



Safe Harbor's Service Models FAQs

Q1. What are the main differences between the “Anchorage” and “Pierside” service programs?

A1. Anchorage is our traditional fee-only, hourly or project fee service model. We work with these clients as we always have, on a fee for service basis, either with a comprehensive financial plan or one or more topic-specific engagements. Once the project/engagement is complete there is no ongoing relationship with Safe Harbor though we do recommend periodic reviews as appropriate.

The Pierside program starts with a project, either a comprehensive plan or a specific topic project and, unlike the Anchorage program, this project then becomes the baseline for our ongoing service model. Pierside clients have several engagements with Safe Harbor during the year to keep them on track with their action plan, make “course corrections” as needed, and other services. This program is intended to cover the parts of the financial planning process that we currently do not really do for our project clients—plan implementation, monitoring, and adjustments.

Q2. Will you still offer fee-only, hourly or project fee services?

A2. Yes and no. Our plan at the outset of the Pierside program rollout is that George Reilly will only work with Pierside clients and any hourly/project work will be done as a precursor to the Pierside service program. He may still do some hourly/project work on a space available basis.

Didi Dorsett will continue to work with clients on an hourly/project basis and will be the lead planner for the Anchorage program. However, given the demand for this type of service we are seeing periods of sometimes significant delay in being able to take on new Anchorage clients.

Q3. Why should I sign up for ongoing services? Can't I do the same things the program offers on my own?

A3. You can absolutely take responsibility for the various services that we offer. In fact, since you have the vested interest in your financial success we would say you should take full responsibility – at least to make sure the various aspects of the program get taken care of by you or others. Our Pierside program is intentionally not designed for everyone. If you are comfortable managing your own funds and making adjustments over time and handling your taxes and getting legal readiness documents in place and matched to your financial plan you are not our target client.

Q4. What is the value to me of signing up for the Pierside service program?

A4. A simple way to summarize the program benefits is the acronym **SEA³** which stands for *Service, Expertise, Access, Affordability and Accountability*. Pierside clients benefit from an annual service program that helps keep them on track for their planning goals. They have the benefit of an experienced financial planner who is also an estate planning attorney and has a tax background. If you are a Pierside client you have guaranteed access to your planning team as



soon as practicable, and certainly ahead of any non-program clients. The Pierside program is an affordable holistic financial management choice compared to other service offerings from other financial professionals. And finally, but by no means the least important benefit, is the accountability our Pierside program clients have for their financial plan and making the adjustments needed over time to have the best possible outcome. The program's annual service schedule reinforces the accountability of both the client and the Safe Harbor team to achieving mission success.

Q5. Is there any way to demonstrate the added value to clients of Pierside program membership?

A5. Beyond the SEA³ attributes discussed above, the financial professionals at Vanguard and Morningstar have researched the added value of clients working with financial advisors.

Vanguard found added value in what they call "Advisor Alpha" which they define as a calculation of how much an advisor can add to a client in net returns by looking at their approach to five wealth management principles. Those principles are **1) Being an effective behavioral coach; 2) Applying an asset location strategy; 3) Employing cost-effective investments; 4) Maintaining the proper asset allocation through rebalancing; and 5) Implementing a spending strategy.** Not coincidentally these principles are all part of the Pierside program service schedule. Vanguard determined that this Advisor's Alpha framework made it possible for advisors to add up to about 3% in net returns for their clients on a recurring basis.

Morningstar took a broader look at the value of financial planning rather than just investment planning and called the additional value they found "Gamma" which they define as "the additional expected retirement income achieved by an individual investor from making more intelligent financial planning decisions." Morningstar found that the value of Gamma for retirees was an additional 1.82% in total returns. Their conclusion was that "planners charging 'just' 1%/year for managing retirement assets and providing ongoing financial planning advice have a huge net positive effect on generating retirement income, in addition to all the more intangible benefits of financial planning." Since the Pierside program charges nowhere near 1% per year of a client's investable assets the actual Gamma value to our clients would seem to be much higher.

Of course, neither the "Advisor Alpha" nor "Gamma" additional returns are guaranteed for our Pierside clients but the principles are the same and we would expect to see a net value to our clients far in excess of the fees paid for the program.

Beyond Alpha and Gamma we have a chart from one of our colleagues on page 4 that shows additional value for working with a financial planner without the use of any Greek terms!

Q6. Pierside clients also get some tax services and discounts on legal work. If I don't use those services is my fee lower?

A6. Unfortunately not. Whether a client chooses to take advantage of the other service discounts is a personal preference and we cannot offer an "a la carte" fee system.



Q7. If I am not happy with the program what is my commitment?

A7. We are asking our Pierside clients to agree to a one-year program period so they can have a full opportunity to assess the value of the annual service program. Of course if it becomes clear early on that the program is just not for the client or is not what they envisioned we will offer an early termination without penalty. Once the initial year is completed a Pierside client can end their participation at the end of any quarter and no fees will be owed for the balance of the year.

Q8. Will the fees increase once I am in the program?

A8. Probably, but not for a while. Cost of living adjustments are a fact of life. We have decided to hold the fee structure steady for Pierside program clients for 2 years and then reassess the fee at that point. And, of course, if you are not interested in continuing with the program at any time after the first year, due to fee increases or any other reason, you are not locked in to a long-term contract.

Q9. You say that Pierside fees cover a portion of planning projects. Can you be more specific?

A9. One of the goals of the Pierside program is to help our clients stay on top of their financial issues. We have seen over the years that some of our hourly clients are reluctant to call us about something because they don't want to incur an hourly service fee. In many cases that is an unfounded fear as we just don't charge for most simple questions. But occasionally a call or an email requires us to do some analysis or research and is treated as an hourly project, usually an addendum to a previous project but occasionally a new project.

For Pierside clients who are already paying a fee for access and services there should be no hesitation to call or email us with a question. If it is a simple project it will generally be covered fully, or in large part by that quarter's program fee. If more work is involved we will discuss that with the client before proceeding. In almost every case we can envision some of the quarterly fee will be applied to the project but the client may have to pay an additional fee for that project. But, as mentioned above, we will always discuss the fee with the client in advance of doing any work so there are no surprises or misunderstandings.

Q10. How does program payment work?

A10. Pierside program clients have the option of writing a check at the beginning of each quarter for the \$1000 fee (or \$1500 for Pierside Plus clients) or we can set up a direct invoicing process using our Square Invoice credit/debit card payment program. We don't pass on the service charges to clients using this payment program. Any additional fees for projects during the year are paid according to the terms of the engagement agreement for that project. We are trying to keep it simple.

10 REASONS SOMEONE ACTUALLY SEEKS OUT (FINANCIAL) ADVICE



To Reduce Complexity

An advisor helps to highlight which information actually matters the most.



To Take Action

An advisor can help someone take decisive action to actually get going.



To Help Make Better Tradeoffs

An advisor can help people rationally evaluate trade-offs (despite a whole host of behavioral biases), and provide the insight and wisdom that comes from experience of having seen the same situation many times before.



To Increase Confidence

An advisor can provide confidence-building validation as an informed second opinion.



To Feel Safer

An advisor can relieve the mental stress of wondering if the decision being made is the "right" path to take.



To Offload Unpleasantness

An advisor can step in to handle the tasks that people don't want to spend their time on, so they can spend their time in ways that they'll enjoy more.



To Have Someone To Blame

Delegating at least partial responsibility to an advisor can help reduce how often couples blame each other for their financial woes.



To Make Someone ELSE Happy

An advisor often supports relationships that go beyond just the client themselves.



To Receive Encouragement

An advisor can provide the emotional support and encouragement, serving as someone to talk to about financial challenges that can't be talked about with anyone else.



To Save Time

Even if the individual was going to arrive at the "right" answer on their own, an advisor can help someone save a lot of time going through the process.