most advisors rely on multiple tools to produce plans.

Historically, the most common supplemental tools were simply using Excel (57% in 2022) or Word (43% in 2022), followed by more specialized third-party planning tools to supplement the advisor's main planning software (30% in 2020). However, these trends have shifted as more and more specialized software solutions have proliferated in recent years. As a result, use of specialized planning tools jumped 18 percentage points since 2020 (up to 45%), while use of Excel and Word dropped 12 and 15 percentage points (to 45% and 29%, respectively).

Figure 5.1. Software Used To Produce Financial Plans (2022-2024)



Overall, the fact that nearly half of advisors utilize specialized planning tools indicates that there remain many gaps in what "comprehensive" planning software is able to cover, though the rapid adoption of specialized planning software – to the detriment of Excel and Word – suggests that specialized tools are successfully filling the voids that Excel and Word themselves were previously filling.

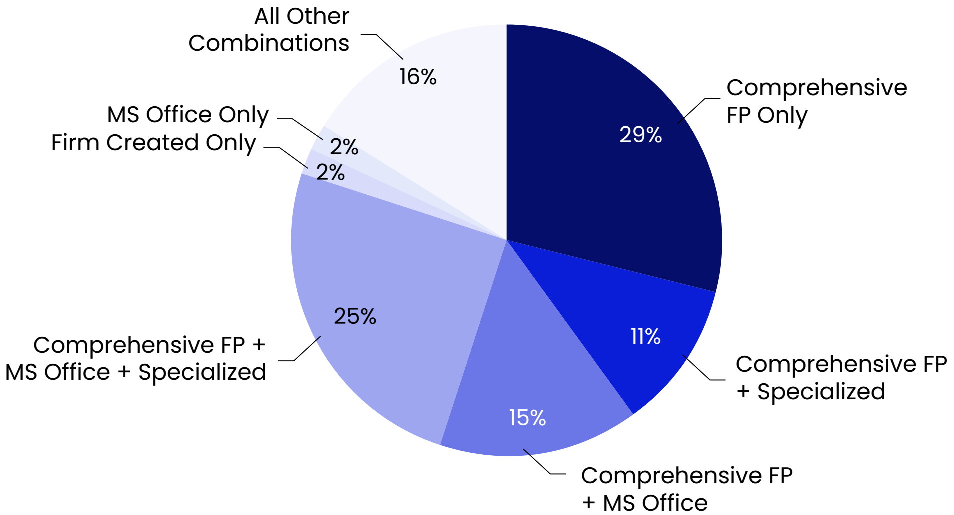
Further, the fact that adoption of specialized planning tools has remained relatively stable (but is no longer growing) since 2022 suggests that comprehensive software may itself be growing more robust and reducing the need for (or at least the encroachment of) specialized software. Which is further highlighted in the following section by the particular specialized software tools on the rise, where certain (longer-standing) categories appear to be losing market share to traditional financial planning software that has rolled out those capabilities itself (e.g., for Social Security analysis), while other categories of specialized planning tools are growing (e.g., for in-depth tax planning and estate planning).

Still, on the demand side, the longer-term rise of specialized software – and the corresponding decline in the use of Word and Excel – is driven not only by the depth these tools provide, but also by shifting advisor preferences for how they present planning work to clients. As noted earlier, the share of advisors creating "custom" financial plans tailored to clients' individual circumstances has declined by 6 percentage points since 2022, while the number of advisors engaging in real-time collaborative planning during client meetings continues to grow. Which connects to the reality that while Word and Excel still allow for significant planning depth, they are less suited for interactive, real-time collaboration with clients. As a result, over 70% of advisors creating custom plans still use Excel or Word to some extent, but this figure drops to about 50% among those adopting a collaborative approach.

On the supply side, these trends are likely fueled by the rapid proliferation of specialized software tools, making it increasingly easy for advisors to find tools that are a better fit for tasks traditionally handled in Word or Excel. Taken together, the use of Excel and Word appears poised for further decline as specialized tools continue to improve and expand, and as more advisors embrace collaborative planning approaches over lengthy custom-written financial plans.

Beyond comprehensive, specialized, and Microsoft Office tools, 13% of advisors use proprietary firm-created planning tools, down from 20% in 2022. This decline is likely due to the increased adoption of specialized tools, reducing the demand for firm-created software. Indeed, firm-created tools seem to have been largely filling in specialized voids in the first place, as most advisors using them also rely on additional tools, such as third-party comprehensive planning software (66%), Microsoft Excel (49%), Microsoft Word (30%), and specialized planning software (44%). Notably, only 2% of advisors depend exclusively on firm-created software for their planning work.

Figure 5.2. Combinations Of Software Tools

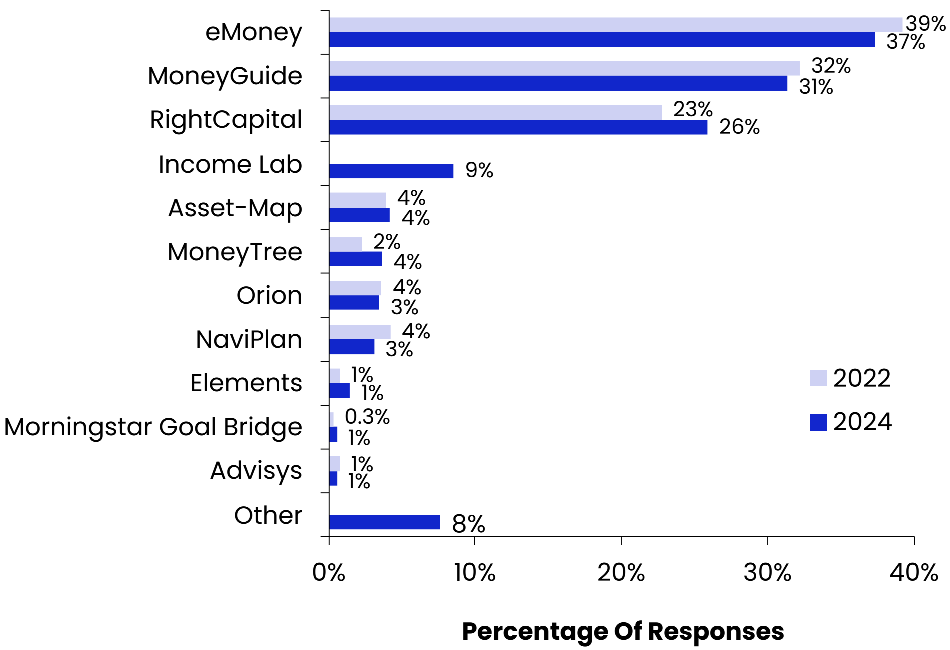


Common combinations of these software tools are displayed in Figure 5.2. The four most common combinations involve reliance on a comprehensive planning tool alone, followed by using this tool alongside a specialized tool, Microsoft Office, or both. Indeed, 86% of teams use one of these four combinations. No other single combination used by more than 2% of advisors.

Third-Party Comprehensive Planning Tools

Figure 5.3 illustrates usage rates across third-party comprehensive planning applications over the last two years. As in 2022, the three most popular tools remain eMoney (used by 37% of respondents who use comprehensive software), MoneyGuide (31%), and RightCapital (26%).

Figure 5.3. Comprehensive Financial Planning Software (2022-2024)



Note: "Percentage of Responses" represents share of respondents that indicated use of comprehensive financial planning software.

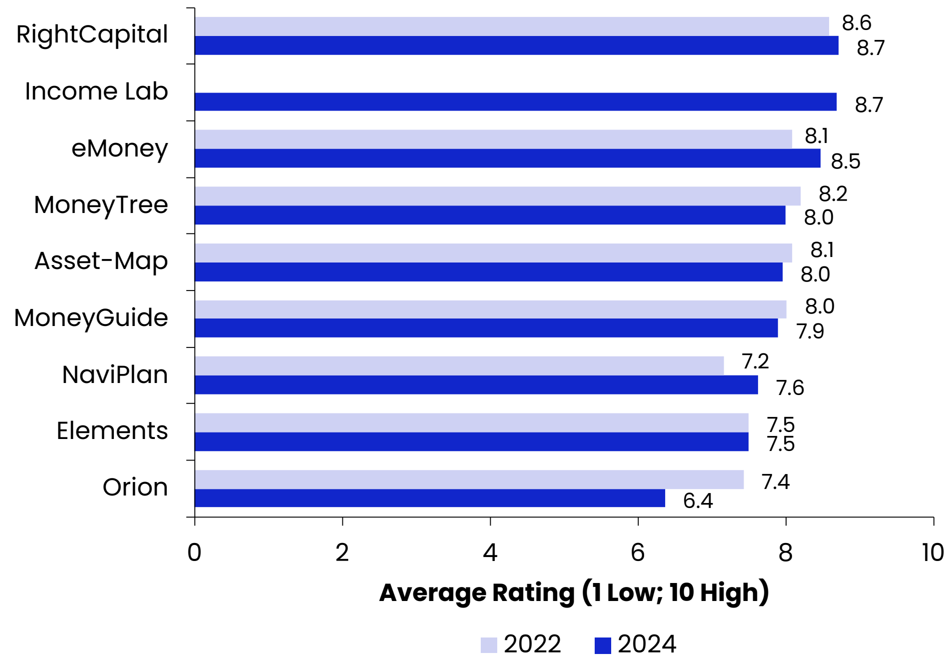
While Income Lab is primarily known as a retirement distribution tool, 9% of users of third-party comprehensive planning tools report using Income Lab as one of their typically used planning tools. Notably, though, nine in ten Income Lab users continue to use it alongside another third-party application, indicating that it primarily serves to supplement traditional comprehensive tools rather than replace them. However, we include it here to acknowledge its growing set of features, which are leading many advisors to consider it as (at least one of) their comprehensive (albeit still supplementary to other) financial planning tools.

While eMoney's market share has fluctuated – increasing from 35% of comprehensive tool users in 2018 to 39% in 2022, followed by a 2-point decline in 2024 – MoneyGuide and RightCapital show clearer trends. MoneyGuide's market share has steadily declined from 35% in 2018 to 31% in 2024, whereas RightCapital's share has more than doubled as the fastest-growing solution, rising from 10% to 26% over the same period.

Satisfaction rankings for these tools continue to act as leading indicators of future market share changes as well (Figure 5.4). On a scale of 1–10 (with 10 being the highest possible satisfaction score), RightCapital's average advisor satisfaction score has surged from 8.0 in 2018 to 8.7 in 2024, tying with Income Lab as the highest-rated program. Conversely, MoneyGuide – after a slight bump in satisfaction between 2020 and 2022 – saw a decline in 2024 (and at a rating of just 7.9, is ranked well below its competitors, signaling a continued decline in market share is likely in the years to come).

Among comprehensive tools, NaviPlan and eMoney experienced the largest increases in satisfaction scores between 2022 and 2024, rising from 7.2 to 7.6 and 8.1 to 8.5, respectively. In contrast, Orion saw the largest decrease, with its score dropping from 7.4 to 6.4.

Figure 5.4. Comprehensive Financial Planning Software Satisfaction (2022-2024)



Taken together, RightCapital stands out as a clear success story, with its steady increase in satisfaction scores consistently translating into greater market share. While Income Lab has only one year of data, its tie with RightCapital for the highest satisfaction score suggests strong potential for future market share growth . Given MoneyGuide's ongoing decline in both market share and satisfaction rankings, RightCapital may be positioned to overtake it as the #2 tool in the coming years.

Meanwhile, eMoney has consistently maintained a market share in the 34–39% range (Figure 5.5). Its position as the third-highest-rated program, coupled with a meaningful boost in satisfaction scores over time, suggests that it is unlikely to relinquish its status as the largest player in this space anytime soon.

Figure 5.5. FP Software, Provider Market Share And Satisfaction

	Satisfaction Rating				Adoption			
Application	2018	2020	2022	2024	2018	2020	2022	2024
eMoney	8.0	8.1	8.1	8.5	35%	34%	39%	37%
MoneyGuide	7.8	7.8	8.0	7.9	35%	35%	32%	31%
RightCapital	8.0	8.1	8.6	8.7	10%	13%	23%	26%
NaviPlan	7.0	7.3	7.2	7.6	9%	6%	4%	3%
Orion	6.8	-	7.4	6.4	2%	-	4%	3%
MoneyTree	7.4	7.9	8.2	8.0	4%	5%	2%	4%
Asset-Map	-	-	8.1	8.0	-	-	4%	4%

Comprehensive Planning Vendor Profiles

The multiple different software packages and combinations of applications used in financial planning today suggest that no one piece of software is capable of delivering all solutions needed for all advisors. Comprehensive planning programs continue to make progress, though, in terms of expanding their overall utility.

The key for advisors in best leveraging this software is to understand the distinctions between the various choices available in order to select an option that is most suitable for their practice. With this aim in mind, ahead are profiles of each of the leading third-party financial planning applications for those readers interested in more detail on the features and prominent applications of each. Software packages are profiled in order of the vendor's market share. Summarized for each are the following:

- **Who uses it** in terms of team revenue, distribution channel, and whether the advisor has attained CFP certification.
- **How they use** it in terms of plan approach and plan breadth.
- **Impact on planning** in terms of the application's use in coordination with other tools and the median hours spent with the software developing plans.
- **Unique considerations** outlining standout considerations for the software, which may relate to niche, clients, fee structure, and other characteristics.

eMoney

Who Uses It. eMoney is most often used by larger advisory practices working with a wealthier clientele. For instance, relative to an overall market share of 37%, just 25% of service teams with less than $250,000 in revenue use the software, compared to 44% of teams with revenue of $2 million or higher. Median net worth for clients served by an eMoney advisor is $2.4 million compared to $1.7 million for other advisors.

The difference in usage is driven by a combination of cost and its depth. eMoney's premium price point is less affordable for newer advisors with limited revenue, especially RIA-only advisors who don't have access to the enterprise-level discounts available through independent broker-dealers. Total per advisor planning-related software costs for eMoney users, at $4,500, are 50% higher relative to teams deploying a different comprehensive package. On the other hand, in terms of depth and comprehensiveness (which is most effective for higher-net-worth clients who tend to be served by larger firms with more revenue), eMoney rates highest among all leading providers, commensurate with its pricing.

eMoney is most popular amongst hybrids (40% market share) but also is widely embraced across most all other advisor channels including RIA and IBD channels, both with a 36% share. Only 14% of

W2 brokers, however, reported using eMoney, as its depth is likely to go beyond the more product-based focus of brokers lacking an RIA affiliation. Whether a CFP professional or not, advisor usage of eMoney is about equal.

How They Use It. How They Use It. Consistent with its usage among more in-depth planners, eMoney tends to be more popular with advisors with greater planning breadth, garnering a 42% market share among Extensive planners. However, the depth of eMoney eventually becomes cumbersome for advisors; as a result, usage falls to 35% among those providing Most Extensive plans (who ostensibly don't want to do *that* much plan construction in eMoney!). By plan approach, eMoney is most popular among those who apply a Custom or Collaborative approach to plan delivery.

Impact On Planning. Advisors that reported using eMoney commonly combined it with other software, though at a lesser rate than users of other comprehensive planning software. eMoney users were notably less apt to use specialized software, Word, and, in particular, Excel. Just 35% of eMoney users relied on Excel to supplement their planning work compared to over half (51%) of advisors using a different comprehensive planning software.

The median team time spent using eMoney to build and implement a financial plan is 20 hours, nearly three hours more than the 17.25 hours typical for advisors who don't use eMoney. This shouldn't be taken to mean the eMoney advisors are less efficient though, but instead a reflection of their greater use for the most time-intensive Extensive plans. In other words, the typical financial plan takes longer in eMoney simply because the typical financial plan in eMoney *is* a longer, more in-depth plan in the first place. In that context, it's notable that advisors who choose to produce thorough, in-depth plans appear to have a strong preference for eMoney as their in-depth planning software of choice.

Unique Considerations. eMoney's success appears to be driven by its sheer depth and breadth of capabilities, as it scores highest amongst advisors in both the comprehensiveness of its planning capabilities and the depth of its analysis. Notably, along with the increased planning functionality comes some additional 'complexity' in its application, and as a result, eMoney scores lower than most of its peers in terms of simplicity of design and ease of use. Nonetheless, to the extent that advisors would rather showcase their expertise (and be able to work with more affluent high-dollar clients and/or charge premium fees in the marketplace) than streamline the planning process, eMoney's depth trumps its lack of simplicity in advisor ratings, leading it to one of the highest user ratings – and similarly, a plurality of advisors as the leader in market share. Though as noted, eMoney's pricing has tilted its usage towards larger and more established advisory firms (who tend to have more revenue to afford the software and more affluent clientele to merit its depth).

MoneyGuide

Who Uses It. Similar to eMoney, MoneyGuide tends to be used by higher-revenue service teams. While MoneyGuide has an overall market share of 31%, it is the software of choice for 35% of service teams with revenue of $1.5 million or more and just 29% of teams under this threshold. Despite MoneyGuide advisor teams typically generating greater revenue, asset levels for their median client, at $1 million, are no different from teams that use other software.

MoneyGuide's market share within the RIA channel, at 27%, is relatively weak in comparison to brokerage channels. In particular, MoneyGuide is the overwhelming software of choice amongst W2 brokers (owing to MoneyGuide's sizable enterprise relationships). Its market share within this channel, at 70%, is double that of any other channel. The rate of MoneyGuideusage by CFP professionals, at 30%, is slightly less than the 34% for those advisors lacking the CFP designation.

How They Use It. In terms of planning approach, MoneyGuide was most popular among financial planners creating Collaborative plans, with 33% market share compared to 29 for advisors not identifying with this type. By plan breadth the sweet spot for MoneyGuide usage is among advisors developing Narrow plans, where MoneyGuide market share is 42% compared to 29% across advisors with either more targeted or more extensive breadth. This is consistent with MoneyGuide being more popular outside of the RIA channel where Narrow breadth plans (where advisors simply want to illustrate specific gaps in the client's circumstances, and how their solutions can help fill those gaps) are also more common.

Impact On Planning. Relative to other advisors, MoneyGuide users had a greater tendency to use additional software to support their planning work. This includes greater use of specialized software, Word, and particularly Excel. Over half of MoneyGuide advisors (53%) additionally deployed Excel to supplement their planning work, compared to 41% of other advisors needing Excel. That MoneyGuide users have a higher propsensity to use other tools is not surprising given the more limited depth of the MoneyGuide software.

Despite their tendency to produce less extensive plans, MoneyGuide advisors take approximately the same amount of time to build and implement a financial plan relative to advisors using other comprehensive planning applications. While seemingly counterintuitive, this result may simply reflect the greater need for MoneyGuide users to use additional software in order to meet the planning requirements of their clients (implying that there is a desire amongst MoneyGuide users to go deeper than what the software itself can support... which also helps to explain its ongoing decline in market share to more comprehensive competitors).

Unique Considerations. MoneyGuide has long been known for its goals-based planning approach, which emerged as a way to do more expedited and simplified financial plans by eliminating the need to enter 'every' client cash flow, and instead focusing only on the details necessary to articulate whether a client is on track for a particular specified goal. Two decades later, MoneyGuide still operates primarily in a domain of doing less in-depth financial plans (leading to higher usage rates among advisors that offer more narrow breadth plans). This is consistent with MoneyGuide's above-average ratings in ease of use and simplicity, as well as its below-average ratings in the comprehensiveness of capabilities and analysis depth. However, given the ongoing trend of advisors to move 'upmarket' to work with higher-dollar clients with more complex needs and circumstances, MoneyGuide's ongoing focus with 'simpler' goals-based planning appears to increasingly be to its detriment, as the company struggles to maintain market share. Though notably, MoneyGuide still shines with Collaborative planners.

RightCapital

RightCapital

Who Uses It. Of all the leading planning software providers, none has expanded their presence faster than RightCapital, with the vendor's market share growing from 23% in 2022 to 26% in 2024. RightCapital is the most popular financial planning software for low-revenue advisor teams. Nearly half (49%) of teams with revenue of $250,000 or less use RightCapital, versus 21% of teams beyond $250,000 in revenue. That said, RightCapital usage among the >$250,000 teams is up notably from just 15% market share in 2022, and it is the larger team segment that looks to be fueling growing use of the software overall.

In general, RightCapital's usage trends result from the solution simply being a newer tool compared to eMoney or MoneyGuide. Financial planning software has historically had a very low switch rate amongst financial advisors (largely due to the lack of data portability from one tool to the next, which makes switching platforms a time-consuming process). Consequently, newer entrants like RightCapital typically must focus primarily on new advisory firms that are starting 'fresh' (with little or no revenue) and don't need to worry about switching barriers, and pricing lower to be appealing for new firms. As a result, RightCapital's concentration amongst smaller advisory firms appears to be less a function of it 'only' being appropriate for smaller firms, and more a reflection of its historical go-to-market strategy.

Accordingly, as RightCapital grows its presence and market share, it is serving an increasing number of larger firms, both as its longer-term advisor clients (originally small) have grown in size and as it attracts more established advisors with a now-fully-formed product. Yet at the same time, the sheer rate of ongoing RightCapital usage amongst smaller firms suggests that its growth rate in market share will likely continue, as it appears to be capturing a highly disproportionate share of new advisors starting firms today (as MoneyGuide and eMoney did when they began and gained their initial traction decades ago), in addition to winning over more established teams as they periodically look to potential alternatives.

By channel, RightCapital is most common in RIAs (31% market share) compared to IBD (28%) and Hybrid (18%). CFP professionals have roughly the same propensity to use RightCapital as advisors without the designation.

How They Use It. In terms of planning approach, RightCapital maintains similar market share across all type of planners expect for those with a Comprehensive approach (who typically just input data into the planning software and deliver the output to clients as "The Plan"). Market share is just 20% among planners who simply deliver a Comprehensive plan, compared to 27% across advisors adhering to different (e.g., more Collaborative or more Custom) approaches.

RightCapital shares the top rank with eMoney in terms of advisor satisfaction with depth and comprehensiveness, but it is the sole leader when it comes to advisor satisfaction with the software's simplicity and ease of use. As a result, RightCapital has the highest usage among advisors providing more extensive plans (where the advisors can go deep, without the plan construction process being too cumbersome and time consuming). Thus, the RightCapital market share across those with Extensive plans is 35%, compared to just 23% and 13% for those advisors providing Targeted and Narrow plans respectively, which helps to explain RightCapital's growing overall market share as eMoney experiences some shrinkage.

Impact On Planning. Despite their extremely high satisfaction with RightCapital, advisors tend to also make more use of other supporting technology tools in their planning work alongside RightCapital (which further speaks to how the most comprehensive advisors with the most extensive planning are leaning towards – *and* beyond – RightCapital). Over half of advisors using RightCapital (52%) also used specialized planning software, compared to 44% of advisors using another comprehensive planning application. While the difference wasn't as great, RightCapital advisors were also more apt to use Excel and Word in their planning work, which recognizes the higher propensity of RightCapital advisors to create Custom plans (and also suggests RightCapital can realize further market opportunities by doing more to incorporate an even wider breadth of analyses, and more ability to customize the output, reducing the need for advisors to invest in other software to supplement).

The median time spent using RightCapital to build and implement a financial plan was 18 hours, identical to advisors using other comprehensive planning software. This result holds, despite the tendencies of RighCapital users to provide more extensive plans and use more applications to do so, suggesting that RightCapital actually offers notable efficiencies relative to other vendors.

Unique Considerations. Since 2020, RightCapital has expanded market share far more rapidly than any other comprehensive software provider. This appears to be a result of a combination of its low price point and high overall satisfaction ratings, ratings that in turn are a product of RightCapital offering advisors depth and comprehensiveness without sacrificing ease-of-use and simplicity to get there (as most of competitors do).

Also notable is RightCapital's top ratings (by a large margin) for its Client Portal, a domain where competitor eMoney historically excelled. The end result is that while RightCapital remains most popular among smaller and less-established practices, this is not a reflection of any limitations inherent in the software. Rather, RightCapital simply chose to enter the market, gain traction, and grow by pursuing newer advisory firms that wouldn't have to switch planning tools. Which leaves RightCapital very well positioned for further growth if it can continue to capture the bulk of new advisory firms, while its high satisfaction ratings and word-of-mouth accolades win harder-to-achieve defections from competitors.

Income Lab

Who Uses It. Based on prior advisor feedback, this year Kitces Research added Income Lab, formerly viewed as specialized or supplemental retirement planning software, to its reviewed group of comprehensive planning software providers. Validating our inclusion decision, 9% of advisors reported that Income Lab was the software they typically used to produce financial plans, ranking Income Lab 4th in market share across all providers. Notably, though, virtually all Income Lab users reported *also* using a second financial planning software as well, implying that in practice advisors are either using Income Lab for a particular segment of their clients (e.g., retirees in the decumulation stage) while also still using other financial planning software for the rest of their clients, or are using Income Lab as a more "supplemental" planning tool on top of their traditional planning software as well (more akin to a specialized retirement planning tool than a competing financial planning software solution).

Income Lab's greatest popularity is among smaller teams; the industry's largest teams least use the software. For teams generating $750,000 or less in revenue that rate of usage is 12%, compared to just 2% for teams at $2.0M or more. However, as a relatively new entrant, this may simply be – similar to RightCapital – a result of Income Lab's go-to-market strategy (to work with smaller and newer firms that tend to be more nimble in changing software) than a lack of appeal to larger firms themselves.

Consistent with the reality of how new software companies tend to go to market in the first place, by distribution channel Income Lab is used almost exclusively by RIA-affiliated advisors, with market share among RIA-only advisors at 11%. A slightly greater share of CFP advisors (9%) use Income Lab as opposed to those without the designation (7%).

How They Use It. By planning approach, two particular distinctions stand out for advisors utilizing Income Lab. Advisors adhering to a Calculator approach are much more likely to use Income Lab, with the vendor having a market share of 14% among this group. By contrast, Income Lab market share is just 5% across advisors deploying a Comprehensive approach to planning. By plan breadth, Income Lab most resonates with Broad planners, or those in the middle of the spectrum in terms of total components making up a plan, where usage is 12%. Which makes sense – true to its name, Income Lab appears to be used predominantly by advisors focused on generating income for retirees, who cover the breadth of issues that retirees need to address (but *only* the issues that retirees need to plan for).

Impact On Planning. Income Lab users, relative to advisors using any other vendor's comprehensive planning applications, were most apt to use additional software to support their planning. This is especially true for specialized software, used by two-thirds of Income Lab advisors compared to 44% for advisors using other comprehensive packages.

The high use of supplementary planning software suggests that Income Lab lacks robustness as a comprehensive financial planning application. While advisors rate the software "middle of the pack" in terms of satisfaction with its depth of analyses in handling complex client situations and comprehensiveness, the software's weak ratings for dealing with college, estate and insurance planning issues are likely driving advisors toward additional technology tools. Which isn't entirely surprising given Income Lab's roots as more specialized retirement planning software that appears to still be early in the process of expanding its capabilities beyond.

The typical time Income Lab advisors spend on building and implementing a financial plan, at 18 hours, is identical to those advisors using other comprehensive applications. This suggests that any impact of Income Lab users needing more time to juggle additional software applications is offset by the time savings gained from producing their typically less extensive plans.

Unique Considerations. While its traditional positioning is a focus on retirement distribution planning, Income Lab is increasingly used as a general-purpose comprehensive financial planning application, delivering a high level of satisfaction to its growing base of users.

Income Lab being highest-rated among leading comprehensive providers in terms of retirement decumulation planning may not be surprising, but the program also rates highest on satisfaction with tax planning and ranks second in terms of quality of its customer support. Most significant, though, its overall satisfaction rating, at 8.7 on a 1–10 scale, ranks above all other providers with exception of Right Capital, which also received an 8.7 average rating, signaling a healthy ongoing opportunity for Income Lab to continue to expand market share.

Asset-Map

Who Uses It. Asset-Map market share, at 4.3% across all advisors, varies little by size of the service team. Usage among teams under $500,000 in revenue, at 4.5%, compares to 4.0% for larger teams.

Relatively few RIA-only advisors use Asset-Map, with market share at just 2.5% among this group. Outside of the RIA channel, where advisors are primarily broker-dealer affiliated, Asset-Map market share jumps to 6.4%. Consistent with proportionately fewer CFP professionals working in broker-dealer affiliated channels, Asset-Map usage, at 5.8%, is greater among those advisors who do not hold the CFP designation.

How They Use It. In terms of approach toward delivering plans, Asset-Map is most common among collaborative planners, who tend to share plan results with the client in a live setting. Asset-Map has a 4.5% market share among these advisors, compared to 3.7% among those adhering to other planning approaches.

By the typical breadth of plans prepared, Asset-Map is more commonly used by creators of Extensive or Most Extensive plans, accounting for a 4.8% market share with these advisors. However, while Asset-Map supports advisors in covering a wide breadth, the software itself does not go nearly as deep *with* the tool compared to traditional planning software like eMoney (as Asset-Map ranked ahead of only Orion for depth of analysis and comprehensiveness according to satisfaction ratings). Instead, its interactive maps take a more "broad but shallower" approach, that appears to be particularly appealing to brokers who want to explore the full spectrum of a client's needs (e.g., to identify opportunities for implementation) but don't necessarily want to delve as deeply *into* those planning issues.

Impact On Planning. Likely due to lack of depth in the software, Asset-Map users tend to make much greater use of supplemental software for plan preparation. About two-thirds of Asset-Map advisors use specialty planning software, compared to 45% of other advisors. Users of Asset-Map also make notably greater use of Word to support their planning work.

These differences are consistent with Asset-Map being most likely to appeal to collaborative planners presenting output directly to clients (coupled with its satisfaction ratings that are top-scoring in report output and visual appearance of the software).

Unique Considerations. Asset-Map is truly unique from other financial planning software applications, as it originated to provide 1-page mind-mapping-style visualizations of a client's household financial picture; only later did it include expanded financial planning and analysis tools. As a result, it is a leader in advisor satisfaction with respect to aesthetics and report output, as well as ease of use and simplicity, but near last in terms of satisfaction with its comprehensiveness of coverage and depth of analysis.

Notably, Asset-Map also has deeper roots in the insurance and broker-dealer channels, which is again reflected in its functionality, where Asset-Map leads in advisor satisfaction related to life insurance, disability insurance, and long-term care insurance modules, but lags in retirement savings and retirement distribution planning. Ultimately, Asset-Map appears to have carved a strong niche for itself in providing visualizations that are simpler to use and understand for clients with 'light' planning capabilities, which also helps to explain why it is significantly more popular in use with younger clientele.

MoneyTree

Who Uses It. Relative to its overall market share of 3.6%, MoneyTree is used slightly more by larger teams compared to those smaller. Below $500,000 in team revenue MoneyTree usage is 3.4%, compared to 3.7% at $500,000 or more in revenue. Like most competing planning software tools, though, it is used by at least some firms at all ranges of team revenue.

Compared to other distribution channels, MoneyTree is significantly more popular in the Hybrid channel, with a market share of 4.7%. With 4.5% usage among CFP professionals, MoneyTree users are also more likely to have the CFP designation.

How They Use It. Use of MoneyTree is largely restricted to advisors with a Comprehensive (8.1% market share) or Custom (6.5%) approach to financial planning, and is rarely among those taking Collaborative approaches.

MoneyTree use shows no particular concentration according to the depth of an advisor's plan. The distribution across developers of both targeted and more extensive plans aligns with MoneyTree's overall two-tier approach toward tools, with Advise (MoneyTree's solution for producing narrower and more targeted goal-based plans) and Plan (a MoneyTree solution for building broader plans).

Impact On Planning. MoneyTree is significantly less likely to be used in concert with specialized software. Just 30% of MoneyTree users use specialized planning software, compared to 47% of advisors using other comprehensive planning applications, which speaks to the more targeted (not as in-depth and comprehensive) use of Advise that tends not to incorporate other more advanced planning analyses in the first place. But that said, MoneyTree users do have a greater tendency to use Excel and Word in their planning work.

While Money Tree has a bit of a hold with many different types of firms doing varied types of planning, it lacks significant market share, which may itself speak to the fact that it has a small market share across a wide range of advisor types and use cases but isn't particularly differentiated amongst any of them. Still, the general use of MoneyTree as a Comprehensive tool that takes input to generate a Financial Plan output that can be readily delivered helps to explain why the median time spent using MoneyTree to produce and implement a financial plan was 16 hours, 2 hours less than typical users of other third-party comprehensive applications.

Unique Considerations. Going all the way back to the late 1970s, MoneyTree has a storied history as one of the earliest financial planning software tools…which unfortunately had given it a relatively lagging aesthetic and limited cloud adoption capabilities. Similar to Orion, however, MoneyTree experienced a change in ownership in 2019. Since that time, this new ownership has substantially reinvested into overhauling the look and interface of MoneyTree, which is reflected in its recent small but noticeable rise in market share.

However, MoneyTree still lags in some key areas – its client portal scores particularly low in advisor satisfaction, it is broadly not used by advisors taking a more Collaborative approach (which requires an interface more readily made for live interactive planning sessions), and ratings are also weak in the specialty areas of insurance, college, and estate planning.

In practice, the tool appears to be used simultaneously by those who want a 'financial planning lite' tool that can do quick calculations to illustrate basic needs (with MoneyTree Advise), which historically was more effective in channels like retail banks than traditional advisory firms, and a segment that still wants to use MoneyTree to support more in-depth custom financial plans (with MoneyTree Plan) which MoneyTree competes but struggles to differentiate. As a result, MoneyTree appears likely to struggle to find opportunities to win material additional market share from competitors, until it can find a particular area where it more definitively stands out beyond basic functionality for retirement accumulation and distribution.

NaviPlan

Who Uses It. NaviPlan, despite an overall market share of 3.1%, has deep roots as being one of the most comprehensive financial planning software tools. Consequently, like eMoney, NaviPlan tends to be utilized by teams with higher revenues and more affluent clients. For teams with $750,000 or more in revenue, Naviplan's market share increases to 4.4%.

By channel, owing to its deep roots in large-firm enterprise sales, NaviPlan is far more common among brokerage-affiliated advisors. Market share for Naviplan is 6.0% outside of the RIA-only channel. In addition, Naviplan's 3.8% market share among CFP professionals is more than 3 times greater relative to advisors without a CFP.

How They Use It. While Naviplan is used by advisors across a variety of planning approaches, the software is less likely to be used by Collaborative planners, where 1.9% usage among these advisors is less than half its 4.9% market share among advisors adhering to other planning approaches. Advisor use of Naviplan is fairly consistent regardless of plan breadth, though for advisors offering Broad plans, usage was particularly strong at 5.6%.

Impact On Planning. Advisors couple NaviPlan with specialty software at about the same rate as users of other comprehensive packages. Naviplan users, however, make significantly less use of Excel and Word. Just 35% of Naviplan users supplement their planning work with Excel, compared to 45% of other advisors. Word is used by just 12% of Naviplan users, compared to 29% of those using other general purpose planning software. Notably, though, this may be less a function of advisors' desire to supplement (as they do with most financial planning software), and more a result of NaviPlan's deeper use in brokerage channels (where compliance tends to be more restrictive regarding the use of supplemental/custom tools outside of their approved planning software).

Unique Considerations. While RightCapital has found the sweet spot of offering analysis depth and coverage comprehensiveness without suffering in ease of use or simplicity, NaviPlan has struggled. NaviPlan ranks among the top 3 providers in terms of advisor satisfaction with analysis depth and breadth. The software is also among the market leaders with regard to retirement accumulation, college and tax planning, and plan customization.

Advisors rank it lowest of all comprehensive applications, however, in terms of satisfaction with respect to its ease of use, simplicity, and plan delivery. Its client portal functionality is also lowest-rated. All of which leaves NaviPlan poorly positioned as advisors increasingly adopt a more in-depth but also collaborative approach to financial plan construction and delivery with clients. As a result, overall advisor satisfaction and usage appear to be materially impaired, leading to a likely continued erosion of NaviPlan's market share.

Orion Financial Planning

Who Uses It. Orion Financial Planning tends to be used by larger-revenue teams, which is likely due to Orion's history as a portfolio management and performance reporting solution for more established teams with substantial AUM (who tend to purchase Orion's core portfolio-management and performance-reporting software) to whom Orion Financial Planning was rolled out to after Orion acquired Advizr in 2019. Relative to a baseline market share of 3.4%, Orion's market share among teams with $500,000 or more in revenue is 3.8%, more than double its 1.7% share among teams with less than $500,000 in revenue.

By channel, Orion Financial Planning is the most prominent among RIA-only advisors with 4.1% market share, which again is aligned to its roots in being first and foremost a portfolio management software solution for independent RIAs. On the other hand, despite there being proportionately more CFP professionals within RIA-only practices overall, Orion market share is strongest among advisors without the CFP designation. Usage for those without the CFP marks is 5.2%, compared to just 2.8% for CFP professionals.

How They Use It. Orion Financial Planning is most typically used by Collaborative planners, with a market share of 4.2% among this group. By plan breadth, Orion users tend to prepare Broad or Extensive plans, with the combined market share for Orion among these advisors at 4.0%.

Impact On Planning. Consistent with its weak ratings in terms of advisor satisfaction with Orion's depth of analyses, and its ability to conduct specialized planning related to taxes, college funding, estates, and insurance, Orion users are most likely to supplement the software with specialty applications. Nearly three-quarters of advisors that rely on Orion (74%) also use specialty programs to support their planning work. This share, compared to just 45% for users of other comprehensive software, is the highest for any general-purpose planning software.

Despite the greater tendency to apply specialty software, though, the median time Orion-using teams spent to prepare and implement a financial plan, at 16 hours, was 2 hours less than those who used other third-party comprehensive applications.

Unique Considerations. Orion's Financial Planning tool is utilized substantively differently than other traditional financial planning software. Average overall advisor satisfaction ratings for Orion, at 6.4 on a 1–10 scale, are well below any other leading provider. As per advisor perceptions, its relative weaknesses are widespread, including lowest or second-lowest rankings for depth of analysis, comprehensiveness of coverage, and individual financial planning modules.

All of which suggests Orion is being used less as comprehensive planning software (consistent with much lower use among CFP professionals) and instead is used primarily as a financial planning portal (as reflected in its category-leading satisfaction scores for client portal functionality) that is attached to the broader Orion performance reporting portal for clients. This makes sense relative to Orion's acquisition of the Advizr financial planning software as an addition to the existing Orion system – which historically was used for portfolio management and performance reporting. Advisory firms that are not deep in financial planning have begun to use Orion's financial planning portal to do 'something' in financial planning for clients. While advisory firms that are deep in financial planning are eschewing Orion Financial Planning for other more comprehensive solutions (e.g., eMoney or RightCapital).

However, this also raises questions about whether Orion's financial planning software will find a stable base of advisors who are content to do that level of financial planning (and live within that niche), or if those firms will progress to deeper planning work and deliverables over time, which may draw them away from Orion Financial Planning to competing planning software tools that more adequately accommodate a greater depth of analyses. In other words, to the extent that Orion Financial Planning can grow by getting non-financial planning firms to at least do some basic financial planning, they're also at risk for ongoing attrition from their users who do begin to do planning and then decide that they to now delve deeper than what Orion's tools can provide.

What Comprehensive Planning Tool Should Advisors Use?

Having reviewed the comprehensive financial planning tools currently used by different segments of advisors, we now turn to recommendations for the programs advisors should consider based on their prioritized functionalities.

To develop these recommendations, we asked advisors to rate their satisfaction with each of their comprehensive planning tools across 18 domains, including factors such as ease of use, tax planning features, and client account portals, and overall satisfaction with the program. We consolidated these 18 domains into 14 categories, allowing us to identify the top performers in specific areas of interest, and highlight areas where no clear leader exists – offering opportunities for vendors to address unmet needs in the market.

We then categorized programs as either 'market leaders', 'competent', or 'weak', in each category. Programs were listed as 'weak' in a category if they scored below a 6.5 in average satisfaction. Programs scoring above 6.5 were assigned as 'market leaders' or 'competent' based on natural clusters of the rankings. For instance, in the "plan delivery" category, two programs achieved similar high scores, standing out distinctly from the others, leading us to classify them as leaders in this domain.

The results are displayed in Figure 5.6, in which market leaders in each category are displayed in green, competent performers are displayed in yellow, and vendors to avoid are displayed in red.

When using this table to select a comprehensive planning tool, teams should first identify the features that matter most to them and then look for tools with "green" scores in those categories (or, at minimum, avoid any tools with "red" scores). In doing so, teams can simply ignore scores for categories they don't care about to identify the best vendor for those that they do.

Figure 5.6. Selecting Comprehensive Planning Software Based On Key Areas Of Interest

	Right Capital	eMoney	Asset Map	Money Tree	Money Guide	Navi Plan	Orion
Overall Satisfaction	Green	Green	Yellow	Yellow	Yellow	Yellow	Red
Tax Planning	Green	Yellow	Red	Yellow	Red	Green	Red
Client Portal	Green	Green	Yellow	Red	Red	Red	Green
Customer Support	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Estate Planning	Yellow	Yellow	Yellow	Red	Red	Yellow	Red
Account Aggregation/Automation	Green	Yellow	Yellow	Yellow	Yellow	Red	Red
College Funding/Loans	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Red
Customization	Green	Green	Red	Yellow	Yellow	Green	Red
Plan Delivery	Green	Yellow	Green	Yellow	Yellow	Yellow	Yellow
Depth/Comprehensiveness	Green	Green	Yellow	Yellow	Yellow	Green	Red
Insurance	Yellow	Yellow	Green	Red	Yellow	Yellow	Red
Retirement Accumulation	Green	Green	Yellow	Green	Yellow	Green	Yellow
Retirement Decumulation	Green	Green	Yellow	Green	Yellow	Green	Yellow
Ease/Simplicity	Green	Yellow	Green	Yellow	Yellow	Red	Yellow

Notes: Green denotes market-lead ratings, yellow compentent but not market-leading, and red weakness. Includes software providers with 3% or more market share. The complete table of detailed ratings is found in the appendix.

While the precise programs teams should pick will depend on the categories most important to their practices, it's worth highlighting that some programs consistently perform well across multiple areas. The standout is RightCapital, ranked as a market leader in eleven categories and ranked as weak in none. Further, two of the three categories in which RightCapital did not excel (estate planning and account aggregation) are those where *no program* stands out above the rest. Simply put, in every category besides insurance where some programs outperform others, RightCapital is among them. eMoney is the second-highest performing – scoring as a market leader in 6 categories and weak in none.

Equally noteworthy as tools that experienced wide satisfaction are those that did not. Orion achieved eight weak scores – the highest number of any program – and is only a market leader in their client portal. While MoneyGuide – the second-most popular comprehensive planning tool – only scored as weak in three categories, it is the only vendor to not perform as a market leader in a single category. The fact that MoneyGuide is not a leader in any category helps explain why some users have steadily shifted to other tools over the past six years, and further bodes poorly for continued erosion of its market share.

Finally, it's important to highlight that the absence of market leaders in estate planning and college funding/student loans presents opportunities for vendors to improve their functionality in these areas. The case for estate planning is particularly compelling, as it is the fifth most popular component in financial plans, included in 84% of them. This suggests that a market-leading tool in this category could appeal to a broad range of advisors. In contrast, the lack of a market leader in college planning may reflect lower demand for this service; while college funding is included in 71% of plans, student loans appear in only 31%. Nevertheless, vendors aiming to attract teams that want to offer most services via their comprehensive planning tools (rather than relying on specialized software) should consider focusing on these domains.

Specialized Planning Software

As advisors face increasing pressure to incorporate more components into financial plans and perform increasingly complex analyses to differentiate themselves in a planning-centric market, they are turning to specialized planning tools. These tools enable advisors to do more, dive deeper, and transition analyses that were previously conducted in Excel or Word to software that they don't have to maintain themselves and has been designed for collaborative planning in which advisors share their screens and adjust planning software in real time. As a result, almost half of advisors (45%) use some kind of specialized planning tools in 2024.

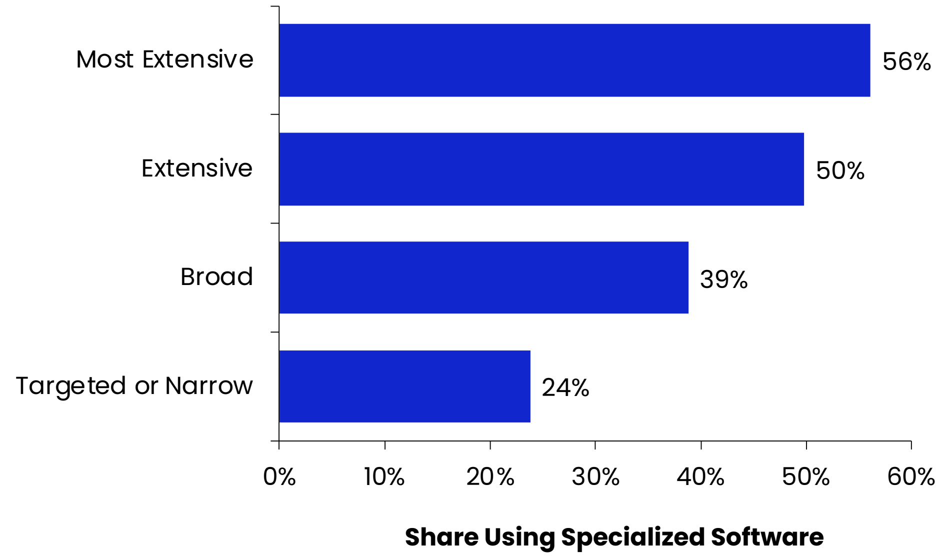
Interestingly, 92% of teams who utilize specialized planning software also make use of comprehensive financial planning platforms like eMoney or RightCapital. Which means that specialized tools are utilized because they offer advanced features that ostensibly "comprehensive" software is deemed to still lack, providing a more complete solution to address specific client needs or situations. Use of specialized planning tools is more common among advisors affiliated with exclusively an RIA (51%) than those affiliated with an IBD (30%) or those dually registered with both (41%), which is likely a reflection of the additional compliance review processes for broker-dealers that tends to slow the adoption of new tools, as well as the fact that advisors at broker-dealers tend to construct simpler financial plans covering fewer areas.

The use of specialized planning tools is also more common among advisors who generate most of their revenue through separate financial planning fees, such as subscriptions (63%) and hourly and project fees (53%). They are comparably less common among practices primarily reliant on AUM fees (44%), and are least common among advisors who charge commissions (31%). Which is consistent with a broader theme that advisors who are primarily compensated for their financial planning (and not investment management) tend to spend more time going deeper on their financial plans to clients.

Surprisingly, though, use of specialized planning software doesn't vary much by client investable assets. In other words, specialized planning tools are *not* more common to service high net-worth clients, who typically have more complex needs. Which implies that specialized planning software tools aren't necessarily handling 'uniquely' specialized complexities and challenges; they're simply filling in to go deeper in areas that traditional financial planning software doesn't cover well, even and including for relatively 'mainstream' clients.

On the other hand, use of specialized tools is strongly correlated with plan breadth (Figure 5.7). Advisors who cover 20+ components in their financial plans (Most Extensive) are more than twice as likely to use specialized software, as advisors that produce plans covering fewer than ten components (Targeted or Narrow). Simply put, "comprehensive" planning software isn't so comprehensive, and advisors trying to be the most comprehensive are the ones most likely to look to specialized software to fill in the gaps.

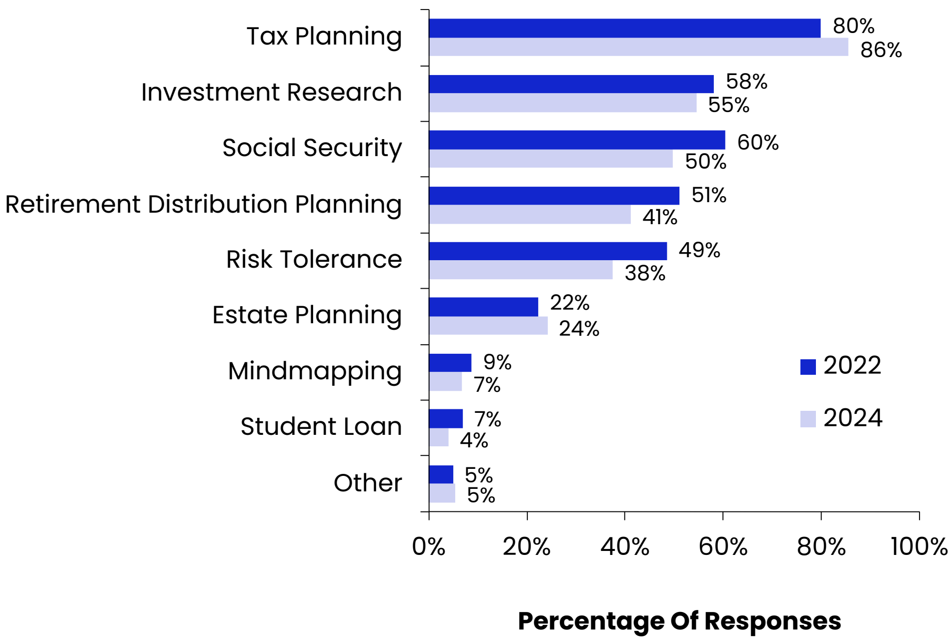
Figure 5.7. Specialized Software Usage By Plan Breadth



Turning to the specific kinds of specialized software that advisors employ, tax planning software remains the most popular form of specialized software among those who use at least one specialized tool, used by 86% of this group, up from 80% in 2020 (Figure 5.8). The fact that the share of advisors using tax planning software increased between 2022 and 2024 is especially notable given the declines in utilization among other popular tools such as those for investment research (55%, down from 58%), social security (50%, down from 60%), retirement distribution planning (41%, down from 51%), and risk tolerance (38%, down from 49%). Indeed, outside of tax planning, only estate planning experienced an increase in utilization (24%, up from 22%).

Both the facts that advisors broadly pulled back in the specialized software that they utilize, and that tax appeared to be an important exception, are not quite surprising though. Regarding the pullback, these findings are consisting with those presented in the previous section, detailing how after many years of 'scope creep' (i.e., the gradual inclusion of more and more components into a financial plans), advisors finally dialed back and re-focused their efforts on a core set of offerings – seen both in terms of items included in financial plans, and the technology used to produce them. In addition, to the extent that more specialized retirement and Social Security tools were the most popular categories years ago, general financial planning software does appear to have bolstered its core capabilities enough there to "recapture" some analyses that advisors were supplementing – a notable caution to vendors of specialized planning tools that when advisors can consolidate down from two tools to one comprehensive planning software solution, they will

Figure 5.8. Specialized Software Usage (2022-2024)



Similarly, the fact that tax planning software increased its dominance among specialized tools makes sense in light of some of trends we outlined in the previous section. Tax planning is one of the most common services included in financial plans; advisors offering this service almost entirely opt to handle it in-house rather than outsourcing it; and, for advisors utilizing client service calendars, it remains their anchor service. Simply put, as the planning profession as a whole increasingly becomes more tax-centric, advisors are increasingly relying on the large number of features on specialized tools to provide this core service to clients.

The market for specialized tax planning software and its leading providers in particular is discussed in more detail ahead. A similar focus is also given to two other popular specialty topics – social security and estate planning. Throughout, note that our definition of "market share" shifts from how the term was used for providers of comprehensive planning software, where product use was calculated as a share of all users of comprehensive software, who account for 90% of respondents. Market share when referenced for specialty categories is product use as a percentage of all respondents, whether the respondent makes use of the specialized software or not. This shift is in recognition of specialty software being used by less than half of respondents overall, in contrast to the more widespread use of comprehensive software.

Tax Planning

Holistiplan remains not only a dominant player among all specialized tax software, but among all specialized software programs, being the single most used specialty application across all planning domains. While no other specialized software provider of any type has a market share greater than 9%, Holistiplan, as shown in Figure 5.9, serves 31% of all advisors (including those currently using specialty tax planning software as well as those who do not). Its overall market share is up from 25 % in 2022 – a result of extending its dominance within a category of specialized planning tools (tax planning) that is expanding in adoption in general. This success is for good reason: it has the single highest satisfaction rating (9.2) of all the specialized tools related to tax, estate, or social security, and higher than its closet tax competitor, FP Alpha, which scores an otherwise admirable (but challenging in comparison to Holistiplan) satisfaction rating of 8.3.

Figure 5.9. Tax Software, Provider Market Share And Rating

Provider	Market Share	Satisfaction
HolistiPlan	30.7%	9.2
Excel	3.7%	7.0
FP Alpha	1.9%	8.3
Drake	1.6%	-
IncomeSolver	1.3%	7.3
Planner CS	1.1%	8.3
BNA Income Tax	1.1%	7.0
ProSeries	1.1%	7.9
CFS Tax Software	1.0%	8.2
Lacerte	0.8%	8.6
ProConnect	0.8%	-
TurboTax	0.6%	-
Other	3.9%	-

Notes: Satisfaction represents the average advisor rating based on a 1–10 scale, with "10" representing the highest possible satisfaction. "-" denotes no rating available due to fewer than five responses.

Social Security

Between 2022 and 2024, the share of advisory teams using specialized Social Security software declined by 10 percentage points, as comprehensive financial planning software solutions themselves have increasingly built their own Social Security analysis tools within their platforms in recent years.

Figure 5.10. Social Security Software, Provider Market Share And Rating

Provider	Market Share	Satisfaction
SSAnalyzer	8.2%	7.6
Maximize My Social Security	4.8%	7.4
Savvy Social Security	3.3%	8.3
SSA Tools Website	3.3%	6.9
BlackRock SS Benefits Estimator	3.0%	7.3
Excel	2.3%	6.5
Open Social Security	2.1%	8.9
Social Security Timing	1.3%	7.9
Income Solver	1.2%	8.6
Plan Facts	0.5%	-
Other	3.1%	-

Notes: Satisfaction represents the average advisor rating based on a 1–10 scale, with "10" representing the highest possible satisfaction. "-" denotes no rating available due to fewer than five responses.

Nonetheless, amongst those who continue to use a specialized solution, SS Analyzer remains the most popular tool in this category, utilized by 8.2% of all advisors (Figure 5.10). Restricted to just those advisors who use specialty social security software, SS Analyzer market share has dropped consider, though, from 49% in 2022 down to 37% in 2024. This decline is not entirely unexpected, as SS Analyzer ranks fifth in satisfaction (7.6), trailing behind higher-rated tools like Open Social Security (8.9), Income Solver (8.6), Savvy Social Security (8.3), and Social Security Timing (7.9). Concerns about the software's future—following its acquisition by T. Rowe Price and the potential risk of discontinuation of its advisor version—may also have contributed to lower usage rates.

Interestingly, SS Analyzer still ranks higher in satisfaction than the second-most popular tool, Maximize My Social Security (7.4). Which suggests that amongst advisors who do utilize specialized software for Social Security analyses, there is room for more recent upstart competitors with superior user satisfaction ratings to capture market share. However, such growth would still need to be achieved against the headwind of comprehensive financial planning planning tools continuing to enhance their own Social Security features, which has been shrinking the market opportunity of the entire category by reducing the need for specialized software altogether. In fact, the overall decline in the adoption of many specialized tools outside of tax and estate planning – including those for Social Security – over the past two years indicates this trend may already be underway.

Estate Planning

Estate planning software was traditionally used to directly facilitate estate planning analyses and modeling of client scenarios. However, in recent years, a growing number of advisory firms have begun to more directly help clients implement their estate planning documents – a need that is being met by a rising crop of "tech-enabled service providers" who are primarily in the business of drafting estate planning documents, but heavily leverage technology in order to do so efficiently (for the advisor) and cost-effectively (for the client). Market share and satisfaction rating for both of these groups are listed in Figure 5.11.

Notably, while the overall adoption of estate planning has declined from decades past (when the estate tax exemption was far lower, and far more clients faced estate taxes), estate planning is one of only two specialty areas where advisor usage is growing relative to 2022. However, the atrophy of estate planning analytical tools, in the wake of the rising estate tax exemptions, has now re-created a new gap for quality estate planning functionality available through comprehensive planning applications. In fact, of the eight leading general purpose planning software providers, none received an average satisfaction rating higher than 7.3 for its estate planning module (the lowest "high" ranking across all attributes rated.

Figure 5.11. Estate Planning Software

	Market Share	Satisfaction
Specialized		
FP Alpha	2.1%	8.3
Vanilla Estate	1.1%	7.1
PowerPoint	0.8%	-
Excel	0.6%	-
NumberCruncher	0.6%	-
Brentmark	<0.5%	-
EstateView	<0.5%	-
BNA Estate & Gift Tax	<0.5%	-
Canva	<0.5%	-
Luminary	<0.5%	-
Outsourced Document Preparation		
Wealth.com	1.8%	6.7
Trust & Will	1.4%	7.9
EncorEstate	1.4%	8.3
Other Estate	2.1%	-

Notes: Satisfaction represents the average advisor rating based on a 1–10 scale, with "10" representing the highest possible satisfaction. "-" denotes no rating available due to fewer than five responses.

Functionality considers whether the software is primarily used for conducting estate planning, managing estate-related documents, or both.

The end result is that there has been a concomitant rise in specialty estate planning tools, for which FP Alpha has successfully positioned itself as an emerging leader by both market share and satisfaction ratings, followed by Vanilla, while no other provider even generated enough adoption in the aggregate for us to calculate a satisfaction rating (and notably, the most popular after FP Alpha and Vanilla was simply advisors building their own estate planning flow diagrams in PowerPoint!).

When it comes to the emerging category of estate document preparation, the standout leader thus far is EncorEstate, followed by Trust & Will, while Wealth.com ranked highest in terms of market share but lowest with respect to actual satisfaction ratings of advisors themselves. Which is notable, as Wealth.com has taken the most "tech-centric" approach, and EncorEstate has remained more focused on scaling up its team of human lawyers to provide estate services… suggesting that while estate document preparation may be "tech-enabled", to the extent that estate document preparation is still a legal service for clients, advisors seem to show a preference for firms with a higher service touch than those building the most around (pure) technology solutions.

The Cost Of Planning Technology

The typical service team allocates $3,500 per advisor annually for software supporting the production and delivery of financial plans. The largest portion of this expense is attributed to comprehensive planning software, which typically costs $2,000 per advisor. Additional expenditures include $300 for Social Security software, $750 for tax software, and $500 for estate planning software, for teams utilizing these specialized tools (which is below the list price for many such solutions, signaling that teams tend to buy planning software licenses for each advisor, but are more likely to buy specialized software once for the entire team to share).

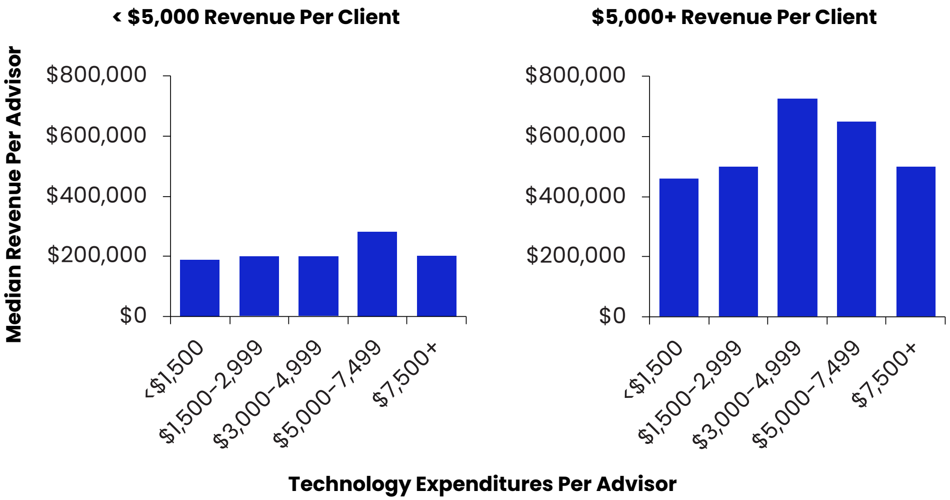
Figure 5.12. Annual Expenditures On Financial Planning Software

	Median Cost Per Team	Median Cost Per Advisor
Total Software Expenditures (All Tools)	$5,000	$3,500
Comprehensive FP Software	$3,200	$2,000
Social Security	$500	$300
Tax	$1,200	$750
Estate	$1,000	$500

To examine the relationship between spending on financial planning technology, and team productivity, we compare teams' annual spending on planning technology per advisor with their annual revenue per advisor. We further segment the data by revenue per client to account for the possibility of teams spending more on planning technology being more productive because they also work with higher-value clients.

In short, there is no clear relationship whatsoever between teams' spending on financial planning technology and their productivity – both for teams making more than $5,000 in revenue per client and teams making less (Figure 5.13). The fact that teams which spend the most on planning technology appear to experience a slight decrease in revenue per advisor may in part be due to overservicing – as these teams tend to cover more areas in their financial plans and dedicate more hours to client service after the first year, without being able to charge enough of an increase in fees to financially remunerate them sufficiently for the additional work.

Figure 5.13. Revenue Per Advisor by Technology Expenditures And Revenue Per Client



Key Takeaways

As teams have scaled back the number of services included in financial plans, they also appear to have reduced the range of tools used to produce them. While comprehensive planning software remains at the center of teams' planning work (used by 90% of them), reliance on Microsoft Excel, Microsoft Word, and firm-created financial planning software has declined sharply between 2022 and 2024 as the capabilities of comprehensive planning tools continue to expand. The drop in the use of Word and Excel, in particular, seems tied to a shift away from delivering custom-written plans generated uniquely for each client – over 70% of which depend on Word and Excel – and toward more collaborative approaches, where advisors screen-share their planning software and make real-time adjustments.

Among comprehensive planning tools, RightCapital has emerged as a disruptive force. Between 2018 and 2024, it has consistently improved its overall satisfaction score, driving a significant increase in market share from 10% in 2018 to 26% in 2024. Currently the third most popular comprehensive planning tool – behind eMoney, whose market share has remained steady since 2018, and MoneyGuide, whose market share has steadily declined – RightCapital's rise appears to be deserved. Across 14 satisfaction domains, including overall satisfaction, ease of use, client portal, and depth of services, RightCapital ranked among the highest in 11 categories, more than any other comprehensive tool.

In the meantime, advisory teams also continue to use various specialized planning software tools to supplement their financial planning software, with nearly half (45%) of teams using such tools. However, there are significant shifts underway in the types of specialized planning tools advisors are utilizing. Tax planning tools, already the most widely used among specialized options, saw further growth in adoption over the past two years, increasing from 80% to 86% of teams using specialized tools. In contrast, utilization rates for categories such as risk analysis, student loan analysis, investment research, Social Security, and retirement distribution planning have declined. In these areas, comprehensive financial planning software appears to have "recaptured" analyses previously performed with supplemental tools – a cautionary note for vendors of specialized tools: advisors want the additional depth beyond their planning software and will pay for it, but when advisors can consolidate from multiple tools down to a single comprehensive software solution and cut out paying for a separate additional vendor, they will.

The rising dominance of tax-planning software among specialized tools aligns with broader industry trends highlighted in this report. Tax planning is one of the most commonly included services in financial plans, with advisors overwhelmingly choosing to handle it in-house rather than outsourcing it. For those using client service calendars, tax planning remains an anchor service there, too. And going beyond tax planning to preparation of the tax return itself is emerging as an additional tax service provided by nearly one in six advisory firms now. In turn, as the financial planning profession becomes increasingly tax-centric, advisors are continuing to turn to specialized tools to offer this service. This shift towards more tax-centric planning has decisively benefited Holistiplan, which maintains a growing market share of a growing market. Indeed, Holistiplan is now used by more than 30% of all teams – more than the share relying on Word of firm-created tools in any capacity, and more than the share utilizing any single comprehensive planning tool besides eMoney.

Yet even as advisory firms invest more into their planning software and supporting specialized solutions, the relationship between spending on financial planning technology and team productivity is not straightforward. Many firms that are heavily invested in technology also tend to overservice their clients, which actually reduces their productivity. This is not to say that technology spending cannot enhance productivity. As noted previously, teams that leverage a wide array of technology – streamlining workflows through features like AI-generated meeting notes – can achieve modest but tangible productivity gains. Conversely, teams scoring low in tech utilization may experience slight declines. However, productivity depends far more on variables such as team structure and time management than on the specific tools employed.

How Financial Planners Actually Price Their Services

6

How Teams Vary By Charging Method

Balancing Different Pricing Methods

AUM Fees

Subscription Fees

Hourly Charges

Standalone Project Planning Fees

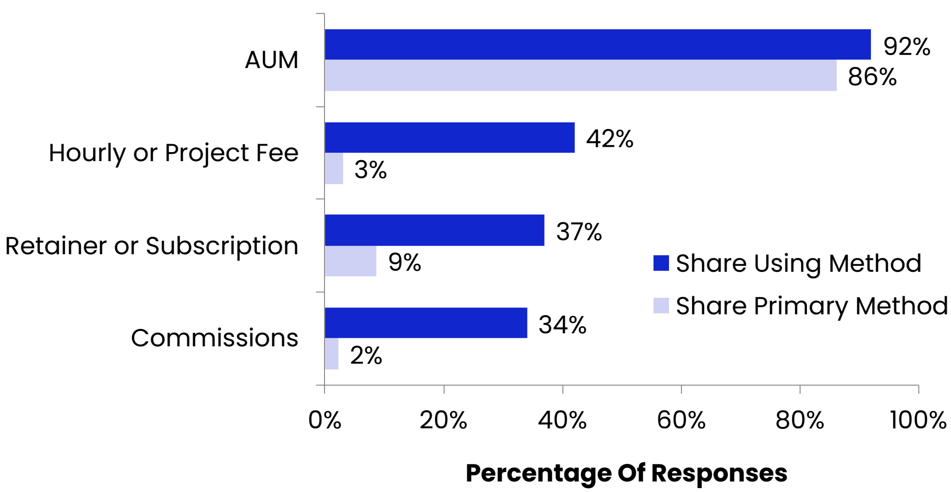
The Rise Of Advice-Only Advisors: Who Are They?

Key Takeaways

How Teams Vary By Charging Method

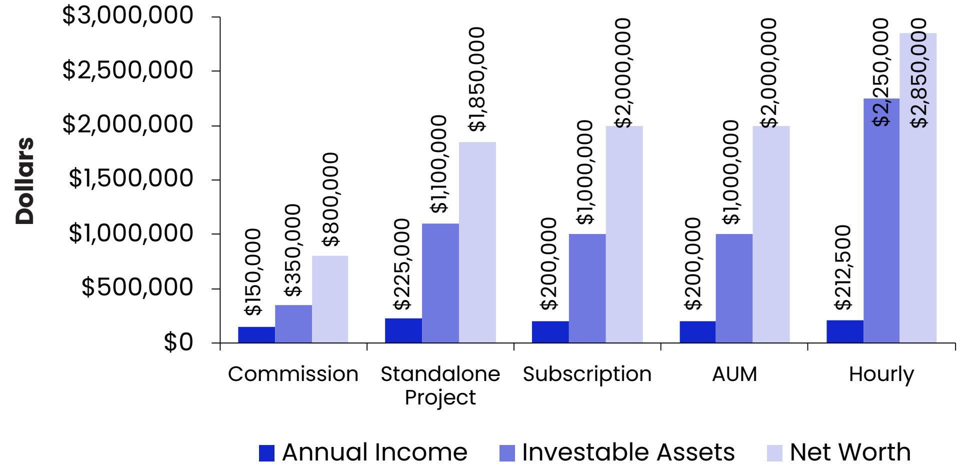
Service teams utilize a variety of pricing models to generate revenue, but AUM fees continue to dominate. These fees are used by 92% of teams in some capacity and serve as the primary revenue source for 86% of teams – up from 82% in 2022 (Figure 6.1). While significant minorities of teams generate at least some revenue through hourly and project fees (39%), subscription or subscription fees (36%), commissions (34%), or other methods (5%), only 14% of teams rely on any of these alternative models as the source for more than 50% of their revenue.

Figure 6.1. Share Of Teams Using Each Charging Method



Notably, a firm's pricing model isn't solely determined by how advisors choose to charge – it also reflects the type of clients the firm serves, as typical client profiles vary across pricing structures. Figure 6.2 highlights the affluence of clients served under different charging methods, based on advisors who primarily rely on those methods for their revenue (e.g., the affluence of clients charged subscription fees by advisors whose primary revenue source is subscription fees).

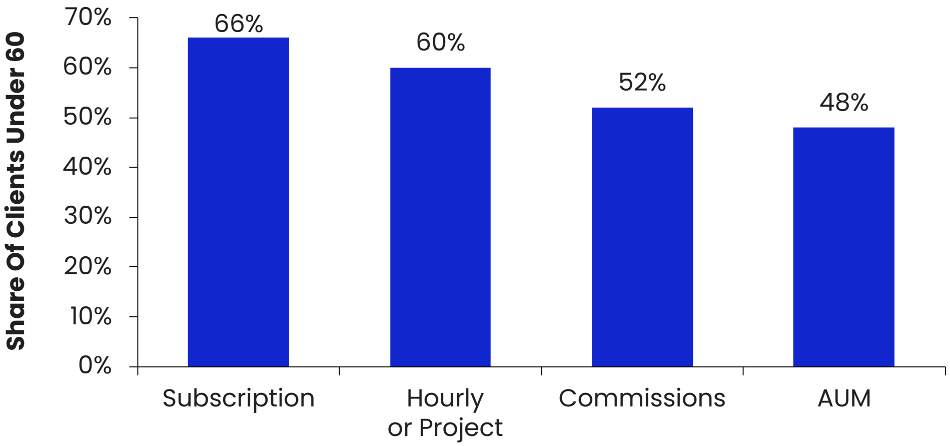
Figure 6.2. Typical Client Affluence By Charging Method



Contrary to conventional industry wisdom, clients of teams relying on the hourly charging method are actually the wealthiest – measured by income, investable assets, and net worth – compared to clients of teams using other primary charging methods. Following this, clients of AUM, subscription, and standalone project-based advisors are similarly affluent across these metrics. In contrast, commission-based clients are notably less wealthy than any other group. These findings challenge the assumption that building a practice on the hourly model enables advisors to serve less affluent clients; instead, they suggest that advisors using this model are pricing their hourly rates at levels accessible only to (the most) affluent clients!

Charging methods also differ by age; teams that rely on planning fees – whether through recurring subscriptions or project-based fees – tend to work with younger clients, compared to those whose revenue primarily comes from investment management (Figure 6.3). Which isn't entirely surprising; investable assets are concentrated in the hands of older generations (that have simply had more time to accumulate wealth.

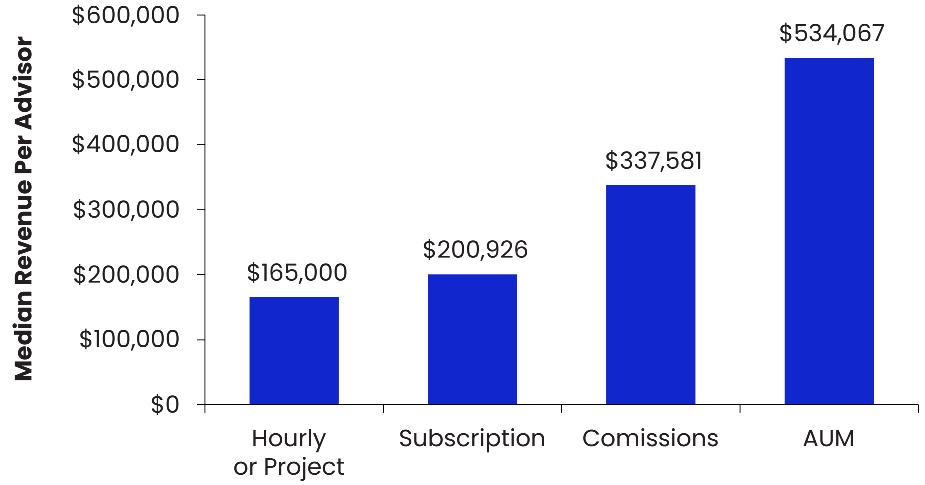
Figure 6.3. Share Of Clients Under 60 By Majority Revenue Source



The migration from commission-based business to reliance on AUM fees over the last 20 years in part reflects these teams migrating where the wealth is. Increasingly, however, as more advisory firms seek to age-diversify their clientele, the results imply that firms seeking younger clientele may need to continue to expand their non-AUM (e.g., subscription or project-based) fee models to have an effective means to work with such clients.

When comparing advisor productivity by primary revenue source, it's clear why AUM fees remain the preferred model for many teams (Figure 6.4). Teams primarily earning revenue through AUM fees generate an average of $500,000 in revenue per advisor, significantly outpacing those reliant on commissions ($337,581) and far exceeding the under $200,000 generated by teams relying on subscription or project fees. Notably, these differences narrow only slightly when focusing on non-startup firms (since 30% of hourly teams are startups, compared to less than 10% of firms primarily reliant on investment management revenue). This indicates that even among established practices, the relative profitability of the AUM fee model remains strong – unsurprising, given that AUM fees provide a recurring revenue stream that grows along with the market, and its transparent but less salient pricing approach may help reduce fee sensitivity that clients may otherwise experience in alternative fee models.

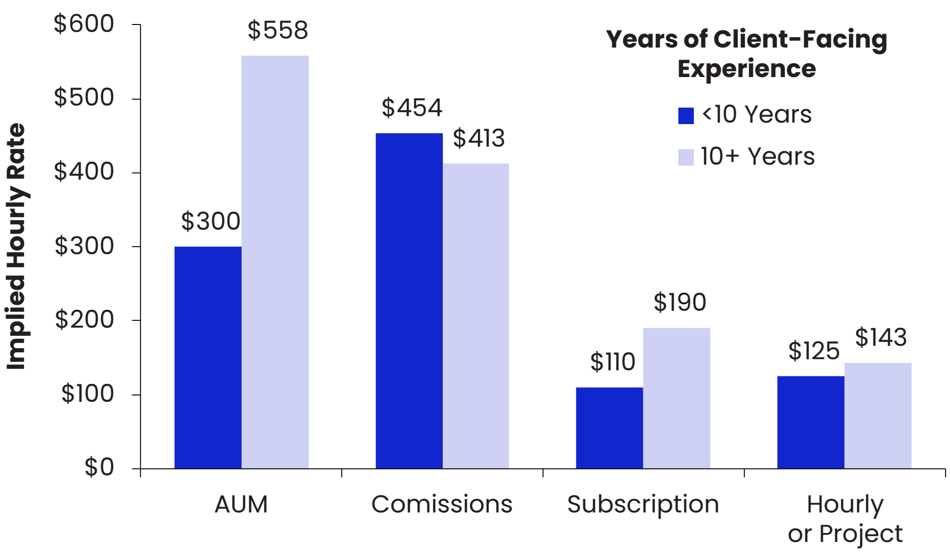
Figure 6.4. Advisor Productivity By Majority Revenue Source, Established Practices



Note: "Established Practices" defined as any practice not in the startup phase of its development.

The higher value that teams reliant on AUM fees command for their time becomes even clearer when examining the implied hourly rates of Senior Advisors across different groups. To calculate this, we divided the revenue generated by these advisors by their annual "billable" hours – time spent on tasks such as meeting with clients, preparing for those meetings, and building financial plans – factoring in these advisors' time off. The end result is a means to comparing the true revenue productivity of advisors with a common standard that transcends any particular pricing model, as even advisors who don't overtly charge by the hour still, as a service business, must provide some number of service hours to clients to demonstrate their value (by whatever model they charge).

Figure 6.5. Senior Advisor Implied Hourly Rate By Majority Revenue Source And Years Of Client-Facing Experience



As Figure 6.5 shows, AUM-based advisors are extremely effective at converting the value of their client time into actual revenue; even advisors 'just' in their first 10 years are able to generate a 'healthy' professional hourly wage of $300 per client hour. Advisors charging commissions, meanwhile, begin with the highest implied hourly earnings but do not experience the same growth over time as advisors in other fee models.

By contrast, advisors operating with both subscription and hourly fee models appear to be struggling to fully charge for their time spent. Hourly advisors, despite nominally charging a median fee of $300/hour, in practice are spending an average of almost two hours of unbilled work hours for every one hour they are actually billing, such that the actual hourly revenue earned for their client time averages only $125 for newer advisors, and rises only slightly $143/hour even for experienced advisors.

And the results are similar to subscription-based advisors, where early-stage advisors actually appear to be struggling the most – generating an average of barely more than $110/hour for their actual client time, and implying that such advisors are spending almost four hours per client per month on average to support their $4,500 median subscription fee. More experienced subscription-fee advisors do appear to be substantively more effective at generating revenue for their client service time, with a 73% increase in implied hourly rates amongst such advisors, at $190/hour. However, such revenue rates for their time are still far below what AUM or commission-based advisors generate.

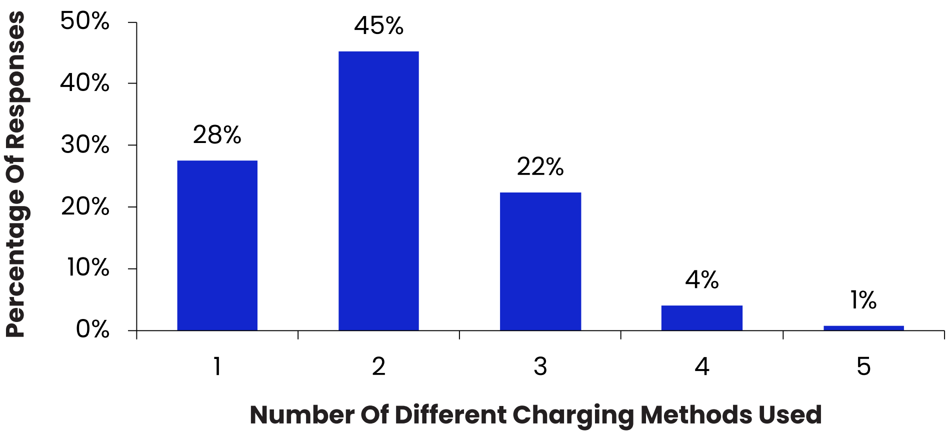
Notably, the fact that both AUM and commission-based models are associated with greater hourly revenue productivity than subscriptions and hourly suggests that it is not merely a result of ongoing-relationship (recurring revenue) versus more transactional (commissions or hourly) models. Instead, the dividing factor appears to be how salient the fee is to the client themselves, with low-saliency models (where clients don't necessarily feel as much 'pain of paying', whether as a direct-billed AUM fee or a commission paid directly by the company) associated with more productivity than high-saliency models (subscriptions or hourly, where clients must either cut a check, or are more likely to pay directly from their bank account).

In the long run, the key question is whether advisory firms using alternative (non-AUM) fee models can find ways to reduce the amount of 'unbillable' work they perform, better demonstrate the value of their efforts – including the "shadow work" clients may not directly observe – or adjust their fees to align with the scope of work being done. Notably, advisors charging subscription and hourly fees may have room to increase rates, as clients charged subscription fees are equally as affluent as those charged AUM fees, and clients charged hourly fees are even more affluent! Without such adjustments, these models may struggle to scale, as hourly rates below $200 make it challenging to afford the staffing needed for the advisor to grow the business beyond a solo practice. Alternatively, these firms may face increasing pressure to shift toward AUM (or commission-based) business models as their clients accumulate more investable assets.

Balancing Different Pricing Methods

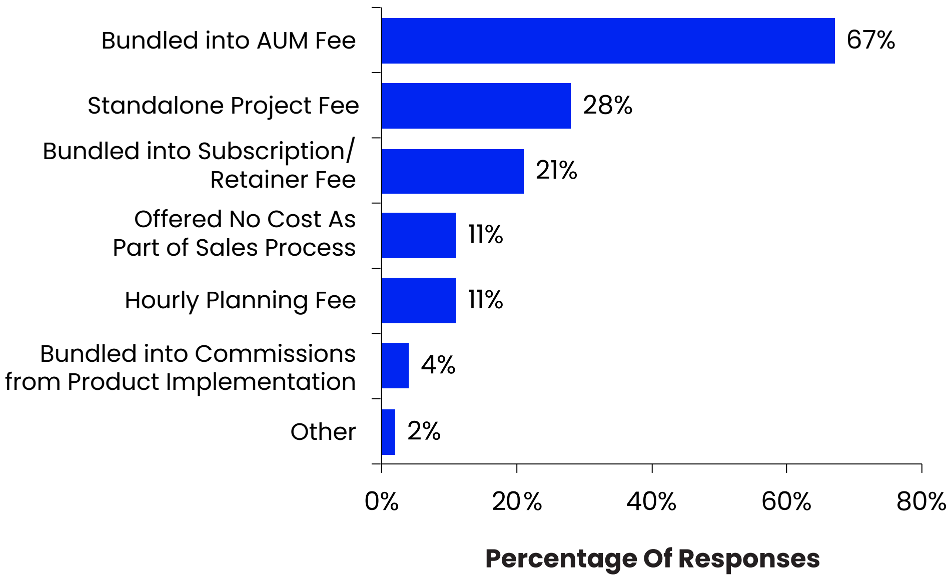
While the focus thus far has been on teams' primary sources of revenue, it's important to note that – as emphasized in past editions of this report – teams frequently use multiple pricing methods, with only 28% using just one (e.g., AUM-only or subscription-only), 45% relying on two (e.g., AUM plus subscription), and 27% incorporating three or more into their firms (Figure 6.6).

Figure 6.6. Number Of Different Charging Methods Used



In practice, this typically involves charging AUM fees, in combination with either a subscription and/or hourly and project fees – ostensibly as a means to work with those clients who don't meet the firm's investment minimums or aren't ready to delegate a portfolio to be managed yet or collect more revenue from existing clients without raising AUM fees – an approach used by 67% of teams (Figure 6.7). Teams' use of multiple pricing methods is reflected in how they structure their approaches to charge for their financial planning work. The most common method remains bundling pricing for the financial plan into either AUM fees or comissions on investment products. This approach has grown even more popular since our last study, with the share of advisors utilizing it increasing from 65% to 71%.

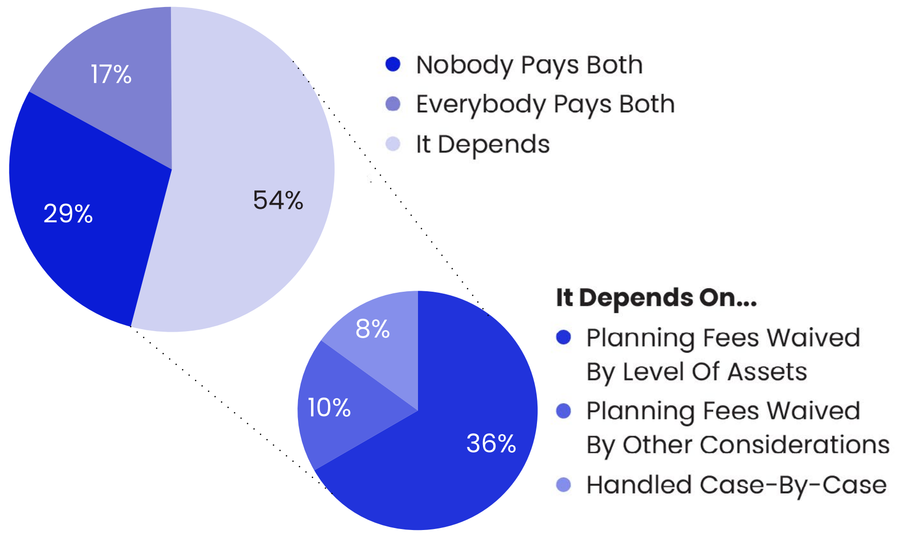
Figure 6.7. Typical Charging Methods For Financial Plans



Meanwhile, other advisors rely on planning fees, such as recurring subscription fees or standalone project-based fees, to get paid for their financial plans. While the share of advisors charging for planning through subscription fees ticked down by 3 points, the share charging standalone project fees jumped to 28%. It's also notable that 11% of advisors don't charge at all for their financial plans, and instead use them as a marketing tool to deliver to prospects in the hopes that they become a client.

However, just because teams incorporate multiple charging methods does not mean that they charge both methods to the same client. As shown in Figure 6.8, among teams earning revenue from both investment management fees and planning fees, 29% never charge clients both fees simultaneously, while just 17% consistently charge their clients both. Conversely, most teams (54%) indicate that their handling of these fees depends on various factors. For example, two-thirds of this "it depends" group waive planning fees either in whole or in part based on levels of assets, while the remaining third is roughly split between waiving them based on other considerations (e.g., the complexity of the planning work) and waiving fees on a case-by-case basis..

Figure 6.8. How Teams Charge Planning And Investment Management Fees



For teams willing to waive their planning fees, planning fees make serving smaller clients profitable, as these clients may not yet generate significant revenue through AUM fees or commissions. Once a client's assets grow sufficiently to cover costs through AUM or commissions, planning fees are typically waived. Taken together, these data suggest that true rates of bundling pricing for planning into investment management fees are higher than initial figures would indicate, due to the extent to which firms that nominally charge separate planning fees are in practice ultimately often waiving them based on clients' assets or other circumstances.

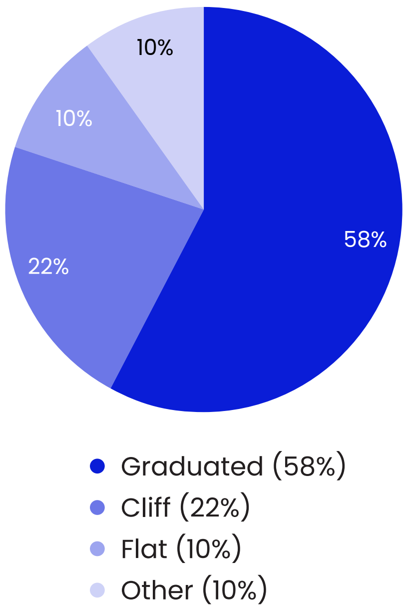
AUM Fees

Fee Structures And Minimums

AUM fee schedules generally fall into three categories. **Graduated structures** feature multiple tiers with different rates, where client fees are calculated as a blended rate, where each tier's rate applies incrementally to the portion of the client's portfolio that falls within that tier. **Cliff structures** also have multiple tiers, but once a client's portfolio reaches the next tier, the new rate applies retroactively to the entire portfolio (starting from the first dollar). **Flat structures**, on the other hand, apply a single rate to the entire portfolio, regardless of its size.

The majority of advisors (58%) use graduated fee schedules, where the blended rate is calculated based on the tiered structure (Figure 6.9). Another 22% use cliff schedules, where the rate for the highest qualifying tier is applied to the entire portfolio. Flat rates are used by only 10% of advisors, with an additional 10% reporting other fee structures.

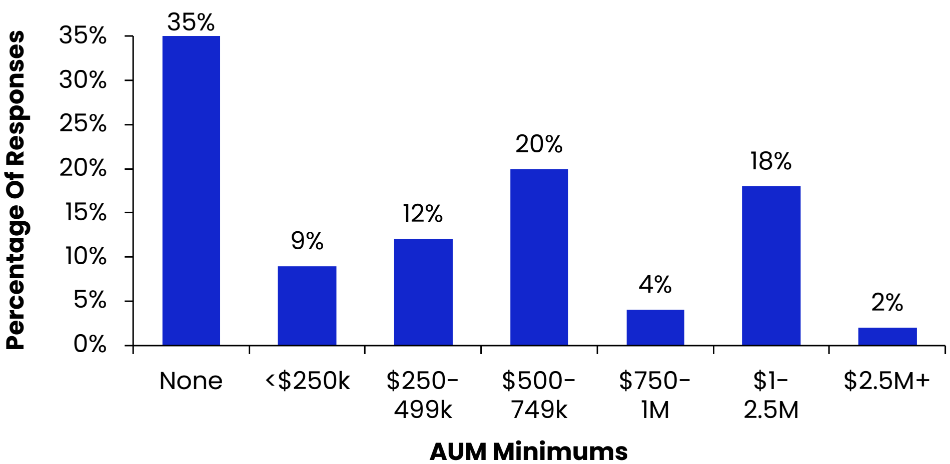
Figure 6.9. Structure Of AUM Fee Schedules



Note: Percentage of responses using AUM fees

Not all AUM fee schedules start at $0 in assets; the majority of advisors set minimum asset requirements for clients. These minimums are essential for making planning profitable, especially for advisors who, as discussed earlier, do not charge separate fees for their planning work and instead bundle planning pricing into their investment management revenue. Without such minimums, it could take advisors years to recoup the costs required to develop and maintain a client's financial plan. Or viewed in another manner, to the extent that advisors need to generate some minimum revenue per client to cover the cost of their services, they can either charge separate or minimum planning fees, or establish an asset minimum (that garners the associated AUM fee as a minimum on that asset base).

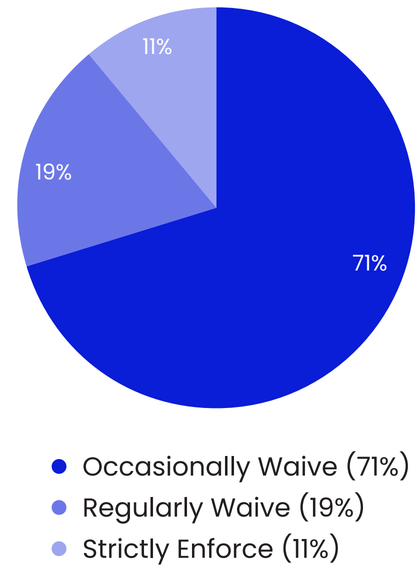
Figure 6.10. Distribution Of AUM Minimums



As shown in Figure 6.10, only one-third of teams do not have AUM minimums. Of the roughly two-thirds of advisors that do have AUM minimums, they are almost evenly split between those who have minimums less than $500,000, those whose minimums fall between $500,000 and $1,000,000, and those who have minimums set at $1,000,000 or more.

However, having stated AUM minimums doesn't necessarily mean service teams strictly adhere to them. Some advisors waive their minimums for referrals from important clients, while others set high minimums to attract affluent clients but ultimately accept any prospective client who walks through the door. The vast majority of teams (71%) at least occasionally waive their AUM minimums, though only 19% do so regularly (Figure 6.11). On the other hand, a mere 11% of teams report strictly enforcing their AUM minimums without exception.

Figure 6.11. How Often Advisors Waive Their Fee Minimums



What AUM Advisors Charge Their Clients

Using the information respondents provided about their AUM minimums, fee schedules, and whether they use a graduated, flat, or cliff structure, we calculated both the stated and blended AUM fees that teams charge across various portfolio sizes.

Using the information respondents provided about their AUM minimums, fee schedules, and whether they use a graduated, flat, or cliff structure, we evaluated the stated fees and then calculated what the blended AUM fees would be for teams charging across various portfolio sizes.

In this context, the **stated rate** refers to the marginal rate being charged at each portfolio size in the advisor's fee schedule; the **blended rate** refers to the average fee calculated across portfolio tiers.

For example, an advisor with a graduated schedule charging 1.25% on the first $500k and 0.75% on the next $500k would have a stated rate of 0.75% on a $1M portfolio but a blended rate of 1%. Conversely, an advisor charging a flat 1% rate across the board would have both a stated and blended fee of 1% on the same portfolio. In practice, stated and blended fees are identical for advisors with flat or cliff fee schedules but can diverge for advisors with graduated schedules. Typical stated fees across six portfolio sizes are displayed in Figure 6.12; typical blended fees are displayed in Figure 6.13.

In practice, our results show that the typical stated fee schedule remains at 100 basis points (bps) up to $1 million, then declines to 90 bps at $2 million, 75 bps at $5 million, and 60 bps at $10 million. Blended fees, however, decrease more gradually, staying at 100 bps until $2 million, falling to 85 bps at $5 million, and reaching 75 bps at $10 million. In part, the slower decline of blended fees is simply because graduated fee schedules continue to apply the higher rate on the initial dollars while adding new dollars at the next (lower-priced) tier, such that the effective fee on all dollars is higher than the marginal fee on the next new dollar. However, the slower decline in the median blended AUM fee – remaining at 100 bps until the $2 million level even though the typical marginal has dropped below 1% at that point – suggests that firms more aggressively reducing their stated fee schedules above $1M of assets are also more likely to use a fee greater than 1% on assets under $1M.

Figure 6.12. Stated AUM Fee Variability By Portfolio Size

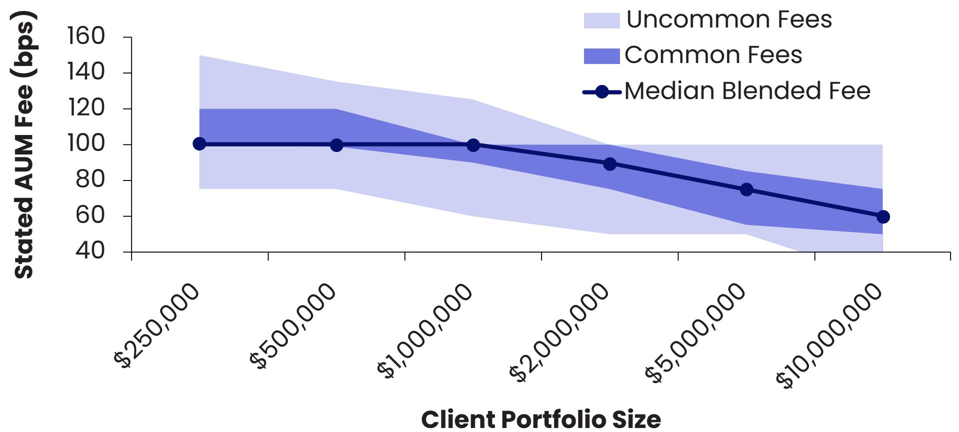
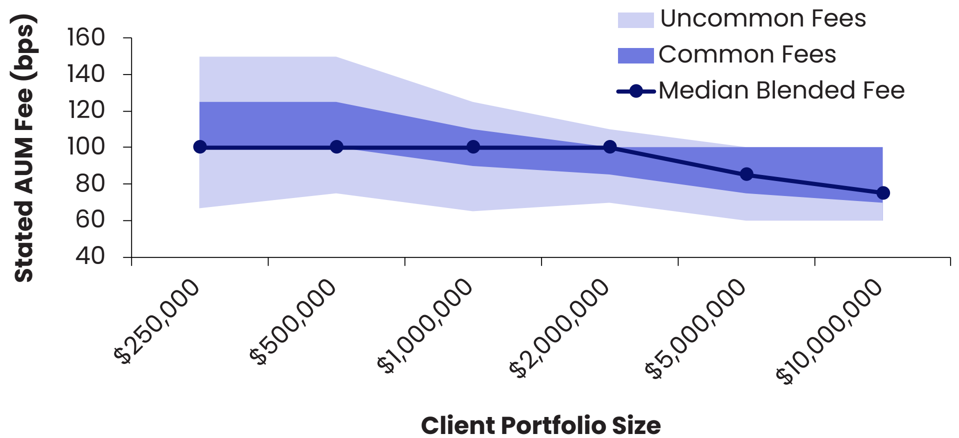


Figure 6.13. Stated AUM Fee Variability By Portfolio Size



Equally noteworthy as median AUM fees are how teams diverge from it. While median blended fee remains steady at 100 basis points for portfolios all the way up to $2,000,000, whether and how far advisors may deviate from the traditional 1% fee does vary by portfolio size. At the $250,000 level, common fees (i.e., those that fall within the 25th to 75th percentiles) often skew higher than the median (up to 1.25%), but very few advisors are willing to price below the 1% threshold (ostensibly in order to maintain a certain level of revenue per client, especially for smaller portfolios). In contrast, by the $2,000,000 level, common fees tend to skew below the $1,000,000 median, indicating that by this point, many advisors, such as those looking to move upmarket and attract higher net worth clients, are charging lower rates on assets at this level, and are very wary to price above 1%.

When examining the specific fee tiers used by teams employing graduated and cliff fee structures, the most common number of tiers for both groups is four, with over 70% of teams in each group using 3–5 tiers. However, firms that use cliff fee schedules are somewhat more likely overall to have a greater number of tier thresholds to increment their fees lower more slowly as clients reach each cliff breakpoint (Figure 6.14), reducing the sheer magnitude of how far their fees might step backwards when a client initially breaches the next pricing threshold.

The more significant differences between graduated and cliff schedules, however, lie not in the number of tiers but in their respective tier ceilings and the rates charged at each level. The typical graduated fee schedule is displayed in Figure 6.15 while the typical cliff schedule is displayed in Figure 6.16. Graduated schedules typically cover wider asset ranges and more heavily discount fees at higher tiers, as higher rates continue to be charged on portfolio dollars within the lower tiers. In contrast, cliff schedules cover narrower asset ranges and tend to charge higher fees with smaller differences between lower and higher tiers (in addition to being more likely to have more tiers, as noted earlier), as the fee applies retroactively to the entire portfolio. For example, the typical graduated fee schedule prices 100 basis points on the first $1 million, tapering down to 50 basis points on assets over $5 million. By comparison, the typical cliff schedule charges 115 basis points on portfolios under $500,000 and 75 basis points on portfolios exceeding $4 million. Notably, though, both would still price 1% on the 'typical' mass affluent client with $500,000 to $1M of assets.

What stands out is that teams using graduated schedules—despite applying lower fees only to assets exceeding the previous tier—ultimately charge lower blended fees than those using cliff structures

Figure 6.14. Number Of Tiers Used By Teams Using Graduated And Cliff Schedules

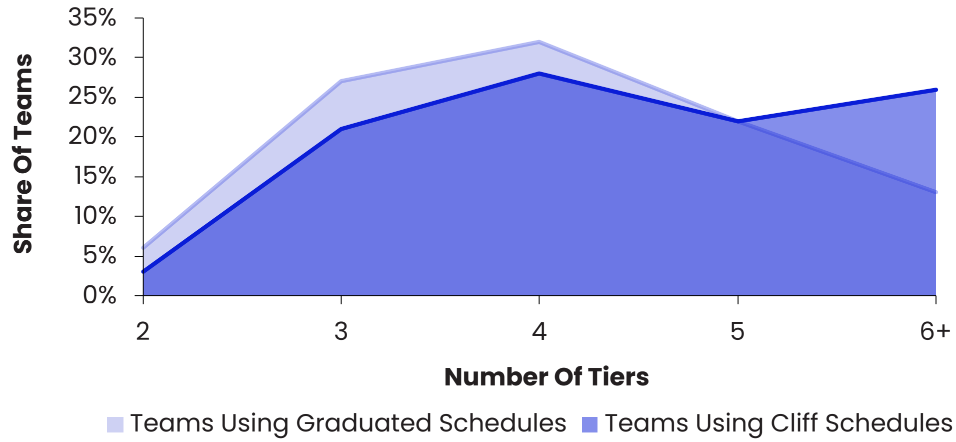


Figure 6.15. Typical Graduated Tier Fee Structure (Based On 4-Tier Median)

Tiers	Asset Range	Tier Basis Point Charge
Tier 1	$0 to $1M	100
Tier 2	$1M to $2.5M	80
Tier 3	$2.5M to $5M	65
Tier 4	$5M+	50

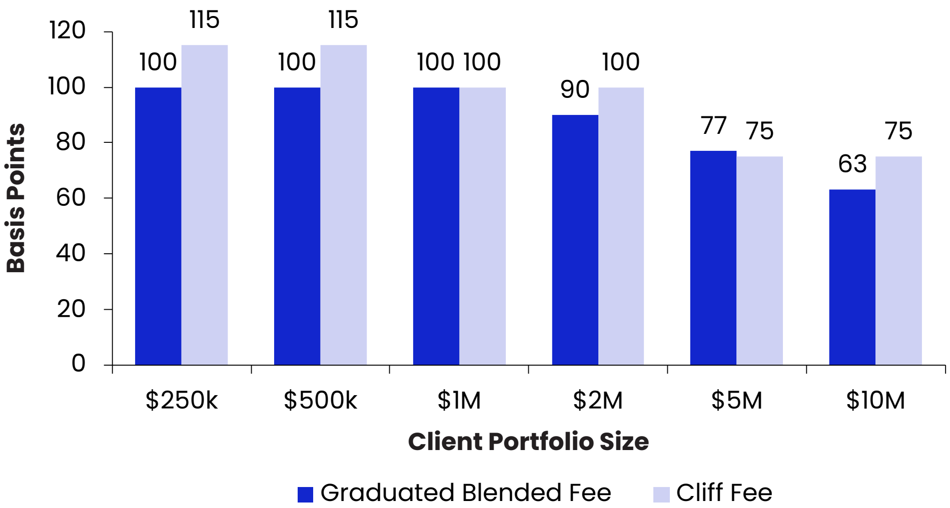
Note: Based on 108 respondents reporting a graduated 4-tier fee structure

Figure 6.16. Typical Cliff Tier Fee Structure (Based On 4-Tier Median)

Tiers	Asset Range	Tier Basis Point Charge
Tier 1	$0 to $500k	115
Tier 2	$500k to $2M	100
Tier 3	$2M to $4M	85
Tier 4	$4M+	75

Note: Based on 33 respondents reporting a cliff 4-tier fee structure (where no actual "blending" occurs, as the fee is applied to the entire portfolio)! Indeed, looking across the six portfolio sizes displayed in Figure 6.17, clients working with advisors using cliff schedules pay 10-15 basis points more for portfolios of $250,000, $500,000, $2 million, and $10 million. However, there are no fee differences at the $1 million level, and only negligible differences at $5 million.

Figure 6.17. AUM Fees For Typical Tier Schedules By Fee Structure



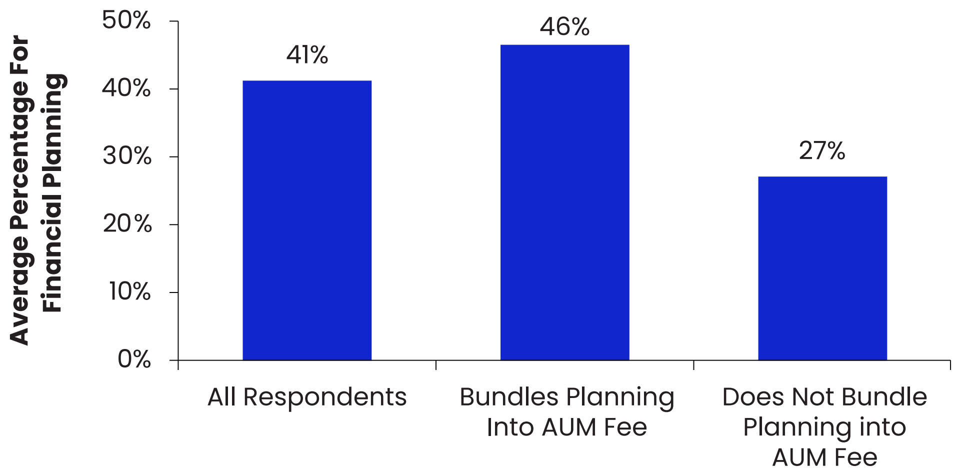
Taken together, then, it seems that the 1 in 5 service teams charging cliff schedules have more fee confidence than the 3 in 5 using graduated schedules, but also have a more focused clientele (tending to have a more tightly packed range of asset breakpoints, and pricing that they are confident aligns to their clients' value at those breakpoints). Whereas graduated fee schedules appear to be used more commonly as a means for advisors who "mostly" serve one range of clientele but want to have aggressive marginal breakpoints in the hopes of attracting significantly higher dollar clients above their typical clientele.

Bundling Versus Unbundling Planning Fees

Intuitively, one might expect that the level of blended AUM fees would vary depending on the range of services they are designed to cover. As discussed earlier in this section, some teams use AUM fees solely to compensate themselves for investment management, charging separate planning fees to cover their financial planning work. Others bundle pricing for planning into their AUM fees, using this single fee to cover both investment management and financial planning services. It would seem logical to assume that the latter group would charge higher AUM fees, as these fees are meant to compensate for two services instead of just one.

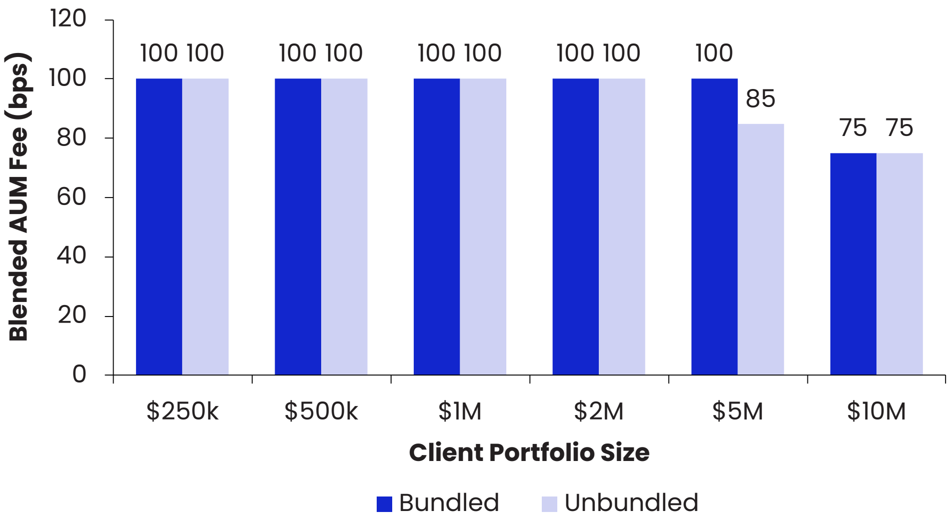
Clearly, teams that bundle appear to *believe* their AUM fee incorporates the cost of financial planning. As shown in Figure 6.18, those who bundle estimate that 46% of their AUM fee compensates them for financial planning, compared to 27% among teams who charge separate planning fees.

Figure 6.18. Percentage Of AUM Fee Considered To Be For Financial Planning



Somewhat surprisingly, however, teams that charge separate planning fees charge almost identical AUM fees as those that supposedly bundle additional planning costs into their pricing (Figure 6.19). For example, an advisor charging a $3,000 planning fee to a $1M client might be expected to reduce their AUM fee to 70 basis points, equating to $10,000 in total fees and aligning with the median 1% AUM fee from an AUM-only advisor working with a $1M client. In practice, however, advisors charging separate planning fees tend to charge similar AUM fees without adjustment (e.g., if the bundled firm charges 1% on $1M for a $10,000 fee, the unbundled firm charges the same $10,000 on a $1M client *and* their $3,000 planning fee, for a total of $13,000 in fees).

Figure 6.19. Blended AUM Fee, Plan Bundled Vs Unbundled



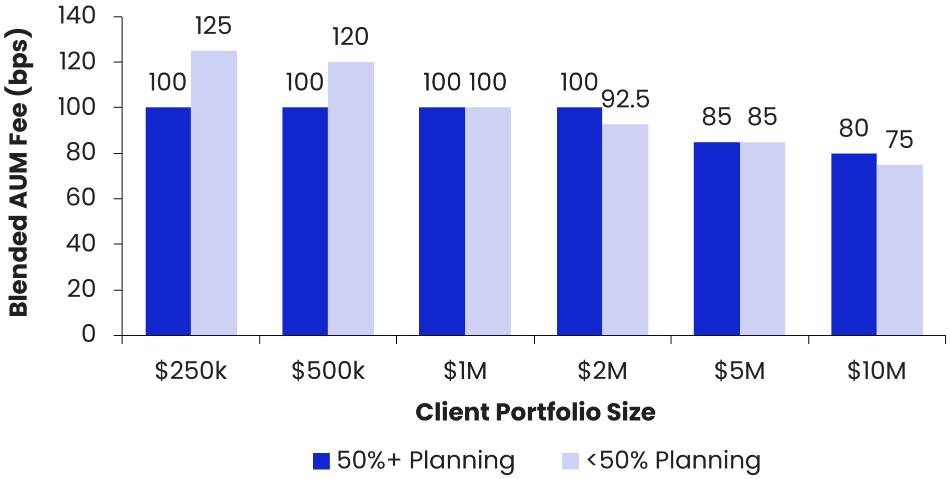
Interestingly, the lower total fees charged by teams that bundle (when considering their lack of separate planning fees) are not due to providing fewer services. Both teams that bundle and teams that unbundle include a nearly identical number of components in their financial plans. Instead, the distinction appears to lie in the fee confidence of teams charging separate planning fees in addition to AUM fees. These advisors aren't simply using a different fee structure; they demonstrate a higher level of fee confidence by layering planning fees on top of standard AUM fees. This approach allows them to generate higher overall revenue per client for the combined planning and investment management services they offer.

One alternative explanation for why teams that bundle planning fees into AUM fees charge largely comparable AUM fees to those who also charge separate planning fees is that the "bundler" category may encompass two distinct groups. The first group includes planning-centric teams that consider their AUM fees as primarily compensating for financial planning services and price their offerings accordingly. While the second group may only provided minimal planning services, primarily focusing on investment management, and using planning as a way to attract and secure more investment management business, with their AUM fees compensating mainly for that service. As a result, bundling teams that engage in more meaningful planning work may charge higher AUM fees than those who are still primarily investment managers offering minimal financial planning as a supplement for which they also charge an AUM fee.

To investigate this, we analyzed AUM fee levels among teams that bundle, categorizing them based on how much of the fee they attribute to financial planning versus investment management. The results reveal that teams viewing their AUM fees as primarily compensating for financial planning do in fact charge an additional 5–10 basis points for larger portfolios of $2,000,000 or more (Figure 6.20). However, for portfolios of $500,000 or less, teams that view AUM fees as primarily for investment management actually charge higher fees!

Overall, this underscores that teams bundling planning fees into their AUM pricing—particularly those who view AUM fees as primarily compensating for planning—don't appear to be expanding their services (and aligning their fees to that service); instead, they are offering planning services at a lower price point as a means to attract and compete for clients in the first place, signaling a lower level of overall fee confidence. Accordingly, by either raising their AUM fees to better reflect the value of their services, or introducing separate planning fees, these teams have an opportunity to more effectively align their pricing with the comprehensive planning work they provide, and increase the revenue they generate per client beyond that which is justified from investment management alone.

Figure 6.20. Blended AUM Fee Among Bundling Firms, By Allocation Of AUM Fee



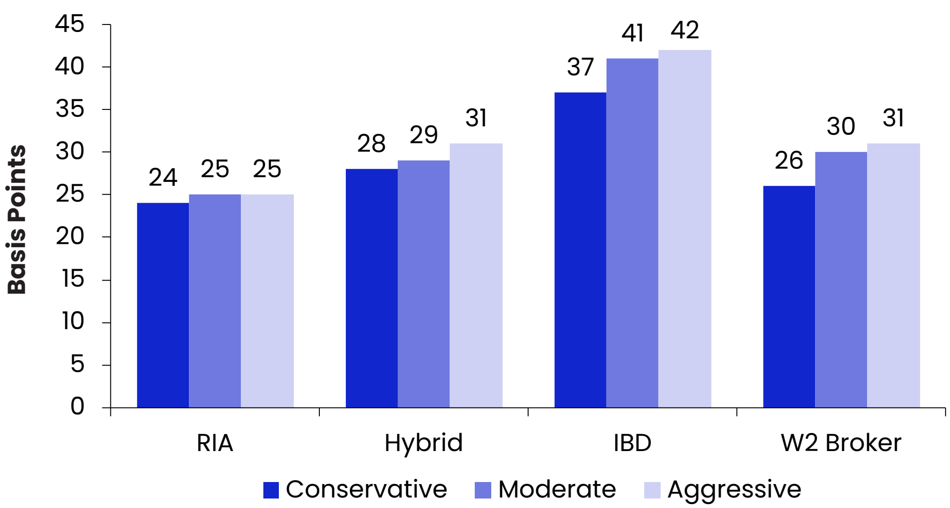
"All In" Fees

Of course, AUM fees are not the only costs clients incur for asset management. Total client fees also include the expense ratios of underlying investments and any associated investment platform fees. Considering these additional costs provides a more accurate picture of what clients are truly paying in the aggregate for advisory services.

To capture these additional expenses, survey respondents were asked to estimate the approximate blended expense ratios for three different portfolio types: conservative, moderate, and aggressive. This differentiation is out of recognition that bond allocations, with their typically lower expense ratios for bond funds and sometimes lower billing rates, tend to cost less than equity allocations. Respondents' estimates also included any applicable platform fees.

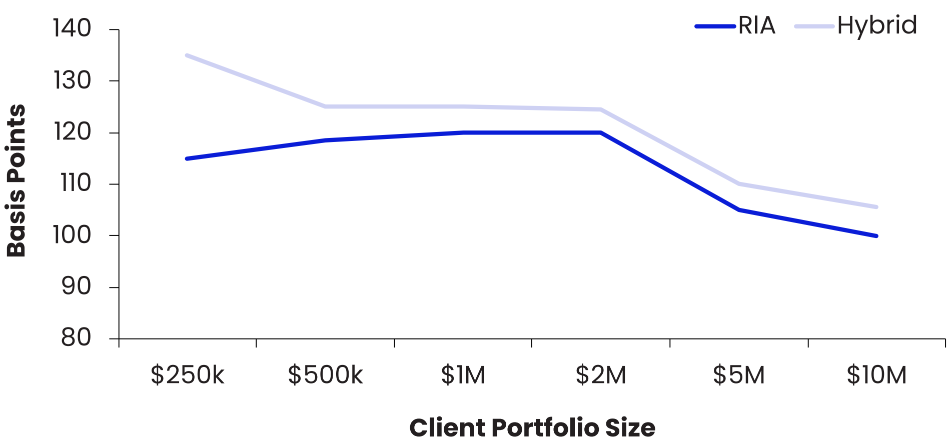
The resulting expense ratios reveal significant variation across industry channels (Figure 6.21). Consistent with our 2022 report, teams exclusively affiliated with an RIA consistently have the lowest expense ratios, regardless of portfolio risk level. In contrast, advisors solely affiliated with an IBD, where investment platform fees and higher-expense-ratio revenue-sharing fees are more common, face the highest expense ratios. Hybrid advisors (affiliated with both RIAs and broker-dealers) and those employed by W-2 brokerages fall in between, reflecting their blended broker-dealer and RIA models. This indirectly suggests that advisors transitioning to the RIA model, on average, are finding ways to eliminate cost layers uniquely associated with broker-dealers, and/or replicate the broker-dealers' supporting services at a lower cost than what broker-dealers themselves charge.

Figure 6.21. Expense Ratios For Underlying Client Portfolios, By Industry Channel



When examining "all-in fees"—the total costs AUM clients pay, including blended AUM rates of the advisors themselves, along with the underlying expense ratios and platform fees—teams exclusively affiliated with RIAs again consistently charge lower fees than advisors dually registered with a broker-dealer (Figure 6.22). This fee disparity, consistent with past reports, is most noticeable for smaller portfolios, with a gap of approximately 20 basis points at the $250,000 level, narrowing to 5 basis points for larger portfolios. For instance, a client with a $1,000,000 portfolio would pay an all-in fee of 120 basis points with an RIA advisor, consisting of a 100-basis-point blended AUM fee and 20 basis points for expense ratios and platform fees. In contrast, the same client would pay 125 basis points with a dually registered advisor.

Figure 6.22. All In Fee By Industry Channel And Portfolio Size (Moderate Risk Profile)



The higher fees charged by hybrid teams are likely due to platform fees commonly applied in those channels to cover the additional compliance oversight required to adhere to FINRA regulations alongside SEC oversight. This suggests that the added layers of FINRA regulation impose a tangible cost not just on financial advisors but also on consumers, as reflected in their all-in fees.

Subscription Fees

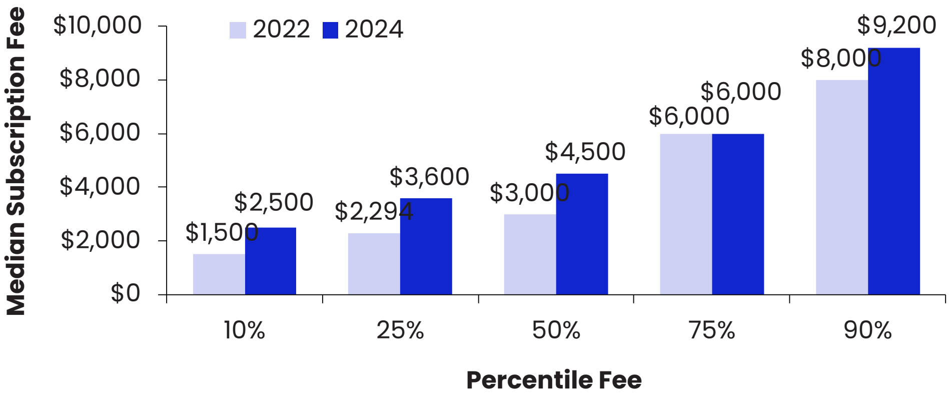
Subscription fees (also called retainer fees) are used by 34% of advisors, though it is the primary revenue source for just 9%. Subscription fees typically account for 32% of firms' revenue (amongst those that charge such fees), as they are often used alongside other pricing methods, primarily AUM fees. In fact, only 17% of firms that charge subscription fees rely on them exclusively.

Notably, "advice-only" advisors—those who exclusively offer advice without managing investments at all—make up 37% of those charging subscription fees, despite being 5% of all advisors, highlighting the prevalence of this model among advisors focused solely on financial planning services.

Among teams charging subscription fees, the typical annual fee was $4,500 in 2024, up from $3,000 in 2022, possibly reflecting a significant increase likely driven by lower-priced firms right-sizing their fees – though as shown earlier in the discussion of implied hourly rates, subscription-fee firms may not be done raising their fees to a level commensurate with the actual amount of work being performed for clients. (It's also worth noting that the median practice in our 2024 sample is 3 years older than the median practice of our 2022 sample. While a gap of three years is unlikely to explain all—or perhaps most—of the $1,500 increase in median subscription fee, it may well explain some of it.)

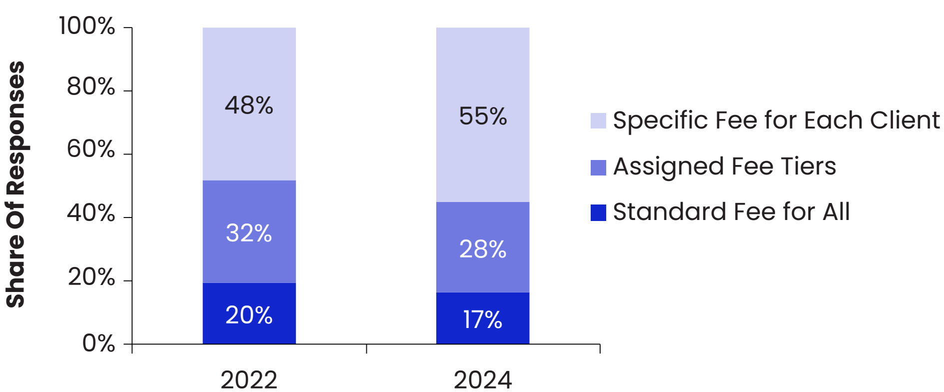
The apparent phenomenon of 'right-sizing' fees is further supported by the fact that the rise in median fees is more substantive amongst the lower half of the pricing range (ostensibly for "smaller" clients) than for larger clients (Figure 6.23).

Figure 6.23. Distribution Of Typical Annual Subscription Fee (2022-2024)



Since 2022, teams have become 7 percentage points less likely to use a single standard fee for all subscription fee clients, or to rely on specific fee tiers (Figure 6.24). Instead, they are increasingly adopting individualized fees based on the anticipated time or complexity for each client (which aligns to the trend in our earlier findings that advisors also often waive separate planning fees partially or entirely based on similar factors). Since the decision to charge subscription fees is typically influenced by client-specific considerations, it's no surprise that the amounts of these fees are increasingly tailored to individual clients as well.

Figure 6.24. Extent Of Variance For Subscription Fees (2022-2024)



Hourly Charges

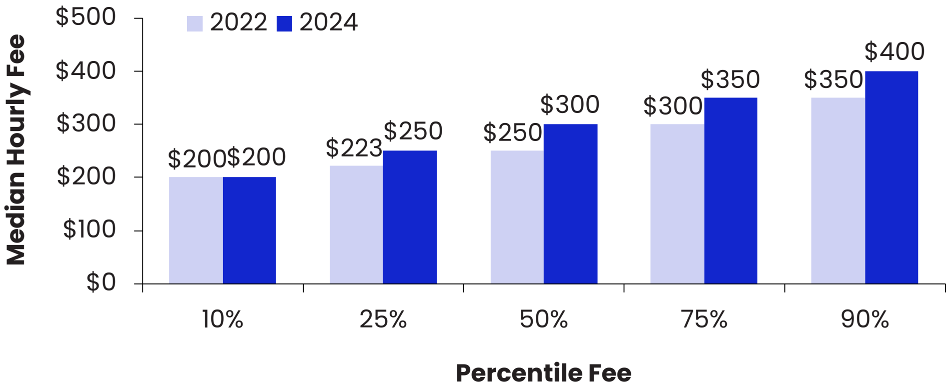
About 40% of teams use hourly fees in some capacity. On average, these teams generate about 13% of their revenue through hourly fees, indicating that, similar to subscription fees, hourly fees are primarily used alongside other compensation methods. Indeed, only 14% of teams that utilize hourly fees do so exclusively.

Teams primarily reliant on hourly fees generate less revenue per client ($3,704) compared to those primarily reliant on AUM fees ($6,857) or subscription fees ($4,130), despite serving clients with higher average net worths ($2,150,000 versus $2,000,000 for both AUM and subscription teams). Additionally, hourly advisors are more likely to work part-time, with the typical hourly advisor working 30 hours per week compared to approximately 40 hours for advisors using other compensation methods.

The typical hourly fee has risen from $250 in 2022 to $300 in 2024 (Figure 6.25). Unlike subscription fees, where growth was primarily concentrated at the lower end of the spectrum, hourly fees have increased more broadly. Advisors across the pricing spectrum—those charging both relatively lower and higher rates—appear to have adjusted their fees upward. Though as discussed earlier, hourly advisors' actual hourly rates – based on their number of hours spent on client work relative to the revenue they generated – suggests most hourly advisors are still spending more than 1 hour of unbilled client work for every hour of client work that is actually billed.

We can estimate the total cost of hourly engagements by multiplying advisors' hourly rates by the number of hours they typically take to go through a financial planning engagement with clients. Naturally, the nature of this work varies. In some cases, advisors are hired for planning engagements that do not result in the creation of a complete financial plan. In others, advisors are paid by the hour to construct an entire plan.

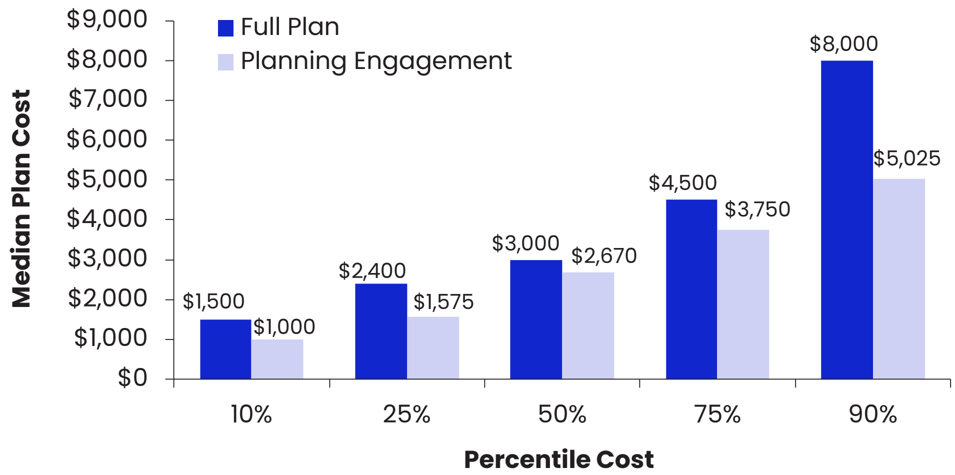
Figure 6.25. Distribution Of Hourly Planning Fees (2022-2024)



For the typical planning engagement—whether it results in a full financial plan or not—the average median cost is $2,670 (Figure 6.26). By comparison, the average cost of engagements that result in a complete financial plan is $3,000. The fact that typical planning engagements cost less than those producing full plans (particularly for teams charging rates at the 90th percentile or higher) suggests that many hourly engagements are of a more limited scope than producing a "full" comprehensive financial plan. This could be because clients only needed advice on a specific area that didn't require a comprehensive plan, or because clients chose not to continue the relationship before the full plan was completed.

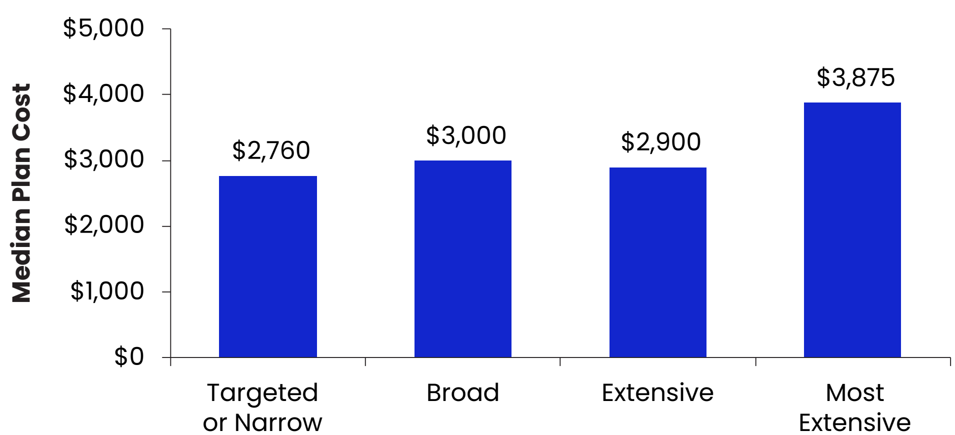
Overall, though, hourly advisors do vary greatly in the scope of the financial plans they build. When considering the range of hours spent (from 5 at the 10th percentile to 20 at the 90th percentile), and the aforementioned variability of what advisors charge as hourly rates, a full financial plan itself from an hourly advisor has a cost that varies from $1,500 (at the 10th percentile) to $8,000 (at the 90th percentile).

Figure 6.26. Distribution Of Cost For Hourly Planning Work Based On Hourly Rate



Some of this variation can be attributed to the underlying complexity of the plans being produced. For instance, the typical plan costs $2,760 for teams that produce plans with fewer than 10 components, compared to $3,875 for teams producing plans with 20 or more components (Figure 6.27). This highlights how the scope and detail of a financial plan directly impacts its cost.

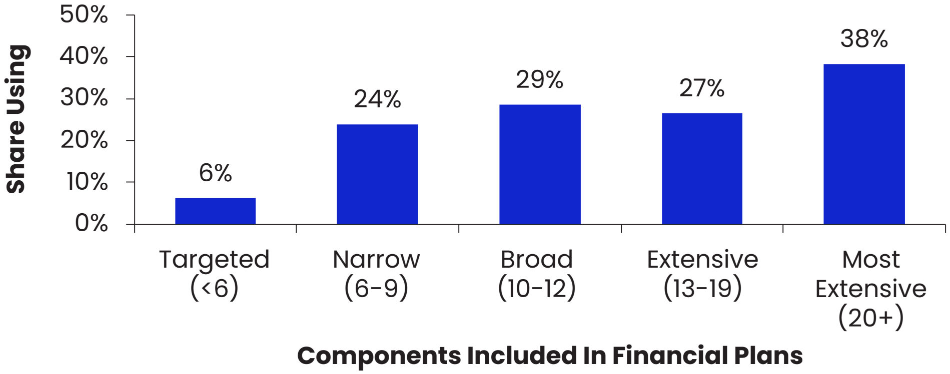
Figure 6.27. Typical Hourly Rate Plan Cost By Plan Comprehensiveness



Standalone Project Planning Fees

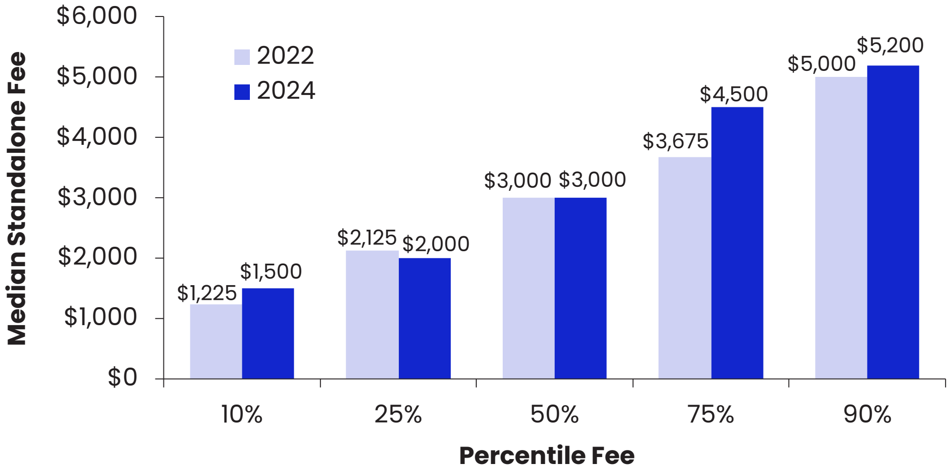
Twenty-nine percent of teams charge standalone project planning fees to at least some clients to charge for the cost of plan production. These teams tend to be slightly younger, are more likely to be affiliated exclusively with an IBD rather than an exclusively a RIA or be hybrid with both, and show little variation based on primary revenue source. The most striking differences emerge when segmenting by plan breadth: 38% of teams creating the "most extensive" plans—covering 20+ components—charge standalone project fees, compared to just 6% of those creating targeted plans with fewer than six components (Figure 6.28). This suggests that firms dedicating substantial resources to plan production rely on project planning fees to ensure the profitability of such plans in case clients do not follow through with plan implementation.

Figure 6.28. Use Of Standalone Project Planning Fees, By Plan Breadth



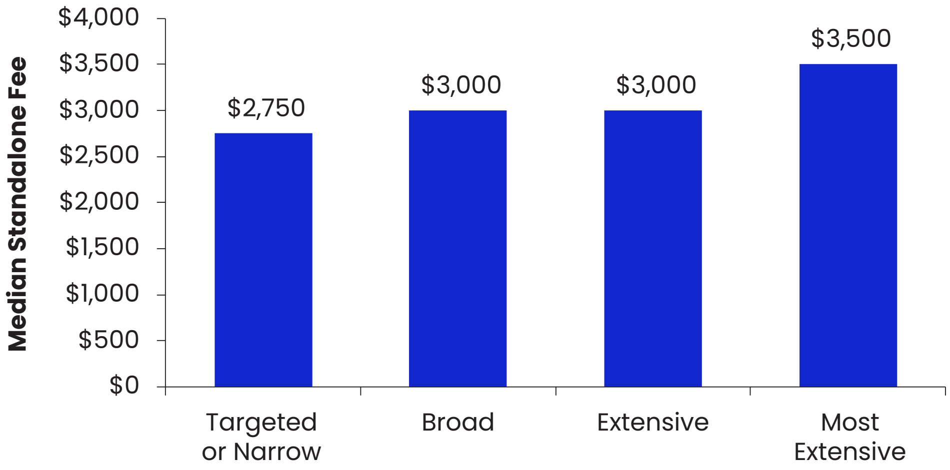
Teams that charge standalone planning fees typically charge $3,000, a figure unchanged since 2022 (Figure 6.29). However, it's important to note the substantial variation in these fees. Costs at both the lower and upper ends of the spectrum have increased between 2022 and 2024, consistent with the broader trend of rising planning fees observed for both subscription and hourly fee models.

Figure 6.29. Distribution Of Fees For Standalone Plan (2022-2024)



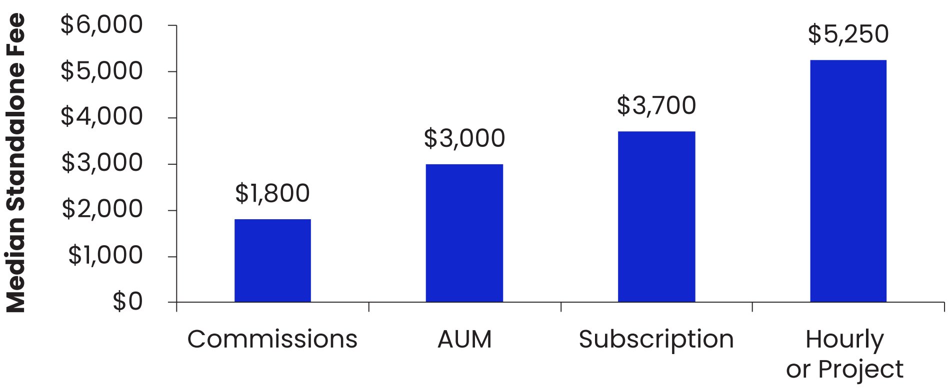
While plan breadth helps explain which teams charge standalone project fees, it does little to account for how much they charge. Teams producing targeted or narrow plans typically charge $2,750 in standalone project fees, while those creating the most extensive plans charge $3,500—a relatively small difference given the significant disparity in plan coverage (Figure 6.30).

Figure 6.30. Typical Standalone Plan Fee By Comprehensiveness



Instead, differences in standalone fee pricing are better explained by whether such fees represent the team's primary revenue source or are intended to supplement another form of compensation. Teams that primarily rely on commissions charge fees below the 25th percentile, while those reliant on AUM fees charge at the median (Figure 6.31). By contrast, firms that primarily rely on hourly and project fees charge at the 90th percentile. This indicates that teams not reliant on standalone fees price them just high enough to cover the costs of early planning work, ensuring profitability for the staff hours spent on plan production before clients proceed with implementation. On the other hand, teams that rely exclusively on hourly and/or standalone project planning fees, without additional revenue from investment management, price these fees significantly higher to sustain their business model.

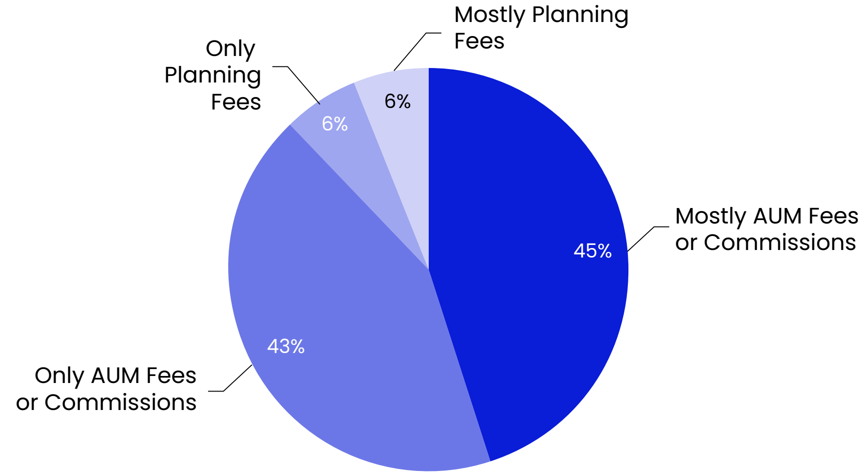
Figure 6.31. Typical Standalone Project Plan Fee, By Primary Revenue Source



The Rise Of Advice-Only Advisors: Who Are They?

As detailed in this Pricing section of our report, teams vary significantly in their use of different pricing structures. However, in practice—and as illustrated in Figure 6.32—AUM fees and commissions dominate, with nearly 90% of teams primarily relying on one of these as their main revenue source. Among these teams, there is an almost even split between those where planning fees contribute a minority share of revenue and those that do not charge planning fees at all. In contrast, only 12% of teams primarily rely on planning fees. This smaller group is evenly divided between teams where planning fees constitute the largest revenue source (though they may still earn AUM fees or commissions) and those that rely exclusively on planning fees without charging AUM fees or commissions at all.

Figure 6.32. Reliance On Planning Fees Vs AUM Fees Or Commissions



Note: Share of Responses

Notably, though, this latter group is particularly unique in their reliance *only* on advice fees (at the exclusion of the AUM fees and commissions altogether). For many of these "Advice-Only" advisors, the decision to rely solely on planning fees is a strategic marketing choice, signaling that they are not in the business of managing portfolios. This approach is designed to attract consumers who either lack investable assets or, alternatively, have assets but prefer not to delegate management through an AUM-based model. Evidence of this can be seen in Figure 6.33, which shows that "Advice-Only" advisors tend to serve wealthier clients than other advisor segments by a significant margin. However, despite serving more affluent clients, these advisors generate lower revenue per client, positioning themselves as a lower-cost alternative for affluent individuals who value advice but prefer to avoid delegation or portfolio management solicitation (Figure 6.34).

Figure 6.33. Client Affluence By Reliance On Planning Fees Vs AUM Fees Or Commissions

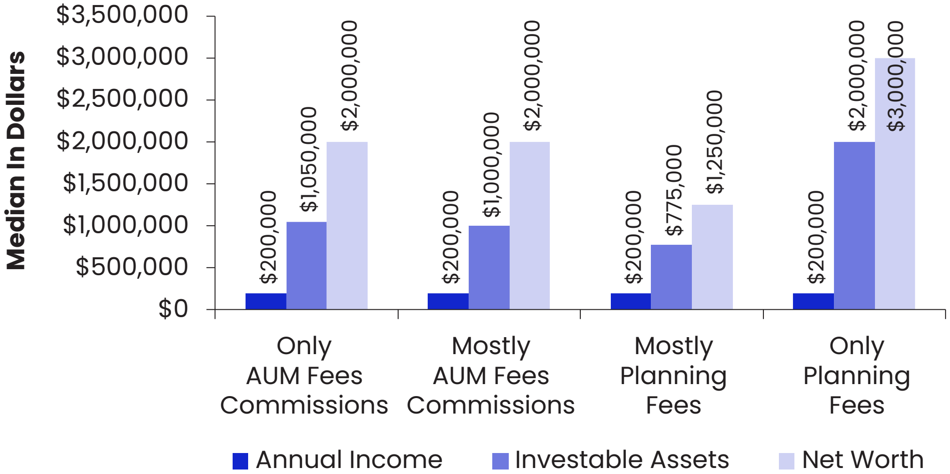
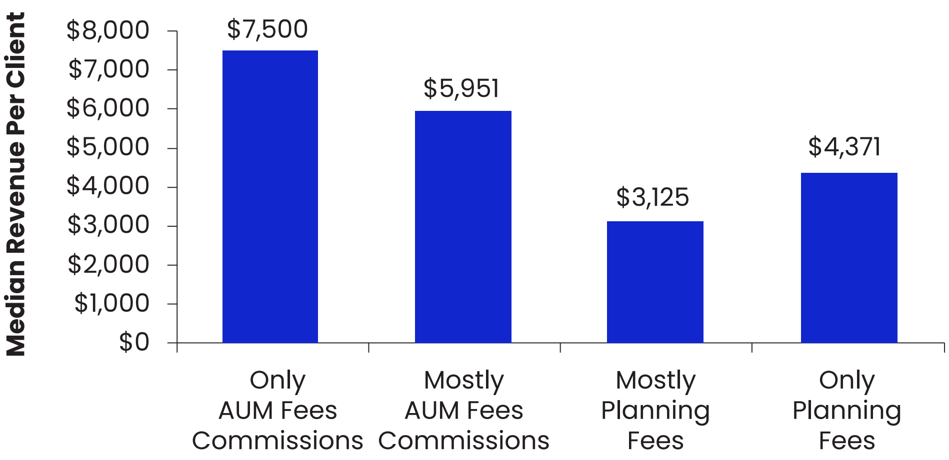


Figure 6.34. Revenue Per Client By Reliance On Planning Fees Vs AUM Fees Or Commissions



More broadly, we can categorize teams based on their reliance on planning fees—such as subscription fees, hourly fees, or standalone project planning fees—versus more investment-centric compensation, including commissions and AUM fees.

Figure 6.35 illustrates four groups of teams based on the centrality of planning fees to their overall revenue. These groups include: "Advice-Only" teams (entirely reliant on planning fees), "Advice-Centric" teams (primarily reliant on planning fees, but use AUM fees or commissions), "Advice-Supplemental" teams (primarily reliant on AUM fees or commissions, but use planning fees), and "Advice-Bundled" teams (exclusively reliant on AUM fees or commissions).

Figure 6.35. How Teams Rely On Planning Fees For Revenue

	Pricing Method	Definition
Mostly Reliant On Planning Fees	Advice-Only	Revenue comes exclusively from planning fees
	Advice-Centric	Revenue comes primarily from planning fees, with some from AUM fees or commissions
Mostly Reliant On AUM Fees Or Commissions	Advice-Supplemental	Revenue comes primarily from AUM fees or commissions, with some from planning fees
	Advice-Bundled	Revenue comes exclusively from AUM fees or commissions

Notably, because the Advice-Only model is still emerging as a distinct approach, it is unsurprising that these practices are roughly half the age of those relying primarily on investment management fees. This trend aligns with the broader movement toward non-AUM models, as advice-centric firms are similarly "young" compared to the broader financial planning industry (Figure 6.36). In fact, about 1 in 5 teams primarily reliant on planning fees are startups actively building their client base, compared to just 1 in 20 teams primarily reliant on investment management fees (Figure 6.37). This is further reflected in their smaller client loads: teams reliant on planning fees typically serve 30 clients per advisor (as they work to grow their client base to capacity), whereas those relying on investment management fees average 75–80 clients per advisor, having already reached capacity. Predictably, teams' reliance on planning fees strongly correlates with their planning "intensiveness" (i.e., the proportion of clients with new or updated plans). "Advice-Only" and "Advice-Centric" teams engage in significantly more frequent planning work compared to teams primarily reliant on AUM fees or commissions (Figure 6.38). This is because the former rely on planning as their primary means of demonstrating value to clients, while teams primarily reliant on investment-centric compensation can demonstrate their value in other ways (such as through investment management).

As Advice-Only emerges as a distinct business model and public-facing positioning, it is useful to examine how adoption of this model evolves as practices mature. In practice, some teams intentionally maintain their reliance on planning fees as a core revenue stream, even as they grow. Others, however, leverage planning fees as an early-stage strategy to generate revenue before their clients' investable asset bases are established, gradually transitioning to a greater emphasis on AUM fees or commissions over time. This shift often occurs naturally, especially for younger clients served by Advice-Only and Advice-Centric teams, as the delivery of quality advice tends to result in wealth accumulation over time, resulting in these clients asking their already-trusted advisors to assist in managing their growing assets.

We gain insight into how pricing structures evolve over time by focusing exclusively among teams that completed both our 2022 and

Figure 6.36. Practice Age By Reliance On Planning Fees

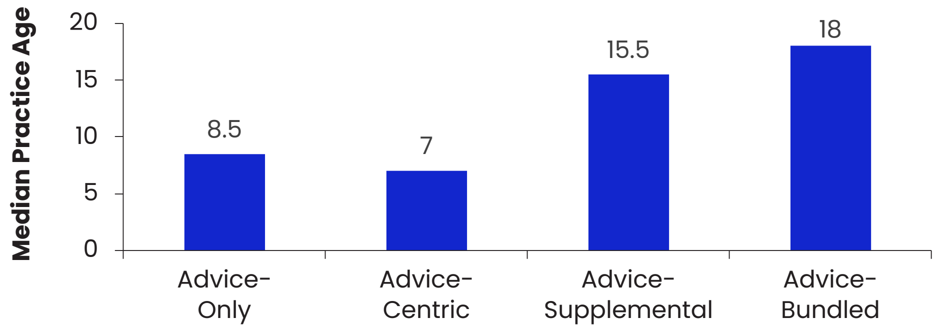


Figure 6.37. Share In Startup Phase By Reliance On Planning Fees

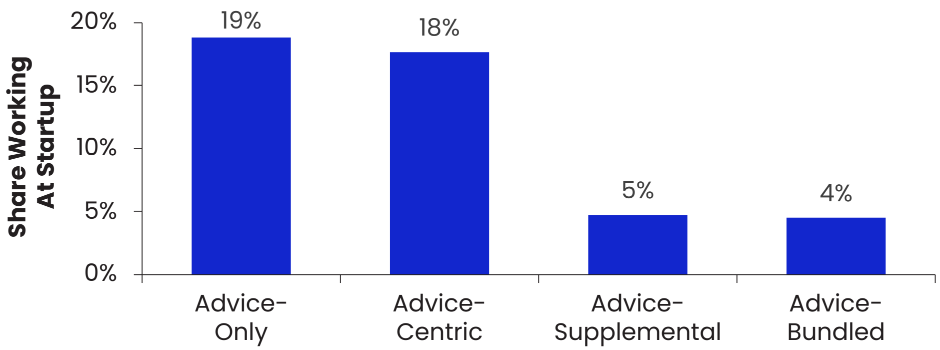
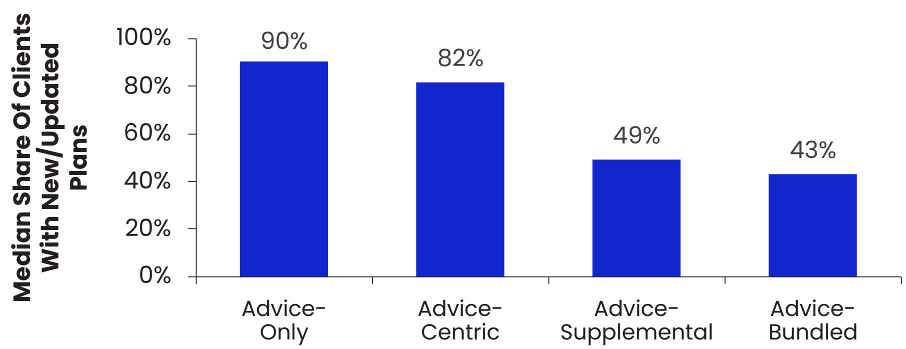


Figure 6.38. Planning Intensiveness By Reliance On Planning Fees



2024 surveys on advisor productivity. When tracking the same group of teams over time, the transition away from planning fees and towards AUM fees specifically as their own clients grow in affluence is evident in these teams changing their own pricing structures (Figure 6.39).

Figure 6.39. Reliance On Planning Fees (2022-2024)

	Share in 2022	Share in 2024
Advice-Only	6%	5%
Advice-Centric	8%	4%
Advice-Supplemental	52%	55%
Advice-Bundled	34%	36%
Use AUM Fees	90%	94%
Use Commissions	25%	24%
Use Subscription Fees	36%	33%
Use Hourly/Project Fees	44%	42%

Note: Only includes respondents who completed both the 2022 and 2024 suveys.

In just two years, the share of these teams that were primarily reliant on planning fees for their revenue dropped by 5 percentage points, with a corresponding rise in the share of teams primarily reliant on AUM fees or commissions.

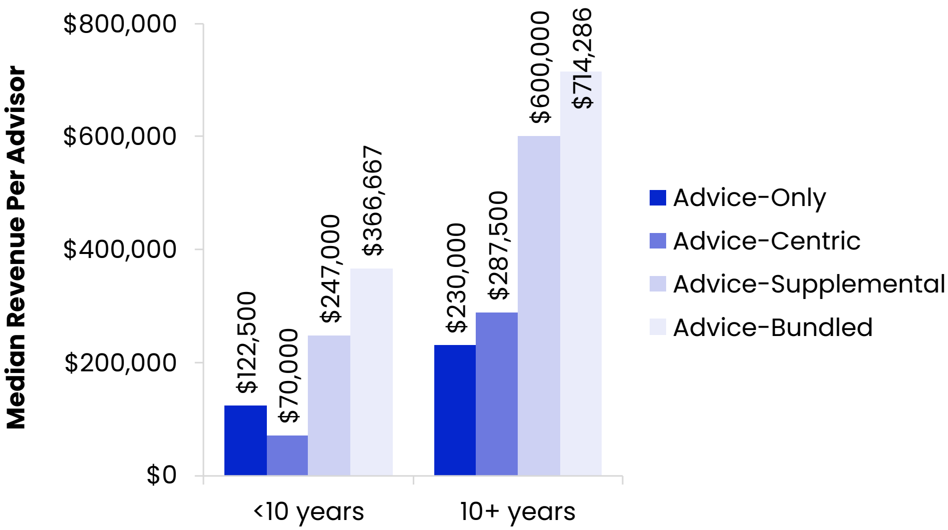
The relative decline in reliance on planning fees for revenue cannot be attributed solely to market growth in assets under management. These teams became 3 percentage points less likely to incorporate subscription fees into their practice at all, as well as 2 percentage points less likely to utilize hourly or project fees. Notably, the increase in reliance on investment-centric compensation was driven exclusively by an increase in the use of AUM fees, with these teams becoming 4 percentage points more likely to use AUM fees as a charging method while becoming 1 percentage point less likely to use commissions.

Notably, though, the shift from planning fees to AUM fees amongst advice-oriented firms does appear to be slower for Advice-Only firms, versus those that are merely 'advice-centric' (generating revenue primarily from planning fees, but with some openness early on to utilize AUM fees as well), with planning-fee reliance dropping 1 versus 4 percentage points, respectively. Which further emphasizes how Advice-Only firms appear to be using their non-AUM offering specifically as a differentiator to attract a distinct clientele seeking Advice-Only services (and who are thus far less willing to adopt AUM fees subsequently), while advice-centric firms are more commonly relying on planning fees as an early-stage revenue model for clients who simply don't have enough investable assets to support AUM fees (until they eventually grow and do).

In summary, reliance on planning fees is more common in newer practices not merely due to generational trends in advisors' preferred charging methods, but also because planning fees help advisors differentiate themselves to attract clients, at a revenue/client level that allows them to also establish profitability and financial sustainability early on. Over time, however, many firms that adopt planning fees initially are gradually replacing them with AUM fees as their own clients accumulate wealth, and their advisory practices mature (more akin to how many sizable AUM firms today started out as commission-based firms decades ago, until their clients similarly grew to the point that they could support a more AUM-centric model).

The reason many teams shift to relying more heavily on AUM fees becomes evident when examining the productivity of these four groups over time. During their first 10 years, Advice-Centric teams are less productive than Advice-Only teams, as they typically serve lower-dollar clients. However, both groups are significantly less productive than Advice-Supplemental and Advice-Bundled teams, which rely primarily on AUM fees and commissions for revenue. After the 10-year mark, the performance gap between teams reliant on planning fees and those reliant on AUM fees and commissions widens even further. While teams focused on planning fees do experience notable growth in revenue per advisor over time, they remain far outpaced by their AUM- and commission-reliant counterparts (Figure 6.40).

Figure 6.40. Productivity By Reliance On Planning Fees And Practice Age



Key Takeaways

Pricing Structures

AUM fees remain the dominant revenue source among service teams, serving as the primary revenue source for 86%. Teams reliant on AUM fees generally serve older, more affluent clients, predictably translating into higher productivity—both in terms of revenue per advisor and implied hourly rates for their client work.

While most advisors rely "primarily" on a single revenue source, many incorporate multiple methods into their practices—most commonly being AUM fees paired with one form of "planning fee" such as a subscription fee, hourly fees, or a standalone project fee. However, incorporating multiple methods doesn't necessarily mean charging clients with multiple fees simultaneously. Among advisors charging both investment management fees and planning fees, 30% never charge clients more than one way, and 42% are willing to waive planning fees in their entirety based on considerations such as assets under management. Indeed, fewer than 30% of this group will charge separate planning fees and investment management fees to all clients requiring these services no matter what. In this respect, separate planning fees often serve as a strategy to make planning profitable for lower-value clients, where investment management fees alone would take longer to cover the costs of plan production

Those who rely on planning fees as their primary revenue source tend to be twice as old as those reliant on investment management fees. Moreover, 1 in 5 practices reliant on planning fees remain in their "startup" stage, actively building their client base, compared to just 1 in 20 of those reliant on investment management fees. As a result, advisors in these teams often manage fewer clients, which are less likely to constitute a full-time workload. Over time, while some teams aim to maintain their reliance on planning fees as they grow (perhaps to cultivate a practice that services younger clients with less assets), many view planning fees as an early-stage strategy to achieve profitability before transitioning to a greater reliance on AUM fees.

Despite teams reliant on planning fees running much more planning-centric practices, this does not translate into higher productivity. Indeed, these teams earn less revenue per advisor after being in business for 10 years or more than teams reliant on investment management do within their first 10 years of business.

Pricing Levels

Most teams charging AUM fees use graduated schedules—where each tier's rate applies incrementally to the portion of the client's portfolio that falls within that tier—although a non-trivial number use flat or cliff schedules instead.

Using information respondents provided about the structure of their AUM fee schedule, the tiers that compose it, and their asset minimums, we calculated typical stated and blended fees advisors charge for six different portfolio sizes. Overall, stated rates stay at 100 bps up to $1 million, then fall to 60 at $10 million; blended rates by contrast, remain at 100 bps up to $2 million, then fall more gradually to 75 bps at $10 million.

"All-in fees" – which represent the entirety of what clients play, including the AUM fee, the expense ratios of the underlying investments, and platform fees – are lower for teams operating exclusively through RIAs than for those dually registered with a broker-dealer. The higher fees in hybrid and IBD channels likely stem from platform fees, which cover the added compliance costs of adhering to both FINRA and SEC regulations. This highlights how additional regulatory layers increase costs, not just for advisors but for consumers as well.

We further find evidence that two segments of AUM-based teams are systematically undercharging their clients.

The first segment pertains to fee structure—teams utilizing graduated fee schedules charge approximately 0.1–0.15% less than those using cliff fee schedules on comparable portfolios. This is particularly striking given that cliff structures apply higher-tier fees retroactively across all portfolio dollars, suggesting that many teams using graduated schedules are overly discounting their prices at higher tiers.

The second group that systematically undercharges their AUM fees relates to how advisors charge for their planning work. Namely, teams bundling their pricing for planning into their investment management fees tend to undercharge compared to those charging separately for planning services. Theoretically, teams that bundle should charge higher AUM fees than those charging separate planning fees because they are intended to compensate them for two services instead of one. However, advisors who bundle actually charge similar rates to teams that do not. This indicates a lack of fee confidence among teams that bundle, suggesting they should either raise AUM fees to properly account for their planning work or introduce separate planning fees.

Finally, turning to planning fees, the typical annual subscription fee increased from $3,000 in 2022 to $4,500 in 2024, while standalone project fees held steady at $3,000. Hourly fees rose from $250 to $300, amounting to an average annual cost of $2,670 for a typical planning engagement and $3,000 for full financial plans. This indicates that some clients sought advice in specific areas or ended the relationship before completing a full plan.

What Actually Makes Financial Planners More Productive

7

Serving Affluent Clients

Pricing Confidence

Optimizing Face Time With Clients

Implementing The Right Team Structure

Throughout this report, we have explored key dynamics of service teams, outlined how teams vary across our four domains of time, process, technology, and pricing, and examined how factors within these domains correlate with productivity.

One risk of focusing on simple correlations between these factors and productivity alone is that some factors are interrelated, making it challenging to discern which truly drives outcomes. For instance, teams with more experienced advisors might appear more productive not because of the advisors' experience itself but instead because experienced advisors have more established and affluent client bases. Similarly, CFP professionals may be more productive because of the training of CFP programs, or because clients are willing to pay a premium for financial planning advice rather than 'just' investment management services.

To mitigate the risk of misattributing the impact of one for another, we ran a series of statistical models to identify the factors that succeed (or fail) in driving productivity and assess how much they matter.

Our analyses revealed four key drivers of team productivity (measured as annual revenue per full-time lead advisor): client affluence, pricing confidence, optimizing face time with clients, and implementing the right team structure (Figure 7.1).

Of course, simply identifying factors like charging full value for services or serving affluent clients as drivers of productivity offers little help to teams that have faced persistent struggles with fee confidence or moving up-market in the first place. To further support teams in making progress in each of these four domains, we've compiled lists outlining what works – and what doesn't – to improve in each.

Figure 7.1. Key Drivers Of Advisor Productivity

Client Affluence
Teams working with more affluent clients are capable of generating more revenue for every hour of client work that they do, which increases productivity because these clients often need more expertise and/or desire higher-touch services (each of which justify higher fees) and have a financial wherewithal to pay higher fees commensurate with that level of desired service.

Pricing Confidence
Given clients with identical affluence and planning needs, the most productive teams are those that have the pricing confidence to charge what their services are really worth, increasing revenue per client. Firms that price confidently also better align their services to their fees, avoiding situations of "overservicing" clients relative to what they pay, and ensuring a minimum level of revenue per client to avoid unprofitable clients taking up valuable advisor capacity.

Optimizing Face Time With Clients
Productive teams ensure their lead advisors maintain a healthy amount of face time (in-person or virtual) with clients by leveraging team or outside resource support to reduce back- and middle-office work. Notably, team productivity steadily increases as lead advisors spend up to one-third of their time in client meetings 13–14 hours per week). However, beyond this point, productivity plateaus, as clients have limited demand for meetings (beyond which they lose value), and advisors can mentally manage only so many clients before the personal client touch begins to diminish.

Implementing The Right Team Structure
The most productive teams follow a "1+2" structure (containing one lead advisor and two support staff, typically an Associate Advisor and CSA), which provides enough leverage to the lead advisor without introducing the inefficiencies of larger teams (e.g., additional management obligations and greater coordination efforts to handle shared clients). Highly leveraged teams also rely on outside support beyond the team (either centralized or external) to handle important but not frequent services (e.g., insurance implementation, estate document preparation, and sometimes even financial plan preparation).

Serving Affluent Clients

While there is an ongoing movement to expand the breadth of those served by financial planning, the reality remains that working with more affluent clients, who are both able and willing to pay higher fees for a higher level of service and/or expertise, remains a significant driver of team productivity.

A key advantage of serving more affluent clients is that they have more at stake and often require greater experience and expertise to handle more complex planning needs – which makes them more willing to hire the highest quality advisor to steward their (greater) wealth and hence are more willing to pay higher fees. Additionally, affluent clients often seek a deeper, higher-touch planning relationship (e.g., 20+ personalized client touchpoints per year) and have the financial capacity to pay for the enhanced level of service.

Accordingly, as highlighted earlier in this report, advisory teams really do dedicate more collective hours to serving high-value clients. However, while affluent clients require more ongoing service hours than less affluent clients, it does not take three times the hours to serve a $3 million client as it does a $1 million client – despite the former often paying nearly three times the fee (depending on the advisor's fee structure). Instead, these clients are effectively paying a higher implied hourly rate for what they perceive to be their advisor's greater expertise, depth of services, and the time required to deliver them. Hence, serving fewer, more affluent clients optimizes productivity compared to managing a larger number of less affluent clients with the same total AUM, as the more affluent clients tend to pay more for the advisor's time.

Figure 7.2. Moving Upmarket And Serving Higher-Value Clients

Matters A Lot	
Building A Planning-Centric Practice	Senior Advisors with CFP marks, who leverage their expertise to develop comprehensive plans and engage with clients regularly (e.g., annually) to keep them updated, provide value that attracts higher-net-worth clients.
Team Support For Higher Touch	Having a high ratio of support staff to lead advisors (ideally a 2:1 ratio), as well as relying on outside support to handle some planning work, helps teams be able to meet the higher-touch service expectations of high-net-worth clients.
Matters Some	
Managing Overall Client Headcount	When the number of client households per lead advisor exceeds 'just' serving 50 great clients who perfectly fit the advisor's ideal (affluent) target clientele, it becomes more challenging for teams to dedicate the hours per client necessary to attract and retain the most affluent clientele, which means advisory teams must have and execute a plan to prune their (typically much broader initial) client base as they grow and move upmarket.
Matters Little	
Spending On Planning Technology	The money teams spend on technology to support plan production is less important than the value the plan's components provide to the client, the planning focus of the Senior (CFP) Advisor, and the depth of the support team to deliver high-touch service.
Post-CFP Marks	Although advanced planning credentials can help differentiate an advisor in a crowded marketplace, post-CFP marks generally provide little additional benefit beyond the CFP designation when it comes to increasing productivity and moving upmarket.
Advisors' Years Of Experience	Although there is a positive correlation between advisors' years of client-facing experience and client affluence, this is because these advisors can leverage their experience to build a planning-centric practice with enough team support to attract and retain high-value clients – not because of the experience itself.
Serving A Specific Niche	Ultimately, simply deciding to pursue a niche may help advisors differentiate and grow but does not automatically lead to greater productivity with those clients. However, when a niche specifically helps an advisor attract more affluent clients, it can provide a positive benefit by serving as a pathway to higher-revenue clientele, which enhances productivity.

Taken together, then, while affluent clients do require more staff hours to provide the level of expertise and service needed to retain them, serving these clients enables teams to generate more revenue per hour of client work. This offers a more scalable path to increasing productivity, as opposed to focusing solely on managing a large client headcount (which can necessitate hiring additional employees, not only increasing staffing costs but also introducing inefficiencies in the form of a 'management tax', where a growing portion of the advisor's time is spent on team management rather than client work).

Given the importance of moving up-market, we've identified three steps that teams can take to help them do so. The first is building a planning-centric practice, which itself involves three components: (a) ensuring the team is led by advisors who have developed planning expertise by obtaining key industry designations such as the CFP marks, (b) leveraging this expertise to develop financial plans that cover a wide range of services relevant to high-value clients, and (c) having the focus and capacity to update these plans annually. Simply put, affluent clients are more likely to pay for advisors who use their expertise to provide in-depth plans that evolve along with clients' needs.

Since serving affluent clients involves more planning work (and thus requires more ongoing staff hours), a second way teams can attract and productively serve these clients – closely tied to the first – is by maintaining a high ratio of support staff to lead advisors, ideally a 2:1 ratio. Providing lead advisors with strong support they can delegate tasks to – primarily through CSAs to handle administrative tasks and Associate Advisors to assist with planning tasks, along with other potential roles such as Paraplanners and Financial Planning Specialists – minimizes their administrative back- and middle-office responsibilities. This allows lead advisors to focus more time and attention on meeting the elevated service demands of high-value clients.

A third consideration for firms aiming to move upmarket is maintaining fewer than 50 client households per lead advisor. Exceeding this threshold makes it increasingly difficult to meet the higher service demands of affluent clients, as the typical advisory firm spends an average of about 27 hours per year on clients generating $7,500+ in annual revenue. At this rate, 50 clients already occupy two-thirds of the advisor's total working time typically allocated to client activities. Ironically, firms that invest in support staff and technology to enable their advisors to take on more clients may inadvertently hinder their success. As our research indicates, productivity improves more by focusing advisors on higher-value clients than by increasing their capacity to serve a larger number of clients overall.

Equally important to identifying effective strategies for moving upmarket is recognizing those factors that are unlikely to yield results. One such example is pursuing post-CFP designations. While Senior Advisors who obtain these credentials may acquire valuable knowledge and potentially support the development of future specializations (or differentiate themselves for marketing and growth purposes), post-CFP education appears to offer little additional benefit to team productivity or efforts to move upmarket beyond the value already achieved through the CFP designation.

A second example involves spending on financial planning technology. When controlling for relevant factors, there is little difference in client affluence between teams that heavily invest in planning technology and those that spend much less. Ultimately, the impact of tech tools is far less significant than the value of the underlying financial plan being produced, and the expertise of the financial planner delivering the advice.

Similarly, while there is a positive relationship between advisors' years of client-facing experience and client affluence, it is not the experience itself that matters. What truly matters is an advisor's ability to leverage that experience to build a planning-centric practice supported by a strong team capable of attracting and retaining high-value clients. Advisors who simply accumulate a larger number of clients with lower revenue per client remain less productive than those who use their experience to move upmarket and work with clients willing to pay more for their time

Finally, there is no evidence that simply having a niche directly leads to greater productivity or the ability to attract higher-value clients. This remains true whether examining teams with any niche or specific types of niches, such as technical (highlighting unique skills or expertise), professional (targeting a specific profession or role), experiential (providing a distinct client experience), psychosocial (serving a particular demographic), affinity-based (focusing on shared communities or social circles), or value-based (catering to clients with aligned values). To the extent that a niche focuses on serving more affluent clients, it may position an advisor to attract those clients effectively. However, in such cases, the niche itself is not the driver of success but rather a pathway to reaching higher-value clients, who ultimately contribute to greater productivity.

Pricing Confidence

A second straightforward driver of productivity is pricing – specifically, how much teams charge for the services they provide. In this vein, the most important thing that firms can do is to align their fees with the value they deliver and ensure their services remain consistent with those fees. Simply put, firms offering above-average service should charge above-average prices that reflect their value. At the same

Figure 7.3. Charging What Your Services Are Really Worth

Matters A Lot	
Fee Confidence	Teams should charge fees commensurate to the value they provide (i.e., above average service should result in above-average fees aligned to that level of service).
Beware Of Overservicing	While providing clients – especially high-value clients – sufficient services to justify their fees is crucial, increasing per-client hours too high by scheduling an unnecessarily large number of personalized touchpoints (e.g., more than 10 per year) or outright meetings, and overly-cramming plans with services not actually valuable to clients, ultimately hurts productivity.
Pricing Discipline On Minimum Fees	Generating a viable minimum level of revenue per client is crucial to avoid capacity constraints; as a result, firms with already-high AUM or fee minimums can have some flexibility in waiving them (while still maintaining high levels of revenue per client), but firms with lower AUM or fee minimums especially benefit from strictly enforcing them.
Matters Some	
Supplement Revenue From AUM By Charging Separately For Planning	While practices primarily reliant on AUM fees consistently outearn others due to the steady revenue stream of this business model, teams that charge separate planning fees in addition to their AUM fees – whether upfront through hourly or project fees, or on an ongoing basis via subscription fees – are more likely to align their total pricing with the value they provide.
Matters Little	
Spending On Planning Technology	The amount that advisors spend on financial planning technology does little to translate into the amount that they charge for their planning services; what matters is the advisor's expertise and their ability to deliver the advice recommendations.
Post-CFP Marks	The expertise gained through post-CFP designations is not always directly associated with advisors charging premium fees for their enhanced expertise. Instead, the determining factor is whether the advisor has the confidence to charge fees that reflect their higher level of expertise, rather than the expertise itself.

time, advisory teams must avoid providing services they are not effectively charging for. "Overservicing" clients (relative to what they are paying) reduces productivity, as does working with clients who cannot or are unwilling to pay at least the minimum fee required to cover the cost of servicing them.

Naturally, teams aiming to right-size their prices may wonder how to justify these fees to clients. The most critical factor in justifying higher fees lies in the three key features of planning-centric practices outlined earlier: obtaining CFP marks, developing comprehensive plans, and regularly engaging with those clients to keep the plans updated. With two-thirds of advisors lacking CFP certification (and many not revising plans annually), there is significant room for improvement in this area. On the other hand, teams already meeting these standards don't need to question whether their services justify higher fees – they simply need the fee confidence to ask for them.

On the other hand, while it is crucial to provide sufficient value to justify higher fees, teams can easily overcorrect by devoting excessive time to each client relationship, ultimately harming their business. This often includes expanding plans beyond a depth truly valuable to high-value clients, holding meetings more frequently than every six months (unless truly necessary for a unique segment of clients), and exceeding 10 personalized touchpoints per year outside of regular meetings. Such "overserving" leads to diminishing returns in revenue per client (as clients typically do not demonstrate a willingness to pay a premium for these extra touches) and prevents advisors from using that time more productively to serve additional clients.

Beyond these major considerations, there are two additional minor tips worth noting. First, while teams with high AUM and fee minimums have the flexibility to occasionally waive their minimums while still maintaining high revenue per client (e.g., a team with a $2,000,000 minimum waiving it for a $1,000,000 prospect), firms with lower minimums must strictly enforce them to ensure a sustainable level of revenue per client to be able to grow and scale. Otherwise, even clients who "don't take that much time" can still create inefficiencies – either directly (a small amount of time per client, multiplied across many below-minimum clients, adds up) or indirectly (when the advisor hires support staff to manage the workload, resulting in expanded management duties and reduced productivity due to the 'management tax').

A second point is that, while relying primarily on AUM fees as a revenue source is more effective than other alternatives, teams that charge separate planning fees – such as subscription fees, hourly fees, or standalone project fees – in addition to AUM fees generate more revenue per client than teams that ostensibly bundle pricing for planning into their AUM fee (but in practice charge near-identical AUM fees as those who charge separately for each). Although planning fees are often waived for clients once their assets reach certain thresholds, charging separate planning fees ensures profitability for planning work, particularly for less-affluent clients. This is especially important during the early, planning-intensive stages of the relationship, when advisors risk losing money if a client does not proceed with implementation, as separate fees help maintain the requisite minimum revenue per client to sustain and scale the practice.
More broadly, for advisors offering above-average, comprehensive planning services but hesitant to set AUM fees above the traditional 1% threshold, layering on a separate ongoing financial planning fee can be an easier way to align revenue per client with their services without adjusting their AUM fee schedule.

Finally, it is worth highlighting that, once again, spending on financial planning technology and pursuing post-CFP designations does little to justify higher prices in practice. Teams that heavily invest in financial planning software tools or have Senior Advisors with post-CFP marks have not been able to demonstrate an ability to command higher fees than teams that spend less on financial planning technology or having advisors with "only" CFP marks.

Optimizing Face Time With Clients

Regardless of the clientele that teams serve or how they price their services, a third way to increase productivity is by allocating the advisor's own time more efficiently. Crucially, this involves minimizing lead advisors' back-office work, and ensuring they have enough face-to-face time to be engaged directly with clients. While the typical lead advisor spends just 16% of their time in client meetings (an average of about 7 hours per week), increases in client face time correspond with productivity gains up to 30–35% of the advisor's time, at which point the relationship plateaus. In practice, this means teams should ensure they have the systems and staff infrastructure in place to support 13-14 advisor meeting-hours with clients per week.

The most straightforward (and impactful) way that teams can optimize lead advisors' time with clients is by maintaining strong staff leverage – that is, having a high ratio of support staff to lead advisors. Such leverage minimizes lead advisors' back-office time, enabling them to spend more time with clients. Notably, though, this is driven primarily by having *support* staff (i.e., Client Service Administrators and Associate Advisors), and not necessarily by having additional Service Advisors on the team, where the common practice of sharing clients and joint meetings can actually *reduce* productivity by reducing the available time of each lead advisor to meet with their own clients (as opposed to simply splitting into separate service teams each with its own lead advisor), representing a 'shared-clients tax'.

Figure 7.4. Optimizing Face Time With Clients

Matters A Lot	
Staff Leverage	Additional support staff (e.g., Associate Advisors and Client Service Administrators) allows lead advisors to dedicate more time to meeting with clients. However, adding lead advisors only increases the team's overall client capacity; it does not expand lead advisors' personal capacity to meet ith clients more frequently.
Matters Some	
Having A Systematized Planning Process	While practices primarily reliant on AUM fees consistently outearn others due to the steady revenue stream of this business model, teams that charge separate planning fees in addition to their AUM fees – whether upfront through hourly or project fees, or on an ongoing basis via subscription fees – are more likely to align their total pricing with the value they provide.
Tactical Scheduling	Properly utilizing tools like client service calendars and meeting surges can significantly help advisors manage their schedules and maximize client face time. Meeting surges, in particular, are best suited for teams with a single lead advisor and multiple support staff members.
AI Meeting Notes (For Unsupported Solo Advisors With 50+ Clients)	AI meeting notes can help unsupported solo advisors juggling full client loads reduce post-meeting overhead related to notetaking, though notably the productivity benefits are greatly diminished for advisors who already have a support team in place to accomplish those same tasks.
Matters Little	
Working Beyond 40 Hours Per Week	What matters most when it comes to productivity is not the number of hours that advisors work but how they allocate those hours.

Three additional ways that teams can optimize advisors' front-office time – while perhaps less impactful – are appealing insofar as they do not require teams to invest financial resources to bring on additional members. Instead, they merely require teams to get better control of their workflows and schedules through the establishment or refinement of their systems and processes.

The first way involves simply having a systematized planning process in place. Some teams have entirely reactive staff protocols – handling crucial tasks such as data gathering, plan delivery, plan revisions, and ongoing meeting frequency on a case-by-case basis, as opposed to formalizing processes by which they handle these services. Simply having formalized routines in place meaningfully increases advisors' front-office time – especially for larger teams coordaining tasks among multiple members.

The second way teams can optimize their time management is by properly implementing some form of tactical scheduling, such as client service calendars or meeting surges. The word "properly" is included because – as emphasized earlier in this report – many advisors misuse these strategies. Just as how systemizing parts of the planning process like data gathering and plan update frequency is helpful for time management, so too are client service calendars, which standardize the deliverables ongoing clients receive year to year. However, it is important that teams do not 'overservice' by cramming too many activities per client service period and instead target four client service periods per year, each focusing on a single activity. Similarly, meeting surges can help increase client face time, though they are primarily a benefit for teams with a single lead advisor containing multiple support roles (given the increased difficulty of coordination, and additional support team demands, for multiple lead advisors to manage overlapping or staggered surge periods within a single team).

Third, AI meeting notes tools appear to provide a productivity boost (as one might hope given the rise of new AI tools), but their benefits seem primarily limited to unsupported solo advisors with full client loads who aim to reduce the overhead of post-meeting notetaking and increase face time with clients. In contrast, advisors with established support teams typically just delegate these tasks – for example, to an Associate Advisor responsible for capturing meeting notes, recording them in the CRM for compliance, tracking follow-up tasks, and drafting post-meeting client correspondence for the Senior Advisor to review. While AI meeting notes tools may be less costly than hiring an Associate Advisor, Associate Advisors also perform other essential tasks on the planning team that AI cannot replace. Moreover, Associate Advisors often participate in client meetings as part of their training and development, making their involvement valuable beyond note-taking alone. As a result, it remains unclear how AI meeting notes tools will be successfully integrated into larger service teams.

On the other hand, it's important to emphasize that, while face time with clients is a key driver of team productivity, the total number of hours advisors work on a regular basis is not. Ultimately, one crucial point emphasized in this report, as well as in past editions, is that how advisors use their time and the way they allocate it is much more impactful than the number of hours that they work. As a result, while extended work hours (i.e., working beyond 40 hours per week) can lift productivity by allowing for more client meetings (and the associated support work), advisors who maintain the same level of client face time within normal work hours and delegate other tasks to a support team can achieve comparable productivity while reducing the risk of burnout.

Implementing The Right Team Structure

Finally, building a productive team starts with building the team right – with no consideration more important than the particular roles placed on it. Our research shows that the most productive team structure is the "1+2" model – one lead advisor with two support staff members, typically comprised of a Senior Advisor as the lead, supported by an Associate Advisor, and a CSA.

This 1+2 setup maintains a high support ratio, providing the lead advisor with enough leverage to maximize productivity while avoiding inefficiencies commonly associated with larger teams. These inefficiencies include the 'management tax', where lead advisors devote an increasing share of their time to managing team members rather than working directly with clients, and the 'shared-clients tax', where multiple lead advisors engage in redundant client meetings and require additional coordination efforts across the combined client base. As a result, much larger teams may actually achieve higher productivity by splitting into smaller, self-contained teams, each with its own lead advisor and dedicated support staff.

On the other hand, it is important to recognize that not all service teams – or the advisory firms that employ them – focus solely on optimizing team productivity. As our results show, teams with multiple lead advisors may give those advisors greater control over their time. While this may involve additional management responsibilities to oversee a larger team, it can also allow lead advisors to work fewer hours (if they prefer) or dedicate more time to business development (if they are still focused on growth).

Figure 7.5. Building The Right Team

Matters A Lot	
Growing Your Team Right	"1+2" teams, comprised of a Senior Advisor, Associate Advisor, and CSA, optimize productivity by providing the lead advisor with sufficient support to minimize non-client-facing tasks while avoiding the inefficiencies associated with larger teams (e.g., the 'management tax'), especially those containing multiple lead advisors (e.g., the 'shared-clients tax').
Matters Some	
Centralized Of Outsourced Support For Semi-Frequent Service Needs	Outsourcing expertise for semi-frequent services (e.g., insurance implementation, estate document preparation, which may only occur 5-10 times per year but are needed for at least *some* clients every year) enables teams to address specific client needs without investing excessive time and staff resources in areas outside their primary focus.
Work Exclusively Through An RIA	Advisors operating exclusively in the RIA channel benefit from the flexibility to structure their teams and resource support precisely to their needs, without the added bureaucracy and compliance burdens associated with larger broker-dealer platforms and FINRA regulations, enhancing their overall productivity.
Matters Little	
The Number Of Lead Advisors On A Team	At a given team size, a greater number of support staff increases productivity by freeing up lead advisors' capacity to produce, whereas a greater number of lead advisors may free up these lead advisors' time, but can potentially hurt overall productivity given the 'shared-clients tax'.

Multi-lead-advisor teams may experience reduced productivity due to client sharing, which can result in redundant meeting hours when multiple advisors attend the same client meetings – adding touchpoints for which clients are not paying proportionately higher fees. However, firms may still choose this approach as a strategy for client retention (e.g., ensuring continuity in case one advisor leaves) or to increase overall revenue and profit capacity by having more actively producing team members, even if these lead advisors are individually less productive than their counterparts on highly leveraged teams.

In simpler terms, teams that prioritize overall revenue capacity, growth, and business development over maximizing productivity may choose to employ a larger number of less productive lead advisors to share the workload. Nonetheless, our findings are clear: for firms seeking to maximize revenue per advisor or per team member, a lean and focused 1+2 team structure is most effective, allowing advisors to concentrate on their core role – serving clients.

Beyond the roles within the service team itself, productivity can be further enhanced by leveraging outside support for various 'semi-frequent' client services – those that arise only a few times per year but are consistently needed by some subset of clients annually. This support can include either centralized firm or platform support as well as external third-party platforms or vendors. While a team's core service offerings should remain in-house, outsourcing valuable yet infrequent services (e.g., insurance implementation, estate document preparation, or even the creation of a financial plan for a small number of new clients each year) enables teams to address these clients' needs without dedicating excessive time, staff resources, and management to areas outside their primary client service routines.

Finally, the flexibility available to teams exclusively affiliated with an RIA, which allows them to hire the exact staff resources they need while otherwise minimizing compliance burdens or the administrative bureaucracy that can arise with larger broker-dealer platforms and their FINRA oversight obligations, empowers them to charge lower fees and allocate time more effectively, ultimately boosting productivity.

8

Conclusion

Financial Planning Trends

What Works In Driving Advisor Productivity

Parting Thoughts

This Kitces Research report on Advisor Productivity goes deeper than previous editions, providing a more comprehensive survey of the contemporary financial planning landscape along with deeper insights into the key factors driving advisor productivity.

Financial Planning Trends

As the financial planning profession moves beyond the disruptions of the COVID-19 pandemic, teams are settling into new routines – though not always the same ones they followed pre-pandemic. During the pandemic, the use of routine in-person meetings dropped significantly, with many firms replacing them with video calls or adjusting meeting locations based on client comfort. By 2024, the use of in-person meetings partially rebounded, while the share of meetings via video call increased slightly – both at the expense of teams choosing their meeting locations on a case-by-case basis. The fact that teams that fully embraced video calls in 2022 continued to use them in 2024 indicates that these advisors (and their clients) have recognized the value of this format, making it a permanent fixture in their practices.

Advisors have also continued their shift toward collaborative planning, leveraging financial planning software to deliver results and even update plans in real time during client meetings – something they 'had to' do during the pandemic when meetings transitioned from in-person (where physical plan deliverables could be provided) to a video format. This approach has persisted even as in-person meetings have returned. In fact, the share of teams adopting a "Collaborative" approach, presenting the plan on-screen together with the client (whether virtually during a video call *or* in-person in a conference room), has grown from 1 in 3 in 2020 to just over 1 in 2 today. Meanwhile, the use of a "Comprehensive" approach – generating and printing a 'comprehensive financial plan' report from financial planning software – has dropped from half of teams in 2020 to fewer than 1 in 5 today. This trend toward collaborative planning likely reflects a broader shift in how teams approach financial planning, increasingly 'levelizing' their work by engaging in plan delivery more incrementally over time rather than front-loading it with a single, large, physical financial plan deliverable early in the relationship.

When it comes to the financial plans themselves, advisors appear to be scaling back after years of 'scope creep', during which plans became increasingly packed with more and more components. Firms are now re-focusing on areas that are most relevant to their clients while dropping services that fall outside of their teams' core offerings (e.g., reviewing property and casualty insurance). This decline in plan breadth, combined with the growing functionality of increasingly comprehensive financial planning software tools, has translated into meaningfully lower usage rates for most specialized planning tools – except for those pertaining to tax and estate planning. Taken together, teams appear to have realized that they overextended themselves and are increasingly refocusing on delivering value through their core offerings in the more 'traditional' domains of financial planning, delivered efficiently through the (collaborative) use of their traditional financial planning software.

Finally, while teams have increased their standalone, hourly, and subscription planning fees since 2022, those primarily reliant on these 'alternative fee models' remain significantly less productive than teams relying on AUM fees – both in annual revenue per advisor and implied revenue per hour of client work. As a result, teams using alternative fee models still appear to face greater price or fee resistance than AUM-based advisors. Which, in turn, helps explain why many teams that initially focus on planning fees gradually shift toward the AUM model as their clients' investable and overall assets grow – often eventually abandoning planning fees altogether.

However, despite the benefits of relying largely on AUM fees for revenue, many teams are not optimizing their AUM fee structures. Specifically, there are two groups of teams systematically undercharging these fees. The first group includes teams using graduated fee schedules, which charge between 0.1%–0.15% lower AUM fees compared to those using cliff schedules. While this might seem surprising – since graduated schedules continue to apply higher rates to lower tiers – this disparity is explained by cliff-schedule teams charging higher fees overall and offering less generous discounts for higher tiers. Teams using graduated schedules may need to increase their rates to better align with their services' value and be less aggressive in discounting fees for their largest clients.

The second group undercharging AUM fees consists of teams bundling the cost of in-depth financial planning into their AUM fees. In theory, bundling planning fees into AUM fees should result in higher AUM fees than those charged by teams that separate these fees (as AUM fees would then cover two services instead of one). However, in practice, these bundled teams charge nearly identical fees, suggesting a lack of fee confidence. These teams should consider either raising AUM fees to account for their planning work or introducing separate planning fees to ensure they are fully compensated for their work. This issue becomes especially important for advisory firms working with mass affluent clients, where failing to achieve a sufficient minimum level of revenue per client can negatively impact advisor productivity and threaten the business' long-term sustainability.

What Works In Driving Advisor Productivity

Four key factors stood out as the most important drivers of advisor productivity:

- Client affluence
- Pricing confidence
- Optimizing face time with clients
- Implementing the right team structure

Client Affluence

The most straightforward way to increase productivity is for teams to command higher fees that reflect the value of their time and services. This means working with clients who have both the financial wherewithal to pay higher fees and the complexity to justify paying for such services. Or stated more simply, the most sustainable way to increase productivity is by going upmarket to serve more affluent clients who will pay more for the advisor's time and value.

For firms aiming to move upmarket and serve higher-value clients, three factors proved essential:

Building Planning-Centric Practices. These practices should be led by Senior Advisors with CFP marks, and focus on developing plans that cover components relevant to high-value clients. Such plans should be updated regularly – at least annually – with a focus on the most relevant components for the client.

Optimizing Team Leverage. Maintaining a high ratio of support staff to lead advisors and using external support for specialized tasks helps free up advisors' capacity to meet the high-touch service demands of affluent clients.

Managing Client Loads. As firms continue to move upmarket, maintaining a client load greater than 50 households per lead advisor becomes increasingly unsustainable due to the intensive service needs of high-value clients. To sustain growth, advisors must be prepared to prune, transition, or otherwise adjust their client base to avoid bottlenecks caused by early 'legacy' clients that can limit future growth.

Pricing Confidence

Even for firms that position themselves as planning-centric to attract clients willing to pay for such services, the reality is that not all advisory firms charge the same fees for the same services and capabilities. In particular, 'above-average' firms often fail to charge 'above-average' fees that reflect the quality of their services – despite the fact that premium pricing is commonplace when purchasing a 'quality' solution in virtually any other domain. Additionally, firms that accept less affluent clients frequently struggle to maintain pricing discipline, often compromising on minimums for clients who fail to generate enough revenue to cover their costs (while still consuming valuable team capacity). To some extent, this is unsurprising in a profession driven by the desire to help and serve others. However, advisory firms must balance this motivation with the reality that financial planning takes time and resources, and firms that fail to charge fees sufficient to cover these costs risk limiting their growth – or even their sustainability.

Beyond the general desire to serve, though, many financial advisors appear to lack "fee confidence," leading to a misalignment between the level of service they provide and the fees they charge. This misalignment often manifests in practices such as accepting below-minimum clients or engaging in a broader phenomenon of 'over-servicing'. For the typical advisory firm working with mass affluent clients, over-servicing may be demonstrated as holding more than two client meetings per year, exceeding 10 personalized client touchpoints annually, or overloading plans with unnecessary depth or scope. This disconnect between the services that teams offer and the fees that they charge reduces overall productivity, as firms fail to generate sufficient annual revenue per client relationship to sustainably grow their practice.

To 'right-size' their fees relative to the services provided, advisory firms can pursue several strategies. The first is to raise AUM fees – or even AUM minimums (which advisors often find difficult to enforce consistently) – to better align with the depth of their services. Firms can also establish a 'minimum fee' that all clients valuing the service must pay, regardless of their AUM. This minimum fee helps ensure that firms maintain sustainable levels of revenue per client relationship and provides clients with the autonomy to decide whether the service is worthwhile to them (regardless of the level of their assets). Additionally, firms can implement upfront planning fees to cover in-depth initial financial planning services or introduce ongoing planning fees (alongside AUM fees) to better align with the depth of routine planning services provided – particularly in firms that are otherwise AUM-centric.

Optimizing Face Time With Clients

The single most important factor in maximizing face time with clients is staff leverage, and the ability to delegate non-client-facing tasks, particularly back-office responsibilities. However, successfully achieving a productive level of client meeting time does not require dozens of meetings or spending more than 75% of an advisor's time in client interactions. Instead, highly productive advisors typically spend about one-third of their time in client meetings – nearly double the 16% average for all advisors– which amounts to roughly 10–13 client meetings per week. Nonetheless, this level of client engagement still requires significant preparation, follow-up, and service work. As a result, teams with a higher ratio of support staff to lead advisors enable lead advisors to delegate more effectively, and thus spend more time in meetings with clients.

Notably, though, it remains *support* team members – such as Client Service Administrators and Associate Advisors – who provide the leverage needed to boost their lead advisors' face time with clients and overall productivity. By contrast, hiring additional lead advisors does not necessarily translate into these members having more face time with clients. Instead, lead advisors on these teams often have less face time, as their responsibilities may shift to business development, growing the team further, or simply working fewer hours and taking more vacation time.

Additionally, two cost-effective methods to boost client interactions include:

Systematized Financial Planning Workflows. Implementing standardized processes for key tasks such as gathering data, delivering plans, and managing meeting frequency, along with establishing a client service calendar that outlines deliverables provided throughout the year, avoids the inefficiencies of reactive, case-by-case handling.

Tactical Scheduling Methods. Using techniques such as meeting surges, where client meetings are grouped into concentrated time blocks, can boost efficiency – provided that teams are sufficiently leveraged to manage surge schedules. In practice, surge meetings are most common for solo advisors with a support team, but less so for multi-lead-advisor teams due to the complexities of scheduling and coordination.

Implementing The Right Team Structure

Finally, the most important factor in building a productive team involves determining the roles included. For teams aiming to maximize productivity, the ideal team structure is the "1+2" model, consisting of one lead advisor and two support staff – typically a Client Service Administrator and an Associate Advisor, hired in that order as the team grows. This structure provides enough leverage to minimize lead advisors' back- and middle-office work, allowing them to optimize the time spent with clients. It also avoids two key inefficiencies associated with larger teams: the 'management tax', where a growing number of support roles crowds out time for client work with management activities, and the 'shared-clients tax', where multiple lead advisors have overlapping responsibilities for their shared client base.

However, it's important to recognize that not all advisor teams prioritize productivity alone. Multi-advisor teams (e.g., 2+2 or 2+3 structures) may still be preferable for firms that are developing next-generation advisor talent. These structures provide opportunities for newer advisors to gain planning experience and mentoring under the guidance of a Senior Advisor. Multi-advisor teams can also create capacity for Senior Advisors to do more business development or, alternatively, to provide more coverage for client meetings, allowing Senior Advisors to take more vacation time. Nonetheless, firms with multi-advisor teams should be mindful to ensure they are achieving their desired results, balancing the trade-offs between 1+2 teams for productivity and multi-advisor teams for achieving other goals.

Similarly, teams can position themselves to maximize advisor productivity in two key ways:

Leveraging Outside Support. Using centralized firm/platform resources or external third-party vendors to handle semi-frequent services (e.g., estate document preparation, insurance implementation) allows advisors to avoid overinvesting time and staff resources in areas outside their primary focus.

Affiliating Exclusively With An RIA. Operating within an RIA structure reduces the bureaucracy and compliance burdens associated with broker-dealer platforms and FINRA regulations. Our research indicates these added responsibilities generally increase the time registered representatives spend across nearly every domain.

Parting Thoughts

The productivity of service teams is influenced by many factors, including the different roles on the team, the technical expertise of its members, their ability to attract and retain high-value clients, and the confidence to align fees with the value these clients are willing to pay. Perhaps most fundamentally, though, one guiding principle identified through our research is that the most productive teams position themselves to reduce the overhead their advisors face – whether it's administrative burdens, inefficiencies from managing larger teams, time-intensive tasks outside their primary focus, or the challenges of navigating bureaucratic and organizational red tape.

Fee confidence, access to specialized resources, and late nights studying for key industry designations can only go so far if competing demands prevent advisors from focusing on meaningful work; little else matters if an advisor is burnt out from too many work hours yet still unable to spend sufficient time serving clients. Or stated more simply, the most productive teams are those that let their advisors just be advisors.

Appendix

Financial Planning Software, Detailed Ratings

Glossary Of Terms

9

Financial Planning Software, Detailed Ratings

	eMoney	RightCapital	NaviPlan	Asset-Map	MoneyTree	MoneyGuide	Income Lab	Orion
Overall Satisfaction	**8.5**	**8.7**	**7.6**	**8.0**	**8.0**	**7.9**	**8.7**	**6.4**
Tax Planning	7.3	7.8	7.8	4.3	6.6	6.0	8.4	6.3
Client Portal	7.7	8.4	3.5	7.2	4.1	6.0	6.2	7.7
Customer Support	8.2	9.1	7.4	8.3	8.0	7.8	8.8	7.1
Estate Planning	7.3	7.2	6.9	6.7	5.8	5.8	5.6	5.4
Account Aggregation/Automation	7.3	7.6	6.2	6.9	6.7	6.5	7.3	6.2
College	7.0	7.2	7.4	7.0	6.2	6.5	3.4	5.5
Customization	8.2	8.6	8.2	6.1	7.8	7.8	7.8	5.3
Plan Delivery	8.2	8.5	6.8	8.8	7.6	8.0	8.3	6.8
Depth/Comprehensiveness	8.6	8.6	8.5	6.7	7.9	7.7	8.0	6.0
Insurance	7.5	7.1	7.7	8.0	6.1	6.7	6.0	6.1
Retirement Accumulation	8.6	8.4	8.6	7.3	8.3	7.5	8.1	6.7
Retirement Decumulation	8.7	8.8	8.7	7.1	8.9	8.4	9.1	6.6
Ease Of Use/Simplicity	7.4	8.7	6.9	8.5	8.0	8.0	8.0	7.3
Sample Size	**178**	**129**	**16**	**22**	**18**	**155**	**42**	**11**

Glossary Of Terms

Practices & Teams	Description
Practice	Any entity for which there is a common business vision, budget, client base, and service standard. Across the entity, resources andprofits are pooled. A practice could be an entire firm or an individual or team of individuals affiliated with a larger firm. Affiliations, for example, could include a broker-dealer, an independent RIA, or a platform service provider
Service Team	A service team is typically a subset of a practice that consists of a group of individuals or a single individual within the practice that serves a defined client base. At a minimum, the service team will have at least one individual managing client relationships and leading the delivery of financial planning advice. Support roles could include associate advisor, paraplanner, or client service administrator (Shared resources, such as centralized financial planning specialists, were not considered part of a service team for the purposes of this research.)
Established Practice	Any practice not in the startup phase of its development

Team Structure	Description
Lead Advisor	Roles responsible for maintaining client relationships (Senior Advisors and Service Advisors)
Support Staff	Roles responsible for supporting those maintaining client relationships (Associate Advisors, Paraplanners, FP Specialists, and CSAs)
Team Structure	A team structure is expressed as $X+Y$ (e.g., 1+2), where X represents the number of lead advisors, Y represents the number of support staff, and the sum ($X+Y$) reflects the total team size

Glossary Of Terms

Practice Structure	Description
Unsupported Solo	Senior Advisor with no other advisors or W-2 employees
Supported Solo	Senior Advisor with ultimate responsibility for all clients of the practice, supported by one or more W-2 employees, which may include associate advisors
Silo	Multiple advisors or advisor teams, each independently responsible for their own distinct client base and profits
Ensemble	Multiple advisors or advisor teams pooling all resources and profits, where clients are clients of the firm and are served under a consistent standard

Advisory Firm Roles	Description
Executive	General term for any executive role within the firm dedicated to full-time or management responsibilities. Specific job titles included Chief Executive Officer and Chief Operating Officer
Senior Advisor	Accountable for business development, most (or all) valued clients, and may mentor or manage other advisors
Service Advisor	Primarily accountable for relationship management and retention of existing clients
Associate Advisor	Supports more senior advisors on a team to deliver advice in a client-facing capacity but typically has no primary responsibility for client relationships

Glossary Of Terms

Advisory Firm Roles, Cont.	Description
Paraplanner	Conducts financial planning analyses and provides similar financial planning support for more senior advisors but is not responsible for delivering recommendations to clients
Financial Planning Specialist	Serves as a centralized planning resource to support all advisors of a practice; may include Director of Financial Planning
Client Service/Administrative	Interacts with clients only with respect to administrative requests

Financial Planning Approach	Description
Calculator	Financial plan analysis is used to calculate the client's needs or gaps, which helps the advisor identify products to implement
Comprehensive	Printed output of planning software is used to show a more holistic picture of the client's current and projected financial situation
Custom	A custom-written financial plan is developed for each individual client's circumstances
Collaborative	Planning software is used as a collaborative tool (e.g., via screen share or a conference room monitor) live in client meetings

Glossary Of Terms

Financial Plan Breadth	Description
Targeted	A financial plan that covers 5 or fewer financial planning topics
Narrow	A financial plan covering 6 to 9 different financial planning topics
Broad	A financial plan covering 10 to 12 different financial planning topics
Extensive	A financial plan covering 13 to 19 different financial planning topics
Most Extensive	A financial plan covering 20 or more planning topic

Technology Use	Description
Adoption Rate	Of all advisors or respondents, the share that is applying technology in support of a particular advisor function
Market Share	When referring to comprehensive planning software, the share that is using a particular provider among those using that technology; when referring to specialized planning software, the share that is using a particular provider, regardless of whether they use the technology

Advisor Expertise	Description
Post-CFP	Advisors are considered to have post-CFP designations if they have CFP certification as well as at least one of the following designations: CFA, ChFC, CLU, CPA, CPWA, CIMA, C(k)P, EA, RICP, RLP (Registered Life Planner), RMA

Glossary Of Terms

Reliance On Outside Support	Description
Internal	The service is provided by member(s) of the service team
Centralized	The service is provided by a centralized support team affiliated with the team's firm or platform
External	The service is provided by an external third-party vendor or outsourcing provider

Time	Description
Front-Office Tasks	Meeting with clients, meeting with prospects, other marketing / business development
Middle-Office Tasks	Client meeting preparation, financial plan preparation, investment research, general management, compliance, professional development, other miscellaneous
Back-Office Tasks	Investment management (including trading), client servicing, administration
Direct Client Activity	Meeting with clients, meeting with prospects, client meeting preparation, financial plan preparation, client servicing
Adjusted Weekly Hours	The number of weeks a respondent works per year, multiplied by the number of hours that they work per week, divided by 52

Glossary Of Terms

Touchpoint Approaches	Description
Personalized Low Touch	About 10 client touchpoints per year, which are primarily individualized
Personalized High Touch	More than 20 client touchpoints per year, which are primarily individualized
Standardized High Touch	More than 20 client touchpoints per year, which are primarily standardized

Tactical Scheduling	Description
Meeting Surges	Concentrated time windows during the year in which advisors schedule a high volume of client meetings for the purpose of streamlining their meeting process
Client Service Calendars	Schedules that dedicate particular client service activities for all clients to occur during specific periods throughout the year

Pricing	Description
Graduated Structures	AUM fee schedules which feature multiple tiers with different rates, where client fees are calculated as a blended rate, where each tier's rate applies incrementally to the portion of the client's portfolio that falls within that tier
Cliff Structures	AUM fee schedules which feature multiple tiers with different rates, where once a client's portfolio reaches the next tier, the new rate applies retroactively to the entire portfolio (starting from the first dollar)

Glossary Of Terms

Pricing, Cont.	Description
Flat Structures	Apply a single rate to the entire portfolio, regardless of its size
Stated Rate	The marginal rate being charged at each portfolio size in the advisor's fee schedule
Blended Rate	The average fee calculated across portfolio tiers
"All-In" Fees	The sum of the blended rate, expense ratios of underlying investments, and any associated platform fees
Planning Fees	Hourly fees, subscription/retainer fees, and standalone project fees
Advice-Only	Revenue comes exclusively from planning fees
Advice-Centric	Revenue comes primarily from planning fees, with some from AUM fees or commissions
Advice-Supplemental	Revenue comes primarily from AUM fees or commissions, with some from planning fees
Advice-Bundled	Revenue comes exclusively from AUM fees or commissions

Glossary Of Terms

Other Terms	Description
Clients	A client is a single household unit with an ongoing relationship, excluding prospective or pro bono clients, unless individual members are served separately. This includes households with no meetings or planning work completed in the past year
Full-Time Equivalents (FTEs)	Measure of total team members (whether owners, employees, or contractors) based on hours worked as opposed to the actual number of individuals

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