

NAPFA ADVISOR

MAGAZINE

THE ART AND SCIENCE OF THE FEE-ONLY PRACTICE

‘BEHAVIOR’ TAKES THE STAGE IN SALT LAKE CITY

PLUS...
RETIREMENT PLANNING
& SOCIAL MEDIA
GUIDANCE

JUNE 2014





IT'S A JOURNEY, NOT A DESTINATION

ANTHONY OGOREK, ED.D., CFP®,
OGOREK WEALTH MANAGEMENT, LLC

When Anthony Ogorek started Ogorek Wealth Management, LLC, in 1987, his firm's clients were laser focused on a fairly pedestrian goal: saving enough money for retirement. As operating manager for his Williamsville, NY-based practice, Ogorek helped his growing client base achieve that goal through solid investment choices and targeted financial planning strategies.

But today's Fee-Only client is much more sophisticated—so much so, in fact, that Ogorek and his seven-person team spend much of their time helping clients find true balance in their lives.

"Early on, it was all about the money and helping clients get to this specific number by the time they retired," recalls Ogorek, whose firm manages \$310 million for 140 clients. "Today, it's less about accumulating the funds necessary to stop working, and more about enhancing their

quality of life or maintaining the ability to work while allowing clients to pursue deferred goals as they grow older."

Why the turnaround? According to Ogorek, consumers have come to realize that if their quality of life is compromised, even the biggest nest egg can't balance out the equation. For example, a successful businessperson who works herself to death in her 40s and 50s to build her family's retirement fund—and then isn't around to enjoy it during her golden years—is a prime candidate for Ogorek's intervention.

"One of the most difficult challenges we run into crops up when someone says, 'I'm locked in. I have to stay in something I hate for X number of years,'" Ogorek explains. To help clients work through these challenges, he examines a client's current financial plan and determines, for example, if it might be smarter to spend money on education or retraining (for a

new career) versus just funneling those funds away into a retirement account.

"Our goal is to help clients have a 'healthy' relationship with their money and to break barriers down, ask questions, and get them thinking past the basic assumptions of saving for retirement," Ogorek explains. "It's truly about the journey and not just the destination."

CLOSING THE ENTREPRENEURIAL GAP

A NAPFA member since 1998, Ogorek uses a combination of passive and active investments, with the former tending to be ETFs or institutional class no-load funds. "Typically, what we're trying to do on the equity side is to stay close to the MSCI All Country World Index net," says Ogorek. "We also have a position for alternative investments that have a lower R-squared than equities

MANAGING THE INFORMATION AGE

A lot has changed since Anthony Ogorek got into the Fee-Only financial planning industry in 1987. That time period—which he refers to as the "dark ages"—eventually gave way to a time when both planners and consumers alike have taken notice of the Fee-Only movement. Over the last 27 years, Ogorek has witnessed myriad changes in the evolving industry, not the least of which is the literal information explosion that today's advisors and clients are grappling with.

"The tools we have at our disposal today have turned the information garden hose into a fire hose," Ogorek observes, recalling a time in the not-too-distant past when information was held captive by a select number of organizations and only relinquished in exchange for a licensing fee. "With the advent of the Internet, those monopolies were turned on their heads, and a plethora of public media and information sources emerged."

Ogorek, who also remembers a time when a phone call to a trader was the only way to find out how a specific stock or bond was performing at the moment, says the new challenge lies in customizing the information flow to make it relevant for his practice and its clients.

"How do you find meaning in this galaxy of information that's at our finger tips?" he asks. "And more importantly, how do you manage your time so that you don't get bogged down by all of it?"

Still trying to figure out the answers to those questions, Ogorek and his team focus on ferreting out the most concise, interesting, informative, and mind-changing content that's available in today's information age.

"It's something we work at every day," he says, "as we continue to get inundated by new sources of information."

-Bridget McCreia

and that potentially provide downside protection in the market.”

A trained musician and educator whose original intent was to become a university administrator, Ogorek says he started his own firm in 1987 after working part-time for broker dealer Nathan and Lewis out of New York City. “Initially, I wound up doing some commission-based things, but I kept asking myself why,” says Ogorek. “When I questioned the process, I was just told that it was how things were done, period.”

Also pulling Ogorek in the direction of self-employment was the realization that the educational environment wasn’t exactly rife with entrepreneurial thinkers. In its nascent stages at the time, the financial planning field emerged as the perfect middle ground between education and the business world. Ogorek credits his NAPFA membership with helping him achieve “top notch planner” status and says the organization has helped him both recognize and realize his potential in the Fee-Only planning arena.

“The relationships I’ve developed over the years and the access to various planning tools and content speakers have been invaluable,” says Ogorek. “I wouldn’t be able to have the practice I have today if not for the relationships and knowledge I was able to get from the organization.” Ogorek is enthused by NAPFA’s current commitment to recognizing professionalism in its members rather than “dictating the need to take certain credits” in core areas. This year, NAPFA changed requirements for NRFA’s who have been members for more than five years, no longer mandating minimum numbers of continuing education credits in specific categories (other than ethics). “We’re recognizing that everyone’s practice modality is different,” says Ogorek. “That’s a positive sign for the industry as a whole.”

“As a NAPFA National Board member for three years, he had a major role in creating this new focus.”

AN EYE ON THE FUTURE

Looking back on nearly three decades of experience in the Fee-Only

OGOREK WEALTH MANAGEMENT, LLC, AT A GLANCE

LOCATION: Williamsville, NY

WEBSITE: ogorek.com

YEAR FOUNDED: 1987

NUMBER OF STAFF: 7

NUMBER OF CLIENTS: 140

AMOUNT OF MONEY MANAGED: \$310 million

DESCRIPTION OF TYPICAL CLIENTS: Professionals or business owners aged 45+ who are in the early stages of accumulating assets for retirement

TYPICAL CLIENT NEEDS: Comprehensive, holistic financial planning and advice

FAVORITE WEBSITE: Fivethirtyeight.com

FAVORITE FINANCIAL BLOGS: Michael Kitces, Slate, The Financial Times, Barry Ritholtz

PIECE OF ADVICE TO FELLOW NAPFA MEMBERS: “Have an honest conversation with yourself to determine whether you are wired to be an entrepreneur who runs a business versus someone who is willing to be ‘part of’ a business. Also, have a career plan in mind for the next three to five years. What do you want to look like as an advisor? What has to transpire in order for you to achieve that goal? If you know your internal capabilities and passions, then you’ll have a much better shot at realizing your potential in this industry.”

planning field, Ogorek says his most persistent business challenge continues to be consumer and industry awareness and education about the field. Dually registered planners assume that they do the same thing that Fee-Only planners do, for example, and commission-based planners often don’t have a clue about the differences between their practices and Ogorek’s.

“Trying to get people to understand what it is that we actually do is an ongoing issue,” says Ogorek. “Many people *think* that they have a good idea of what we do, or who would be an appropriate client for us, but invariably they’re wrong. Many licensed salespeople just can’t get their heads around that the fact that we don’t have to be licensed to do our work.”

As Ogorek and his staff continue to work through those industry challenges, they’ll also be adding both staff members and new clients to their roster in 2014. Concurrently, Ogorek wants to hone his practice’s target market as a means

of differentiating the firm in a crowded marketplace, as well as delivering an exceptional planning experience to a specific segment of the population.

As Ogorek Wealth Management continues to grow, the company will focus on the core values that its founder has developed over the last 27 years, namely helping clients do more than just accumulate financial wealth. He’ll also continue to spread the word about the value of Fee-Only planning versus other business models.

“Wealth shouldn’t be treated any differently than your health, freedom, and rights—which means there shouldn’t be a transaction tied to a commission,” says Ogorek, who remembers a time when commission-based agents scoffed at his decision to be a Fee-Only advisor. “They told me I’d never make any money doing this, and that everyone knows that you have to sell in order to make a reasonable living. My response was: Well, I only have my own life to waste, so if I’m wrong it’s my problem.” 