

Earned Accelerates Physician Wealth Through Specialized Services & Customized Platform

Earned

How Earned built a platform uniquely focused on helping physician households manage complex financial lives and reduce tax drag on earnings and investments.

Backstory

Physicians have unique financial opportunities and challenges. Their high incomes – some specialists can earn an average of more than \$400,000 a year¹ – place them among the top 10% of U.S. income taxpayers.²

But those attractive incomes follow years of training that leave many with debt – an average of \$250,990 in total student loans.³ Physicians' financial (and personal) lives are also complicated by:

- The downstream economic effects of career choices.
- A compressed time horizon for saving and investing.
- Specialized insurance needs, such as malpractice and disability.
- Other dynamics of healthcare today: industry verticalization, reimbursement variations, and private equity investment, to name a few.

Few financial advisors have the diverse backgrounds and skills needed to address all the facets of doctors' wealth. Physicians are left cobbling together advice from insurance agents, brokers, certified public accountants, and others.

“One-quarter of physicians find themselves at retirement with less than \$1 million in savings.

Our customized platform for this high-earning group of professionals had to be able to identify and act on ways to limit tax drag on our clients' portfolios. And with LifeYield, we achieved that.”

- Bill Martin, Chief Wealth Officer, Earned

What happened next

A group of wealth management veterans founded Earned (called Forme Financial in its beta phase) in 2022 as a registered investment advisor (RIA). Its focus: helping physicians accelerate wealth creation and financial security.

They determined to own the client experience entirely and built their proprietary wealth engine and mobile app using several top technology partners:

MoneyGuidePro® for financial planning, a cornerstone of their engagement with physicians at every stage of their careers.

Orion Advisor Technology for its Brinker Capital turnkey asset management platform (TAMP), including custom indexing capabilities.

LifeYield for tax-efficient household portfolio management, including asset location and strategies to maximize retirement income.

The Earned platform incorporates its proprietary intelligence and the concierge services of certified financial planners (CFPs) who help physicians evaluate and understand the ramifications of myriad opportunities such as:

- Career options, job offers, and employment negotiations
- Buying into private practice
- Opportunities for private equity investing
- Practice mergers and acquisitions

“For us, there is a principle at play. To solve the really complex problems of physicians, we couldn’t create everything ourselves, nor would that have been the smart thing to do,” said Bill Martin, Earned’s chief wealth officer.

It was critical, Martin said, to select technology partners, like LifeYield, that grasped their goals, embraced their desire to launch quickly, and provided the kind of open architecture that can support them as they scale.

“The API-based structure allows us to integrate technologies from established partners who are willing to work with us and allow us to focus on the specialized types of problems of our clients,” Martin said.

Results

Since its launch in May 2022, Earned has saved physician clients an average of \$77,000⁴ in taxes. Clients consistently accomplish a wide range of financial tasks using the Earned app, with 71% of users logging in weekly.

In one case, Earned identified more than \$532,000 in potential savings over three years for one client.⁵

It announced \$12 million Series A funding in April 2023 to bring its total funding to \$18 million since it started serving clients in 2022.

Earned's chief executive officer, John Clendening, estimates physicians spend around \$13 billion annually on services that Earned provides. The company continues to invest in client acquisition and technology, including artificial intelligence, to add more tools and features to its wealth engine.

"We have every single tool in the toolbox that's needed to optimize a physician's financial life," Clendening said. "We stand alone in that regard. We also leverage deep tech to reliably deliver what we're optimizing financially."

\$77k

Earned has saved physicians an average of **\$77,000⁴** in taxes

71%

71% of Earned users log in weekly

\$13B

Physicians spend around **\$13 billion** annually on services that Earned provides

About Earned

Earned, formerly Forme Financial, is the first comprehensive, tech-enabled wealth system exclusively for physicians. The company uses a physician's unique career journey — from residency to buying into private practice to retirement — as a lens for the company's data-driven recommendations. Earned's centralized, tech-forward approach maximizes physicians' wealth cohesively and seamlessly, helping physicians earn more, invest smarter, and avoid losses. Because Earned understands the ins and outs of a physician's career, clients benefit from specially trained Certified Financial Planners (CFPs) and technology that plans and adjusts for changes throughout a physician's working life. To learn more about Earned, visit earnedwealth.com.



About LifeYield

LifeYield is a technology company that improves investor outcomes by minimizing investment taxes and maximizing retirement income. Major financial services firms like Morgan Stanley, Merrill, Ameriprise, SEI, Orion, Allianz, New York Life, and Envestnet partner with LifeYield. They use LifeYield APIs inside their proprietary platforms to automate ongoing asset location, tax harvesting, transitions, withdrawals, multi-account rebalancing, Social Security strategy, and retirement income optimization. LifeYield's approach increases advisor productivity and improves financial results for investors, advisors, and firms by up to one-third. For more information, visit lifeyield.com.



Endnotes

¹ Kane, L. (2022, April 15). *Medscape Physician Compensation Report 2022: Incomes Gain, Pay Gaps Remain*. Medscape. Retrieved May 2, 2023, from <https://www.medscape.com/slideshow/2022-compensation-overview-6015043>

² McKenna, J. (2022, July 22). *Do Doctors Pay Too Much in Taxes? Medscape Physicians and Taxes Report 2022*. Medscape. Retrieved May 3, 2023, from <https://www.medscape.com/slideshow/2022-tax-report-6015472>

³ Hanson, M. (2023, January 1). *Average Medical School Debt [2023]: Student Loan Statistics*. Education Data Initiative. <https://educationdata.org/average-medical-school-debt>

⁴ Physician Client Tax Savings is the average Tax Savings calculation for physician clients invested in the Custom Indexing Global ADR strategy, sub-advised by Brinker Capital Investments, LLC, a registered investment advisor. The Tax Savings calculation goal is to quantify the value-add of tax management by measuring the benefit from (1) tax loss harvesting, (2) transitioning legacy securities with unrealized gains, and (3) the growth of the savings from 1 and 2, by the rate of return of the portfolio. The Tax Savings calculation will be heavily influenced by the assumed tax rates, which can be specified at the investor level. If no tax rate is specified, the maximum short- and long-term Federal and State tax rates will be assumed. All calculations are based on the ending market values, of each account, as of 12/31/2022. Not all Forme Financial clients choose or are eligible for the Custom Indexing Global ADR strategy.

⁵ This communication contains past investment recommendations for illustrative purposes only. Forme Financial makes no assurances, nor should it be assumed, that recommendations made in the future will be profitable or will equal the performance of the securities included in this presentation. Due to various factors including changing market conditions, such recommendations may no longer be appropriate; nor should any past recommendation be taken as personalized investment advice. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the investment recommendations contained in this communication.