

CHOOSING AN ADVISOR • HIGH-NET-WORTH PLANNING

The Independent Fiduciary's Playbook

How High-Net-Worth Pre-Retirees Should Choose an Advisor in 2026

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Key Takeaways

- The word “advisor” is not regulated the way “attorney” or “CPA” is. Roughly 80% of advisors operate under a suitability standard, not a fiduciary one.
- Five questions separate real advisors from salespeople: Are you a fiduciary 100% of the time, in writing? How are you paid? What credentials do you hold? What is your investment philosophy, specifically? What is your retirement tax strategy?
- Fee-only, fee-based, and commission models carry different conflicts. Conflicts don't make an advisor bad; undisclosed conflicts do.
- Retirement is a tax problem with a portfolio attached. Roth conversions, IRMAA, SECURE 2.0, inherited IRA rules, and the 2026 bracket reset all belong in the conversation.
- Geography no longer limits your choice. The independent RIA model serves clients nationwide via secure video and established custodians.

Executive Summary

Most people choose a financial advisor the same way they would pick a contractor at a chamber mixer: a handshake, a referral from a neighbor, a logo they recognize from a Super Bowl ad. That is how families with seven- and eight-figure balance sheets end up with cookie-cutter portfolios, missed Roth conversion windows, and tax bills that did not have to exist.

This paper is for the household that has done well, knows the next decade matters more than the last three, and wants a clear framework for choosing an advisor who actually fits. It covers what to look for, what to avoid, the credentials that mean something versus the ones that don't, and how the independent fiduciary model differs from the broker-dealer world that still dominates the industry.

If you are a pre-retiree or retiree with \$1 million or more in investable assets, somewhere between ages 55 and 75, and you have outgrown the advisor who got you here, this is written for you.

What This Paper Covers

- The five questions every high-net-worth household should ask before hiring a financial advisor.

- Fee-only versus fee-based versus commission: what the labels actually mean, and why most advisors don't want you to ask.
- Why credentials like AIF®, CFP®, and CFA matter, and why some letters on a business card mean nothing.
- The independent RIA model versus wirehouse and broker-dealer firms.
- How macro-aware portfolio construction differs from set-and-forget allocation.
- Tax strategy in retirement: Roth conversions, the SECURE 2.0 changes, inherited IRA rules, and the 2026 bracket reset.
- Estate planning coordination and the advisor's role.
- Why geography no longer limits your advisor choices, and what that means for clients in Idaho, Utah, Wyoming, Montana, and nationwide.

Section 1: The State of the Advisor Industry in 2026

The financial advice industry has not been fully honest with the public for a long time. The word “advisor” is not regulated the way “attorney” or “CPA” is. Anyone with a Series 6 and a pulse can print business cards that say “wealth advisor” and start taking meetings. That is not opinion. That is the structure.

Roughly 80% of people calling themselves financial advisors in the United States work under a suitability standard, not a fiduciary one. Suitability means a product has to be appropriate for your situation. Fiduciary means it has to be the best option available. The gap between those two standards is where bad outcomes live.

The independent Registered Investment Advisor (RIA) channel has grown substantially over the last decade because clients figured out the difference. An RIA is legally required to act as a fiduciary at all times, disclose conflicts, and put client interests ahead of firm interests. That is the baseline this paper assumes you want.

Why the Old Model Is Breaking

The wirehouse model was built around product distribution. The brokerage firm manufactures investment products, the advisor sells them, and the client pays in ways that are not always obvious. That model worked when information was scarce and advisors had real informational advantages. It does not work as well when a sophisticated client can read the same research the advisor reads.

Independent fiduciaries do not sell products. They get paid by the client, for advice, with conflicts disclosed in writing. The compensation is transparent. The advice is unbundled from the product.

Section 2: The Five Questions That Separate Real Advisors From Salespeople

If you only do one thing differently in your next advisor interview, ask these five questions and listen to how the advisor answers them. The words matter. The hesitations matter more.

Question 1: Are You a Fiduciary 100% of the Time, in Writing?

Some advisors are fiduciaries for some accounts and brokers for others. They can switch hats mid-conversation. A true independent RIA is a fiduciary on every account, every recommendation, every interaction. Ask for it in writing. If the answer involves the phrase “best interest standard” or “depends on the account type,” you are talking to a dual-registered broker, not a pure fiduciary.

Question 2: How Are You Compensated, and What Are the Total Costs I'll Pay?

Three models exist. Fee-only means the advisor is paid only by the client, in clear fees, with no commissions from product manufacturers. Fee-based means a mix of fees and commissions. Commission-only means the advisor is paid when you buy a product. Most clients think “fee-based” and “fee-only” mean the same thing. They don't. Ask the advisor to write down every dollar of compensation they receive from your relationship, including any third-party payments.

Question 3: What Credentials Do You Hold, and What Do They Require?

Credentials worth weight include the CFP® (Certified Financial Planner), CFA (Chartered Financial Analyst), CPA/PFS, AIF® (Accredited Investment Fiduciary), and ChFC. These require real coursework, exams, and ongoing education. The AIF® designation specifically focuses on fiduciary responsibility and prudent investment practices, which is why it matters when you are vetting an advisor.

Credentials worth less include anything sold over a weekend, anything the advisor cannot explain in plain English, and anything that sounds impressive but has no governing body. If an advisor lists six letter combinations after their name, ask what each one required.

Question 4: What's Your Investment Philosophy, Specifically?

If the answer is some version of “diversified portfolio aligned with your risk tolerance,” you are getting boilerplate. Press harder. Ask how the advisor thinks about market cycles, valuation, sentiment, and the macro backdrop. Ask what they did in 2008, 2020, and 2022. Ask what their largest concentrated position looks like and why.

A real philosophy can be articulated in specifics. Vague philosophies usually mean the advisor does not have one and is running model portfolios designed by someone three states away.

Question 5: What's Your Tax Strategy for Retirement Income?

This is where most advisors fall apart. Retirement is not a portfolio problem. It is a tax problem with a portfolio attached. The advisor should be able to talk fluently about Roth conversions, the IRMAA cliff, qualified charitable distributions, asset location across taxable and tax-deferred accounts, sequence-of-returns risk, the SECURE 2.0 catch-up changes, and what the federal bracket reset in 2026 means for high earners.

If they punt to your CPA on tax questions, they are not doing comprehensive planning. They are doing investment management with a financial plan brochure stapled to it.

Section 3: Fee-Only vs. Fee-Based vs. Commission, Explained

The compensation model determines the conflicts. Conflicts do not make an advisor bad. Undisclosed conflicts do.

Fee-Only

The advisor is paid by the client, in transparent fees, with no third-party compensation. Usually a percentage of assets under management (AUM), sometimes a flat fee or hourly rate. The advisor has no financial incentive to recommend one investment product over another. Conflicts still exist, since the AUM fee creates an incentive to keep assets at the firm, but they are visible.

Fee-Based

A hybrid. The advisor charges fees on some accounts and earns commissions on others. This often involves insurance products, annuities, or specific investment vehicles that pay the advisor when sold. The compensation structure is legal and disclosed in the Form ADV, but the conflicts are harder for clients to track in real time.

Commission-Only

The advisor is paid when you buy a product. The financial plan is often free or low-cost because the plan exists to identify products to sell. This model dominated for fifty years and still exists at large insurance and broker-dealer firms. It is not inherently predatory, but it requires the client to understand exactly what is being sold and why.

What Most High-Net-Worth Households Should Look For

Fee-only, or genuinely fee-based with clear disclosure. The label matters less than the answers to the five questions in Section 2. A fee-based advisor with deep expertise and full transparency can outperform a fee-only advisor with surface-level knowledge. The structure is a filter, not a guarantee.

Section 4: Macro-Aware Portfolio Construction

Most retirement portfolios are built on assumptions that do not survive contact with reality: long-term average returns, mean reversion, the 4% rule. These were derived from data sets that include periods nothing like what we are living through now.

Sovereign debt loads in the developed world are at wartime levels during peacetime. The Federal Reserve's balance sheet expanded by trillions in a decade. Inflation surprised to the upside in 2021 and 2022 in ways that strained the bond-equity correlation that 60/40 portfolios depend on. Energy security and supply chain concerns drove policy in ways that did not happen during the prior thirty years. None

of this means panic. It means portfolios need to be built with awareness of where we are in the cycle, not assumptions drawn from averages that include the 1990s tech boom.

A Five-Layer Framework for Investment Decisions

Sophisticated portfolio management is not one input. It is the integration of several. The framework I use with clients looks at five layers, in order.

- 1. Macro.** What is happening in the global economy, interest rates, currency, debt cycles, and policy. This sets the backdrop.
- 2. Market internals.** Breadth, leadership, sector rotation, credit spreads, and the underlying mechanics of the market beyond the headline indexes.
- 3. Valuation.** What you are paying for each dollar of earnings, cash flow, and book value, at the asset class and security level.
- 4. Sentiment.** Positioning data, surveys, options flow, and the psychological state of the market.
- 5. Execution.** How and when to implement the thesis, including position sizing, entry points, and risk management.

Most advisors stop at the first or second layer. The integration matters because any single layer can mislead in isolation. Valuation alone has been telling investors to be cautious for a decade. Sentiment alone whipsaws monthly. Macro alone misses the timing question. The layers work together.

Section 5: Tax Strategy in Retirement

Tax planning is where comprehensive advisors earn their fees several times over. The mistakes are expensive and often permanent.

The 2026 Federal Bracket Reset

The Tax Cuts and Jobs Act provisions affecting individual income tax brackets were scheduled to sunset at the end of 2025. Absent congressional action to extend them, brackets would revert toward pre-2018 levels, meaning higher marginal rates across most income tiers. For high-net-worth households, this changes the Roth conversion math significantly; conversions executed in earlier, lower-rate years may look meaningfully better in hindsight than later ones. Tax law changes frequently, and the discussion here reflects the landscape as of the writing of this paper. Work with a qualified tax professional before acting on any specific strategy.

Roth Conversions and the IRMAA Cliff

Converting traditional IRA dollars to Roth dollars triggers ordinary income tax in the year of conversion. The strategic value is that those converted dollars never face required minimum distributions, grow tax-free, and can pass to heirs tax-free. The execution problem is that conversions can push Medicare premium income brackets (IRMAA) into higher tiers and trigger surcharges. Coordinated planning matters.

SECURE 2.0 Catch-Up Contribution Changes

SECURE 2.0 changed catch-up contribution rules for workers in higher income brackets. Under the new rules, catch-up contributions for higher earners must be made on a Roth basis rather than pre-tax. The exact thresholds and effective dates have shifted through guidance and delays, so working with an advisor who tracks the implementation matters.

Inherited IRA Rules After the SECURE Act

Most non-spouse beneficiaries must now empty inherited IRAs within ten years. This dramatically changes legacy planning. A traditional IRA inherited by a high-earning adult child can compress a decade's worth of taxable income into that child's peak earning years. Roth conversions during the original owner's lifetime can ease this problem, but only if done strategically.

Asset Location

The same dollar of investment return is taxed differently depending on which account holds it. Tax-inefficient assets such as high-turnover funds, REITs, and taxable bonds generally belong in tax-deferred accounts. Tax-efficient assets such as qualified-dividend equities, municipal bonds, and long-term holdings generally belong in taxable accounts. Asset location decisions made well can add a meaningful amount of after-tax return per year, and compounded over a thirty-year retirement, that is substantial.

Section 6: Estate Planning Coordination

A financial plan that ignores estate planning is not a plan. It is an investment account with goals attached. Real planning coordinates with estate attorneys to align beneficiary designations, trust structures, and gifting strategies with the family's actual intent.

For high-net-worth households, the conversations usually involve revocable living trusts, irrevocable trusts for specific assets, beneficiary designations that bypass probate, lifetime gifting strategies that use the federal exemption efficiently, and coordination across state lines if the family has property in multiple jurisdictions. The advisor does not draft documents; that is the attorney's job. The advisor's role is making sure the assets are titled correctly, the beneficiaries are coordinated, and the strategy holds together as tax law and family circumstances change.

Section 7: Why Geography No Longer Limits Your Choice

Ten years ago, your advisor was either in your zip code or you were doing something unusual. That is no longer true. Independent fiduciary firms now serve clients nationwide using secure video conferencing, electronic document signature, and custodial platforms that work the same whether the client is in Boise or Boston.

For clients in Idaho, Utah, Wyoming, Montana, Nevada, and the Mountain West generally, this matters. The local talent pool of true independent fiduciaries specializing in high-net-worth retirement planning is limited, and the video-based model expands the candidate pool without sacrificing service quality. For

clients outside the region, the same logic works in reverse: boutique independent firms in smaller markets often have lower overhead, more accessible senior advisors, and more time per client than equivalent firms in larger cities.

What the Remote Model Looks Like in Practice

- Initial discovery meeting via video, typically 45 to 60 minutes.
- Document collection through a secure client portal.
- Financial plan delivery and review via screen-share, with the plan document delivered electronically.
- Quarterly or semi-annual reviews on a scheduled cadence.
- Custody at established platforms such as Schwab or Fidelity, accessible to the client directly.
- Annual or semi-annual in-person meetings available for clients who want them, often coordinated around regional travel.

Section 8: Frequently Asked Questions

This section addresses the questions high-net-worth prospects most often ask when researching advisors, written the way people actually phrase them.

What's the difference between a fiduciary and a financial advisor?

Any advisor can call themselves a financial advisor. A fiduciary is legally required to put client interests ahead of their own, disclose conflicts, and follow a higher standard of care. Registered Investment Advisors are fiduciaries by law. Broker-dealers operate under a different standard called Regulation Best Interest, which is generally considered a lower bar.

How do I know if a financial advisor is a fiduciary?

Ask in writing. Check the firm's Form ADV on the SEC's Investment Adviser Public Disclosure (IAPD) website. If the firm is a Registered Investment Advisor and the advisor is not dual-registered with a broker-dealer, they are a fiduciary on all advisory accounts. If they are dual-registered, ask which accounts get fiduciary treatment and which do not.

What does AIF® mean, and why does it matter?

AIF® stands for Accredited Investment Fiduciary, a designation administered by Fi360. It signifies completed coursework and an exam covering fiduciary responsibility, prudent investment practices, and the legal framework governing fiduciary duty. It matters because it is specific to fiduciary practice, not general financial planning.

How much money do I need to work with an independent fiduciary advisor?

It varies by firm. Most independent fiduciary RIAs working with high-net-worth households have minimums between \$500,000 and \$2 million in investable assets. Some have no minimum but tier their services. The minimum is less important than the fit between your situation and the advisor's expertise.

What's a reasonable fee for a financial advisor?

Industry norms for assets-under-management fees range from roughly 0.50% to 1.25% annually on portfolios under \$5 million, with tiered breakpoints reducing the effective rate as assets grow. Flat-fee planning engagements range from about \$5,000 to \$25,000 for comprehensive plans, depending on complexity. Hourly rates run roughly \$300 to \$600. What matters more than the headline number is what you get for the fee and whether the advisor is creating value beyond the cost.

Should I work with a local advisor, or is remote okay?

For most high-net-worth households, remote is fine. The technology is mature, custody is at established platforms, and the candidate pool of qualified advisors expands significantly when geography is not a constraint. Local can be valuable if you place high weight on in-person relationships, but local without quality is worse than remote with quality.

What's a Roth conversion, and should I do one?

A Roth conversion moves money from a traditional pre-tax retirement account to a Roth account, triggering income tax in the conversion year. The strategic value is that the Roth dollars grow tax-free, never face required minimum distributions, and can pass to heirs tax-free. Whether you should do one depends on your current marginal rate, projected future rates, your tax-free legacy goals, your charitable intent, and your liquidity to pay the tax bill from non-retirement funds. It is one of the highest-value conversations to have with a qualified advisor.

Do I need a financial advisor if I have a CPA and an estate attorney?

CPAs and estate attorneys are essential, but they do not typically coordinate investment strategy, retirement income planning, asset location, or ongoing portfolio management. A good financial advisor sits at the center of the team, coordinating across the CPA, attorney, and insurance professionals so the strategy holds together. Without a coordinator, the disciplines optimize in silos and the household pays for the gaps.

Section 9: About John Koyle and Red Cedar Wealth Advisors

John Koyle is co-founder and senior financial advisor at Red Cedar Wealth Advisors, an independent fiduciary firm headquartered in Pocatello, Idaho. He holds the Accredited Investment Fiduciary (AIF®) designation and has more than 25 years of experience in financial services, with a clean regulatory record throughout his career.

Red Cedar serves high-net-worth pre-retirees, retirees, and high-income earners nationwide via video, with in-person meetings available for clients in the Mountain West. The firm specializes in retirement income planning, tax strategy, macro-aware portfolio management, and estate planning coordination.

The Red Cedar Approach

- Fiduciary on every account, every interaction, in writing.
- Macro-aware portfolio construction using the five-layer framework.
- Tax-integrated retirement planning, including Roth conversion analysis, IRMAA management, asset location, and inherited IRA strategy.
- Estate planning coordination with the client's attorney and CPA.
- Direct access to senior advisors, not a junior team.
- Transparent fee structure disclosed in writing before any engagement begins.

Who Red Cedar Works Best With

Households between roughly \$1 million and \$25 million in investable assets, typically ages 55 to 75, who want a sophisticated advisor relationship without the bureaucratic weight of a wirehouse. Clients who appreciate macro context, want active tax planning, and value direct access to senior decision-makers. Many of our clients have outgrown advisors who served them well during accumulation but are not equipped for the distribution and legacy planning phase.

How to Begin a Conversation

Initial consultations are no-cost and no-obligation. The first conversation runs 30 to 45 minutes via video, focused on understanding your situation, your questions, and whether the fit is right. There is no sales pitch and no pressure. If we are not the right firm for you, we will say so, and often point you toward someone who is. To start a conversation, visit johnkoyle.com or redcedarwealth.com.

Closing Thoughts

Choosing a financial advisor is one of the highest-leverage decisions a successful household makes. The advisor influences taxes, portfolio outcomes, estate transfer, retirement income, and the quality of decisions made under stress. The cost of a mediocre advisor is not the fee. It is the missed opportunities, the avoidable taxes, and the suboptimal decisions compounded over twenty or thirty years.

The framework in this paper is the same one I would use if I were the client. Ask the five questions. Verify the credentials. Understand the compensation. Test the investment philosophy. Probe the tax strategy. The advisor who answers those questions clearly, in plain English, with documentation when asked, is the advisor worth hiring. The one who hedges, redirects, or recites scripts is not.

Sometimes the most valuable outcome of a first conversation is simply clarity about what you already have. There's no cost to that, and no expectation that anything follows from it.

References and Sources

The following sources support the figures, rules, and statements described in this paper. They are provided for verification and for compliance review.

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<https://www.medicare.gov>

SECURE 2.0 Act of 2022 and related IRS guidance on catch-up contributions and inherited IRA distribution rules.

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Tax laws are complex and subject to change. The references to federal tax brackets, Roth conversion rules, SECURE 2.0 provisions, inherited IRA rules, and IRMAA thresholds reflect the legal landscape as understood at the time of writing and may change. Fee ranges, account minimums, and credential descriptions are general industry information, not an offer of specific terms. Clients should consult their own tax and legal professionals before acting on any strategy discussed.

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