

**Ep #314: Building a Firm Part-Time: An Interview with
Spencer Stephens**

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Maddy Roche

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Narrator: [00:00:01] Join your host, Maddy Roche, as she brings you into a community of fee-only financial advisers who are successfully building profitable businesses that serve the next generation of clients. Learn from innovative advisers whose unique stories will inspire you to dream big and take action on your goals. Are you ready to live your best life and help your clients live theirs? Then you're in the right place.

Maddy Roche: [00:00:25] Hello and welcome to #XYPNRadio Episode 314. I'm Maddy Roche your host. I'm excited to share the following discussion with you for a number of reasons listeners. Specifically because I want to paint the picture that there's not a one size fits all approach to starting and scaling a practice. Many folks are interested in building a lifestyle practice and not an enterprise business and that's okay. XYPN member Spencer Stephens, founder of Rooted Interest, a fee-only firm in Salt Lake City, Utah, opened his firm in 2017, and today he discusses why he serves a smaller client base than others who have been doing it as long as him. He discusses why he continued to stay employed at his father's CPA practice full time while he built his firm. Spencer is a dad of five, or what he says is a handful of kids, literally. It was important for him to get into this giving profession to help his clients the way that works best for them and him. I asked Spencer about his intentionality around building slowly, and he shares his annual expenses. Hint it's still under ten thousand dollars a year and what his plans are for ramping up. Spencer is so likable and really shares his story in a meaningful way. If you're considering starting a practice at a slower rate or on a part time basis, then this episode is going to be for you.

Maddy Roche: [00:01:45] Avocado toast, selfies, a mountain of student loan debt. Gen Y is anything but traditional, and with over seventy five

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million people, it's a population you don't want to ignore. Learn more about how to serve this unique population in our guide called Attract and Profitably Serve Millennial clients in your RIA. Discover three key ways to tap into the millennial market and six things that they want from their financial advisor. Visit XYPlanningNetwork.com/Millennials for your free copy.

Maddy Roche: [00:02:18] Also, be sure to go to XYPlanningNetwork.com/VIP to join our private group just for #XYPNRadio listeners. It's a community of advisers we've all been looking for that's there to provide support when we need it the most. Best of all, it's free. I encourage you to check it out. Again, that's XYPlanningNetwork.com.VIP.

Maddy Roche: [00:02:39] Hello Spencer, welcome to #XYPNRadio. I'm so thrilled to have you. How are you today?

Spencer Stephens: [00:02:44] I'm doing great, Maddy. Thanks for having me on.

Maddy Roche: [00:02:47] Of course. Of course. So we're here to talk about all things Spencer and what you've built. So let's get the listeners up to speed a little bit. Would you mind introducing yourself, please?

Spencer Stephens: [00:02:59] Yeah. I mean, I don't know all things Spencer, you might just want to hang up right now. No, my-so my firm name is called Rooted Interest. Took me a long time to come up with a name and just all kinds of things flying in and out. And eventually I looked

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at my daughter's jacket one day and I saw that the label on it said French toast. And I thought, OK, if a company—a clothing company can be called French toast, then it really doesn't matter what the name is as much as what you're actually doing. Right?

Maddy Roche: [00:03:37] Yeah, great reminder.

Spencer Stephens: [00:03:39] So I liked Rooted Interest because it's kind of like a blend of having someone rooting for you. You know, like cheering you on in life and then also like putting your best interests first, kind of like with CFP® fiduciary mix there. So yeah, I settled with Rooted Interest. It's just been a lifestyle practice and that's my-my plan is just to keep it that way. But life changes and you never know. It might-might evolve to something more. So I got registered in August of 2017 based out of Salt Lake City, Utah. Right now I currently have about four million dollars in assets under management with about 14 clients and the client base it's all kinds of age groups. I've got as young as like twenty up to as old as seventy one. So yeah, pretty diverse, pretty broad spectrum there. I just enjoy working with people. It brings me a lot of happiness, so it's hard to say no. Yeah. And then I guess right where I am now as far as my service offering is, I have investment management services and I primarily use first descent asset management. So the-the fee for that is eighty five basis points, up until thirty nine hundred dollars when we-we just cap fees. So it's-it's pretty unique I would say in the industry, but makes a lot of sense to me as far as the service level doesn't necessarily grow just because of an account is larger. So it kind of makes sense. And then in addition to that, I also have a comprehensive planning option that's usually two to three thousand dollars, takes about a month or three to go through the various stages of a financial plan. And then I do have an hourly planning fee as well. So, yeah, firm is primarily virtual. So worked out great with all the

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COVID stuff. No hiccups really there. Yeah. So I mean so far I'm happy with where I am and optimistic about the future.

Maddy Roche: [00:06:00] Yeah. Great. Well, I'm excited to have you on the podcast Spencer, because you started this intro kind of saying that this was a lifestyle practice. And when we think about kind of other average sized firms at your level in terms of how long you've been here, we would see double or triple the amount of clients. But you've really been intentional about how you handle your time, your personal life and your other outside business activities, as we could call them. So could you expand a bit on why you chose a lifestyle practice when you started this in 2017? Why was it important to create a lifestyle practice?

Spencer Stephens: [00:06:34] Yeah, that's a great question. I would say I-I might not have started it the right way, the right way. So I mean, hearing things about different firm owners, it's great to have like five years of savings. So you have a great runway to dedicate your time to it. I didn't have that. I have five kids also. And so I was hesitant to jump fully and and kind of throw our finances up in the air a little bit. I felt I needed some more stability. So those are kind of the main driving forces at least to start off kind of small and just gradually work things out. I've been working with my-dad, who has a CPA firm for the past seven years, and I mean, that's been one of the main pieces in why this has been able to work out so well, because it is just a family practice. So there's a lot of flexibility involved there. So I can kind of clock in, clock out when I need to help my firm clients or just work on my logo and things like that. But it still provides a steady paycheck. And so I guess ultimately that's kind of why I've been just doing it part time as of now. But the long term goal is to eventually kind of taper things and transition to doing it full time.

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Maddy Roche: [00:08:11] Yeah, I think the diversity and people's approaches to launching businesses is particularly interesting, especially those of you that choose to do a part time because we've seen more and more folks choose to do it part time, not necessarily because they don't have the finances or this, but they have competing priorities. And it sounds like your role at the CPA firm was a priority. And then financially, it made a lot of sense to build something on the side. And so how do you think doing this part time has impacted kind of the growth trajectory of your firm? And are you are you on pace for what you wanted to build?

Spencer Stephens: [00:08:46] Oh, yeah. Yeah, that's a good question. So it definitely has hindered it, obviously. I mean, I don't have as much of a capacity to be out there marketing and working on branding and things like that. All I've done marketing wise is just built my own website and made business cards. So it's really just kind of been word of mouth or people finding me through XYPN Find an Advisor Portal or NAPFA or just Google searches. I think I'm still in a pretty unique space, at least in Utah being a CFP® and fee-only, it's kind of hard to find still. So, yeah, but as far as growth goes, you know, in preparation for this, I kind of tried to look at my metrics. I'm not good at tracking them at all, but yeah. So I kind of looked at like the-my conversion ratio. And so I basically boiled it down to if I was contacted by anyone, I kind of like tracked stuff at least going back to emails and my CRM and stuff like that. And so I broke it down into two different categories, one being like having minimal interaction with clients. So I use RightCapital and they have like their leads program. So sometimes things come through there or just prospects from NAPFA or XYPN. And if I have like minimal interaction with them, like a basic phone call or just email exchanges, my conversion rate is about twenty six percent. So not that great. But then what was cool to see is that when I actually meet with someone and have a good like hour long meeting, so they have time to explain what they're looking for, the fires that are bringing them to look for a financial planner. And then I'm able to see offer my

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services and see what they're interested in. That conversion rate goes up to eighty four percent. So-so it's pretty cool. It's pretty great. And then just. Yeah, revenue growth. I kind of excluded 2017 because that's just you know, a chaotic year getting things, yeah. But the growth rate was like double in the first year and then it just keeps doubling. And so I mean those, that combination has really actually shocked me. Yeah. I'm thinking oh man yeah. I guess I could grow at a lot faster if I put more effort in and let people know I'm here and what I'm doing.

Maddy Roche: [00:11:33] So right. Well you seem to tap into as kind of your natural market and just letting things, you know, the inbound drive your services and how big your firm gets. Do you have a capacity number in mind. And are you putting people on wait lists if they are reaching out to you and you can't serve them?

Spencer Stephens: [00:11:52] I have put I've-I've postponed a couple of people last year just because I was kind of stretched a little bit just with life in general. But other than that, it usually is, it's a pretty good flow of just kind of keeping me busy. At capacity, I think I would-I would like to get to around 80 clients. And then, you know, if-if we can work that through with AUM, with my AUM model, if they invest five hundred thousand dollars or more, essentially hitting that capped mark, then I include comprehensive planning as well. So the long term goal would be to have about 80 households hitting that point and then just kind of helping them as time goes on.

Maddy Roche: [00:12:46] Now, what does that mean for your work at the CPA firm? Is 80 clients while you're still employed somewhere else?

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Spencer Stephens: [00:12:52] Oh, no, no. That would be -.

Maddy Roche: [00:12:54] That's you full time.

Spencer Stephens: [00:12:55] Yeah. Yes.

Maddy Roche: [00:12:57] That's the difference.

Spencer Stephens: [00:12:57] Oh, for sure. Yep.

Maddy Roche: [00:12:59] So where are you in terms of mapping that route? Is that something you're planning to do right now to make a departure from the CPA firm at some point?

Spencer Stephens: [00:13:08] Yeah, yeah. And my-my dad, he's getting closer to retirement age. And so, I mean, with that kind of comes transition of some kind, whether he's looking to sell the practice or try to bring on additional staff to kind of have like an employee purchase type of thing happening. But regardless of what happens is that it's usually like a three to five year transition time frame just to help with client retention and things like that. So I'm planning to be here helping with that transition and then kind of taper things off as if we bring in more staff, shift some of my responsibilities, more things like that.

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Maddy Roche: [00:13:55] We hear a lot of folks do part time while working at CPA firms. You're not the only member that has found real value at working somewhere else while they build their practice. And I'd be really interested for the listeners to understand what kind of benefit has that brought to you in terms of the impact on your business, your ability to think about it, but also keep revenue coming in? How-how do you think being part time is actually benefited you?

Spencer Stephens: [00:14:22] Yeah, so working with the CPA firm has been great. I mean, like I said, I happened to be with the family office, so there's more flexibility there. And then we do a lot with tax returns like most CPA firms. So there's kind of an ebb and flow of the busy seasons. So that valley during the summer frees up more time and capacity to work with my firm. So there's a lot of flexibility involved. And then just working with the CPA firm, there's great synergies. There are a lot of what happens in financial planning comes back to taxes, whether it's like retirement savings strategies, investment decisions and withdrawing money or things like that. A lot of roads and financial planning lead back to taxes. And so having that better understanding of what the forms look like that people receive when they pull money out of a retirement account and how that goes onto the tax return, just things like that. Having that baseline really helps a lot with what I do with my financial planning clients.

Maddy Roche: [00:15:32] Wow. So in terms of expertize it's been beneficial for you.

Spencer Stephens: [00:15:36] Yeah, yeah. It's been-it's been really great. And then like I said, with the synergies, my dad's firm, they don't have investment licenses, so it's just kind of a good mesh there. We do still have

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two separate entities, separate firms. So when I'm talking to my financial planning clients and I'm recommending they talk with the CPA, I'd say, well, I mean, my dad, he's a-he's a great CPA, recommend him. But I definitely researched the options available and see what makes sense to you. So and he does the same too you know. Like if clients need help doing 401k or something that I don't do specifically we have other advisors that we can refer people to. So, yeah.

Maddy Roche: [00:16:26] Wow. Beautiful. I'd love to go back in time to when you decided to launch your firm. And it sounds because you've been intentional about building a lifestyle practice, minimal number of clients to be able to continue to work at-at your dad's firm. Why even start a business?

Spencer Stephens: [00:16:42] Yeah, that's a good question. And I get that a lot because it makes the-the thing that makes the most sense is just to become a CPA and take over my dad's practice. The thing for some reason, I have felt like I'm more drawn to the looking forward aspect and financial planning than the looking back side that's inherent with accounting and taxes. So I think that's been one of the main driving forces. And then also when I was younger my-my grandma, she got me into investing and she told me to wake up and watch Squawk Box and the place trades and stuff which I don't recommend

Maddy Roche: [00:17:30] For an eight year old.

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Spencer Stephens: [00:17:32] Yeah, yeah. So there's just the appeal of investing and looking forward and having that optimism that has more of a draw to me then. Yeah.

Maddy Roche: [00:17:46] What about being an entrepreneur was attractive to you? Because that is one thing not everyone who comes to the door is quite ready for. And what I love about XY is that we do help people who never thought they could be entrepreneurs, be entrepreneurs. But were you really interested in being a business owner?

Spencer Stephens: [00:18:03] No. So I'm pretty introverted by nature. I mean, before I do anything, I have to fully plan things out. I'm not very good at winging things. And so-and like with being a business owner, no matter what you're doing, there's an element of sales. Right. And so luckily, early on in my process, someone talked about this, an entrepreneurial roller coaster where, you know, for whatever reason you're up here and you're having these highs just fill in at the top of the world. And then for no reason whatsoever, you just plummet and you're like, this is the dumbest thing I've ever done. I'm out of here because I've-I've definitely had to keep that in mind when I do get into those valleys, because, like, owning your own firm, it can be-it can be pretty isolating. I mean, there's a lot of great resources with, like XYPN in particular, the forums and like the way that you try to help people get into study groups. There's a lot of great things out there. But at the same time, it can feel a little isolating, just constantly thinking through your fee structure day in and day out for a while and things like that. And of course, some of that is self-inflicted. My-my-my own self doing it to myself. I think there's a lot more that I could have done as far as investing in other resources like marketing and things like that that I've just done by myself to kind of keep costs low. And I think the main driver was I initially saw back in 2016, I saw Sophia Bera's article, the-the one on how

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to start a firm from ten thousand. Oh yeah. And that actually turned out to be pretty true for me. I don't know if it is for most people my average expenses are about nine, ninety five hundred a year. So I-I keep things pretty lean because I just do everything myself which pros and cons. But yeah it's-it's been a good ride so far.

Maddy Roche: [00:20:26] Well that's fascinating because it does sound, I mean thank you for that annual expense number because it does put it in perspective that the risk wasn't as big for you to do this.

Spencer Stephens: [00:20:36] Yeah. Yeah, it wasn't that big. And that's-that's the reason why I did it, right. Because I wasn't getting loans. I wasn't shoving all of my money like retirement savings and stuff into this. It was more just kind of cash flow, as I've been able to fund it. And now, fortunately, I mean, I've been I broke even and made a profit last year. So that was great. And I mean, I just foresee it growing beyond that.

Maddy Roche: [00:21:11] Beautiful. I appreciate the perspective. And I'm wondering if your other option, of course, was to just go work at a financial planning firm full time. Did you consider that as-as just being able to get that taste of working in the future with people and not having to have the ownership?

Spencer Stephens: [00:21:29] Yeah, yeah, I definitely did. So I did a master's degree in finance and I graduated in May of 2016 and during that time I did an internship at Goldman Sachs and it was I mean-it was a great experience. I learned a lot, but it also kind of hit home to me that I didn't want to be in the corporate finance realm, just the work life balance with

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family and things didn't quite make sense to me. So that really drove me when I was getting ready to graduate to look into financial planning firms. And at that point I didn't know what fee-only was. So I just interviewed with anyone I could all the-all the firms with people's names and everyone, and it was like like other people, I was kind of disheartened by the fact that it was more of a sales job as opposed to actually putting people into services that they might need more, in my opinion. I mean, I was learning at school about expense ratios and loads and things like that. And then I had one professor that basically said, if if you ever pay a load, like in a mutual fund, either going in or getting out, like you're just an idiot. And I was like, whoa. Because then, like, the next day I had an interview with the company and asked them about loads. And they're like, Oh yeah, we have loads on the front. And I'm like, well, if I'm learning that you should never do this because there's plenty of options to avoid that, how can I, with good conscience, sit there and recommend clients do that? So none of them really sat well with me. And so and I just-I just couldn't find anything that, like, filled that need essentially like a fee-only firm is what I was looking for. But I didn't know it. So I couldn't find anything. So yeah, I just googled how like, how do you start your own firm, found Sophia Bera's article, found XYPN. And there we are.

Maddy Roche: [00:23:45] Hook, line and sinker.

Spencer Stephens: [00:23:48] Yeah, just like that.

Maddy Roche: [00:23:50] That's how you start a firm folks.

Spencer Stephens: [00:23:50] Yeah.

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Maddy Roche: [00:23:50] So you really didn't understand or did not not understand. You sense that there was something different you could do where you wouldn't be dealing with this guilt of possibly not working in the best interests of people. So then you land on fee-only. Was that really when you-you know, as you found Sophia's article, you found XY, was when you started really painting the picture of what fee-only was?

Spencer Stephens: [00:24:10] Yeah. Yeah, that was-that was it. I mean, I have known about like the CFP® designation, but I mean, the people that I would meet with at these firms were CFP®. So I was like, well, I mean, that's got to mean something. But they're still doing this basically just because of the business model. And so, yeah, that's when I started developing this thought of like, well, there's got to be a different way to do it, not necessarily better or worse to each their own, but just a different way to helping people.

Maddy Roche: [00:24:45] I love that. OK, very cool story. Thanks for sharing that. Spencer, you've got five kids I'm super interested how the heck you balance all of this.

Spencer Stephens: [00:24:56] Oh, man, yes. I have five kids. I mean, I literally like a handful. Yeah. When I-when I launched my firm, I had a nine month old, a two year old and a four year old. Since then, we've had two other kids. And it's just like I don't know if you're a fan of Jim Gaffigan, the comedian, but how he says, what's it like having a fourth kid? Like, imagine you're drowning and someone hands you a baby. It's-it's very true. It's-I always say that we need like a-or my wife and I, we always joke and say that we need a baby on board sign one of those like triangle things. And it's

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not necessarily for drivers to be like, hey, don't hit us. We've got a baby on board. It's more of like a warning sign, like we're driving and we're tying shoes and making lunch all at the same time. We're not texting, but no we're safe.

Maddy Roche: [00:25:55] We're filing tax returns and serving clients also.

Spencer Stephens: [00:25:59] Oh yeah, yeah. Caution we might veer lanes.

Maddy Roche: [00:26:04] Wow but honestly, when you think about your week, what is time allocation look like to you.

Spencer Stephens: [00:26:09] Yeah. So I've definitely had to become a morning person which there's a lot of—there's a lot of power with that. I think there's a reason why you have Tim Cook and Oprah and people like that waking up early and having dedicated time before their life starts. So I mean, every day I wake up at six thirty when I was doing the CFP® coursework, it was earlier. It was much earlier than that because I just needed more time. Yeah. So I focused mainly on my firm duties in the morning and then work at the CPA firm can kind of jump in and out with all the flexibility, all around with everything as needed throughout the day and then at night, it's mainly just family time. That's when I try to connect and spend time with my family because they're really the most important thing like them. And I'm a member of the Church of Jesus Christ of Latter-day Saints. And you know that connection with with God. And the the optimism and hope that it brings into your life, coupled that with the family

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relationship that I have, it's really those two things are what motivate me in life. There are the Y factors.

Maddy Roche: [00:27:33] And that's a lifestyle practice. That's a beautiful, beautiful analysis of what is most important. And you keeping your client base small right now so that you're not getting rapid crazy text messages in the middle of the night that pull you away from the kids because you have a hundred clients, is a decision everyone needs to make. Is do they have a life outside their firm that they need to keep up with? And some folks come in ready to roll guns blazing and everyone's taking care of all the kids and they're-they're set on taking care of the business. But you've really wanted to do it all and therefore you've made sacrifices in terms of growth and how quickly you scale and whether you leave the CPA firm and otherwise.

Spencer Stephens: [00:28:11] Yeah, yeah, exactly. And another thing that kind of helps you with my time management is I-I'm kind of old school. I have an iPhone, but it might as well be a flip phone. I mean, I-I don't get notifications. Like, the only noise that it makes is when my wife calls or text me. So I try to just minimize apps. I'm not really on social media at all because things like that, they just take me away from the things that I value, more like my family and my firm and just being present with everything that I'm trying to do. So that definitely plays a part in that time management as well. I just I don't have as much of a capacity to sit down and play a mobile game or something like that.

Maddy Roche: [00:29:02] So are you saying you have not watched all 18 seasons of Survivor?

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Spencer Stephens: [00:29:05] So I have-I haven't a lot of Survivor, but I made it to the end of twenty four and oh man. That series-that series of ever seen. They really hit home how much time you've wasted.

Maddy Roche: [00:29:22] Ok, ok, good. So you do have some guilty pleasures.

Spencer Stephens: [00:29:25] Oh yeah. Oh for sure.

Maddy Roche: [00:29:27] Good. Well Spencer I liked your honesty at the start where you mentioned that you've had some, some peaks and valleys in terms of kind of just the mental experiment of being a dad, being an employee and then being a business owner. Can you talk a bit more about that and what that meant to you and your family and how you handled it?

Spencer Stephens: [00:29:44] Yeah, like I said, I'm in that entrepreneurial roller coaster. It's a real thing. I mean, I would guess other people might be more able to deal with it than I am just with my personality. But I mean, it just comes out of nowhere and you just kind of start feeling like, oh, man, am I doing the right thing. So I just, like, hang up my hat and go work for another firm. And so I'm-I feel like I'm you know, I have these recurring conversations primarily with my wife about that. And she's been really fantastic, just helping to keep me grounded. I mean, I'll be having a rough day and then she'll-I'll get an email from her saying, hey, you're doing such a good job. You-you know, that kind of thing. And I'm like, oh, you're too good to me.

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Maddy Roche: [00:30:33] Give her my email address?

Spencer Stephens: [00:30:35] I know right.

Maddy Roche: [00:30:36] So it is the insecurity coming from imposter syndrome or the amount of time you're spending, or is there guilt around how you serve your clients, where? What-what generates some of the insecurity for you?

Spencer Stephens: [00:30:50] Yeah, I mean, I think a lot of it is imposter syndrome, to be honest, because one thing that I-I realized kind of early on is. I get like I just get in my head a lot and, you know, whether it's like with the business or developing a financial plan for a client, I'll just start kind of like hashing things out over and over different ways. But then the thing that has helped the most is I just-just scheduled meetings with clients because that really like I always after a client meeting, just come out on this high. Of just been like, hey, like, yeah, this does feel good. Like they were really appreciative of what I was able to do. I feel great with the advice I was able to offer to them. So one of the things that I do is when I start to feel like that kind of get into a slump is I just like, OK, who can I schedule a meeting with? Like, let's just shoot out my calendar and get something going because it's awesome. That's really one of the best ways that I've found the kind of battle that.

Maddy Roche: [00:31:58] Oh, I love that. Well, I heard two things there that that one, your-your heart beat and motivation really comes from that interpersonal-interpersonal relationship with your clients. But I'm also hearing that this is probably what has kept you in business this long, is that

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you've scaled really slowly so that if you had 80 clients right now and they were all asking you for hard questions and answers, you might go out of business because of the kind of stress that may have-have caused in terms of imposter syndrome.

Spencer Stephens: [00:32:26] Yeah, yeah. For sure. For sure. And definitely developing processes and stuff. I'm still working through that, still trying new things. But I have definitely come a long way. But yeah, just like you were saying, if I had 80 clients and I was back in 2018, I would have been like, no, this isn't worth it. Not happening.

Maddy Roche: [00:32:49] Interesting.

Spencer Stephens: [00:32:50] Yeah.

Maddy Roche: [00:32:51] Great reminder to listeners that there is a number of different avenues into this. And once you're here, there's a number of different ways to approach it. I must ask, you told me that you work with 20 year olds and 70 year olds. How do you do it? And what's-what's your-what's your stance on the niching game?

Spencer Stephens: [00:33:10] Yeah. Yeah. So, well, I would say, first off, that that comes from probably primarily from my dad and how he handles his practice. I mean, to a fault. He cannot say no to people. I mean he so for example, he went-he went to one of his clients houses, they're-they're kind of special needs and he would go to their house and help them clean their house. And he took them to the hospital. And this is the guy that he's

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their CPA, but he's like their primary caregiver almost too. So he just has like a huge heart and cannot say no. As much as I'm constantly telling him, like, you're-you're overworked, you need to say no sometimes. So I think I get a lot of that from him and just-just wanting to help people however I can and however they would like me to. But definitely from a business standpoint, it doesn't make as much sense as a niche because just figuring out process is specifically defined around a target market. That would be a game changer for sure. As far as the niche goes, it's-it's really hard to pick one because I do I am pretty broad in what I like and I think the closest I've gotten into is working with people in the tech industry because I am-I am pretty passionate about FIRE (financial independence, retire early). I think it's one of the most worthwhile things that anyone could try to achieve in their life is to just be financially independent, because then you-you can live the life you want. However you want to do that, if-it's if you still want to work, you can. If you don't, you don't have to. So I really like that. And that's really conducive with people in the tech industry because usually they're pretty young and they can make a lot of money right out of college or whatever, and not just that that like optimism for what they could get to in a realistic timeline. But they do have pretty complex needs like stock options and all their employee benefits. There's-there's a lot of support that is needed in that community. So, I mean, that's the probably the closest I've come to a niche.

Maddy Roche: [00:35:47] Could you talk a little bit more about FIRE? We don't talk about that often on the podcast. I'd love for you maybe just to give a couple tidbits around as an advisor. How-how do you know? Is that even someone's option in the future?

Spencer Stephens: [00:36:00] Yeah. Yeah, I mean, FIRE, it can seem kind of complex, but if you think about it, it's not that crazy. There's lots of

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podcasts and resources online that are available for the FIRE community. But basically, if you think about it, you're-you have like your income and your savings as well as like your spending and everything. But if you're able to save pretty aggressively, then eventually that wealth builds up and you're the interest and returns that you're making from that kind of nest egg eventually that offsets your expenses. And so, like, by definition, you don't need to work and have like a paycheck as long as you're managing your assets appropriately. And obviously, there's-there's a lot of tax strategies that go into that. There's different things. You should be shoving things into tax deferred accounts and then kind of controlling your taxes throughout your retirement by doing Roth conversions and things like that. So it's a really awesome concept that I honestly think anyone should to consider and see what you can do. Those things, like I said, plenty of resources online about it. But yeah, and I love exploring that with clients and just seeing mapping out their plan and then just cranking their retirement age down as short as possible just to see what would what it would look like as far as their goals for vacations or whatever. Yeah, it's pretty awesome.

Maddy Roche: [00:37:46] Wow. I love that. I love that. And is that a niche that you could build into that, that you're really working with the FIRE community?

Spencer Stephens: [00:37:54] I get I-I don't really do anything necessarily with the FIRE community yet. I would like to I feel like I'm getting more and more clients that do. That are looking for advice in that area. They're in their forties and have X amount of millions of dollars saved and they just want to know, can I retire? What would that look like? It seems to be popping up more and more. And yeah, like I said, I think it's one of the greatest things that anyone could strive for. So I would-I would like to.

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Maddy Roche: [00:38:34] Yeah, yeah. I heard I forget who I was talking about with this, that the FIRE niche is hard because folks who are FIRE oriented are already kind of holding themselves accountable. So the accountability component of the relationship maybe isn't as strong of a pitch. But I'm interested, Spencer, you mentioned you're part of a church. And I'm wondering this is such a giving profession and it sounds like you come from a real giving family that if you get a CPA with your dad, you also get a friend and someone else. But I'm wondering, how do you see your firm really being able to help in that giving way? Do you feel like you're getting that that part of you fulfilled through this kind of work?

Spencer Stephens: [00:39:15] Yeah, yeah. And that's kind of been a two edged sword, I think, because one of the things that I've struggled with in starting my firm was charging people. Right. I mean, so one of the things that I actually would like to do maybe later down the road, depending on the opportunity, is just get into teaching as well, because I-it's just heartbreaking to hear the statistics of how financially illiterate the country is. And the financial strife is one of the leading causes of divorce. And so it's things like that that have really pushed me into the industry because I mean, my background growing up with a dad who's a CPA, we talked about money. And it's just kind of a common nature to me to have these different budgeting principles or pay off credit cards every month and just things like that. That to me are just you just do it. That's just what you do. But a lot of people miss out on that. And so when I initially started my firm, I-my pricing was just rock bottom.

Maddy Roche: [00:40:27] Interesting.

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Spencer Stephens: [00:40:27] And-and because I really wanted to just have an offering for young-young people that they just didn't have assets or income or anything, really. I just wanted to help people. And I thought, well, if I can help people and not have the costs be as much of a barrier, then that would work. But that's not a very sustainable business model. So I think one of the XYPN coaches recommended that I reevaluate the pricing and then just realize that if I'm able to build my firm to a sustainable thing, then that gives you more power to help those more pro bono and things like that. Or, you know, as the firm expands and if it did grow into more of an enterprise type organization, then there's different options available and bringing on interns and things like that.

Maddy Roche: [00:41:26] Isn't that so crazy that also one of the core fundamental financial pieces of advice some of us knew was, put yourself first, yet even you had a hard time saying, I have value and I need to pay myself first so I can do more good long term.

Spencer Stephens: [00:41:41] Yes. Yeah, for sure. Yeah. It's kind of contradictory.

Maddy Roche: [00:41:45] It is, interesting. Could you talk a bit more about the price hike and what that felt like? Because I do see that over and over and over again that folks come in and their pricing sub one hundred dollars per month and as CFP® your hourly rates a lot more than that. How-how did you get to that point where you were ready to raise fees? And did you do that with new clients or your existing base?

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Spencer Stephens: [00:42:10] Yeah. So when I raise fees, it's just with new clients. And honestly, I've been kind of transitioning away from the ongoing planning and just doing more like kind of like one time comprehensive plans and then like touchups with my with like an hourly engagement, as people need help, as their life changes, as different things pop up. But yeah, the fee increase, I mean, I just it really does boil down to that. I forgot her name. Oh, man. She's going to be so mad at me.

Maddy Roche: [00:42:51] Could be Arlene.

Spencer Stephens: [00:42:52] Yes. I think it was Arlene I think. And yes, she was just like, well, I mean, you want to help people, but you have to actually have something or you're not really helping people. Right. If you just fizzle away and you're not charging enough, then you're not here. And 10 years, then think of all the people that have missed out on being helped. So I thought that was a very good perspective. And then just kind of getting feedback on what other professionals are doing with their practices and being like, oh, yeah, I mean, that makes sense. And then just looking at my revenue goals, client goals and things like that and kind of backing into a little bit more. Yeah, it's felt great. It's felt really good.

Maddy Roche: [00:43:40] Yeah. And Spencer mentioned Arlene Moss, who's our Executive Business Coach here at XYPN. She's been with the team for a number of years. She has a heavy hand in the launcher programs that we have for folks launching. So that conversation around fees and niche are the two conversations that never really end, no matter what business you're in, because your niche evolves, it gets more narrow or more broad as you approach different-different inflection points. But the idea of how much to charge is-is so hard. And we at XYPN really, really try

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to pound in this idea that you are valuable, you are providing a deep and important service. And I really sense as a consumer the confidence around that value is what's attractive and that anyone who would quote me 50 dollars a month, I'd be like, what the heck are you doing? Because there's no way you're going to only spend 20 minutes on me all month. As you think through your future Spencer, I know that you've mentioned wanting to serve upwards of 80 clients and move away from the CPA firm. Don't tell your dad yet. But what-what do you think the next year or two, what are going to be really working on?

Spencer Stephens: [00:44:48] That's a good question. The next year or two, I really want to hammer out more sustainable processes because I really appreciate technology and the power that you can harness with having appropriate things in place. So with like my CRM just mapping out like email templates and task lists and things like that, because right now it's-I kind of like jump back to other client engagements. I'm like, oh, they're similar. Let me look at this one. What email did I send them? So I have it all mapped out, just not formalized. So I really want to do that because then it's more of a-it's an easier process to follow. I did my undergraduate degree in psychology and specifically like human factors and cognitive psychology and how people interact with things around them. And I remember learning the checklists are huge in such a way to help with the cognitive load of someone going through a process or a task. That's why at like hospitals, they have checklists they diligently have to go through, because if you miss one thing on that checklist, someone could be in danger. Yeah. So I really want to kind of focus on the firm in that sense and build out more defined processes. And then also I'm planning to start blogging because I do like writing. I think it's a really powerful tool for everyone on the Internet, but also for me for processing things and learning. I love teaching, like I've mentioned. And I think one of the best ways to learn new things is to teach it. So I think I would enjoy blogging as

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well as it could be a good tool to help you have more exposure out in the interweb. Yeah, so those are like the-the two near future goals.

Maddy Roche: [00:47:03] Yeah, great. I just love that you built this lifestyle practice and that it has allowed you to do the things that you want to do and continue to get the experience and exposure to the tech side of things. If you could have done something differently as you built this lifestyle practice, what would you have done differently?

Spencer Stephens: [00:47:23] Yeah, that's a good question. It's-it's always hard to say, you know, because I really am happy where I am now. It was a crazy ride for a couple of years at least. The first two years were really wild. I mean, I-I looked at like the timeline of how things happened. I click through emails and stuff. So I-I did. I took the Series 65 exam January of 2017 and then in March-March 1st I signed up for the CFP® coursework and then the next day I joined XYPN and then like the next month my one of my grandmas passed away. In June of that year we got a puppy and we found out that same day my wife was pregnant with our fourth child. In August, my firm was approved, so it's just like hit the ground running and then other kids, CFP® exam later, like in years. So just looking back at that, I was like, whoa, I don't know what I was thinking. So, I mean, I feel like I-I just jumped in, you know, it's like other things in life. You never know. Like the timing's never going to be right for having a kid. Like you're never going to be ready for a kid or just anything like that. So I figured that if I jumped in and gave it like an honest effort and did my best and did what I needed to like by getting the CFP® designation and working through the different things that I needed to do, it would only help. Right. There's no way it could hurt that experience of going through it. So ultimately, I'm happy where I am now, but I guess if I could go back, it would have been nice to know

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what a fee-only firm was and maybe I would have tried harder to find a job there, maybe one that has paternity leave benefits too.

Maddy Roche: [00:49:24] Those sound really good right now.

Spencer Stephens: [00:49:29] Yeah. So if I had been working at a firm there and built up savings worked on my CFP® with the umbrella of that organization, that-that would have been great. But and maybe another thing I thought of is. If when I first started, I just kind of didn't really know what I didn't know and I was really intimidated by the compliance side of everything. And so with that, I-I kept my firm and my dad's firm very separate. But I think going back, it would have been nice to kind of learn with him together and maybe built something together and like have an add on branch within his firm and make it more of like a like a one stop shop for your financial needs sort of thing. So but yeah. Other than that, I mean like I said, I'm-I'm happy I went through all that fire because now I feel like I'm in a good place.

Maddy Roche: [00:50:36] Totally. Well, I think you did it the right way for what what you were up against. And to know CFP® was-was a designation you wanted and needed to bring value to your clients that you continued to pursue that it's very easy as life kind of continues to chase us that that things fall to the wayside and priorities shift. And it just sounds like, you know, having gone through 2017, 2018, you really were able to keep your eye on the prize, which is that you want to have a firm that serves the people you like to work with. And that's the goal here. Ultimately, we want to bring financial planning to the next generation and to folks who are underserved. And there's a lot of different ways to do it. And there's no one right way to do it. But you, Spencer, my friend, have been around for a

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number of years. So you've made it. And I'm really impressed that you're really looking at a bright future about how you want to take the next four to five years and what that means for your family and for your role at the CPA firm and most importantly, for your clients.

Spencer Stephens: [00:51:28] Yeah, yeah, definitely. It has been an amazing experience. Yeah. And I mean, I guess just going back to the CFP® that really was one of the pivotal keys to success. I would say, like I've looked at the different contacts that I had throughout this time and it just right when I got my CFP®, it just doubled and it's just been continuing to grow just because, I mean, is one of those, like, hot button items that people are looking for. It makes you just more findable.

Maddy Roche: [00:52:06] Totally.

Spencer Stephens: [00:52:08] Yeah.

Maddy Roche: [00:52:09] Wow. Spencer. Well, if you can believe it, we are wrapping up this podcast and we've just had a really fabulous conversation about what you've built. And I want to thank you for building it for our community and thank you for being part of our community. Any final words for the folks who might be driving home right now thinking about chewing on and debating, launching their own firm? Any words of advice?

Spencer Stephens: [00:52:34] Well, I-I remembered one of the things going back to the very beginning with my firm name, I remembered one of the things that made me settle with Rooted Interest because I found this

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quote by someone named Robert Green. I have no association with them. I don't know anything about them.

Maddy Roche: [00:52:54] He could be a real jerk. So watch out.

Spencer Stephens: [00:52:57] But he had this one good moment. If he's in jail now or something for who knows what. This is one quote that I found. So he said, just from Google, "with such a deep rooted interest, you can withstand the setbacks and failures, the days of drudgery and the hard work that are always a part of any creative action. You can ignore the doubters and critics. You will then feel personally committed to solving the problem and will not rest until you do so." And I think that kind of just sums up my experience a lot. It is-it is a-it changes your life for sure. I mean, but those there's no time like the present. The best time to planted a tree was thirty years ago. Second best is today. So I mean, I just think I mean there's-there's risk involved. It'll get you out of your comfort zone. But ultimately you'll grow, you'll grow, you'll learn and you'll be better for it in the long run.

Maddy Roche: [00:54:07] I love that. Spencer, you were total joy to talk with. I think our listeners are going to have really enjoyed this conversation. Thank you so much from XYPN.

Spencer Stephens: [00:54:15] Yeah, thank you, Maddy.

Maddy Roche: [00:54:19] Avocado toast, selfies, a mountain of student loan debt. Gen Y is anything but traditional, and with over seventy five

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million people, it's a population you don't want to ignore. Learn more about how to serve this unique population in our guide called Attract and Profitably Serve Millennial clients in your RIA. Discover three key ways to tap into the millennial market and six things that they want from their financial advisor. Visit XYPlanningNetwork.com/Millennials for your free copy.

Maddy Roche: [00:54:52] Be sure to join our VIP community at XYPlanningNetwork.com/VIP to hang out with other #XYPNRadio listeners, ask questions for future mailbag episodes, and finally to find a community of like-minded financial advisors. Thank you so much for joining me today. We'll see you next time.

Narrator: [00:55:08] You are not alone and you are not crazy is scary starting, building, and growing your own financial planning firm. And that's why we put together a free private community just for you, the cutting edge financial planner. Go to XYPlanningNetwork.com/VIP or text #XYPNRadio to 33344 and join a network of thousands ready to change the lives of Gen X and Gen Y clients.