A CONSUMER GUIDE · FROM THE FIDUCIARY POINT OF VIEW

What Does Your Advisor Really Cost?

A Fiduciary's Guide to What You Pay, What It's Worth, and the Question the Industry Would Rather You Never Restate

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First, the one idea under this whole series

You worked your whole life trading *life for money* — by the hour or by the year. Retirement reverses the exchange: from here on, you trade *money for life*, and the job flips with it. While you worked, the right obsession was the wage — the most money for the life you traded. In retirement it is the **exchange rate** — the most life for the money you trade back — and that is a **cost** question. The industry aims your attention at earnings on money; this series aims it at the costs that quietly set your rate, because your capital can only compound on what the costs leave behind. This guide prices the largest cost of all: the advice itself.

The quietest line item in your financial life

Most people can quote their electric bill within ten dollars and their advisory fee not at all. That is not carelessness — it is design. The dominant fee in wealth management is quoted as a small-sounding percentage of your assets, withdrawn directly from the account, never invoiced, and never restated in the one currency retirees actually live on: income. This guide does the restating.

Who is talking: The WealthKare Investment Center is a fiduciary advisory firm that charges a disclosed flat fee — so we are not neutral about the conclusion, and you should weigh what follows accordingly. What we can promise is the fiduciary's version of the argument: stated assumptions, checkable arithmetic, and the honest cases *for* the arrangements we compete against.

The four ways advisors get paid

Model	How it works	Honest pro	Honest con
AUM (percent of assets)	Commonly around 1% of your portfolio, every year, withdrawn from the account	Simple; advisor's pay rises and falls with your balance	The dollars grow with your wealth even when the work doesn't; rarely restated as income cost
Commission	Paid by product providers when you buy	No out-of-pocket fee; fine for one-time transactions	Advice gravity bends toward whatever pays; "free" is the most expensive word in finance
Flat fee	A stated dollar amount for advice and management, invoiced in the open	Same price at every portfolio size; conflicts minimized; easy to compare	Can exceed AUM cost on smaller portfolios; you see the bill (a feature that feels like a con)
Hourly / project	Pay for time, like a CPA	Cheapest for one-off questions	No ongoing management; few retirees use it as the whole answer

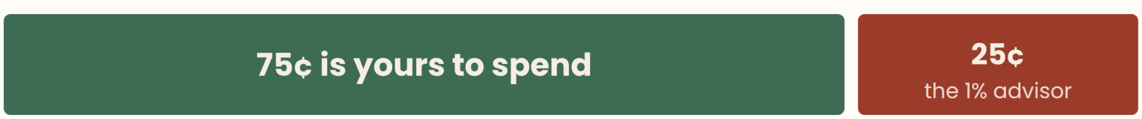
None of these is wicked. Each is right for somebody. The problem is narrower: most households have never seen their own arrangement restated in plain dollars — and the restatement changes minds.

Restatement one: the quarter beside every dollar

The quarter beside every dollar

The same 1% fee, restated against the paycheck it actually comes out of

For every $1.00 of retirement income you draw at 4%...

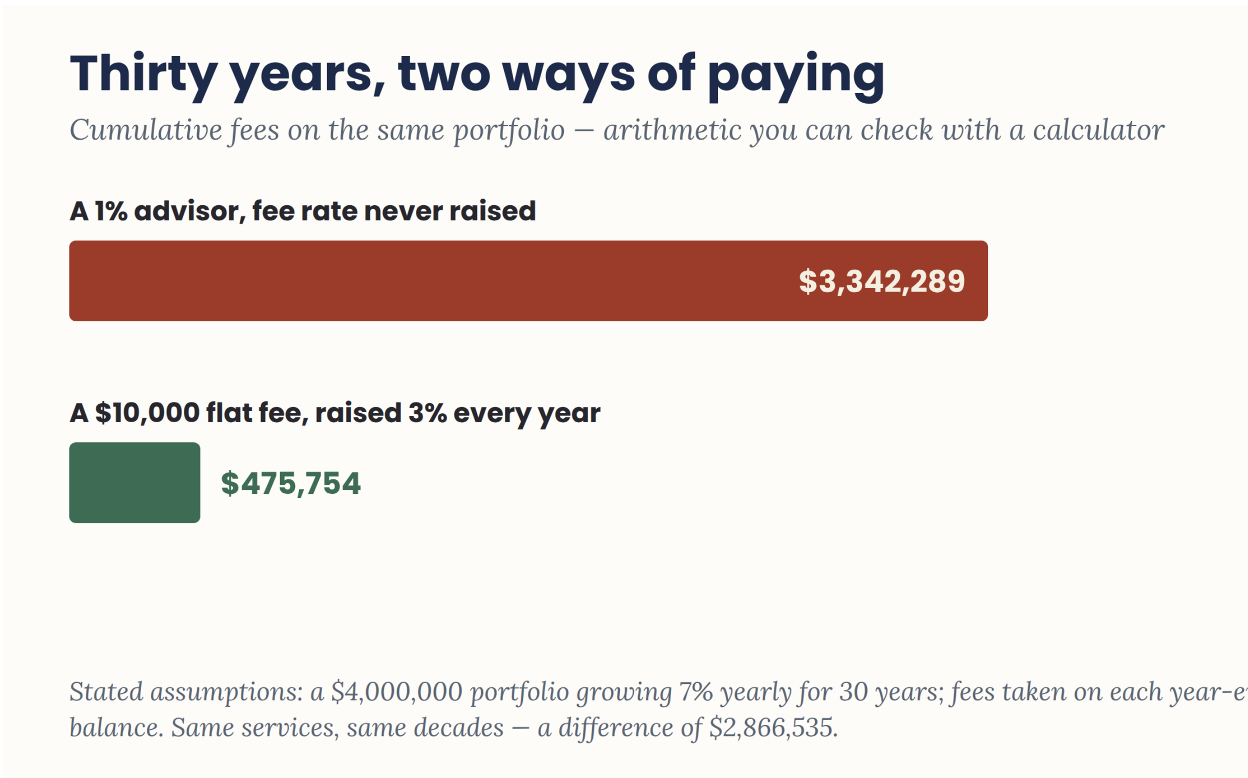


A 1% fee on the portfolio is a 25% fee on a 4% income draw — at every portfolio size, forever. The fee is quoted against your wealth so it never has to be quoted against your income.

Arithmetic, not opinion: a 1% annual fee on the portfolio, divided by a 4% annual income draw, is 25% of the income — at $1 million, at $4 million, at every size, every year.

Notice what this restatement does *not* say. It does not say the advisor is doing nothing — good advisors earn real money honestly. It says the price is a quarter of your paycheck, and prices deserve to be known in the currency you spend. If your advisor is worth a quarter of your retirement income, wonderful — now you know what you are gladly paying. If you have never done this division before, the industry was counting on that.

Restatement two: the thirty-year bill



The percentage fee's dollars grow with your portfolio automatically — the flat fee grows only when it is raised, in the open, where you can object.

The gap is not produced by villainy. It is produced by a percentage doing exactly what percentages do: scaling with your success. The question the comparison forces is the fiduciary one — **did the work scale too?** Managing $4 million is not eight times the work of managing $500,000; it is mostly the same meetings, the same rebalancing, the same phone calls. A fee that automatically octuples while the work roughly holds still is not a scandal. It is simply a price that deserves a restatement — and a comparison.

The honest cases for the other side

Fiduciary means saying this part too. A flat fee is **not** automatically the winner. On a $400,000 portfolio, 1% is $4,000 — less than many flat fees; the percentage model can genuinely serve smaller accounts better. Commissions can be the cheapest path for a true one-time purchase. And some AUM advisors deliver planning, tax work, and hand-holding worth every basis point — the model does not make the advisor. The point of this guide is not that one model is holy. It is that **the honest comparison is a page of arithmetic every household is entitled to see** — your balance, your draw, each model's cost in dollars per year and per decade, side by side. Any advisor, on any model, who will produce that page is dealing with you straight.

Six questions that sort advisors quickly

- What did I pay you last year, in dollars? (Not a percentage — dollars.)
- What is that as a share of the income I drew from the portfolio?
- Are you a fiduciary on my entire relationship, in writing, all the time?
- What happens to your compensation if I buy the products you recommend?
- If my portfolio doubles, what happens to your fee — and to the work you do for me?
- Will you show me my ten-year cost under your model and a flat fee, side by side?

The sixth is the whole guide in one line. A professional confident of their value will run the comparison happily. Reluctance to do arithmetic is itself an answer.

The bottom line

You would not accept "about one percent of your house" as a plumber's price. Advice is the last major purchase in American life still quoted in a currency designed to feel small. Restate your fee in dollars and in income, demand the side-by-side page, and then decide on purpose — whatever you decide. That is the entire revolution, and it fits on an index card.

The full argument — with the history, the evidence, and the math shown at book length — is *The Flat Fee Revolution*. Companion guides in this series: *Is Your Annuity Any Good?* and *Is an Annuity Right for You?* · **InsideYourRetirement.com**