

FOUNTAIN — of — YOUTH

Fee-only planner Marnie Aznar finds success and satisfaction serving her peers: young professionals juggling the demands of work and family

BY KAREN HANSEN WEESE

IF YOUR CLIENTS CALL TO SAY THEY'RE BRINGING THEIR CHILDREN to your meeting this afternoon, you'll probably put on an extra pot of coffee for the additional visitors, review the succession plan that is transferring ownership of the family business to the next generation, and print out some materials regarding the grandchildren's college funding.

Not Marnie Aznar. When her clients call to say they're bringing their kids, she's more likely to set out some apple juice in sippy cups for the extra guests, scare up a few stuffed animals, and arrange coloring books on an office coffee table that's just the right height for pint-sized artists.

While many advisors duke it out over the wealthy silver-haired set, Aznar, of Aznar Financial Advisors in Morris Plains, New Jersey, has found success and satisfaction serving folks who are more likely to have a stroller in the trunk than a set of golf clubs, and whose night on the town is less likely to be an evening at the opera than a dance recital of a dozen kindergartners twirling about in pink tutus.

At 29, married, and with a two-year-old daughter, Aznar fits her own client profile to a T—but she found her target clientele almost by accident. When she founded her fee-only firm four years ago, she simply didn't think that most well-heeled retirees would trust a 25-year-old with their seven-digit portfolios. "Maybe I didn't have enough confidence at the time, but I just didn't think that a 65-year-old man with \$3 million was going to hire me," she says. "Perhaps inevitably, I felt more comfortable with clients who were more similar to me, and they felt more

Marnie Aznar, left, takes a break from work with her daughter, Chloe, age two.



comfortable with me." When Aznar tells her clients, who range in age from the mid-20s to the mid-40s, that she understands their concerns about educating their children, affording a home, or handling the tug-of-war between career and family, they know she really does, because she's facing them, too. "I have a lot of young professional women who are moms, and they're dealing with the same struggles I am," she says. "It just makes it easier for them, and for me, to be able to relate."

Although Aznar started her professional life working with the aforementioned moneyed oldsters (she spent two years providing financial planning to corporate executives at the Ayco Company, LLP, and one year doing so at PriceWaterhouseCoopers), she especially enjoys helping young clients because their futures are wide open. A few smart moves early in the game can change the shape of a young client's future on a scale that can't be matched by even the cleverest financial strategies implemented for an older client, she notes. "I had a young couple, both 25 years old, with no idea where to even begin. To spend a couple of hours with them and get them on the right track, so that they're saving in the right places, can make such a tremendous difference. They hadn't even heard of a Roth IRA, and weren't contributing to their 401(k)s because they didn't think they could," she says. "It makes you feel great to be able to help them start out on the right foot."

Photo: Danny Sanchez

Despite the industrywide drooling over the prosperous baby boom demographic, an equally appealing market can be found among the next generation, says Aznar. "But they're much more skeptical than the baby boomers, and so they're looking for conflict-free, objective advice," she says. That skepticism works out well for the fee-only Aznar, who charges clients one of three ways: an annual retainer fee; a one-time project fee for a comprehensive financial plan; or an hourly rate. The different models enable her to help people who wouldn't typically get the benefits of working with a fee-only planner, she says. Moreover, since so few fee-only planners accept her target clients, the referral pipeline is almost always brimming. "When someone in their 30s in northern New Jersey without a tremendous amount of assets types their zip code into NAPFA's Web site, there aren't that many options for them [other than my firm]. So I get a lot of business that way!" she says with a laugh.

Saving Grace

Aznar's clients generally have few assets in the bank, but their incomes are substantial, and one of their most pressing concerns is the way those substantial sums seem to slip through their fingers. Getting clients to cut spending might seem like one of the less appealing aspects of financial planning. While nobody wants to be the grim-faced party-pooper forever glowering at a client's every splurge, clients who are overspending generally know they're overspending, Aznar says. They just don't know what to do about it.

Aznar starts by having the clients track their spending for at least two months to establish where the money is actually going. "The process, although sometimes a bit painful, has been a real eye opener for a lot of clients who are shocked at how much money is going to Dunkin' Donuts or Starbucks every month, or to dining out or personal care," she says. "This process can often be the beginning of a reduction in spending because it raises their awareness about their actual cash flow, which is very different than what they had thought." To reduce insurance expenses, she may recommend raising the deductibles on the clients' policies; to reduce entertainment expenses, she may suggest that they reduce or cancel subscription services (such as cable TV) that they're not actually using. If the client pays a health club membership but never actually goes to the club, she'll encourage them to cancel it, too. "I'm a big believer in exercise and physical health, but if they're not going and they know they're not going to go, why waste the \$60 every month?" she says.

To diminish the impact of future spending, she'll counsel clients to spread their major expenses over several years, rather than incurring them all at once. "If the client wants to redo their basement, their kitchen, and their landscaping, showing them the impact of doing it over four years instead of all right now is usually appealing to them," she says. As for encouraging future savings, Aznar often recommends a "savings by default" approach, rather than a traditional budgeting regimen. Once the clients decide how much they can contribute each month to their

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Year practice began: 1999

Number of advisors in office: 1

Number of clients: 45

Compensation method(s): Fee-only (annual retainer, project fee for one-time financial plan, or hourly)

Fee for managing assets: NA

Hourly rate: \$150

Clientele: Typically young professional couples ranging in age from mid-20s to mid-40s and living in northern New Jersey

Education: Bachelor's degree in hotel administration from Cornell; MBA from Fairleigh Dickinson University (New Jersey)

Previous incarnations: Comprehensive financial planner for corporate executives at Ayco Company, LLC; similar position at PriceWaterhouseCoopers

Professional designations: CFP

Outside interests: Running, playing volleyball, teaching finance courses at a local university, spending time with husband and two-year-old daughter

401(k) plans, 529 plans, IRAs, and other savings vehicles, she sets up the clients' accounts so that all of the contributions are made automatically. "I have found that when money is automatically withdrawn, be it through a deferred comp plan, a 529 plan for their kids, or a taxable account for long-term savings, somehow they manage to live without it," she says. The approach works. Aznar helped one client couple that was saving \$20,000 per year to begin saving a whopping \$125,000 instead, simply by enrolling both spouses in their deferred comp plans at work, enrolling one spouse in a supplemental savings plan, establishing an automatic monthly contribution to a 529 plan, and setting up an automatic monthly transfer to a savings account for shorter-term goals.

Striking Out on Her Own

Providing comprehensive planning can be a stretch for the staff of any firm, but when that staff is only one person, it can be especially tough. Still, Aznar wouldn't have it any other way. Being her own boss allows her to set her own schedule: She generally works all morning in her home office, spends a few afternoon hours with her two year-old, Chloe, and then works again for several hours in the evening. "It works out well because most of my clients want to meet in the evenings or mornings, anyway," she says. "I end up putting in more than 40 hours a week;

TURNING THE TABLES

THE CLICHÉ ABOUT BEING “ON THE same side of the table” as the client is about as old and tired as they get in the planning world. There are times, however, when it pays to really sit there—not just on the client’s side, but in their chair (preferably when they’re not in it, unless you want a whole different set of problems). When Marnie Aznar conducted her client evaluations recently, she was pleased by the positive responses, but totally surprised by one entry: “Your chairs are uncomfortable.” “Who knew?” she says with a laugh. “I don’t sit in those chairs, so I would never have known that without the evaluation. Client evaluations are really helpful, because certain issues comes back that you wouldn’t necessarily think of.”

Still, as Aznar notes, it’s even more helpful to put yourself in the client’s place on an emotional level, especially when things don’t go as planned. Soon after launching her firm, Aznar helped a client roll over an annuity, and although she and the client discussed surrender charges and she even asked the client to confirm that the surrender charge period had ended, neither of them actually confirmed that fact, and the client was charged. Although the client didn’t expect Aznar to eat the fee herself, she did so. “I felt that the right thing to do was pay for it, learn from my mistake, and move on,” she says. “I think in the long run, it was a small price to pay.” The client was impressed, says Aznar. “She told me, ‘I never would have asked you to pay it, but you’re a good businesswoman.’”

it’s just kind of a split shift.”

She also enjoys not having to deal with the rigmarole of office politics. “Working at home, you get so much more done. That was one of my frustrations in the corporate environment—that it was all about face time,” she says. “If I’m efficient enough to get 10 hours worth of work done in 6 hours, I should be able to reap the benefits of that, rather than having to stay at my

desk and look busy. When I’m in my office, I can work, and get my work done.”

Aznar makes the most of her hours in the office by embracing technology in a variety of forms. She maintains a paperless office using PaperPort software (www.paperport.com) for electronic filing and an e-mail service called MaxEmail (www.maxemail.com), which enables her to receive faxes as PDF files sent to her e-mail account. The latter service “seems so minor, but it’s a great change, because if you’re paperless, you’d have to scan those faxes,” she says. “Now I just save them and never have to print them at all.” To skip a step in the other direction (for outgoing e-mails), she uses a program called AttachPlus (www.attachplus.com) to convert files of all types into PDF files in a single step. “If I have a Word or Excel document and I want to attach it to an e-mail as a PDF, I can attach it, convert it, and password-protect it, all in one move,” she says. She employs e-mail for client communications as much as possible, and depends upon a program called ProTracker (www.protracker.com) for client contact management.

Without an onsite IT staff person, it can be difficult to stay on top of the latest technology advances, but Aznar finds assistance in industry publications, particularly *The Virtual Office News* (www.virtualofficeneews.com), published by Joel Bruckenstein and David Drucker. She also calls upon experts from time to time; she recently consulted Trumpet, Inc., a technology consulting firm serving financial planners, for assistance with her scanner and electronic filing system. “It was only a couple of hours over the phone, but it was a really good investment,” she says.

Outsourcing Her Way to Success

Outsourcing has also proven fruitful for this one-woman firm. Aznar depends upon Low Load Insurance Services (www.llis.com) of Tampa, Florida, to handle the legwork associated with procuring insurance. For clients with significant portfolios, she looks to a company called Portfolio Solutions (www.psimvest.org) in Troy, Michigan, for asset management services. After assessing the client’s risk tolerance, Aznar contacts the company with a general recommendation, such as a 60/40 stock/bond allocation. The company responds with an allocation of specific



funds for Aznar to review and revise; once she’s happy, she takes the portfolio directly to the client. All client communication is funneled through her, and the service costs 20 basis points, charged directly to the client. “They’re 100% passive, so they use DFA and Vanguard and exchange-traded funds, and they build muni bond portfolios in taxable accounts,” says Aznar. “They do all of the actual investing and portfolio reporting, they look at the accounts every week to see if they need rebalancing, and they’re very aggressive with tax-loss harvesting. So far, it’s worked out really well.”

Giving an Education

As if running a one-woman firm and chasing after a two-year-old weren’t enough to keep her busy, Aznar also enjoys teaching finance courses at Fairleigh Dickinson University, where she herself earned an MBA. She teaches undergraduate and graduate courses, as well as a program aimed at teaching high school students about personal finance. “It scares me that people can go through 12 grades, four years of college, get an MBA, and still have no idea about personal finance. I can’t believe the level of professional people who come into my office and don’t know what a stock or bond is, though it’s not their fault, because [that kind of information] isn’t integrated into our educational system,” she says. “We as a profession really need to make an effort to educate our youth about personal finance, and [this course] is my way of trying to contribute a bit to that.”

SPREADING THE WORD

DO YOU EVER FEEL LIKE YOU SPEND MORE TIME, EFFORT, AND MONEY luring new clients to your door than actually working with existing clients? Perhaps you're making things harder than they need to be.

Marnie Aznar keeps it simple by eschewing several old marketing standbys, including the glossy brochure, the seminar, and the direct-mail campaign. Instead, she prefers a more subtle approach: She makes herself available as a media source, networks with other planners and professionals, and keeps her Web site and her NAPFA and FPA referral profiles as up-to-date as possible. While many NAPFA members aggressively court the many referrals that come to them through the organization's Web site—plying them with shiny pamphlets, phone calls, and tomes of information—Aznar tends to hold off until the right client comes along,


and then simply sends an e-mail introducing herself and directing the prospect to her Web site for more information.

Once prospects reach Aznar's Web site (www.aznarfinancialadvisors.com), the process of getting them into her office for an initial meeting requires only a small investment of time on her part. The site spells out her credentials, ideal client profile, compensation structure, and other details, and there's a link on the site with directions to her office, so she doesn't even have to call to give them directions. Aznar's young clients respond well to this Web-based approach. "The people that I'm targeting look for a planner by going online and doing a Google search for a fee-only planner in the area," she says. "A lot of times I'll have a prospect come in, never having spoken to them on the phone; we've just communicated by e-mail."

In an industry where advisors are encouraged to focus on wealthy retirees and to flock together into ensemble firms, Marnie Aznar and her single-proprietor firm are doing just fine. In a world where the most common form of fee-based compensation is based on assets under management, Aznar's approach to serving young clients on a retainer or hourly basis is proof

that you can find rewards, both personal and professional, in ignoring the conventional wisdom.

Young professionals struggling to manage expenses and build their portfolios may not be the slam-dunk revenue producers that older, wealthier clients are, and it might seem odd to have crayons and teddy bears in your office

for the emergency entertainment of young visitors. Then again, whom would you rather serve: The people you can guide to financial security, or the ones who are already there? 

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