

## FEE COMPRESSION? MORE LIKE THE OPPOSITE

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Advisor grumblings related to fee compression may be little more than industry shop talk.

So reports FinancialAdvisor, quoting industry insiders who say that a growing number of investment advisors are successfully hiking fees anywhere from 10 to 25 basis points.

"We have seen many clients increase their fees, in contrast to racing to be the lowest-cost wealth manager," **Carolyn Armitage**, managing director of **ECHELON Partners**, tells the publication.

This lends additional credence to recent research we told you about in March. BNY Mellon's Pershing Advisor Solutions polled 31 of its largest RIAs to gauge the fee situation in 2017. A significant majority (84%) of respondents indicated they did not change their pricing last year. Among those who changed fees, 10% reported an increase.

Of course, if you are going to hike your fees, you'll have to justify the move to clients. It helps to ply them with outstanding service to assuage the pain of the fee increase. It's also a good idea to test the move with clients who have at least \$1 million to invest; firms that cater to larger accounts tend to have more success when raising prices.

"Pricing increases are often forgotten as a growth strategy. When you provide more services to your clients, you can charge more," Armitage tells FinancialAdvisor.