

# QUANTIFYING THE VALUE OF FINANCIAL PLANNING ADVICE

FINANCIAL PLANNING STRATEGY	POTENTIAL ECONOMIC IMPACT
<b>INVESTMENT PLANNING BENEFITS</b>	
High-Yield Cash Strategies <sup>1</sup>	4.24%
Picking Lower-Cost Investments <sup>2 3</sup>	0.30% - 0.61%
Asset Allocation <sup>3</sup>	0.52%
Systematic Rebalancing <sup>2 3</sup>	0.14% - 0.30%
Behavioral Coaching <sup>2</sup>	Up to 2.00%
<b>RETIREMENT PLANNING BENEFITS</b>	
Strategic Roth Conversions During Retirement <sup>4</sup>	\$1,000s to \$100,000s
Retirement Withdrawal Order <sup>5</sup>	0.50% - 0.70%
Timing of Social Security Benefits <sup>5</sup>	\$10,000s
Creating Plan So You Can Stop Working! <sup>5</sup>	Priceless!
<b>LOWER TAX STRATEGY BENEFITS</b>	
Savings from Tax Deductions, Tax-Free Investing (Roth, Backdoor Roth, 529, etc) <sup>5</sup>	\$1,000s to \$10,000s
Tax Deferral (Retirement contributions) <sup>5</sup>	\$10,000s to \$100,000s
Tax Loss Harvesting <sup>5</sup>	0.20% - 0.60%
<b>INSURANCE PLANNING BENEFITS</b>	
Optimize Insurance Coverage <sup>5</sup>	\$100s or \$1,000s
Eliminate Financial Catastrophes <sup>5</sup>	Priceless!
<b>ESTATE PLANNING BENEFITS</b>	
Probate Cost Savings <sup>5</sup>	\$1,000s to \$10,000s
Ensure Assets Go To Loved Ones <sup>5</sup>	Priceless!
<b>IDENTITY THEFT PROTECTION BENEFITS</b>	
Protection From Identity Theft <sup>6</sup>	\$1,000s
<b>NON-MONETARY BENEFITS</b>	
Reduce Bias <sup>5</sup>	Unquantifiable?
Ensure Things Actually Get Done! <sup>5</sup>	Priceless!
Free Up Your Time <sup>5</sup>	Emotional Well-Being!
<b>TYPES OF IMPACT</b>	
Financial Gain	
Well-Being Enhancement	

\*Value is deemed significant but too unique to each investor to quantify.

<sup>1</sup> Difference between rate of Ally high-yield savings and Bank of America regular savings account, as of 9/12/2023.

<sup>2</sup> "Quantifying Vanguard Advisor's Alpha" by Kinniry, Jaconetti, DiJoseph, Walker & Quinn, 2022

<sup>3</sup> "Capital Sigma: The Advisor Advantage" by Investnet & PMC's Quantitative Research Group, 2019

<sup>4</sup> Internal simulations of actual client situations using Right Capital. Kitces (2015) estimates this at 0% to 30% of total wealth.

<sup>5</sup> The Kitces Report, Volume 3: Evaluating Financial Planning Strategies And Quantifying Their Economic Impact" by Kitces, 2015

<sup>6</sup> "Identity Theft Is on the Rise, Both in Incidents and Losses" by Experian, 2022

\*If you have any questions regarding the criteria and assumptions above, or the risks and limitations of these metrics, please [email us](mailto:info@districtcapitalmanagement.com)