

Ep #221: Leaving Corporate America and Launching a
Fee Only RIA with Prudence Zhu



NEW PLANNER PODCAST



Full Episode Transcript

With Your Host

Caleb Brown

[*New Planner Podcast*](#) with 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 221st episode of the new planner podcast. This is Caleb Brown, your host. My guest today is Prudence Zhu, who is the founder and CEO of Enso financial. Prudence joins the show today to share her transition from corporate America to financial planning. She shares how she learned about the profession and finally took the plunge to quit her corporate job and start her own firm through the Garrett Planning Network.

She goes on to share the challenges she has encountered over the last two years and getting the businesses off the ground while raising two small children, also how she had to realign her expectations on her initial goal metrics. Stay tune to the end to hear how she integrates life planning into her financial planning process. I hope you enjoyed this episode with Prudence Zhu.

Hi Prudence, welcome to the New Planner Podcast.

Prudence Zhu: Hi. Happy to be here. Thank you for having me.

Caleb Brown: And thank you for reaching out. I mean, I know you've got a really cool story and I can't wait to just walk through it and see how it unfolds. And I know our listeners will be interested. Maybe if you'll just set the stage for us on how you became aware of the financial planning profession and why you decided to pursue a career as a financial planner.

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Prudence Zhu: Lovely. So my story is a little bit different. I'm a career switcher. So everything started when I was on my second maternity leave and I was thinking, huh, I really wanted to be an entrepreneur.

Back then I was still in the corporate finance world. I was a finance manager for a big company with great work-life balance and I was like, okay. I've tried a couple of times part time setting up my company, but this time I'm really going to go all out and see if it's right for me. So I got another master's degree at Arizona State University on innovation and venture development, and it's a one year process to help you from, start your idea, do the market research, build the business plan, prototyping, and try to scale it.

So through that one year, I interviewed maybe a hundred people in the finance industry, and somehow I got really attracted to the fee-only financial planning sector. And then that's what I decided to do. And here I am, quit my corporate job March, 2023, and started a financial coaching company while I was still in the master's program and started a RIA fee-only part of Garrett Planning Network, November of 2023. So this is, I'm getting close to four years on my own and a little bit more than a year running my RIA.

Caleb Brown: Wow. That's amazing. A lot there to unpack. And I do want to explore that, but maybe just stay with this. I mean, how's it going? I mean, two years, no, you said one year into the RIA, two years in the coaching business. Is that, did I get that right? How's it going?

Prudence Zhu: It's really fantastic. It's like, I think maybe a couple months ago, I was talking to my husband. It's like, had anybody told me that it's double the work compared to a corporate job, but less than half the pay and there are so many highs and lows. It's just wild ride. I probably would have never quit my corporate job. Like I didn't have the courage to do it, but having gone through all that I wouldn't change what I do today.

Caleb Brown: Okay, got it. So you just said, "I probably wouldn't have quit my corporate job." And there's a lot of people out there that are on the sidelines, just like you, like, "Oh, I've got this big salary and I've got these great benefits. And maybe I don't have work life balance, but I just can't pull the trigger." What, I mean, I think you mentioned you were on maternity leave and you want to start your own business, but what gave you the courage just to go ahead and take the leap?

Prudence Zhu: I think back then I really saw the huge market demand because I'm a CPA, I started with tax planning, and knowing how much the market needed it and how big the potential is, I had the courage to just pull the trigger, but I didn't realize it would take so much longer than I expected, so I feel like I had some blind optimism going in, but now realizing, okay, it is hard, but it's incredibly rewarding as well.

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'Cause I'm the person who can decide who I work with, what I spend my time on. And amazingly, I got to know the people I never would have met in my corporate career, like a lot of mentors and continued education and other method of improving business and personal growth.

Caleb Brown: And so you got the CPA while you were in corporate America. That was before the financial planning career.

Prudence Zhu: Correct.

Caleb Brown: Yeah. And maybe, so you got CPA and then you sat for the PFS. So maybe just talk about that a little bit.

Prudence Zhu: Yeah. So I actually sat for CFP. And then I realized, okay, once I pass the CFP exam, I could qualify for PFS. So a little bit more about the certificate.

So PFS is another sort of a branch certificate under CPA. It stands for personal finance specialist. So for me, the only difference between the PFS and the CFP is CFP requires 6,000 hours of work experience, but PFS only requires 3,000, whereas for education and exam, their requirements are kind of the same. So I qualified for a PFS first, that's what I used first, but really your clients don't really see the difference.

Caleb Brown: So you're CPA, PFS, and a CFP?

Prudence Zhu: I will get my CFP this July.

Caleb Brown: Okay. You're waiting for the work experience. Got it. Okay. All right. Make sure—very impressive. Yeah. That's amazing. Love the tax focus.

I want to go back to something you said earlier. You said you started your firm on Garrett Planning Network. So talk to us more about that and maybe like why you didn't choose some of the other vendors like XYPN.

Prudence Zhu: Yeah, absolutely. So how I got to know Garrett is through a externship with Amplified Planning.

It's a great program. One of the guests mentioned she works for Garrett and it's a network that provides accessible planning to the wide population and that got me really interested. So I studied a little bit more and it's a wonderful network. And I am passionate about expanding financial planning and fiduciary advisor or advisory service to the general public, rather than just the high net worth.

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So it's just the value is like highly aligned and in Garrett, it's really interesting. So last year I went to their annual retreat. I got away with, it's a 90% of the people in Garrett has over like two decades of work experience and they are passionate, super passionate about personal finance and helping other people.

So they're doing more for the passion rather than making money. So for me, a little bit about myself. So I gained my financial independence through my corporate career. And I sometimes say I retired from my corporate career back in 2023, which is true. So for me, money is not a main motivator. So passion is the bigger driver here.

Caleb Brown: Okay. That's interesting. So what I just heard was, "Hey, I did really well in my corporate world. I've got enough money where I probably don't have to work any longer, but I choose to start my own firm and go through the ups and downs and work twice as hard." And is that what I heard?

Prudence Zhu: Yeah. Yeah. I mean, I didn't know that like coming in. So I have a YouTube channel, Invest with Prudence before I quit my job. I had a projection, like three years I'll be making as much as I made in a corporate career. And then five years I'll be doubling that. This is overly optimistic. I don't know, like the first two years I'm already like falling behind

Caleb Brown: And maybe talk more about that because there's other people contemplating. I mean, just what do you think are more reasonable assumptions? If someone's taking the plunge, let's just say they're making \$100,000 in their corporate job and they start a financial planning firm from scratch. I mean, how long, I know there's a lot of variables there, but how long you think that they should plan for?

Prudence Zhu: Three or four years. Yeah.

Caleb Brown: Three or four years. Okay.

Prudence Zhu: And that takes a lot of dedication and a lot of networking. So I think back to your mentioning, like why I didn't choose other platforms. I did go to a lot of the conference. I went to XY life in Denver a few years ago and got to know a lot of wonderful people. And one of the chart that actually encouraged me to jump in was their projectory for first year, second year, third year.

And I was like, "Oh, this is like manageable." I don't have to worry about what they call it, like a ramen and rent money. 'Cause I have passive income from my other assets. And so I was like very optimistic. It's like, "Yeah, it's going to be like a no-brainer." But

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two years in, as I think back on the stats, I realized, okay, there's a lot of people who quit this path in year one and year two, if they don't go very well.

So that makes, you know, it's kind of a self-selecting data. It's like people who stay longer are the people who were doing well and chose to stay.

Caleb Brown: Gotcha. And maybe to just explain how these, or at least Garrett, but I think they're all pretty similar. How these networks work. I mean, they provide you a suite of services. You pay some sort of monthly fee. I mean, can you just expand on that a little bit?

Prudence Zhu: Yeah. So XYPN is XY planning network. They charge around four to \$500 per month for you to become a member. And then you get access to a bunch of technology solutions like software you have to use in your financial planning practice.

And they also provide a very engaging and active community of, I think it's a Facebook group, and then they also have the annual retreat. They also have continued education resources. The one thing different about Garrett is that they also have referrals because Garrett has been existing for close to three decades now, and a lot of podcasts recommend Garrett.

They have a website that actually provides referrals to their 200-something members, and actually, more than half of the members are not accepting new clients. So as you can see, yeah, so—

Caleb Brown: It's good for you, right?

Prudence Zhu: Exactly. I mean, that's very attractive for someone who's starting the business because they do provide a lot of referrals.

Caleb Brown: I was going to ask you, I mean, like, how are you getting clients? Is it all from the Garrett network and Garrett referrals? Are you doing other things?

Prudence Zhu: I'm doing a bunch of other things. So right now it's half from Garrett and the other half is from networking, my social media, friends and family referrals.

And this year, when things start to happen, that's why I mentioned you need to stay in the game for the long run was the past two years has been friends and family and networking, social media because I run YouTube and LinkedIn. This year, something interesting happening is that a center of influence are reaching out to me.

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So other companies who are not providing the service that I'm providing to my clients, like one company doesn't provide AUM so they are partnering up with me to provide AUM to that clients. And then there are company doesn't provide a business valuation so I do provide that. I have a CPA and a certified business evaluation specialist, a designation.

So I could provide business valuation to other companies. So I would consider them like center of influence. And I don't think that those would come to you in the first two years because you're still establishing yourself and you need to prove that you're in the game.

Caleb Brown: You have a similar story when I started the recruiting business, I just reached out to all the practice management consultants. And there wasn't that many of them then. There's thousands of them now, I feel like. And I said, "Look, if you're talking to one of your clients and they need to hire someone, just put me in your bag of solutions there and I'd love to talk with them." And because they already had the client base built up versus me just trying to build one of them and that actually worked out. It sounds like that's working for you.

Prudence Zhu: There you go. Center of influence.

Caleb Brown: Yeah. It's working for you too. Okay, cool. So AUM, Asset Center Management. So you're doing. Well, just walk us through the business. I'm a new client. I go to Garrett. I put my information in and I get referred to you. Talk to me about what happens then.

Prudence Zhu: Yeah. So everybody on Garrett has a little bit different process. Like one thing in common is that you usually set up a meeting and then you will have a initial discovery call, see if you are a good fit for each other. And then they will send out the ADVs and engagement letter if it's a good fit and then start the engagement.

And for me, I don't call my clients to set up a phone call. I just use Calendly and they will set up a meeting from there.

Caleb Brown: Automated, right? Okay. So how do you know if we're a good fit? How do you determine that?

Prudence Zhu: That's something I'm still learning because at the beginning, I did have some clients that are not good fit, but now I'm offering them hourly service for any new clients.

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So it's basically, okay, let's do a session to review your portfolio or let's do a session to review a tax situation. And from there we can decide if we want to do a comprehensive plan. And after the comprehensive plan, we can say, okay, let's see if you want to come back every year or every other quarter, or you want me to manage your AUM.

I think that's been working very smoothly. So basically, let's start with something small, and then something comprehensive, and then let's build a relationship to meet every year, basically.

Caleb Brown: So I can pay you hourly, you'll look at my taxes, you'll look at my investments, and then if we both feel like it's a good fit, there's another sort of comprehensive fee or something for a full engagement? Is that how it works?

Prudence Zhu: Yeah, absolutely. So, it's a comprehensive plan and it's, so one thing special about Garrett is that all the members on the Garrett are required to offer hourly service. And I think it works very well in the sense that in that way, you can offer your service to more, bigger population and help them however is helpful to them and basically meet them where they are because I had people who had a couple of engagements, like maybe a couple of years back. And now they are finally ready to have a full comprehensive plan, especially when my clients are younger, like one-by-session engagement that's really popular is text review.

It's basically a read back of their tax situation, their tax brackets, the tax credit they can use, and observations and recommendations on the state and federal level. A lot of things come out during that one session.

Caleb Brown: I bet. I bet you can find a lot and add value and sort of get the relationship started off on the right foot. Sounds like you're sort of using that to open it up to a bigger relationship.

Prudence Zhu: Yeah, absolutely. And one thing I found out is that people who are, eager to take action and implement are usually the people who progress faster to a comprehensive plan. 'Cause once they see the benefit of taking actions, they will be like, "Okay, what's next, what else can I do? Like, how do I make it more aligned with my values and life goals?"

Caleb Brown: How have you handled the people that you've brought a board that aren't good fits. What have you done with them?

Prudence Zhu: They will stay in my newsletter and they will follow my YouTube channel. Whenever they are ready, I'm ready.

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Caleb Brown: Okay, so I'm just like if you ever had a client that was a bad fit that you didn't want to work with, how did you fire them?

Prudence Zhu: Oh, I would be very honest with them. I would say, "Sorry, I don't think I can help you." So yesterday, there was a prospect. I was very honest and she really appreciated the honesty. And usually, I would say, "Okay, maybe look around, maybe other Garrett members or other fee-only network people can help you out." And sometimes it's actually financial therapist that they need.

Caleb Brown: Okay. Interesting.

Prudence Zhu: Or cashflow debt consultants or coaches.

Caleb Brown: Yeah, I do think people appreciate the directness because they're used to being sold and vendors saying, "Yeah, I can do that. Yeah, I can do that. Yeah, I can do this." And like trying to be everything to everybody.

And I know there's been a few times when I've told firms, "I'm sorry, I can't recruit for you." And they're like, they're completely shocked. Like, "Well, what do you mean? You're a vendor? You're trying to grow your revenue." Like, "No, that's not the way it works." And they're like, just be fuddled. So it's just kudos for sticking to your guns on, "Hey, I'm not just going to take everybody."

Prudence Zhu: Yeah, because if it's a good fit, it's going to be beneficial to both parties, and they're going to be giving you referrals, and they're going to, you know, raving about you, they're going to remember you, all that good things.

If it's not a good fit, it's draining for the planner and it's also not a customer experience for the client.

Caleb Brown: And it sounds like you weren't necessarily financially motivated to do all this. I mean, is there a goal that you have in your head? Like, "I want to work with 10,000 people," or whatever it is. What's the goal here? What are you trying to do?

Prudence Zhu: So I have two goals. One is more like consumer education-oriented. And so towards that goal, I want to make trustworthy and independent financial advice or information available to as many people as possible. And to that end, I'm writing a book this year on couples and money.

Caleb Brown: All right. Nice.

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Prudence Zhu: Yeah. And my other goal is to. Change or shift the composition of the industry a little bit. I really want to encourage more women and planner of color into the business. So I want to establish a business model that could be replicated by other newcomers of the industry and make it, make them successful basically.

And for that, I'm really focusing on how to scale or make my current practice efficient and as well as starting to mentor career switchers and newcomers.

Caleb Brown: Okay, cool. I mean, how does that work? Is that just organic right now? As you meet people, you'll mentor them or you'd like have something like it's a business or official that you—

Prudence Zhu: It's organic.

Caleb Brown: Okay, great. And let's maybe talk about that a little bit more, because you mentioned earlier, maternity, so you mentioned a husband too. So you're a mom and a wife and also, I mean, just how do you manage all this stuff?

Prudence Zhu: Yeah. So I have two young kids, seven-year-old son and four-year-old girl.

Both me and my husband are very career and family-driven, more family driven than career driven. We really focus on family time. 07:30 in the morning until 08:00, that's family time, no work, fully engaged with the kids. And then five o'clock till basically that when the kids go to bed around nine, 10, that's also family time.

We don't do work. Weekends, family time. And going back to the lifestyle that I want to promote. So me personally, I'm originally from China. So I take my kids in the summer back to China or go to other international trips for five weeks. So I don't work during the summer and I also take two weeks off between Christmas and New Year's.

My ideal is that it's a business with a lot of time for self development, family time. And it is also profitable and it is providing value. So I'm like trying to hit three goals, right? It's a good lifestyle, it's profitable and it also is rewarding and see if that can be sustainable

Caleb Brown: In your original note to me, you mentioned you're very passionate about life planning and you've implemented that.

So, and I know we've had George Kinder on and I've always, I mean, I've been, we go way back, but maybe just talk about that a little bit. Like why—some people think that's

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silly and stupid and you shouldn't answer these touchy-feely questions, but why are you involved with the life planning movement?

Prudence Zhu: Yeah, so at the beginning, back to my interviews of a hundred people in the industry, right? And I found the people that I admire most are actually related to life planning. So I went through the seven stages training, which is a two-day, four-day training, and I got a lot out of it, but I didn't feel the real power of like life planning yet. There was another training provided by Louis. He is based in the Netherlands, but he's also a top trainer in the Kinder Institute. And I had one-on-one one session with Louis, I think right before Christmas in 2023, and he provided a vision, a little bit about life planning. So in life planning, my take is that whatever we do in financial planning doesn't mean anything if we don't put it behind our client's life goals, meaning money doesn't mean anything until we can make good use of it to achieve their most fulfilling life.

So that's what I believe, and I personally, having gone through the life planning session, so basically it's three meetings, which is the core of life planning, the exploration of lay everything on the table, all your desires, all your worries, and all your wish, everything on the table. And the second meeting is vision.

Basically, after learning, there is a questionnaire that we gather from our clients, after going through the questionnaire, going deeper, and conversation with the client, we will deliver a vision with a lot of details to the client of a moment that's within the next year or two. And the goal of this vision is to really let the client feel the most important things to them in their life and make it achievable in the next couple years and that would give them the motivation to make changes and take actions to make it happen. And then the third meeting is an obstacle. So once you are all dreamy and happy about your ideal life, now, the reality hits and here is a problem-solving time for us to actually find out the solutions.

So for me, after realizing, like experiencing myself and with my clients, this whole process, I feel like there's no other way around from the clients and it's really a resource should be put to use and to achieve their most fulfilling life as soon as possible. And from the planner side, numbers are just getting bored after so many years you are staring at it, and it's frustrating when you see clients who has a perfect plan in hand, but doesn't do anything about it, right?

So that's where life planning come in. You not only you build a strong relationship with your client, they're also motivated to take action and really be in a partnership with you to make good things happen.

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Caleb Brown: That's great. Yeah. Just another way, I mean, I feel like a deeper way to work with your clients and developing a relationship.

And I know when I use it with clients, like helping them, like, what are your goals? Okay. And when we're talking like, "No, like, what are you really passionate...?" Just trying to help them uncover some of that. 'Cause a lot of times I've never thought about it or ever really had anybody ask them. So it's just a really neat framework.

And, that's really cool. And this has been great. I mean, thanks for coming on and sharing the journey. And if you've got a lot of cool things going on and a few years in you're doing well, then maybe we can have you back after your few more years under your belt, just for a check-in, but is there anything else that you'd like to share and closing thoughts for any of the new planners out there before we close out?

Prudence Zhu: I would say this is an exciting time for the industry. There is a huge demand from both the industry side and the market side for behavior or human-centered financial planning and all the big brokers or custodians like Vanguard, Fidelity, Edward Jones, you name it, they're all doing behavior-related, research on what makes people successful in their finances and what are the main factors that could help them going forward. And also like the topic I'm talking about the couples and money is also trendy so if you are interested, definitely jump on the bandwagon, it's not the foo-foo. There is a real science and research behind it.

Caleb Brown: Got it, Prudence. This was a lot of fun. Thanks so much for coming on the show

Prudence Zhu: Thank you. I'm looking forward to coming back in a couple years.

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succeed.