

# A Valuable Service

**Goal:** Growing your business.

**Problem:** Overcoming a client's objection to fees. A client generates little revenue, but calls often for tax help, quotes, or a market update. Worse, when you suggest – for their benefit – annuities or funds, they ask: “Why pay you a fee in a shaky market, especially if I don't trade a lot, and I can buy direct without a load?”

**Suggestion:** Take a holistic approach. Explain that your services cover more than just investments. An example is debt management. It's a service for which you are not paid a direct fee. Many clients have credit card debt and pay unnecessarily high interest rates. Even if they don't pay down the debt, they can keep the card but transfer the debt to a new one. 0% introductory rates are common. The savings may be substantial and total several years worth of investment fees. This simple advice may justify that your guidance is worth paying for.

**Result:** Your business grows, with help from Broker Village, as satisfied clients commit more dollars to you.

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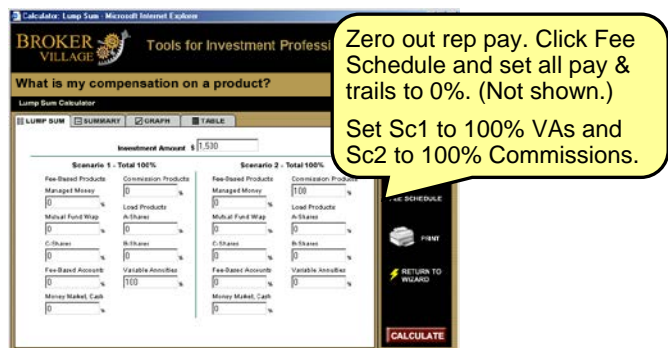
**The calculator is easy to use.** Data entry is fast and easy. Help files, wizards, and prompts guide you.

A client will not repay \$10,000 in credit card debt this year. Their rate is 15%. You suggest that they transfer the debt to a new card with a 0% year-one rate.

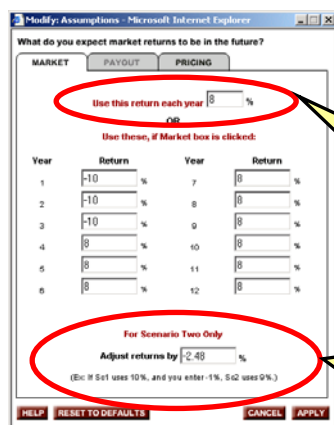
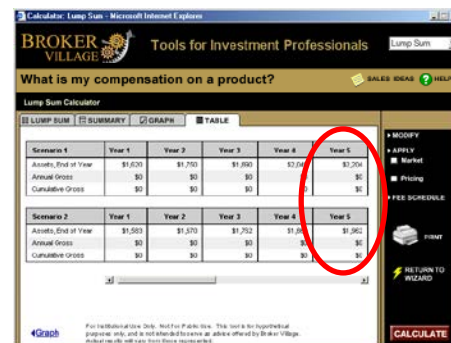
Use the Lump Sum Calculator. Compare investing the savings (\$1,500) in a VA (sc1) to a taxable account (sc2). Pre-tax return is 8%. Zero-out all rep pay inputs in the Fee Schedule prior to calculating. Thus, account values will not be reduced by any rep pay.

**Print, graph, & table the result.** Clients save \$1,500 in credit card interest in year one. That's about three years of fees for a \$50,000 account paying you 1%.

The \$1,500 can be invested. With a taxable account, in 5 years, it is worth \$1,962. (Scenario 2.) With a VA, it is worth \$2,204 pre-tax (Scenario 1) and \$1,986 post-tax.\*



Zero out rep pay. Click Fee Schedule and set all pay & trails to 0%. (Not shown.)  
Set Sc1 to 100% VAs and Sc2 to 100% Commissions.



**Lump Sum Calculator Market Effect**

Pre-tax return is 8% for scenario 1. Market Effect shouldn't be checked after hitting Apply.

Lower scenario 2's return 2.48% to create a 5.52% post-tax return. That's 8% minus 31% lost to taxes: 8% \* (1-.31).

\* Earnings in a taxable account are taxed each year. 5.52% is the effective rate (8% \* 1-.31% tax). VA earnings accrue tax free until withdrawn. Earnings are \$704 pre-tax and \$486 after \$218 in taxes at 31%. \$486 + \$1,500 = \$1,986 post-tax result.