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# ADVISORS

magazine

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**DANA PERINO**  
POLITICAL NEWS ANALYST

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Helping families navigate

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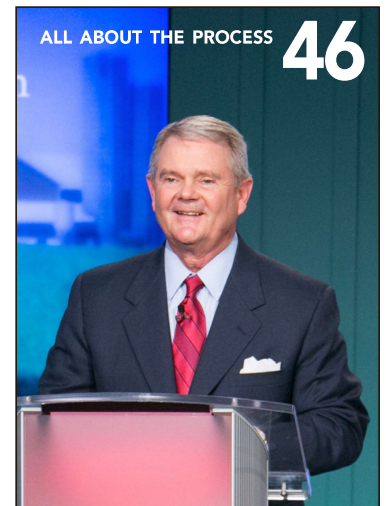
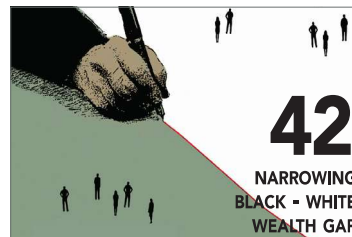
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BY BOBBY L. HICKMAN

# FINANCIAL PLANNING FOR ALL

## Sound strategies for all income levels

**A**dvisors are often divided over the question of whether to set client minimums. Some prefer to focus on clients with higher levels of investable assets to ensure they generate enough revenue to support their practice. Others reject minimums so they can serve any client who needs financial advice.

Only 10 percent of financial advisors do not set client minimums (based on assets under management or revenue) and have no plans to add them, according to a recent study by Facet Wealth and CANA Research. Twenty-five percent of those surveyed have minimums they always follow; 44 percent do not enforce their firm's minimums; and 17 percent are considering

"For someone who has \$50,000, that money is just as valuable to them as \$1 million is to someone else," Esposito said. "We can still provide financial solutions for them. They might not be able to invest, but they may still need life insurance or mortgage insurance."

Another reason for the no-minimum policy is that most of Esposito's clients come through referrals. He said he always looks for a good fit between prospects and advisors, and always takes referrals regardless of the circumstances, as those come from existing clients who have confidence in him and are proud of their working relationship.

Esposito said he has recruited several large producers into his 44-member firm who prefer to work



"That's when they call you asking what to do next. Now the person who only had \$100,000 now has \$1 million – it's rewarding to help them with financial solutions they haven't had to think about before."

Working with a variety of clients makes financial education and solid communication top priorities at The Pinnacle Financial Group. Esposito said his team is trained well to avoid slipping into industry jargon.

"Sometimes I catch myself asking a client who they would like to add as a bene on their account, they look at me and say, 'What is a bene?' We have to remember that they don't know the industry jargon. I find that it works best when I speak plainly to a client. I also use stories and personal experiences to help describe what we're going to do."



## WE UNDERSTAND THE CHALLENGES SMALL BUSINESS OWNERS AND ENTREPRENEURS FACE.

adopting account minimums. The survey also found most advisors spend 10 to 20 percent of their time servicing unprofitable accounts.

The Pinnacle Financial Group on Long Island has no minimums, allowing it to serve a wide range of clients, according to Joseph Esposito, president and founder. His clients range from teachers and blue-collar workers to small business owners and high-net-worth individuals.

with high-net-worth clients.

"I understand that's the way they do business. Sometimes I question myself for not having a minimum, but I always decide not to do it," he said.

He gave an example of working with a teacher to rollover \$100,000 in a 401(k) plan. Later, after his parents pass away and he receives a sizeable inheritance, the situation changes and the client needs more help.



He described a recent call from a client who is a highly intelligent chemistry teacher. The client fumbled through his questions and apologized repeatedly, saying he felt stupid. Esposito responded that he knows nothing about chemistry, so he would feel the same way trying to discuss the teacher's field. Esposito told the teacher he should ask his questions as plainly as possible so they could decide how to move forward.

"I have always run my business the same way: very client-centric," he added. "Even before the pandemic, I was always there for them and kept lines of communication open. From our first meeting, I give them all the information they need and tell them to reach out to me for anything at all. We have regular conversations

about their accounts because everybody wants to know about their money. We always go the extra mile – anything to help."

The key to a client-centric approach is simply listening closely to understand what is most important to clients. For example, when Esposito meets with a young family with a modest income, planning for retirement is not as important as protecting their children. In that situation, Esposito discusses insurance.

"Financial planning is not always about retirement planning: it's about the whole picture," he said. "Whether clients are closing in on retirement or not, you do the same thing. You basically evaluate their needs and create an inventory of their financial life and what they

will need. We don't need to try to knock the cover off the ball. It can be a conservative plan with a reasonable rate of return that gives you confidence."

With certified financial planners on staff, Esposito said, all the firm's advisors look at each client's entire financial picture. Then they recommend steps to protect assets, which may include investments, life insurance, long-term care riders, and estate planning. He is also a dual-registered advisory, which carries fiduciary responsibilities to always operate with the clients' best interest.

Esposito said one shortcoming in the financial services industry is an over-emphasis on pricing. He noted there is a lack of emphasis on the value of advice, the value of risk management, and the value of having a person who can help others. He noted one company describes itself as a "financial translator," a useful term that shifts the focus of industry marketing away from price back to more important concerns.

"I'm not a stockbroker who just sells you IBM or McDonald's stock," he added. "I'm managing a portfolio and managing risk to address your objectives, your goals, and your wishes."

For more information on Pinnacle Financial Group, visit: [thepinnaclefg.com](http://thepinnaclefg.com)



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