

How Does Exchange's Asset Minimum Compare to the Industry?

By: Exchange Capital Management

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When looking to hire a wealth management firm, you'll often find they have asset minimums. An asset minimum is a required amount of investable assets you must have to be eligible to partner with a firm. There is no set minimum across the industry for wealth management firms, each minimum is established by the individual firm.

Minimums usually range from \$500,000 to \$5,000,000 (or more). This is all dependent on the size of the firm, and the types of services they provide. At Exchange, our required asset level is \$500,000 but most of our clients have \$1,000,000 or more of investable assets.

Why Are Minimums Necessary?

Our minimum allows us to maintain our identity as a boutique firm. Which gives us time to dedicate extensive resources and be more intentional with the clients we have. Required asset levels also allow us to maintain our staff and provide ample service to every client. Lastly, higher asset levels can indicate more of a need for a wealth management firm. This is mainly because higher asset levels may indicate that you have more to consider when it comes to your financial plan.

However, this isn't always the case. Everyone's circumstances are different and unique. If you think you're in need of help, but fall below our asset minimum, there are firms that don't have one. These firms typically reduce their overhead costs by outsourcing divisions of their company, creating less of a need for asset minimums.

Where Does Our Minimum Rank?

While conducting due diligence, you may find that we rank on the lower side of asset minimums for firms that provide full-scale financial planning. We find that individuals with \$500,000 or more to invest are typically beginning to indicate a level of complexity where our services are most helpful.

The Bottom Line

At the end of the day, Exchange believes minimums are valuable for a variety of reasons. If you are still curious why we believe a minimum is beneficial, consider giving us a call or scheduling a discovery meeting with one of our advisors. We would love to sit down and discuss your circumstances.