

Richard Kahler,
Rapid City, South Dakota

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The big urban states don't have a monopoly on wealthy families—or on the advisors who serve them.

GREEN ACRES

By Bobbi Dempsey

WHEN MOST PEOPLE THINK OF THE wealthy, they automatically envision a Manhattan penthouse or equally metropolitan locale. And while it's true that big cities often do have high concentrations of the super rich, there are plenty of high-income people living the good life in rural areas as well. And financial advisors savvy enough to set up shop in this undiscovered territory can often carve out a nice niche for themselves and—geographically speaking—corner the market.

Wealth Manager interviewed three financial advisors located in less-populated areas of the country and found that in many ways, their business is not that different from their big-city colleagues'. However, they do have some specific experiences of their own and three common threads that define their practices: A heavy reliance on technology, the importance of reputation and a high regard for making personal connections with their clients.

Richard Kahler
Kahler Financial Group
Rapid City, South Dakota
www.rickkahler.com

"I'm a former commercial real estate broker and appraiser who thought I invented financial planning in 1981," says Kahler. "Finding that I wasn't the inventor of financial planning, I enrolled in the College

for Financial Planning and became the first CFP in South Dakota in 1983, and established my fee-only practice when fee-only wasn't cool."

Despite—or perhaps because of—his rural location, Kahler has become something of a trendsetter—often even leaving the big-city guys in the dust. His technology and techniques as well as his

Kahler has developed a following of therapists, other planners and even potential clients who have attended the "Healing Money Issues" workshop he co-founded with Ted Klontz, president of Onsite Workshops near Nashville. The objective is to encourage people to work jointly with a financial planner and a therapist to address their financial issues. "It appears I am one

opened this year, too!"

And while he admits that "South Dakota doesn't have the caché of Manhattan," Kahler says location is unimportant if you give people what they want. What makes him so sure? "I have people who will drive seven hours to come and see me," he says.

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recognition of behavioral finance are cutting-edge, and he has grown accustomed to being told he is "years ahead of the curve."

Kahler's comprehensive Web site features a wide variety of resources, including interactive elements, video clips and Web casts. Instead of a standard newsletter, Kahler keeps in touch with clients via a blog. "We have high technological expenses, but I feel it is definitely worth it," he says. "It provides that personal connection that is so important—especially for people around here—because after visiting my site, they feel like they know me. In addition, potential clients in essence can do their own pre-screening because they can get a pretty good idea of whether we'd be a good match."

Still, computers can only do so much, and Kahler admits it can be a challenge to find qualified help of the human variety willing to move to his area. In fact, he's been on a quest to find someone he can mentor—ideally, someone who could take over the business at some point in the future—but has had no luck to date.

Meanwhile, Kahler takes an unconventional approach to financial planning by recognizing the emotional factors that play such an important role in money issues. Specializing in what he terms "financial psychology, or interior finance,"

of the only financial planners in the nation that will work in tandem, meaning jointly in the same meeting, with a therapist. The outcome of this process is incredibly powerful. And this is the heart of the matter," Kahler says.

Kahler has noticed some specific traits among his rural clients and their financial situations. "I rarely see any stock options in a portfolio," he says. "We have no middle management jobs or corporate jobs to speak of in this area. If someone is earning over \$100,000, they are in business for themselves, a professional or a retiree with a portfolio."

He also suspects that his clients' mindset differs from that of big-city residents. "I believe people in my town are a little less into appearances than in a larger city. We don't have Jaguar, Mercedes, Lexus dealerships or designer boutiques. Certainly, people do have money in larger cities, and they typically have higher expenses. I've been told by clients who move here from larger cities that they love the lack of pretentiousness in the people here. Of course, it exists," Kahler continues, "but not at the level found in more urban areas. We don't have to contend with the latest and greatest, as by the time the latest and greatest gets here, it's pretty much passé. For example, we just got our first sushi bar this year! Our first Starbucks

Phil Younker says a large part of his clientele consists of "higher middle-income people. I have a pretty equal balance of blue-collar and white-collar clients." Alaska definitely isn't everyone's cup of tea, Younker admits. "This isn't the kind of place that you tolerate even if you're not crazy about it. Once the first 40-below-zero night hits, you either decide you love it, or you leave."

A native Alaskan, Younker appreciates his ability to make a good living in an area he loves. The downside? A major lack of in-person networking opportunities. "Finding professional organizations close enough to go to is almost impossible. For me to attend big events, you're talking several thousand dollars in expenses and at least three or four days away from the office. In an area like this, you can't even do lunch with other financial planners, which is a disadvantage because that's the type of setting where you can exchange valuable insights and advice with your colleagues."

Without the help of technology, Younker says he'd be hard-pressed to operate at his current level of success. "The high-speed connection is a necessity to keep on top of things. In my situation, good computer skills are really a job requirement. The technology also helps me avoid adding more staff—which is a good thing as it can sometimes be tough to find qualified people in an area like this."

Younker says reputation can make you or break you in rural areas because most new clients discover him through word-of-mouth, and a few unhappy customers could quickly kill his business. "In a

Phil Younker

Phil A. Younker & Assoc., Ltd.

Fairbanks, Alaska

www.pyounker.com

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big city, you could have lots of unhappy people and still do fine. Out here, word spreads fast. Clients around here place a lot of importance on the personal touch—phone calls and in-person visits. They like to look a guy in the eye and shake his hand, so protecting your good name is key.”

Most of his clients are not the high-maintenance type, Younker says. “Often, we’ll rarely hear from them. They just want to know that someone is handling [their affairs], and that there’s someone they can turn to if something goes wrong.”

Connie Brezik
Asset Strategies, Inc.
Casper, Wyoming
www.asset-strategies-inc.com

A financial advisor with 27 years of experience as a CPA/PFS and CFP, Brezik man-

ages her firm’s locations in Casper and Scottsdale, Ariz. “Our clients come from all different disciplines and are all ages,” she says. “Their common elements are that they have wealth to manage, are busy running their own companies and/or lives, and want a competent professional they can trust to manage their finances.”

Asset Strategies has four office locations—some that are more rural and some metropolitan—so Brezik interacts with a good cross-section of clients. “The concerns and needs are the same no matter where you live,” she says. “You’ll find that higher income or high-net-worth individuals in rural areas are the same as they are in metropolitan areas. Some are very conservative and ‘quiet’ about their money and others are a bit more open to the new ways of doing things. In rural areas to be very charitable and supportive of local causes,” she adds. “This may be because everyone knows each other.”

Like her colleagues, Brezik praises technology’s ability to help overcome any challenges presented by a rural location. “With technology, any staffing problems can be overcome. You can find competent, experienced help, but the population base to choose from will be narrower in rural areas. However, you can hire anyone you need long distance or virtually. With email, the internet, faxes and phones, anything can be done remotely that can be done physically in your own office. Also, you can work with clients in any location. We have clients in many states and in other countries without any problems.”

And there are actually some advantages that go with the landscape. City-dwellers forced to battle a hectic rush hour drive to work certainly might envy Brezik’s daily commute—a three-minute drive to the office.

Bobbi Dempsey is a freelance writer and the author of several titles in the “Idiot’s Guide” series.



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