What does a good advice-only financial plan cost?

Understanding advice-only fees

If you are looking for financial guidance without the pressure of product sales, an advice-only arrangement is likely what you want. In this model, the planner does not earn commissions from selling investments, insurance, or other products. Instead, you pay directly for their time and expertise. That raises a natural question: what should that service actually cost?

The short answer is that advice-only fees vary widely because every client situation is different. A single-issue plan for a young professional might be a few hundred dollars, while a comprehensive, ongoing relationship for a high-net-worth household can run several thousand per year. What matters more than the exact number is understanding what you are paying for and why.

What drives the cost of advice-only fees

Several factors determine how much a planner charges for advice-only work. The most important is the scope of the engagement. Are you asking for a one-time financial plan, or do you want ongoing coaching, investment monitoring, and tax coordination? A one-time plan typically involves gathering your data, building a full set of projections, and delivering a written document. That is a defined project with a fixed fee. Ongoing relationships, by contrast, require the planner to stay current with your life changes and market conditions, which means a retainer or an annual subscription fee.

Another factor is the complexity of your finances. A planner who works with a salaried employee who rents an apartment and has one retirement account will spend far less time than one who works with a business owner, a physician with multiple entities, or someone with trusts, restricted stock, and foreign assets. More complexity means more analysis, more coordination, and more liability. That naturally pushes the fee higher.

Geography also plays a role, though remote work has blurred it. Planners in high-cost cities tend to charge more to cover their overhead, but many now serve clients nationally at consistent rates. What you are really paying for is the planner's experience, their ability to model your situation accurately, and their capacity to explain trade-offs clearly.

Common fee structures for advice-only planners

Advice-only planners typically use one of three pricing models: hourly fees, fixed fees, or retainers. Each has its own logic and best use case.

- **Hourly fee:** You pay for the actual time spent. This works well for specific questions or a limited review, such as checking whether you can afford a new home or whether your portfolio is properly diversified. The risk is that the total cost is uncertain until the work is done. Good planners give an estimate upfront and track their time carefully.
- **Fixed fee:** You agree on a price for a defined deliverable, such as a financial plan or an investment policy statement. This gives you cost certainty and lets the planner focus on quality without watching the clock. Fixed fees are common for one-time plans and modular projects like a retirement income strategy or a college funding analysis.
- **Retainer:** You pay a regular amount, often quarterly or annually, for ongoing access and periodic reviews. This model suits people who want a long-term relationship and know they will need advice throughout the year. Retainers often include a base plan plus a set number of check-in meetings, with additional hourly work billed separately.

Some planners also offer subscription-based services with tiers that correspond to different levels of support. The key is that all of these approaches are transparent: you know exactly what you are paying and what you get in return. That is the core promise of advice-only fees.

What you are really paying for

When you pay for advice-only financial planning, you are buying more than a document. You are buying the planner's judgment, their ability to ask the right questions, and their skill at modeling different scenarios. A good plan is not a list of recommendations; it is a decision-making framework that helps you weigh trade-offs and stay on course when life throws you a curveball.

Part of the fee also covers the planner's operating costs. Software licenses for financial planning tools, liability insurance, continuing education, and office expenses all add up. These costs are baked into the fee whether you see them or not. A planner who charges too little may be cutting corners on the tools or the time they invest in your case, which can lead to a weaker plan.

Profit margin is also a legitimate part of the fee. Running a planning practice is a business, and a sustainable business needs to generate enough revenue to cover the owner's time, pay staff, and invest in growth. If a planner cannot make a reasonable living, they will not be around to help you when you need them most. That is why pricing an independent planning service is a balancing act: the fee must be fair to you and fair to the planner.

Capacity planning matters too. A planner who takes on too many clients to keep fees low may not have the bandwidth to serve each one well. The best planners manage their capacity carefully, which sometimes means their fees are higher because they limit the number of

engagements they take. You are paying for the assurance that they will be available and attentive when you call.

Fee disclosure and transparency

Before you engage an advice-only planner, ask for a clear fee disclosure. A reputable planner will be happy to explain their rates, how they calculate time, and what is included in each fee level. They should also disclose any potential conflicts of interest, such as referrals to other professionals where they might receive a commission or referral fee. Transparency is the hallmark of the advice-only model.

Some planners provide a detailed engagement letter that outlines the scope of work, the fee, the timeline, and the deliverables. That document protects both of you. It sets expectations and reduces the chance of misunderstandings later. If a planner is vague about costs or hesitant to put things in writing, consider that a red flag.

How to evaluate whether a fee is reasonable

There is no single "right" fee for advice-only financial planning, but you can assess whether a fee is fair by comparing it to the value you receive. Start by asking what the planner will deliver. Will you get a written plan with specific recommendations? Will they run multiple scenarios? Will they coordinate with your tax accountant or estate attorney? Will they be available for follow-up questions? A higher fee may be justified if it includes a broader scope of work and more personalized attention.

Also consider the planner's credentials and experience. A Certified Financial Planner with twenty years of experience and a specialty in your area will generally charge more than a recent graduate. That higher fee often comes with deeper knowledge and fewer mistakes. It is worth paying for expertise that saves you from costly errors.

Finally, trust your sense of the relationship. Good financial planning is a collaborative process. If the planner listens well, communicates clearly, and seems genuinely interested in your goals, that is worth something. Pricing an independent planning service is not just about the dollar amount; it is about the fit between you and the planner. A fair fee for a good fit is money well spent. A low fee for a poor fit is a waste no matter how cheap it is.

Making the decision

When you are shopping for advice-only financial planning, ask for a few proposals or initial consultations. Compare not just the fees but the scope, the process, and the rapport. Do not choose solely on price. The cheapest option may leave out important work, and the most

expensive may include services you do not need. Look for clarity, honesty, and a planner who treats the relationship as a partnership.

Ultimately, the cost of advice-only fees is an investment in your financial future. A well-constructed plan can save you many times its cost by helping you avoid taxes, make smarter investment decisions, and stay disciplined with your spending and saving. If you find a planner who communicates well and delivers thoughtful, customized advice, the fee is likely a bargain.