

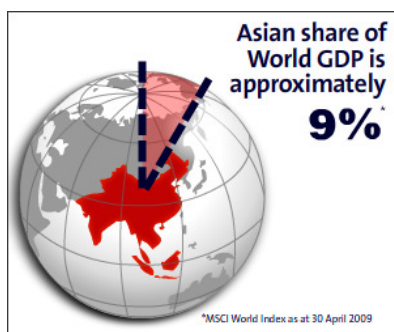
SMSF planner fees plunge with market

20 October 2009 | by Benjamin Levy



New research has revealed that financial planners servicing clients with self managed superannuation funds (SMSFs) have lowered their fees by an average of around 20 per cent while, more broadly, most financial planners accept that they are going to have to move a new fee model.

The research, generated by [Investment Trends](#), revealed that while financial planners have seen an average decline in their fee per SMSF client of 22 per cent from \$4,500 to \$3,500, accountants actually witnessed a 17 per cent increase in fees over the same period.



The difference in fortunes between planners and accountants is attributable to their fee models, according to Investment Trends senior analyst, Ramin Marzbani.

He said 40 per cent of planners had indicated they used an asset-based fee for service model with SMSFs, while more than 65 per cent of accountants preferred hourly fees and flat rates.

As the asset base of an SMSF trustee had dropped thanks to the financial crisis, the asset-based fees for financial planners had dropped simultaneously, Marzbani said.

“While the model is attractive during a bull market, it obviously presents some challenges when markets decline,” he said.

However, 35 per cent of planners expect to change to a fee for service model over the next two years.

Despite the downturn in fees, planners anticipated revenue from SMSF to rise from 21 per cent to approximately 33 per cent of their total revenues over the next three years.

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