Why advice-only financial planning might be the right fit for your money goals

When people start looking for help with their finances, they often assume the person giving the advice will also be the one selling them products. Stocks, bonds, insurance policies, annuities, the list of potential commissions is long. But there is a different model that has been gaining attention, especially among those who want guidance without the pressure to buy something. It is called advice-only financial planning, and it strips the process down to its core: unbiased counsel for a flat or hourly fee.

In this model, the planner does not earn commissions on the products they recommend. They do not manage assets or trade securities on your behalf. Instead, they sit with you, review your whole picture, and lay out a plan. You take that plan and, if you need specific products, you buy them elsewhere. The relationship stays focused on strategy, not transactions.

How advice-only financial planning differs from traditional models

Most financial advisors work under a mix of fee-based and commission-based compensation. They might charge a percentage of assets under management (AUM) and also collect trailing commissions on mutual funds or insurance policies. Over time, those commissions can create subtle conflicts. The advisor may steer you toward products that pay them more, even if a lower-cost alternative would serve you better.

Advice-only financial planning removes that conflict entirely. The planner charges a flat project fee, an hourly rate, or a retainer. They do not hold your accounts or earn anything from the products you eventually buy. This lets them recommend the simplest, most cost-effective solution, even if it means telling you to open a basic index fund account at a discount brokerage and walk away.

For the client, this means the advice is the product. You pay for thinking time, analysis, and recommendations. Nothing else.

Who benefits most from paying for advice only

Not everyone needs ongoing portfolio management. If you are in the accumulation phase and your investments are on autopilot in low-cost index funds, you might only need a checkup every year or two. Paying a percentage of AUM for that feels wasteful, and it probably is. An advice-only engagement lets you buy targeted help when you need it.

Other common scenarios include:

- You have a complex tax situation from a business sale or inheritance and need a one-time plan to minimize the hit.
- You are approaching retirement and want a withdrawal strategy that balances taxes, social security timing, and required minimum distributions.
- You are considering a major life change like early retirement, a career shift, or relocating abroad and need someone to stress-test the numbers.
- You want a second opinion on your existing advisor's recommendations without firing that person yet.
- You are helping aging parents organize their finances and need a neutral third party to guide the conversation.

In each case, the engagement is finite. You pay for the plan, implement it yourself or with a low-cost broker, and move on. There is no ongoing fee to eat into returns.

What to expect in an advice-only engagement

A typical advice-only financial planning process starts with a discovery session. The planner gathers your statements, tax returns, insurance policies, estate documents, and any other relevant paperwork. They ask about your goals, your risk tolerance, your time horizon, and the trade-offs you are willing to make.

Then comes the analysis. The planner runs projections, models different scenarios, and identifies gaps. They might find that you are over-insured in one area and under-insured in another, or that your asset allocation is too aggressive given your actual spending needs. They will also look at tax efficiency: which accounts to draw from first, whether a Roth conversion makes sense, and how to manage capital gains.

Finally, you get a written plan and a meeting to walk through it. The planner explains the reasoning behind each recommendation. They do not hand you a prospectus or ask you to sign an account transfer form. They give you a roadmap and send you on your way.

Some planners offer implementation support for an additional fee. They might help you open accounts, execute trades, or set up automatic transfers. But they still do not take custody of your assets or earn commissions on the trades. The separation between advice and product remains intact.

How to evaluate an advice-only financial planner

Since the model is less common than the traditional AUM or commission-based ones, you need to know what questions to ask before hiring someone.

First, confirm they are truly advice-only. Ask directly: “Do you sell any financial products, earn commissions, or receive third-party compensation for referrals?” A genuine advice-only planner will answer no to all three. If they hedge or mention that they “can also manage assets if you want,” they are not advice-only in the strict sense.

Second, look at their credentials. The certified financial planner (CFP) designation is a strong baseline. It requires a fiduciary standard, meaning the planner must act in your best interest. Some planners also hold the Chartered Financial Analyst (CFA) or Certified Public Accountant (CPA) designations, which add depth in investments or taxes respectively.

Third, understand their fee structure. Common arrangements include:

- Hourly rates, typically between $200 and $500 per hour depending on complexity and location.
- Flat project fees for a comprehensive plan, often ranging from $1,500 to $5,000.
- Monthly retainer fees for ongoing advice without asset management, usually $100 to $500 per month.

Ask for an engagement letter that spells out exactly what you will receive and what it will cost. No surprises.

Potential trade-offs you should know about

Advice-only financial planning is not a perfect fit for every situation. If you struggle to stick to a budget or have trouble executing on recommendations without handholding, you may need more ongoing support. A traditional advisor who manages your accounts and rebalances quarterly might be a better fit, even with the higher cost.

There is also the question of accountability. When a planner manages your money, they have a legal responsibility to keep it safe and report to you. With advice-only, once you receive the plan, the responsibility to act falls entirely on you. If you delay implementation or make emotional decisions during a market downturn, the best plan in the world will not help.

Some planners bridge this gap by offering periodic check-ins at a reduced retainer. You meet quarterly to review progress and adjust the plan as life changes. That can provide the accountability without the conflicts of asset management.

Why this model is growing in popularity

More people are becoming aware of how much fees eat into long-term returns. A 1% annual fee on a portfolio over 30 years can reduce the ending balance by 25% or more. When you pay

a flat fee for advice-only financial planning, that drag disappears. Every dollar your investments earn stays in your pocket.

At the same time, the rise of low-cost brokerages and robo-advisors has made it easier than ever to implement a simple portfolio on your own. What most people lack is not the ability to buy an index fund, but the confidence to design a comprehensive strategy around taxes, insurance, estate planning, and cash flow. That is where a human planner adds real value.

Advice-only financial planning also aligns better with the fiduciary ideal. Because the planner has no financial incentive to recommend one product over another, the client can trust that every suggestion is made purely on the merits. That trust is the foundation of a productive advisory relationship.

How to get started

If the model sounds right for you, start by identifying planners who advertise as fee-only and do not manage assets. The National Association of Personal Financial Advisors (NAPFA) maintains a directory of fee-only planners, and the CFP Board's "Find a CFP Professional" tool lets you filter by compensation method. Look for planners who specifically mention advice-only or project-based engagements.

Interview two or three before deciding. Ask about their process, the types of clients they work with best, and how they handle situations where the best advice is something the client does not want to hear. A good planner will be direct and honest, even if it means delivering hard truths about spending, saving, or risk.

In the end, paying for advice alone can be one of the best investments you make. You get clarity, a roadmap, and the freedom to execute it on your terms. And you keep the relationship clean, with no hidden agendas and no ongoing fees eating into your future.