2025

Fee-for-Service Industry Trend Report

Sales@AdvicePay.com
www.AdvicePay.com

Table of Contents

AdvicePay

It's time to go all-in on Fee-for-Service

For three years we've analyzed the fee-for-service industry, tracking trends, debunking myths, and uncovering the biggest drivers of success.

This year we've gleaned insights from examining over two million data points, including advisor surveys and more than 461,000 transactions completed in AdvicePay in 2024. The story they're telling us is clear: fee-for-service is a critical and strategic component of growth.

Our research reveals when fee-for-service is prioritized it boosts revenues across the board, captures new clients, and attracts top advisor talent – regardless of firm size.

With more than $848M in financial planning fees processed through our platform, we're confident in saying that the fee-for-service mainstream moment is here. It's time to invest in scaling your program, or risk being outpaced by those that are.

So the question becomes, how do you do it?

We've been working to build the right tools to help you achieve your growth goals, from adding new payment options to helping you build an integrated tech stack that can support your advisors and all their differing needs, both now, and in the future.

At AdvicePay, we're here to help you navigate this journey. Thanks for reading and being part of this transformative shift in our industry.

AdvicePay Insights

461K
transactions in 2024

$838M
lifetime financial planning fees processed

1.5M+
lifetime payments processed

275K+
lifetime clients served

13K+
Advisors

3,000+
firms use AdvicePay

Fee-for-Service Subscription Growth Trends

AdvicePay

Rise of Recurring Revenue

Fee-for-service planning models, particularly subscription-based, are on the rise. It represents a strategic expansion of service offerings and revenue that isn't tied to markets. It also serves as a powerful client acquisition tool. By offering accessible, subscription-based services, advisors can build relationships with clients who may not initially meet AUM minimums. Over time, these clients will convert to investment management clients, effectively boosting your firm's AUM. In fact, we have observed firms double their financial planning revenue while simultaneously boosting their AUM by empowering their advisors to charge for planning on a fee-for-service basis.

In some cases, fee-for-service models can be more profitable than traditional AUM relationships. For example, an AUM client with $250,000 in assets, generating $2,500 in annual revenue at a 1% fee. Conversely, a fee-for-service client paying a $278 recurring monthly fee generates $3,000 annually.

85%

of AdvicePay invoices were for subscriptions

Subscriptions

85% of all invoices generated on the AdvicePay platform in 2024 were for recurring subscriptions, compared to just 15% for one-time fees. This represents a continued increase from 83% in 2023.

89%

of recurring invoices
were billed monthly

Monthly Billing Preference

89% of recurring invoices in 2024 were billed monthly, meeting client expectations for manageable payments that align with their cash flow.

10%

of recurring AdvicePay
invoices were billed quarterly

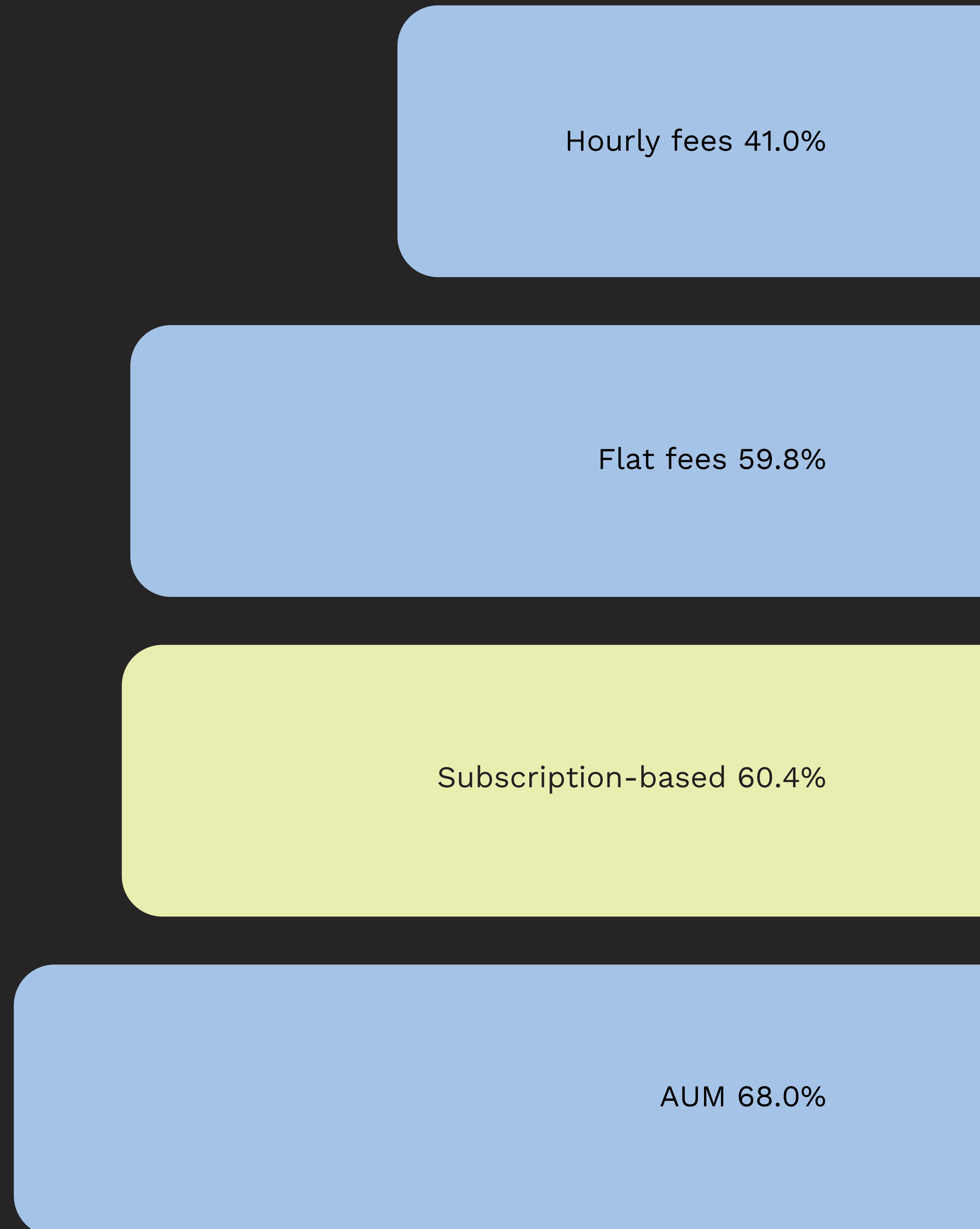
Quarterly & Semi-Annual Adoption

Quarterly billing accounts for 10% of all recurring invoices. Meanwhile, semi-annual billing is used sparingly, representing just 1% of recurring invoices.

Advisor Survey Insights: Fee Structures

Advisors are diversifying their fee structures, recognizing that a one-size-fits-all approach no longer serves “all”. Offering a variety of fee structures allows advisors to cater to diverse client needs. In turn, this maximizes client acquisition and retention.

For example, by offering fee-for-service financial planning, advisors can engage the children and heirs of existing clients and get paid for the work versus giving it away for free. By establishing this relationship early, advisors significantly increase the likelihood of retaining these clients when they inherit their parents’ assets, preventing them from seeking advice elsewhere.



Pricing Trends

AdvicePay

The Numbers Don’t Lie, Steady Price Growth

Our data reveals consistent price increases across various fee structures, highlighting the steady growth of fee-for-service financial planning and the increasing value advisors and clients place on financial planning.

Monthly subscription fees have seen a steady climb in 2024, reaching an average of $278, marking a 4.9% YoY increase from $265 in 2023 and $250 in 2022. Quarterly subscriptions averaged $982 in 2024, a 1.4% YoY increase, while semi-annual payments saw a more substantial 6.2% increase to $1,107 from $1,042 in 2023. One-time fees also experienced modest growth, averaging $1,624 in 2024, a 2.9% YoY increase.

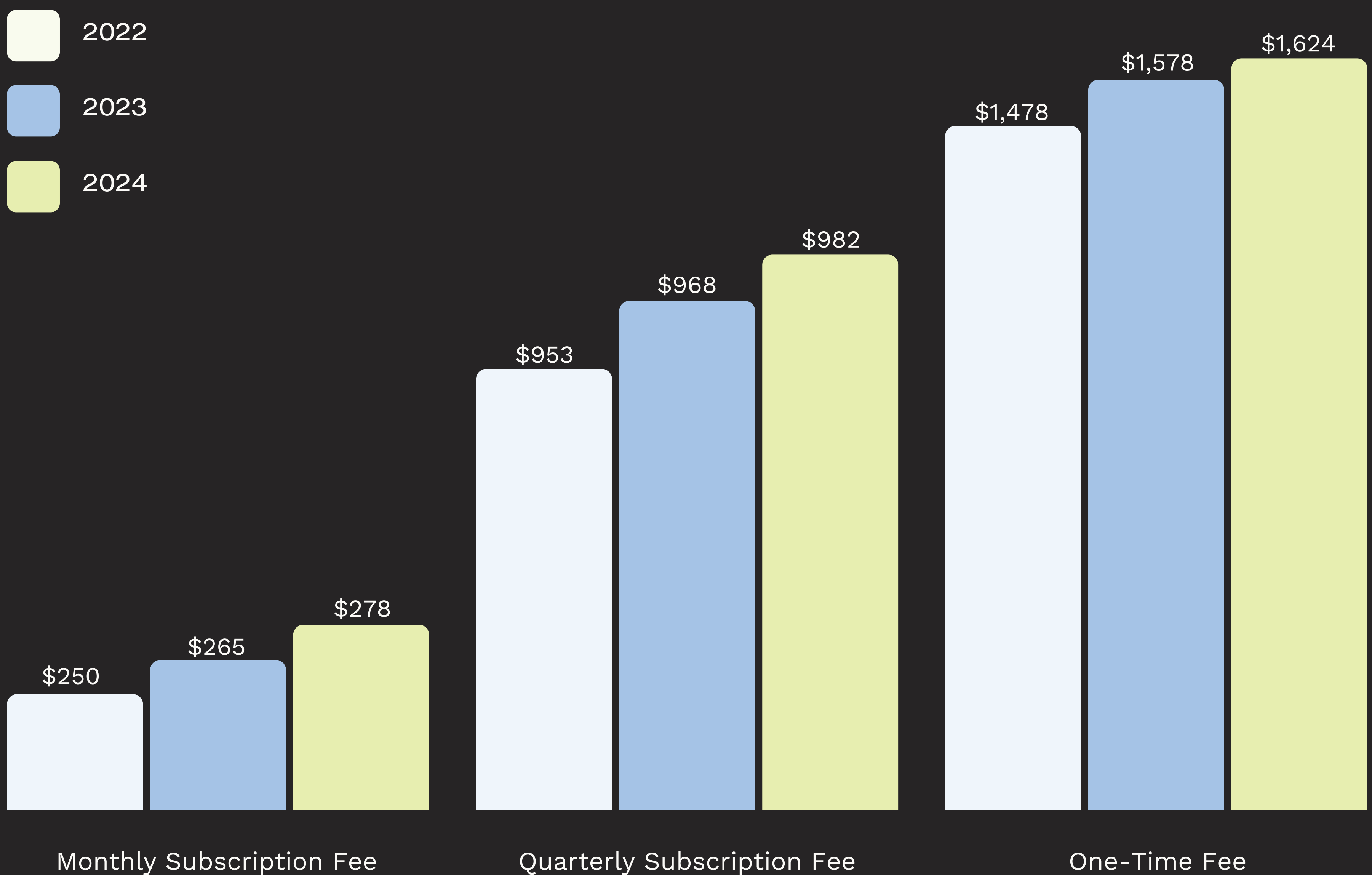
$278

average monthly subscription fee, a 4.9% increase YoY

Recurring revenue advantage

Consistent with last year’s data, recurring subscription models generate significantly more revenue per client compared to one-time payments.

Average Fees By Invoice Type



AdvicePay

Looking Ahead: 2025 Pricing Adjustments

Interestingly, while the majority of advisors on AdvicePay surveyed (55.8%), plan to maintain their current pricing, a notable 17.8% are preparing to raise their fees by 10% or more. Additionally, 26.4% of advisors are considering more modest increases of 1-9%. This highlights that fee increases are a significant consideration for a large segment of the advisor community.

- No change (55.8%)
- Increase 1-2% (5.5%)
- Increase 3-5% (12.3%)
- Increase 6-9% (8.6%)
- Increase 10%+ (17.8%)

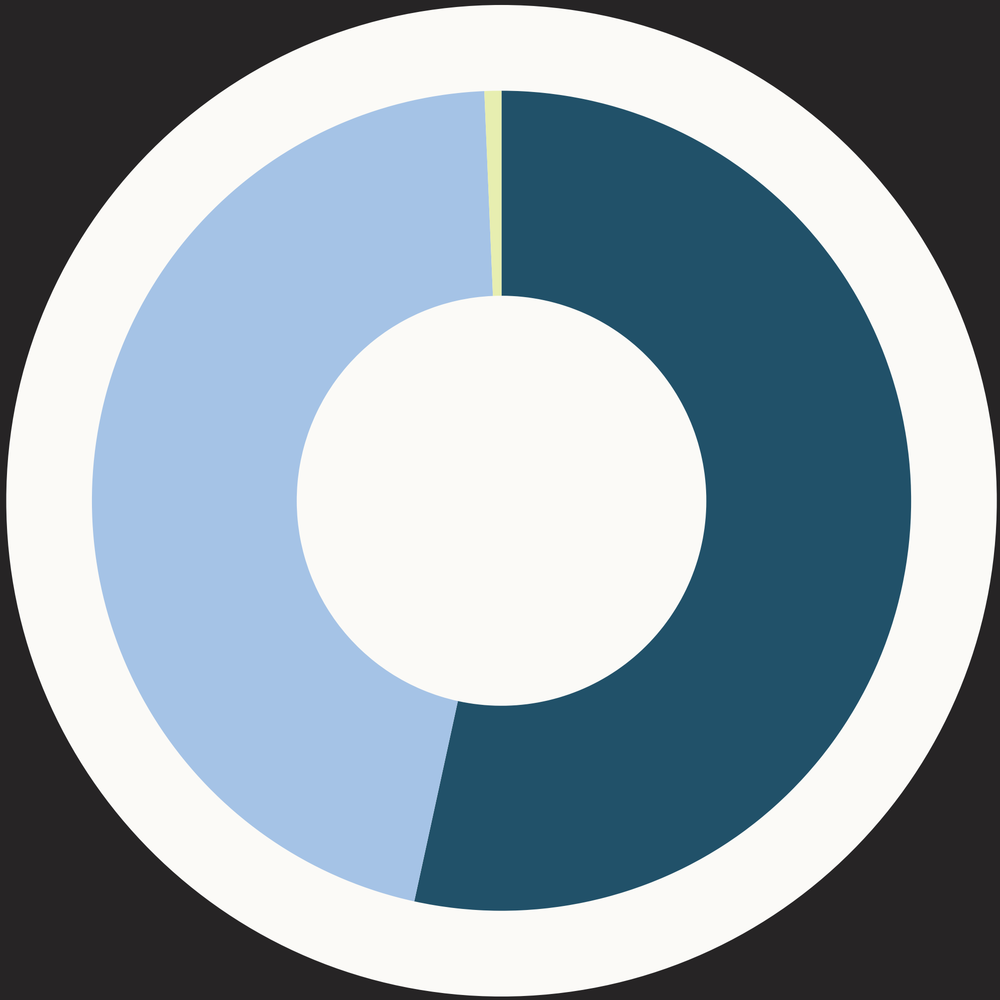
Payment Preferences: Digital Dominance

AdvicePay platform data highlights a strong preference for digital payments. In 2024, 53.4% of transactions were made using credit or debit cards, while 45.9% were processed through ACH transfers. Clients prioritize convenience and appreciate the opportunity to earn credit card points and rewards.

Card (53.4%)

ACH (45.9%)

Check (0.7%)



Actionable Steps to Review Your Pricing

- **Review your current fee structure**
  Is it aligned with your value proposition?
- **Conduct a cost analysis**
  Identify areas for cost optimization.
- **Evaluate your tech stack**
  Can technology enhance your efficiency and the client experience?
- **Develop a communications strategy**
  How will you communicate fee changes to clients? Check out this blog for tips.
- **Monitor industry trends**
  Use our trend report to see how your peers are pricing their services.


AdvicePay

GUIDE + WORKSHEET

How to Price Fee-for-Service

Sales@AdvicePay.com
www.AdvicePay.com

© COPYRIGHT 2024 ADVICEPAY

DOWNLOAD GUIDE

Systems & Technology Trends

AdvicePay

Meeting Today's Demands, Anticipating Tomorrow's Needs

Technology is no longer a static asset for Broker-Dealers and RIAs, but rather an ongoing investment. A recent report from Cerulli Associates highlights that our industry faces a significant advisor headcount shortage. At the same time, 9 out of 10 advisors are willing to leave their firm due to inadequate technology.

To attract and retain top advisor talent, Broker-Dealers must go beyond basic tech solutions. They need to provide innovative, future-ready tools that not only streamline efficiency today but also adapt to the evolving needs of tomorrow.

To address these challenges and remain competitive, firms should:

Streamline Compliance
Use technology that seamlessly integrates with compliance systems and adapts to evolving regulations.

Prioritize Integrations
Invest in platforms with strong integrations to boost workflow efficiency.

Enhance Training and Support
Offer training and support to help advisors adopt and use technology effectively

Focus on Core Competencies
Partner with expert third parties to enable fast, cost-effective tech implementation, reducing internal demands and freeing firms to focus on client relationships and growth.

Why a Digital-First Client Experience is Essential for Growth

Clients expect financial services to be as seamless and efficient as the technology they use daily. A digital-first client experience is no longer optional, it's the standard. From initial outreach to onboarding and ongoing engagement, every interaction is critical.

Firms that embrace digital solutions at a higher rate are already seeing the results, with those that prioritize technology growing at more than three times the rate of firms that lag behind.

Advisors can stay ahead with a scalable, tech-driven approach to client acquisition and retention. By automating workflows, simplifying client interactions, and enhancing digital touchpoints, a financial planning platform like Boldin helps firms drive more business and engage clients more efficiently. This results in long-term success in an increasingly competitive market.

36.4%

of surveyed advisors said they plan to invest in marketing and lead generation software

Advisors are Doubling Down on Digital Growth

With more than 36% of surveyed advisors planning to invest in marketing and lead generation software, it's clear that firms are prioritizing digital tools to attract and convert clients.

eSign Leads the Way in 2024

In 2024, AdvicePay's eSignature module emerged as the top-adopted feature among enterprise firms. eSign was followed by online check deposits, deliverables, and engagements, all of which contributed to improving client interactions and operational productivity.

With its seamless integration, eSignature has become a vital tool for firms seeking to streamline processes, reduce paperwork, save time, and maintain compliance.

Explore three new ways you can leverage AdvicePay's eSign integration on the following pages.

1. Integrate with Adobe Acrobat Sign

AdvicePay now integrates with Adobe Acrobat Sign, the second most popular eSign tool for advisors, according to the 2025 T3 Inside Information Software Survey. Like our DocuSign and Dropbox Sign integrations, Adobe users can generate documents with templates while creating invoices or subscriptions, without leaving AdvicePay.

2. Auto-Fill Custom Attributes in Documents

One of the best time-saving features of our eSignature integrations is the ability to auto-fill data like the client's name or invoice amount when generating a document in AdvicePay. Now you can further reduce manual data entry by auto-filling data from your custom fields – like a client's mailing address or an advisor's rep code.

3. Control eSign Access with Advisor Groups

Enterprise Home Offices can now enable eSignature with their preferred provider for select groups of advisors. This reduces advisor friction in a lot of different scenarios, from piloting eSign in your AdvicePay workflow to creating Engagement Workflows that allow certain advisors to access specialized document templates.

The Key to Scalable Financial Planning: Integration

The ability for technology to integrate is crucial for efficiency and delivering excellent client service. As firms scale and financial planning workflows grow more complex, a well-connected tech ecosystem becomes essential.

When key systems like CRM, financial planning software, and billing platforms work together, data flows automatically between them. This reduces manual entry, minimizes errors, and ensures advisors always have the most up-to-date information at their fingertips. A strong integration strategy not only streamlines operations, but also enhances the client experience by enabling more accurate, timely, and personalized financial planning.

48.9%

of surveyed advisors plan to invest in productivity/automation tools in 2025

Top 5 Most Popular AdvicePay Integrations

Top integrations for AdvicePay advisors include Wealthbox, Dropbox Sign, Redtail, PreciseFP, and DocuSign.

Wealthbox

CRMs play a key role in any firm's operations, so it's no surprise that Wealthbox is the most popular integration used by AdvicePay customers.

Advisors using this integration say they enjoy saving time and preventing data entry errors that lead to inconsistencies in client information across systems.

Learn more about our integration with Wealthbox here.

Pontera

Nearly 80% of this year's survey respondents say their firm offers advice on 401(k) retirement plans and other held-away accounts, often using Pontera.

Whether you charge a percentage, flat fee, or bundle this service with ongoing financial planning, AdvicePay can help you quickly create and send invoices to clients.

Learn more about using Pontera and AdvicePay together here.

Advisor Survey Insights: Average Monthly Budget for Advisor Systems & Technology

- $0 - $249 (5.7%)
- $250 - $449 (8.1%)
- $500 - $999 (29.4%)
- $1000 + (56.8%)

Looking Ahead: 2025 Tech Budget Adjustments

55.9% of surveyed advisors say they plan to invest in financial planning software in 2025, yet 44.2% have no intention of adjusting their current tech budget allocations. Beyond that, advisors top priorities include productivity and workflow automation tools (49%) and CRM systems (48.3%).

- Decrease (10.4%)
- No change (44.2%)
- Increase 1-2% (13.5%)
- Increase 3-5% (13.5%)
- Increase 6-9% (1.8%)
- Increase 10%+ (16.6%)

The Power of AI: Strategies for Modern Financial Advisors

By Joseph Spencer

It's no surprise that 92% of firms are actively adopting AI. With AI dominating headlines and offering vast applications for financial advisors, it's becoming an essential tool in modern practice management. While some advisors view AI as a potential threat, the majority see it as a powerful opportunity to strengthen client relationships, attract new clients, and grow their business by at least 20%.

So how are advisors utilizing AI? They are primarily integrating it into two key areas: administrative tasks and digital marketing.

19.6%

of surveyed advisors note the rise of AI as one of the biggest challenges to the future of financial advice

Challenges/Threats to the Future of Financial Advice

Surveyed advisors point to demonstrating the value of personalized advice (26.8%), increasing regulations (24.2%), and the rise of AI (19.6%) as top concerns.

Streamlining Administrative Tasks

Customer relationship management is a cornerstone for advisors, but it's also where much of their time is spent. Advisors report dedicating an average of 11 hours a week to manual tasks like note-taking and meeting transcription.

AI tools can automate these processes by recording meetings and generating customized notes, saving time and reducing human error. As more data is collected, AI can analyze trends and provide deeper insights, empowering advisors to make more informed decisions.

Enhancing Digital Marketing Efforts

AI doesn't just streamline operations, it enhances marketing strategies too. By leveraging data insights, advisors can launch more targeted and effective marketing campaigns. AI can also generate personalized marketing content based on specific target markets, reducing the guesswork and manual effort involved in content creation.

The Bottom Line

By adopting AI, advisors can significantly reduce administrative burdens and focus more on what truly matters: their clients. No more sifting through hours of meeting notes, because AI can handle that.

Plus, with reduced human error and smarter client insights, advisors can better understand and meet client needs, driving stronger relationships and business growth.

How RFG is Simplifying Fee-for-Service Financial Planning

To Meet a Changing Market

By Shane Weaver, Senior Director of Operations at RFG Advisory

AdvicePay

Attracting and retaining growth-oriented Investment Advisor Representatives (IARs) requires both an understanding of how the industry is changing and providing next-generation professionals with the tools they need to succeed. From transition and marketing services to powerful turnkey technology and coaching, at RFG Advisory, we are continually looking at new ways to support growth-minded Independent Advisors so they can build their businesses without compromise. One area that is becoming increasingly important to IARs – particularly for younger professionals – is fee-for-service financial planning. According to Cerulli, the number of investors willing to pay for financial advice has skyrocketed over the past 15 years, growing from 38% in 2009 to 63% in November 2023.

Traditionally, Advisors offer financial planning via a larger assets-under-management (AUM) relationship, meaning that clients pay a fee for services based on the amount they have invested. Unfortunately, this model often puts financial planning out of reach for younger people since they typically haven't accumulated enough savings to start an investment portfolio. It also creates a significant challenge for Advisors, especially those building relationships with peers in their prime earning years or anticipating future wealth transfers.

63%

of investors say they are willing to pay for financial advice, according to Cerulli

A Growing Market

The demand for fee models like fee-for-service is stronger than ever. Advisors who offer transparent, value-driven service have an opportunity to tap into this growing market and foster lasting client relationships.

Eliminating Friction, Unleashing Potential

As a fast-growing community of 100+ advisors, we recognize that fee-for-service planning is integral to the future of wealth management. We see this firsthand. Over the past two years, I've participated in countless recruitment meetings, and in many of them, we have discussed financial planning.

Fee-for-service planning is clearly where the industry is moving, and we're not waiting around for Advisors to demand solutions; we're taking a proactive approach. In the past, Advisors have struggled with the manual processes required for compliant billing and payments for fee-for-service financial planning. That's why we proactively set out to adopt an enterprise solution to streamline the process and help advisors start and scale their fee-for-service offering.

After reviewing several options, we chose AdvicePay, which not only made the billing and payment process more transparent but also offered training and increased compliance support.

Initially, we rolled out the solution to a select group of Advisors. Following a two-week test phase, we introduced AdvicePay to our entire Advisor platform. The feedback was swift and overwhelmingly positive. Advisors loved that they no longer had to track down clients for paper checks or follow up on failed payments. Equally important, they were thrilled to have yet another way to stand out from their competitors— a new piece of firepower for their arsenals.

Empowering Advisors for Success

Though many Advisors understand the inherent benefits of fee-for-service financial planning, some are more reluctant. They worry that the value proposition isn't there or that it won't provide enough revenue potential. They may also be concerned that it'll be too difficult to manage inconsistent revenue sources. That's why we provide ongoing training and support.

With AdvicePay's largely "set it and forget it" payment processing, Advisors can spend more time delivering ongoing planning, advice, and actionable strategies to their clients.

Since implementing AdvicePay's enterprise model in December, we've already saved 15 hours a month in operational expenses – and we expect that number to increase as more advisors add fee-for-service planning into their practices.

At RFG Advisory, our mission is to empower Independent Advisors to build their business without compromise. We are always looking for new ways to support our Advisors, whether through a new piece of technology or by adding a valuable new service. With AdvicePay, we are setting up our advisors to ride the wave of financial planning and begin building tomorrow's clientele today.

Shane Weaver is Senior Director of Operations at RFG Advisory, LLC., a SEC registered investment advisor, and innovator in the wealth management industry, committed to serving independent financial advisors and their clients. AdvicePay and RFG Advisory are not affiliated.

15

hours a month saved in operational expenses since RFG implemented AdvicePay Enterprise

"Following a two-week test phase, we introduced AdvicePay to our entire advisor platform. The feedback was swift and overwhelmingly positive. Advisors loved that they no longer had to track down clients for paper checks or follow up on failed payments."

VIEW CUSTOMER STORIES

Client Acquisition & Marketing Trends

AdvicePay

Strategies for Growth

One key solution to overcoming the challenges of attracting and retaining clients is embracing the fee-for-service model. This approach opens up opportunities to connect with clients who may not have significant assets but are ready to invest in financial advice from their monthly income.

The speed of this approach is evident; advisors send their first invoice on AdvicePay within an average of 21 days. This efficiency allows for genuine relationship development with younger demographics, paving the way for future cross-selling opportunities as their wealth grows.

Learn about services you can offer under the fee-for-service model here.

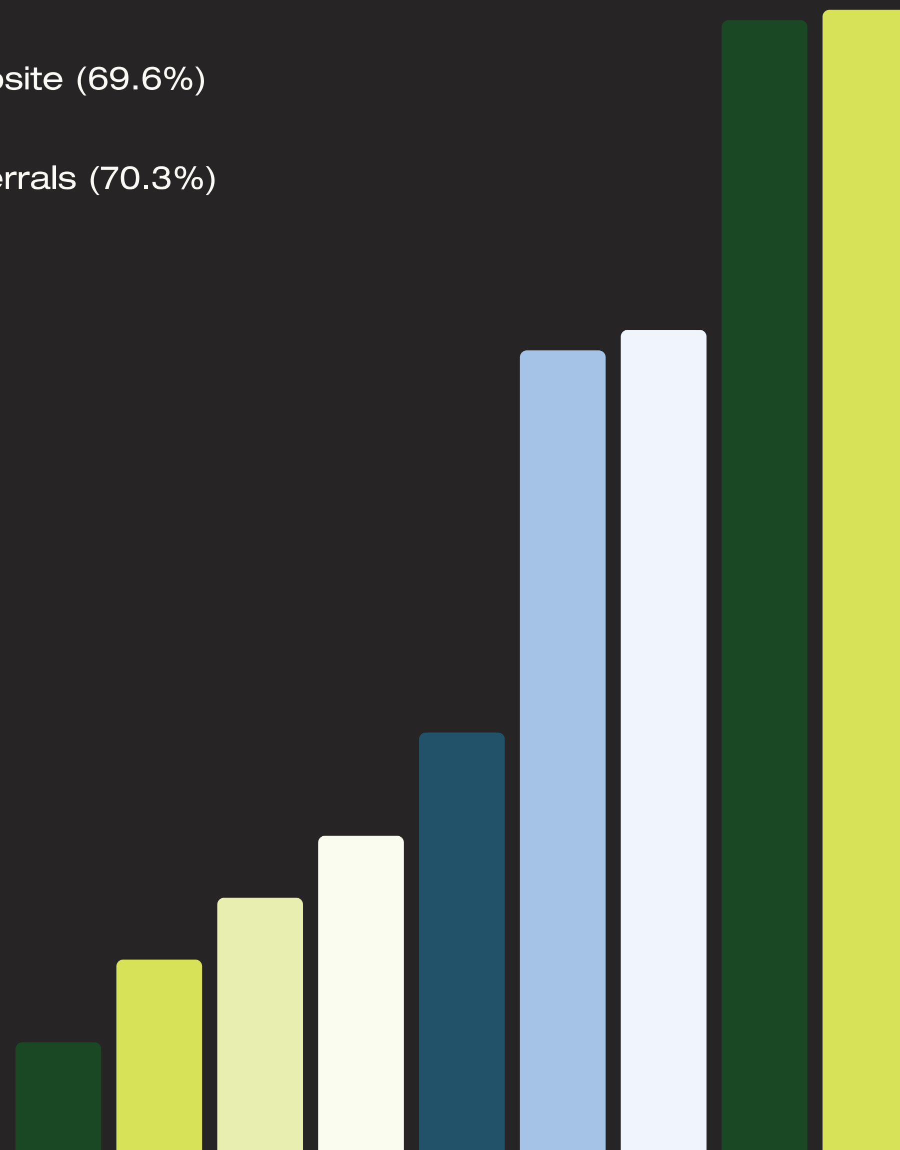
30.6%

of advisors surveyed report that attracting new clients is one of their biggest challenges

Advisor Challenges

Our survey reveals that attracting new clients is one of the most significant business challenges faced by advisors in 2024, with 30.6% citing it as their primary concern. This is followed by improving operational efficiency (24%) and balancing workload & time management (16.6%).

Paid Ads (7%)
Podcast (12%)
Webinars/Virtual Events (15.8%)
In-Person Conferences (16.9%)
Blog (26%)
Social Media (49.4%)
Email (50.6%)
Website (69.6%)
Referrals (70.3%)



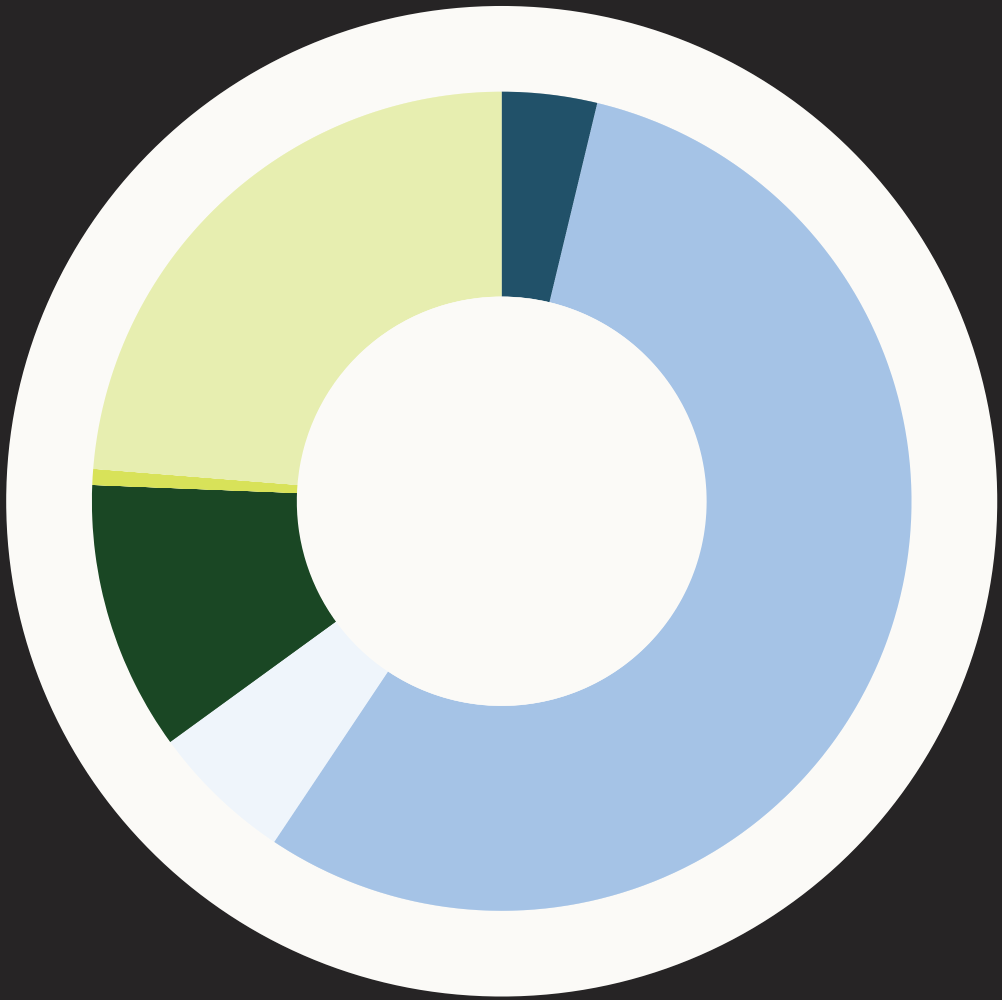
Advisor Survey Insights: Referrals Reign Supreme

Referrals are the top marketing channel for advisors, with 70.25% using them, but the median number of referrals is just 6, showing potential for growth. Strategies like email marketing, an optimized website, and engaging content can expand reach with minimal time investment. These channels offer recyclable content, allowing advisors to repurpose emails, website copy, and blog posts, and are perfect for delegation to maximize team potential.

Advisor Survey Insights: Average Monthly Marketing Budget for Financial Advisors

- $0 - $249 (45.6%)
- $250 - $449 (19.4%)
- $500 - $999 (17.5%)
- $1000 + (17.5%)

AdvicePay

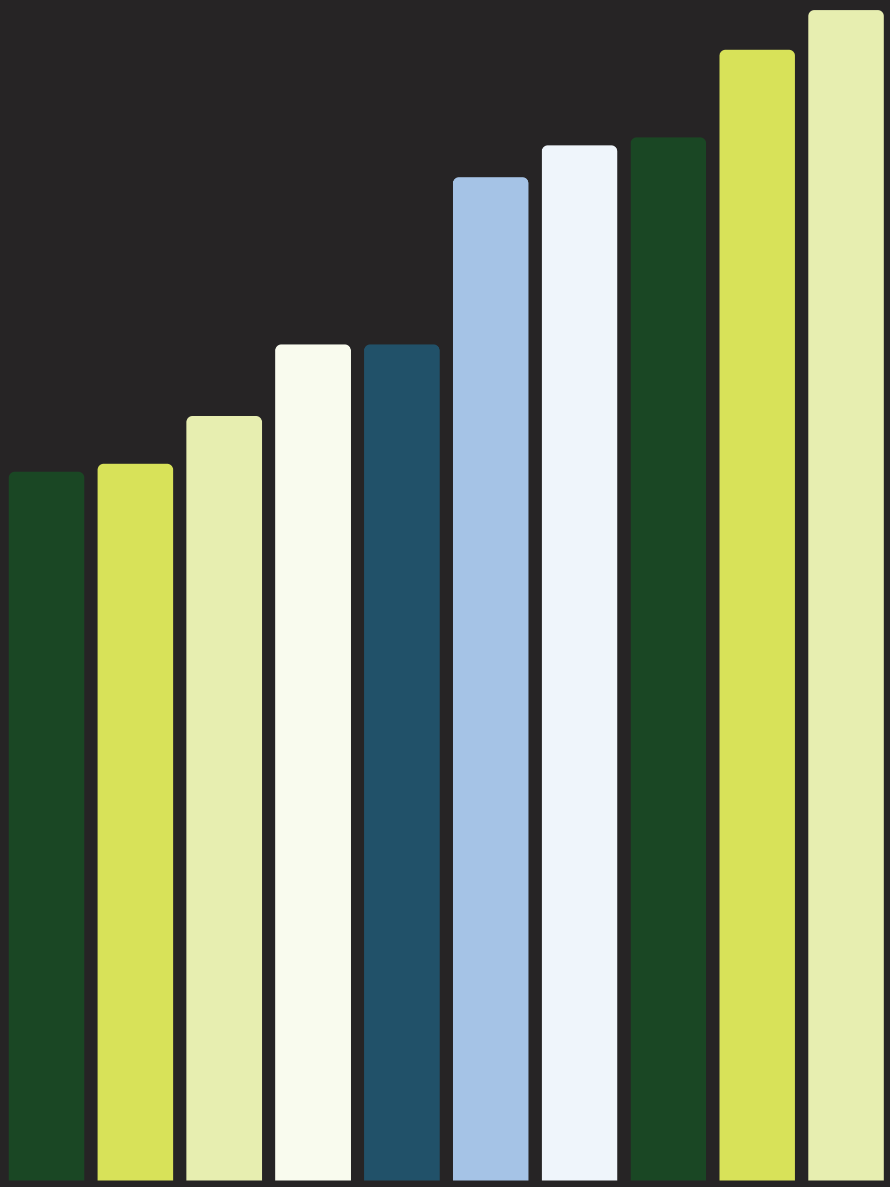


Advisor Survey Insights: How Advisors are Adjusting Their Marketing Budget in 2025

- Decrease (3.8%)
- No change (55.6%)
- Increase 1-2% (5.6%)
- Increase 3-5% (10.6%)
- Increase 6-9% (0.6%)
- Increase 10%+ (23.8%)

Advisor Survey Insights: Top 10 Additional Services Advisors Provide Outside of Financial Planning

- Tax Planning & Prep (54.3%)
- Charitable Giving Strategies (54.9%)
- Estate Planning (58.5%)
- Employee Benefits Optimization (64%)
- College & Student Loan Planning (64%)
- Insurance & Life Planning (76.8%)
- Advising on Held-Away Accounts (79.3%)
- Cash Flow Management (79.9%)
- Retirement & Income Distribution (86.6%)
- Investment Management (89.6%)



Fee-for-Service Financial Planning

A Strategic Complement to AUM

By Alan Moore

AdvicePay

As co-founder of two businesses that serve financial planners, the most frequent question I hear from advisors is: will fee-for-service planning replace assets under management (AUM)?

While many perceive fee-for-service as a trade-off, it's actually a complementary revenue stream that can significantly boost your AUM.

Adding a Revenue Stream Not Tied to Markets

Many advisors misperceive that fee-for-service financial planning will somehow cut into their AUM fees—that it's an either/or situation or that the former would somehow replace the latter. In truth, fee-for-service planning isn't being used to replace AUM, it's being used to reach a new target demographic. It's no different than any business that charges via hourly, project, retainer, or a combination of all three.

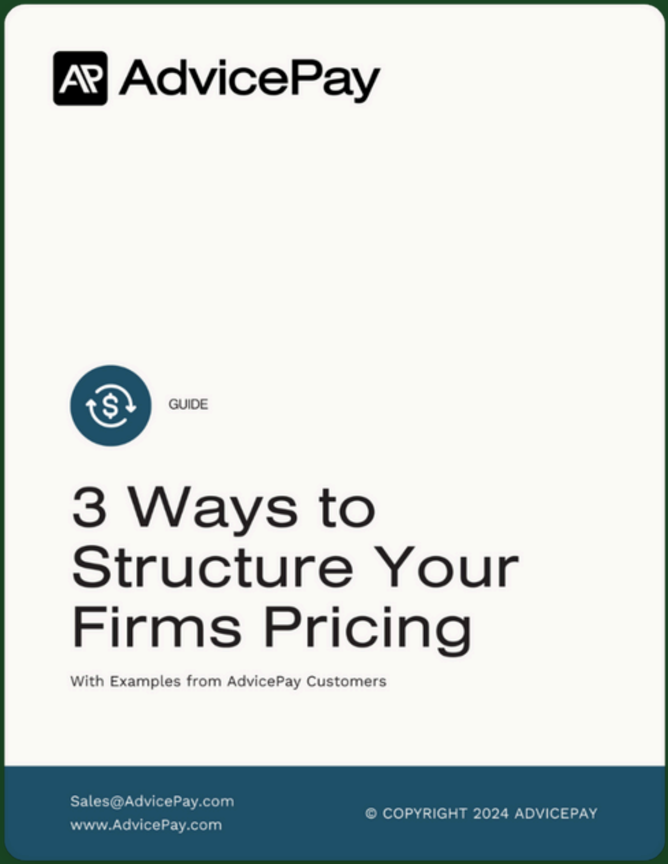
This is especially true during periods of economic uncertainty, as AUM-based fees can go down quickly with the market but you're working even harder to help your clients through the challenges. We like to call fee-for-service revenue the bond in your income portfolio.

Not only is fee-for-service financial planning a complement to traditional AUM fees, but it can also help advisors and firms boost their AUM because clients tend to convert to investment management clients over time.

Overcoming Investment Minimums

The wealth management industry often imposes rigid investment minimums, limiting advisor's ability to serve clients at various stages of their financial journey. For instance, at a previous firm, we had a $1 million investment minimum. This prevented me from working with an anesthesiologist making $500,000 annually but had no investable assets, due to her student loan debt, despite her desire to save aggressively for an early retirement. But under the rigid rules of the firm, I couldn't work with her.

What was most frustrating was the recognition that her situation was exceptional, and she couldn't find a fee-for-service planner, so how could the majority of Americans expect to? Most Americans can't pay for financial advice using an AUM few, because most Americans don't have enough investable assets to support it, but many more can pay for advice out of cash flow!



DOWNLOAD GUIDE

This is a prime example of how investment minimums can hinder advisors from providing valuable services to clients who need them.

It's particularly disheartening when individuals are eager to take control of their finances but are restricted by arbitrary thresholds. AUM is a great model for those who have investable assets to support it. But what about clients that have the income to support a fee, just not the assets? Think business owners, real estate investors/developers, employees with stock options, etc.

For firms and advisors looking to diversify their client base, one way to get started is to institute a minimum fee that can be paid either through AUM or as a direct fee for financial planning services. If, for example, a firm establishes a $5,000 per year minimum fee structure, the client can pay either as a percentage of AUM or directly out of pocket via a one-time or subscription cost for financial planning.


AdvicePay

GUIDE

Fee-for-Service Advisor Business Plan

Sales@AdvicePay.com
www.AdvicePay.com

© COPYRIGHT 2024 ADVICEPAY

DOWNLOAD GUIDE

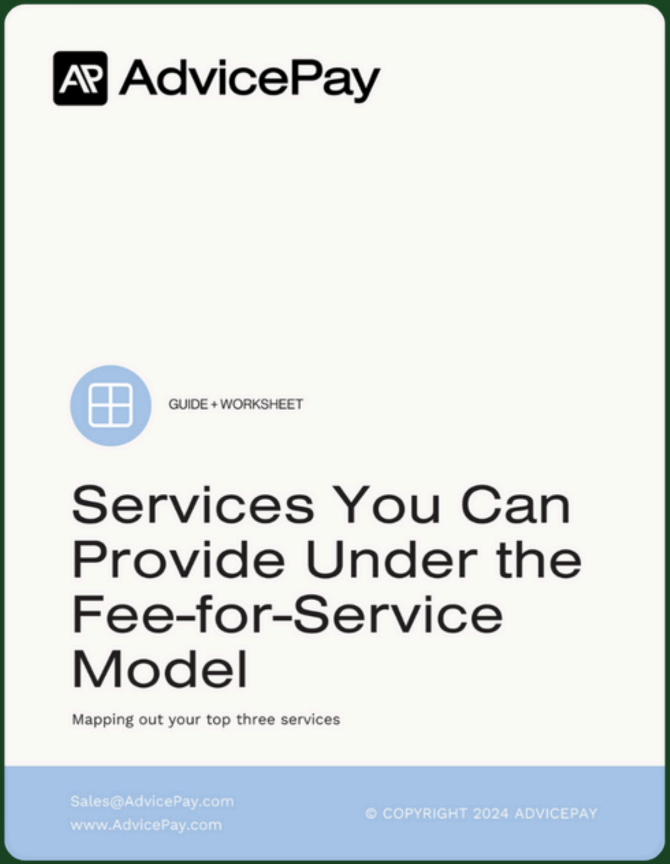
Making Financial Planning Profitable at Different Levels

Traditionally, most firms taking on clients who fall outside their investment minimums apply one of two approaches.

First, they play what I like to call the "client lottery," working for free for a couple of dozen clients, hoping that one or two will inherit money or sell a business and become rich.

Or they take a "Happy Meal" approach, trimming down their services even though younger clients and those at an earlier stage of their careers have more complex financial planning needs than older and wealthier clients who have spent decades saving and amassing wealth.

The problem with both these thought processes is that they're rooted in the fallacy that clients must be wealthy to make it profitable to work with them. This simply isn't true. Clients do not have to be rich to make engaging with a financial advisor profitable and valuable.



DOWNLOAD GUIDE

Creating Space for Young Advisors

Advisors know this intuitively early in their careers. It's only after they've built their practices alongside their clients that their mindset shifts. Firms set large investment minimums and expect young advisors to bring on clients with $500,000 to $1 million in AUM.

How are young advisors supposed to land these mythical prospects when firm leaders themselves weren't attracting these clients decades ago? Allowing advisors to charge an income-based fee vs. an asset-based fee will help teach them valuable business development skills, allow them to work with their peers, and get more at-bats actually doing financial planning - something few firms actually allow.

Advisors as "Helpers"

Over the past 10 to 15 years, the financial industry has undergone a seismic shift as advisors move toward a holistic, advice-based model. I believe the industry will continue to move up the value chain, and clients will prioritize working with professionals who can help them with real-world problems.

Moving Forward

If financial firms and advisors want to evolve and, ultimately, thrive in a changing industry, they need to rethink practices like investment minimums and start viewing potential clients as complex individuals who require holistic financial planning at all stages of their life journey.

Financial planning should not be limited to clients who have already amassed wealth throughout their lives.

By pairing holistic services, including financial planning, with a diverse fee structure, advisors can effectively build their practices, attract and retain next-generation advisors, create new revenue streams, and contribute to their practices' long-term health and stability.

Fee-for-Service Tools

To Drive Advisory Firm Growth

By Cassie Jackson

AdvicePay

Managing budgets is all about balancing priorities — meeting today's needs while investing in areas to help firms meet long-term growth goals.

One way to ensure advisors achieve both priorities is to invest in tools that support comprehensive financial planning.

Traditionally, financial advisors have charged for financial planning as part of a larger assets-under-management (AUM) relationship. However, since younger clients often haven't amassed enough assets to support an AUM-based model, they find themselves in a precarious situation, without access to comprehensive financial guidance that can help them at a pivotal moment in their lives and careers.

For millennial and Gen Z clients, a fee-for-service model isn't novel. Instead, it fits how most younger people manage their lives, paying monthly subscriptions for everything from TV, movies, and music to meal planning and dating services.

Fee-for-Service Is No Fad

Savvy financial advisors recognize that fee-for-service planning isn't a passing trend, but an enduring facet of the wealth management industry that will continue to increase in usage as older generations pass on their wealth to their children and grandchildren. These advisors, many of whom are young themselves, want to begin building and nurturing relationships that are likely to convert to an AUM-based model in the future.

Without the technology to offer fee-based financial planning, firms not only miss out on a lucrative revenue stream, but they forgo an essential tool for advisor recruitment and retention. Unlike productivity and workflow tools, fee-for-service technology delivers an immediate return on investment. Our technology has helped advisors generate over $800 million in lifetime fee-based financial planning. Beyond adding new revenue, helping to build relationships, and serving as a recruitment/retention tool, fee-for-service technology can help firms operate more efficiently. Firms using these tools no longer rely on several staff members to handle administrative tasks such as mailed checks and multitudes of spreadsheets. They can redeploy those employees to more critical, revenue-generating activities.

27%

reduction in manual paperwork for one firm after implementing AdvicePay

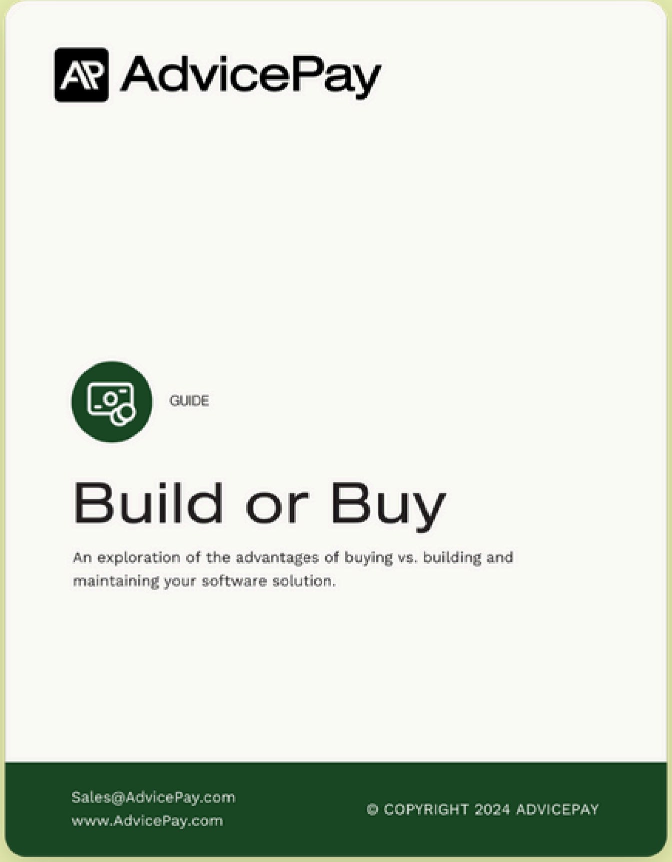
Simplifying Operations

One firm saw a 27% reduction in manual paperwork after implementing AdvicePay, significantly improving operational efficiency. This shift not only saved time but also allowed the firm to focus more on strategic client interactions, showcasing the power of automating administrative tasks.

A Tool to Help Manage Compliance Concerns

Additionally, this type of tool can help firms avoid costly mistakes. With compliance features, firms can easily review financial plans in real-time to ensure they are not in violation of the requirements of the Securities and Exchange Commission (SEC) or the Financial Industry Regulatory Authority (FINRA). Typically, firms without a fee-for-planning technology component have relied on spot checks —whereby a tiny fraction of plans are reviewed to ensure their advisors remain compliant. However, firms that use spot-checking as their primary oversight are taking an undue risk because they could be on the hook for hefty fines should an audit reveal more widespread errors.

Fee-for-service financial planning technology is the rare software that directly supports a new, highly lucrative revenue stream while helping firms operate more leanly and compliantly. As RIAs and broker-dealers consider how to allocate future spending, they would be wise to recognize how technology designed to support fee-for-service financial planning can help them meet their most immediate goals while also allowing them to grow and nurture next-generation wealth management clients.



DOWNLOAD GUIDE

3 Ways Home Office Can Personalize Advisor Experiences

AdvicePay

Enhancing Advisor Support with Segmented Tech Solutions

When it comes to technology, 93% of advisors say it plays a critical or very important role in their processes. So it's no surprise that leading firms view technology as a competitive differentiator for attracting and retaining advisors and helping them grow their business. But when your tech needs to support hundreds or thousands of diverse financial professionals, you need flexible, scalable tools to meet everyone's needs.

Here are a few ways that firms are efficiently supporting advisors by creating more personalized experiences in AdvicePay with our new advisor segmentation capability.

Manage Specialized Services

If your firm requires advisors to have specific credentials or training to offer specialized services like estate planning or tax planning, use segmentation to control which advisors can bill for those services in AdvicePay.

Create an engagement workflow that includes the applicable document templates, service descriptions, and deliverables. Add qualified advisors to a group in AdvicePay and then assign the workflow to that group to make it visible. Simply add newly qualified advisors to the group to grant them access.

Pilot Process Changes

Pilot programs are essential for change management, helping your team gather feedback, reduce risk, and boost buy-in before a full rollout.

Whether you're introducing eSign or a new deliverable requirement to your workflow, start by adding your pilot program participants to a group. Then, enable eSign or assign specific engagement workflows to that group in your firm settings. This can help prevent confusion and noise for your non-pilot advisors since only the pilot group will see the workflows you're testing.

Once you've completed your pilot program and refined your new process, rolling it out is as easy – just update the permissions to include all advisors.

Facilitate M&A Integrations

RIA mergers and acquisitions hit record highs in 2024, with strong activity expected to continue. As firms grow, they need tech that supports both immediate needs and long-term scalability.

Post-merger, segmentation allows advisors to maintain their branding, agreements, and processes while giving leadership the ability to monitor all financial planning in one system. When it's time to unify processes, simply transition advisors to a standard workflow and disable outdated ones.

Removing friction from the advisor experience in this way can make for a more successful integration and ensure continued momentum on your growth goals for financial planning revenue.

Tracking the Success of Fee-for-Service Financial Planning

AdvicePay

Why Tracking Matters for Home Office

Launching a fee-for-service program is a strategic move, and just like any other revenue-generating initiative, your fee-for-service program requires tracking and analysis.

- Strategic Oversight
- Resource Allocation
- Advisor Support & Training
- Demonstrating ROI to Leadership

Key Metrics to Monitor

- AUM growth
- AUM conversion rate
- Policies sold
- Financial planning revenue
- Advisor recruitment numbers
- Subscription vs. one-time fee revenue
- Profit margins
- Revenue/advisor
- Advisor adoption rate
- Tech adoption rate
- Number of NIGOs

AUM growth
Compare net new asset growth rates between advisor cohorts to highlight the correlation between fee-for-service planning and AUM growth, demonstrating the program's direct impact.

AUM conversion rate
Calculate the percentage of fee-for-service clients who transition to AUM relationships over time.

Policies sold
Compare insurance policies sold by fee-for-service vs. non-fee-for-service advisors to highlight the cross-selling potential of your program.

Financial planning revenue
Track firm-wide fee-for-service revenue and analyze trends over time. Segment revenue by service type and advisor to identify growth opportunities and top performers.

Advisor recruitment numbers
Monitor and track new advisors citing financial planning as a factor in their decision to join.

Subscription vs. one-time fee revenue
Analyze the balance between recurring and one-time fee revenue.

Profit margins
Conduct cost-benefit analyses to ensure your fee-for-service program is profitable and identify cost-saving opportunities.

Revenue/advisor
Track fee-for-service revenue per advisor to identify your top performers and establish benchmarks.

Advisor adoption rate
Track the percentage of advisors offering fee-for-service planning and develop strategies to boost adoption and overcome barriers.

Tech adoption rate
Track the usage of fee-for-service technology platforms. Provide training and support to improve adoption rates.

Number of NIGOs
Monitor the number of delinquent or past-due plans.

Advice from Your Peers

Insights from fellow advisors

A selection of responses from advisors who specialize in fee-for-service financial planning.

AdvicePay

- "More than ever, clients need and appreciate advice from other humans. AI is a great addition to many areas of life, but it's unlikely it will ever replace the unique interpersonal relationship a client has with a real advisor."

- "Create a defined process for new relationship onboarding and ongoing client management. Know your investment philosophy and stick to it."

- "Developing a customized but repeatable method to determine your fee for a new client engagement as well as renewing planning fees for existing clients is paramount to a sustainable financial planning focused practice."

- "Be sure to show your clients exactly what you provide, and then help them focus on how that information and planning makes them feel. The feeling is what gets you the referral and the repeat business! And there's no better feeling than peace of mind"

- "Always do what is right for the client first, everything else then will take care of itself."

"The days of only managing a client's IRA or investment account are over. In order for me to provide the best advice to my clients, I need to know everything about them, goals and more.

What people want from a Financial Advisor is changing; they want their advisor to be part of their financial life and involved in their financial decisions, not someone that reports performance results once a year.

Fee-based financial planning is a win-win for me and my clients, it ensures that I am their financial partner. It provides them with peace of mind and confidence and I know I am being compensated appropriately for my holistic planning services."

"People want guidance, not just investment management and are willing to pay for great guidance while keeping their assets where they are".

"Fee-for-service versus AUM billing shouldn't be this big philosophical battle. Just figure out your business model and charge the way that makes sense for you - either or both!"

"Some will, some won't, so what? Know who you are and know you're worth. Work on being able to articulate the value succinctly. This has been the hardest thing for me to figure out. We do so much for our clients and sometimes it's impossible to even quantify. The value is sometimes in the things didn't happen because we were there."

"Charging monthly financial planning fees provides stable revenue. Combining that with a small AUM fee for investment management allows revenue to grow from existing clients as they grow."

"Financial Planning isn't a snapshot in time. It must be agile to meet the needs of our clients."

"Fee-for-service financial planning isn't just about providing advice—it's about creating a partnership where clients feel confident, supported, and in control of their financial future.

The key is to focus on transparency, value, and alignment with what truly matters to them. When clients see their money as a tool for happiness and not just numbers on a spreadsheet, financial planning becomes transformational rather than transactional."

- "High-earning professionals in their 30s and 40s value and are willing to pay $300-500/month for financial planning guidance. In my experience "how you're invested" isn't nearly as compelling of a value proposition as cash flow and tax planning."

- "The choice between fee-for-service and AUM billing belongs with the client; different clients prefer different ways of paying. For the me, this is a market-segmentation choice. As an advisor, I serve more clients at higher fees by being payment-method agnostic."

- "If you're not engaging clients by combining an insane client experience with technology, your clients are up for grabs."

- "Be flexible with how you bill your clients. I have clients that would rather pay out of pocket than pull from assets. The fee can be whatever the fee is, but for how the clients pay that fee flexibility is key."

- "I don't understand what the big deal is about fee-for-service. It's not hard. Just do it."

"Fee-for-service financial planning allows clients to clearly see and understand the value of the advice they receive because the fee is fully transparent. Without hidden costs or product sales influencing recommendations, clients can trust that the guidance they're getting is truly in their best interest.

This model fosters deeper client engagement, strengthens trust, and reinforces the long-term impact of quality financial advice."

BIGGEST TAKEAWAYS & QUICK WINS

2025 Trend Report Webinar

May 1 at 11:00 AM MT/1:00 PM ET

We crunched the numbers on over 2 million data points to create this year's report and to understand what's driving the most successful fee-for-service programs.

Join Emily and Juniper on May 1 where they'll cover key insights from this year's trends plus practical tips based on how your firm compares to industry averages, including the tools you can use to put them in motion.

REGISTER TODAY

Juniper Emnett
Head of Product Development

Emily James
Product Marketing Manager