

Ep #143: Finding a Non-AUM Firm to Join with Dawn
Torres-Gale

NEW PLANNER PODCAST



Full Episode Transcript

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Caleb Brown

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Welcome to the *New Planner Podcast*, where it's all about helping you successfully enter the financial planning profession and accelerate your financial planning career.

This podcast will help you understand the profession, become familiar with the various career paths available to you, and avoid the mistakes that limit your success.

Join your host, Caleb Brown, to explore the human side of creating a successful planning career through interviews, personal experience, and insights from the trenches.

Let's get started.

Caleb Brown: Welcome to the 143rd episode of the New Planner Podcast, this is Caleb Brown, your host. My guest today is Dawn Torres-Gale, a client services manager at Compass Planning Associates in Westport, Massachusetts.

Dawn joins the show today to discuss her journey of becoming a financial planner, and as she describes it, how financial planning found her.

Listen in as she shares her experience as a military spouse pursuing a career in conflict resolution and how working with service members in small claims court sparked her to shift her focus to financial literacy for the military. And how she was able to secure scholarships for her pursuit of the accredited financial counselor credential.

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She goes on and discuss how service members were coming to her for higher level items, which caused her to begin pursuing the CFP designation, why she was originally turned off by a career in the private sector as a CFP, how she made the jump to working as a part-time virtual paraplanner, and how important it has been to her career, that her first employer is still her mentor.

Stay tuned to the end where she shares why she intentionally sought out firms that did not manage assets, her challenges in finding these types of firms and how she was able to eventually find a firm that was a fit, what her role is and how the firm is structured.

If you're seeking to join a firm that has a unique structure, then this episode is for you.

Hi Dawn, welcome to the New Planner Podcast.

Dawn Torres-Gale: Oh boy, thank you so much for having me.

Caleb Brown: Well, thank you for making time for us. I think you got a really cool story and just want to chat with you about it and it's kind of, I always do really just want to hear about how whether it's your first memory of money or how you got interested in all this financial planning stuff.

Dawn Torres-Gale: Sure. Well, it's kind of an interesting story, it's not your typical story. In fact, I like to tell people that personal finance found me, I wasn't looking for it. And the reason that I say that is I'm a military spouse. My husband served 20 years in the Coast Guard; he retired in 2014.

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And back in 2005, when he was still active duty, we were living in Honolulu, and I was a graduate student at the University of Hawaii. I was getting my master's in public administration.

And in that degree, I wanted to focus on conflict resolution because I thought I wanted a career as a mediator.

And so, I volunteered at Small Claims Court in Honolulu to get more experience as a mediator.

And if you've ever been to Small Claims yourself or your listeners have, it's all about small dollar amount disputes, people just owing us amount of money. I think it was like under 2 or \$3,000 and either they're going to pay it, they're going to dispute it, that sort of thing.

And so, I did that for a year, and two things sort of jumped out at me. One, this was during the height of the Iraq Afghanistan conflict. So, I saw a lot of military members because a lot of National Guard and Reserves were being called up in Hawaii.

So, consequentially, there's always going to be a percentage of people in any population that's going to have debt, and so I saw some of those folks.

And then just in general talking with just the people that came through, it was clear to me that there was a really low level of financial literacy going on that people just did not understand when they signed contracts for payday loans.

And payday loans by the way, was one of the biggest disputes I saw when I was there. Was people getting in over their head with payday loans and a lot of them would come in (you can believe this), with three-digit interest rates because they flipped over their payday loans.

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And so, the interest had added up and at that time Hawaii did not have a cap on, I think it's pronounced usury loans. And so, you could have this amazing amount of interest that you owed because you'd flipped over your payday loans.

And since it was 2005, this was before the federal government instituted a cap for military members. So, it was like the Military Lending Act of 2006.

So, even military members were coming in with these three interest rates. So, I was really disturbed by both seeing the kind of debt and also seeing the lack of financial literacy.

And I'll tell you what really jumped out at me was I happened to be counseling this one soldier and he said to me, "I really need to settle this debt." And I said, "I understand, you want to not have it hanging over you."

And he goes, "No, I don't want it hanging over my wife if I don't come back." That was big, that was huge.

And I just sat there, and I thought, what do you say to that, that this guy has this debt and he's going off to combat and he's worried if he doesn't come back, his wife has to deal with it in his estate.

So, I came out of that whole year just a totally different perspective. I made the decision that I needed to be in personal finance, forget about conflict resolution, I needed to be doing something in personal finance, especially for the military because I saw so many of them at Small Claims Court.

But I really didn't know how to get involved. I mean, I had never thought of personal finance as a career, to be perfectly frank, I was not a math person in school. I'd gotten an undergrad

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degree in political science, and I was going for public administration. I was not a heavy math person.

So, I was very fortunate though we moved from Hawaii to Massachusetts and around that time I found out about a program that FINRA sponsors, and it's called the Military Spouse Fellowship Program.

And they were in their third year of the program when I found out about it. So, I applied, and I was accepted. And so, I was in the third class of people that graduated.

And basically, what FINRA was doing, and the program still exists today for anyone who's interested, but what FINRA was doing was collecting civil penalty money from bad actors in the financial services field and turning around and putting it towards this fellowship to educate military spouses to become accredited financial counselors.

So, they could go to bases and provide legitimate, quality financial education that wasn't based on a product like retirement or life insurance. Because up until then, there wasn't really a coordinated sort of financial education program.

Sometimes you would have salespeople come on base and say, "Well, I can get you this mortgage," or "I can get you this life insurance." And it was all very piecemeal, and it wasn't necessarily fiduciary.

And so, the idea with this FINRA Military Spouse Fellowship was spouses understood the lifestyle. So, we were uniquely positioned to go to bases and understand the lifestyle challenges that a military member would have and then we would bring our knowledge of financial counseling.

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And that's still going on today at bases. I am not involved in it anymore, but I did. For 10 years, I was with a defense contractor where I went to bases on the east coast and then when we moved to the west coast, did some work there and then I even got to go as far as Germany and-

Caleb Brown: Oh fun.

Dawn Torres-Gale: Help active-duty soldiers there and I had a great time. I even had my own radio chef over for-

Caleb Brown: Look at you. Yeah.

Dawn Torres-Gale: Three months. It was called Dawn's Financial Fitness Hour.

Caleb Brown: Okay, and that's when you got the AFC?

Dawn Torres-Gale: Yeah, I'd got the AFC in 2012, and then I spent 10 years doing the work with the military through the defense contract.

Caleb Brown: Well, first of all, and thanks for sharing that, that sets the context. I mean just in military family; I mean just appreciate the service and doing that.

I've done a little bit of that coaching as well and to just see what the military families have to go through. I mean, just with having to move all the time and it's a tough life. So, appreciate all that and I know our listeners do.

So, you did that for about 10 years, the military consulting coaching, and then why did you leave that and move into something else?

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Dawn Torres-Gale: Well, at the end of the 10 years, I was starting to realize that I had service members that were coming to me for higher level financial guidance that was beyond the scope of being an AFC.

And it's funny how things sort of line up in the universe because as I said, just when I was starting to want to think about I really should be in personal finance, I find out about this FINRA program.

And then consequently, after 10 years I was speaking with another military spouse who told me about another scholarship program that was being sponsored by the American College of Financial Services and they were heavily recruiting veterans and military spouses to become certified financial planners.

And it was all paid for through donations to this scholarship fund. Of course, you had to apply. I did apply, I did get in and I finished in the beginning of 2022. It took me a while.

And this is not unique to military life, not everything is going to go really fast when you have a service member that's deploying, and you have to readjust your schedule and-

Caleb Brown: A lot of moving parts.

Dawn Torres-Gale: I didn't finish it in 10 months, the CFP education, it took me a of couple years.

Caleb Brown: Got it. So, you wanted to do some higher-level planning, you got the scholarship. And then what kind of job were you looking for after that?

Dawn Torres-Gale: It's kind of interesting you ask that because part of the reason I had not jumped into financial planning sooner than

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I did was I am 51-years-old, and I had grown up thinking that financial services meant you had to sell a product.

Like you were a stockbroker, or you were an investment salesperson, you were an insurance salesperson. And I didn't necessarily want a career selling product and that's how I viewed the financial services industry, and I didn't really dig in very much farther.

And then the woman that encouraged me and told me about the American Colleges Scholarship Program, her name is Andrea Clark.

She said, "No, I'm doing my own business and I don't sell products, I just provide the financial plan, I don't sell products at all." And I'm like, "Don't?" Because that was my image of financial services, you had to sell a product.

Caleb Brown: Now, there's this whole other side over there, right?

Dawn Torres-Gale: Right, and I just couldn't believe it. But I sort of jumped in the water and got the education finished and I started to learn as I was going through the education program about fee-only planners, which are people that, that's what they do is just the financial plan. They don't sell products, they're literally hourly or plan fee based.

Like I said, it was amazing to me that these folks existed because I feel like even 20 years ago it wasn't as prevalent to hear about a fee-only planner. And so, I knew that that was the path I wanted. I wanted to be a fee-only planner.

And so, in order to make that happen, while I finished the education in the beginning of 2022 and then I passed the CFP

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exam in the summer of 2022. And when I had passed, I went to different interviews, I looked on LinkedIn, I looked on Indeed.

And I wasn't really finding anything that was truly a fee planner. I got a lot of options to join a product-based brokerage firm where I'm still products but not a lot of fee planner.

And so, finally in frustration, I put a post on the CFP candidate, it's like a discussion group that they have. And I just said, "Look, this is what I'm looking for, I'm looking for a fee-based planner where I don't have to sell a product and where I'm not doing AUM," because I didn't want to do that.

Caleb Brown: Oh, okay.

Dawn Torres-Gale: And that was my thinking in the sense that I feel, and most people, if they're willing, can learn how to implement their own.

Caleb Brown: So, not only did you want fee only, you just said, I don't want anybody that's charging an assets under management fee, which is at that time I mean, still the most prevalent compensation model. So, what do you have against the AUM model?

Dawn Torres-Gale: I wouldn't say against, that's kind of a loaded word. There's no against, I think that it's perfectly fine for people to do AUM. My personal preference is that people take on doing it themselves if they can.

I mean, I can advise them how to do it, but ultimately, I think people should own their own implementation because I think if ... and then again, this is just my opinion, if people don't own a piece of the plan somehow by getting involved with the

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implementation, are they really going to be motivated to do anything that you recommend?

I think it helps connect the client to the plan when they know that they are responsible for the end result.

Caleb Brown: Got it, okay, it makes sense now why you had trouble finding something. Because I mean there's, to your earlier point, when I got started 20 years ago, I mean fee only was very rare. And now, I think NAPFA may have had 1000 members at that point. Now they're probably 4 or 5,000 members or something.

And there's other fee-only planners out there that aren't members of NAPFA, but you ruled out most of it by the AUM. So, you were frustrated, you said, "Look, I'm looking for a fee only, no AUM," posted on the CFP board candidate forum and then what happened next?

Dawn Torres-Gale: So, there was a financial planner at Compass Financial Planning named Sarah. And Sarah happened to just — again, I feel like this is kismet, she just happened to be reading the forum right after I had posted.

And she turned to her boss Jennifer Lane, who's my boss now, and said to her, "Look, this woman is looking for a no AUM."

Well, it turns out, even though they had not been actively recruiting, they had been wanting to find someone who also wanted to do financial planning without AUM, and they had been having trouble finding somebody because most people wanted the fee, they were used to that model, they wanted the fee.

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And so, they were having trouble finding someone that wasn't interested in AUM, because they don't do AUM at Compass Financial Planning.

And so, it was kind of this perfect fit in the sense that that's what I was looking for. And that's what they were looking for. And they had informally, like I said, been trying out people, but most of the people they wanted the AUM model.

Caleb Brown: And you're on the west coast though, and they're on the east coast. So, had you worked virtually prior to this and how did you overcome that?

Dawn Torres-Gale: Yeah, so the first remote job I had was as a paraplanner, I was working for an RIA in Massachusetts. And I started maybe six months before COVID happened. And I guess I didn't really adjust my hours. It was a part-time job, and so the hours, we made it work.

But the other thing that helped was I had lived in Massachusetts for eight years, so I knew the geography and I knew some of the references that clients would make. So, that was, like I said, a paraplanner job.

Caleb Brown: Well, why did you leave that firm?

Dawn Torres-Gale: I left because there just wasn't enough hours. It was a very part-time job and I just wanted to work full-time, and they didn't have full-time hours. But the gentleman who owned the RIA is still a mentor to me.

His name is Chris Chen, and he's in New Massachusetts. So, anyway, shout out to him. But it's always good to have mentors. I mean, that's a huge thing for me.

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So, I went to a firm in Seattle remotely, but obviously that's on the West coast, so that wasn't a problem. And that job, I'll just be frank, wasn't a good fit. It was just not a good fit.

And I sort of learned what I was looking for and it's nothing against the firm, it was just not a good fit.

And then as I said, I passed the exam and put out on the forum that I was looking for a planner that didn't do AUM. And Jen contacted me, I think the next day.

Caleb Brown: All the stars aligned, didn't they? Isn't it cool when that happens? So, you've been there about almost a year or so. So, just tell us maybe how's it going? I mean, how's your first year been?

Dawn Torres-Gale: I think it's been great; I really do. I mean, I can't say enough about the folks in the firm that are just for one ... I mean, I think this is what any person who works looks for is a great environment.

And I have just so much support from Jen, support from, there's one financial planner besides Jen, and then there's me that is working my hours to get the CFP designation.

And then, there are two investment advisors that are working on getting their CFP education done. So, there's like five of us and everybody just is very supportive.

And if anything with the hours since you bring it up, Jen and I had talked about that, and she said that I would be great for people on the east coast who wanted to have meetings after hours.

Caleb Brown: That's right.

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Dawn Torres-Gale: If that makes sense, because my hours would line up with their after-hours with the three-hour difference.

Caleb Brown: Well, it's the same reason a lot of these people outsource to India and stuff. Like they're getting all this work done when you're sleeping. Man, that's amazing.

So, you touched on this a little bit, like they're very supportive, but what else makes it such a great environment, because you've mentioned that several times now?

Dawn Torres-Gale: For one, the clients that she has as her customers, they're people that, number one, they've been with her a while, but number two, they came into the firm knowing that she doesn't do AUM and these particular people like that.

These are people that they're not coming in and then saying, "Oh my God, you mean you don't do investment management?" They know going in and so they're ready to do their part at the end.

And again, this is not meant to be a criticism of people that do AUM, I want to make sure that I'm clear on that, that people who do that, it's totally fine.

It's just the type of customer that Compass Financial Planning has are people that really get involved in the details and I like that because it means they have some ownership. They're not just saying, "Well here, make it all work for me."

Caleb Brown: Well, that's the beauty of this business. I mean, you can slice it hundreds of different ways. So, maybe just go into like if I'm a potential client, so I come in, I pay a fee for you guys to do a plan, what's that going to cost me?

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Dawn Torres-Gale: It depends on the complexity. I mean, obviously, single people without children versus couples with children, there's different rates. But basically, you come in, you fill out questionnaire, we have an introductory call to see if you know there's a good fit.

And then, the person signs an agreement with us, and we get all their information just like anybody would, that's creating a plan. We get all their financial statements, bank statements, insurance statements, everything that we would need to put a plan together. We use MoneyGuidePro for the plan.

So, we put a plan together and we put investment recommendations together. But when we meet with them, we go over the plan, we go over the investment recommendations, and then either they say, "Okay, great," and I'll do this offline, the investment recommendation's part.

Or they say, "Can we schedule another meeting?" And we go online with them, and they log in and we just sort of guide them as they do the trades.

Caleb Brown: Okay, so you're giving them an asset allocation, so you're giving advice on investments, you're just not making trades, custodialing the assets in a discretionary or even a non-discretionary situation it sounds like.

Dawn Torres-Gale: Right. So, if they want help, they have to come online with us and log in and then we help them.

Caleb Brown: Is there a minimum fee on the plan, I'm just trying to understand the revenue model?

Dawn Torres-Gale: No, it's hourly. Well, it's hourly for some of them or it's a flat fee, that's the two models.

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Caleb Brown: Okay, got you. And it sounds like just depending, like you have an entrepreneur that's obviously going to be a stock option person, they're going to be more than just a single person with no kids.

Dawn Torres-Gale: Right.

Caleb Brown: Okay, got you. Alright, so Dawn, thanks for sharing all this. I mean, just sort of love the story and how you found, I mean, almost a needle in a haystack, you know, it's really cool.

Dawn Torres-Gale: You're absolutely right.

Caleb Brown: As we kind of wind down, is any tips for any of the other career changers or anybody else out there that might be getting frustrated because they can't find the exact perfect firm for them?

Dawn Torres-Gale: Well, I would say, you really need to somehow hone down what exactly you would envision as your perfect firm. And that doesn't mean you're going to find everything in your perfect firm, but at least if you narrow down what it is you're looking for, beyond just I want a job so I can make money, obviously, that's an obvious.

But what would it be that would motivate you to want to come to work every day? I think the New York Times for example, they do a lot of articles about quiet quitting, which is basically, people that they come to work, and they do the minimum, but they're really not engaged.

And I'm sure most people don't go into a job thinking that they want that to happen. And so, I think to avoid being in that situation, what is it that brings you joy about a job? What is it that brings you joy about financial planning?

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It can't just be about the money, or I just don't see how that longevity would happen if it's just about the money.

Caleb Brown: And it doesn't, I mean, I've seen this in the recruiting business. It's usually about something else. I mean, rarely, because, "Hey, I need more money," they give more money.

It's like, oh, and they end up leaving like a year later or something, I see that a lot.

So, thank you again for coming on and really just appreciate, the military family, you being a military spouse and your husband's service to the Coast Guard. Anything else that you want to share before we sign off?

Dawn Torres-Gale: I think the main thing, the reason I got into financial planning, as you heard, was this whole trajectory of experience I had in this Small Claims Court.

And I always think back to that, and I always think back to the military members that I helped, that I'm in financial services because I want to see people be able to achieve the financial goals they want.

It's not about making them rich. And most of the clients that come to Compass Financial Planning are not your ultra-high net worth clients that are trying to become more wealthy.

They just want to meet their financial goals, they want to have a good retirement, they want to be able to vacation every year in retirement. That's what motivates me is the look on people's faces when they feel secure versus feeling wealthy.

And I realize that other people may think that's weird, but that's just my experience. Is that the security factor in, especially, now

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with what happened with the debt ceiling and all that stuff, the security factor I think is so important.

And I love being able to give somebody reassurance that, “Look, you're on the right track, everything is pointing to your success,” and that's my motivation. And I think that the best people in financial services are the ones that are looking at how best can I help the clients versus how best can I help myself?

Caleb Brown: Love it, thank you for sharing that, Dawn. And it's such a rewarding profession. I like how you said that, to see the look on their face when they're feeling secure, I really like how you put that.

Well Dawn, thanks so much for coming on and sharing your story.

Dawn Torres-Gale: I sure appreciate it.

Thanks for joining us for this episode of the New Planner Podcast. If you are ready to discover the top career paths for financial planners and see which track is best for you, we created a free guide to help you.

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There, you'll also find more tools and resources all created to help you build a successful financial planning career.

Tune back in next week for another episode, and until then, we are here to help you succeed.