Lost in Fees: *An Analysis of Financial Planning Compensation*

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The primary methods of compensation in the financial planning industry are fee based and commission based. Commissions are shrouded within investment assets, whereas ongoing fees are more transparent. Clients can make optimal decisions when both price and quality can be assessed correctly. However, many clients are not aware of the differences among fee structures, and some clients even may believe that commission advice is free.

LITERATURE REVIEW

Primary compensation models in the financial planning industry include commissions and fees. Usually advisors are paid by product commissions or charge investors a certain percentage of investable assets under management. Recently, some advisors have begun charging clients flat fees based on the number of plans, hourly fees based on the time it takes to prepare a plan, or monthly fees. In addition, there is a growing trend for advisors to charge both commissions and fees.

Due to the complexity of compensation structures, the cost of financial planning services are often shrouded. Shrouded attributes are intentionally hidden, but they can be revealed by more sophisticated consumers, according to Gabaix and Laibson [2006], who argue that naïve and sophisticated consumers are segmented based on their ability to detect prices and quality. For example, some banks may choose to obscure certain fees from customers. Most bank customers are unaware of the fee structure until long after they open their accounts. Shrouded attributes are more likely to exist in markets where there is both a salient fee and a shrouded fee. Gabaix and Laibson [2006] argue that companies in markets with shrouded attributes do not have incentives to make shrouded fees clear to consumers, even in a perfectly competitive market, because their goal is to exploit naïve consumers. A similar shrouded-attributes market may exist for financial advice. Sophisticated investors may shop for the highest quality advice at the lowest price, while less sophisticated investors who are not aware of commission costs are unknowingly accept higher prices.

There is evidence that consumers pay more when fees are shrouded, regardless of industry. Consumers underreact to nonsalient taxes (Chetty, Looney, and Kroft [2007]) and do not minimize mutual fund fees (DellaVigna [2007]). Around half of car-rental customers paid more than the original quote because of hidden charges such as additional drivers, extra fuel, and insurance (de Meza and Reyniers [2012]).

The situation is even worse in the financial services industry. Consumers may perceive much lower costs under a commission

compensation structure because these fees are much more difficult for individual investors to assess (Beshears et al. [2009]; Malmendier and Shanthikumar [2007]). Previous studies find that many consumers have little knowledge of the fees they pay for financial advice or the conflicts of interest inherent in compensation structures (Hung et al. [2011]). Most mutual fund investors ignore operating expenses and commissions and are more sensitive to salient fees (Barber, Odean, and Zheng [2005]). Advisors intentionally try to hide the fees and push higher fee options onto consumers. An audit study conducted by Mullainathan et al. [2012] finds that financial advisors often recommend high-fee, actively managed funds and lead clients to not care about fees. In the year 2013, several countries, including the United Kingdom, Australia, and the Netherlands, enacted legislation banning commission compensation in financial services. Inderst and Ottaviani [2012] argue that in the market for financial advice, which has a large number of unsophisticated consumers, policy intervention leading to disclosures will enhance welfare.

DATA AND METHODOLOGY

Data were provided by private financial consultant Advisor Impact, which collected survey data from clients of different financial planning companies. The U.S. data included 1,407 client respondents in 2012 and 1,229 client respondents in 2014. The Canadian data included 1,017 client respondents in 2011 and 1,257 client respondents in 2012. Clients reported their investable assets and estimated fees paid to their advisors. The ratios of those two variables are used to identify unreasonably low estimation of fees paid by clients to advisors, as compared with industry standards.

All client respondents in the United States were the decision makers in their households, had over $50,000 in investable assets, and were working with at least one financial advisor. Over 70% of the respondents were age 55 and older, and half were male. Eighty-three percent of them worked with a single financial advisor, and 20% worked with multiple advisors. Seventy percent had more than a college degree and their annual household income ranged from $50,000 to $200,000.

Information on perceptions about advisor compensation is available in these data. According to Exhibit 1, 27% of clients reported that their advisors get paid by charging a certain percentage of investable assets—the

fee compensation model. Sixteen percent of clients think their advisors charge only commissions, and 18% think their advisors charge a combination of fees and commissions. Fifteen percent of clients reported a flat/hourly fee structure, and 22% of clients responded that they have no idea how their advisors are compensated.

Around 32% of clients did not know how much they have paid to financial advisors in the prior 12 months. Clients who reported having no idea about their advisor's compensation structure were also more likely to report that they have no idea how much they have paid in fees. Another 22% of clients thought they had paid an amount less than $500. However, a survey by Hung et al. [2008] showed that typical fee structures used in the financial services industry are 1.25% for assets under $1 million, 1.0% for $1M–$5M, 0.75% for $5M–$10M, and 0.25% for more than $10M. Fee ratios using investable assets and reported fees from clients are used to compare reported estimates with these industry standards.

Given that all clients in the data had to meet the minimum–investable–asset threshold of $50,000, some clients who thought they had paid less than $500 may have underestimated. According to the RAND research report (Hung et al. [2011]), most brokers are willing to assist small investors without account minimums, suggesting that they are compensated sufficiently for advisory services. Meanwhile, low-net-worth clients may not be aware that they are paying a relatively higher portion of their investable assets in the form of commissions than clients who pay a percentage of assets.

The data also show that 78.54% of clients have planned for retirement and that 88.20% of them have engaged in investment planning. Gao and Livingston [2011] show that, using SEC data for index mutual funds, the expense ratio is no lower than 60 basis points.

As shown in Exhibit 2, around 38% of respondents thought that they paid less than $500. This group, on average, was paying overall nearly 0.22% (22 bps) on investable assets. Clients with more than $500,000 in investable assets thought they were paying less than 0.07% (7 bps). A large fraction of clients (68%) thought they paid less than $2,500 annually to their financial advisors. A ratio of fees paid to investable assets of 50 bps is used as the threshold for unreasonably low fee estimation in the multivariate analysis presented in this article.

EXHIBIT 1
Compensation Structure by Amount Paid in the Last 12 Months (U.S. 2012 and 2014)

Compensation Structure	Amount of Compensation Paid in the Last 12 Months									Total: #Observations Frequency
	<$500	$500–$999	$1,000–$2,499	$2,500–$4,999	$5,000–$9,999	$10,000–$49,999	$50,000+	I Don't Know	Prefer Not to Answer	
Fees only (calculated as a percentage of assets)	3.76	2.12	3.91	3.76	2.85	2.58	0.49	5.69	2.58	731 27.73
Fees only (not linked to assets)	5.77	2.31	1.52	0.99	0.42	0.23	0.08	2.43	1.37	398 15.1
Commissions only	4.21	1.44	1.48	1.1	0.61	0.42	0.11	5.96	1.1	433 16.43
A combination of fees and commissions	3.6	2.31	2.01	1.78	1.06	1.14	0.38	4.21	2.09	490 18.59
I don't know	5.2	0.19	0.34	0.12	0.12	0.08	0.08	13.17	2.88	584 22.15
Total: Frequency	22.53	8.38	9.26	7.74	5.05	4.44	1.14	31.45	10.02	2,636 100

Notes: Based on 2,636 respondents in the 2014 and 2012 Economy of Loyalty (EOL) data. The figure in each cell is the percentage of the population with the characteristics of that cell.

EXHIBIT 2
Fees Paid as a Percentage of Total Investable Assets (U.S. 2012 and 2014), in Basis Points

Total Investable Assets	<$500	$500–$999	$1,000–$2,499	$2,500–$4,999	$5,000–$9,999	$10,000–$49,999	$50,000+
$50,000–$99,999	66.7	100	233.33	500	1,000	4,000	6,666.67
$100,000–$499,999	16.67	25	58.33	125	250	1,000	1,666.67
$500,000–$999,999	6.67	10	23.33	50	100	400	666.67
$1,000,000–$4,999,999	1.67	2.5	5.83	12.5	25	100	166.67
$5,000,000 or more	1	1.5	3.5	7.5	15	60	100

Notes: Respondents who do not know the amount of fees paid, preferred not to answer the fees paid, and those do not know the compensation structures are not included in this table. The percentage fee ratios are the average of fees paid in last 12 months divided by the total investable assets (midvalue are chosen as a proxy) in basis points.

Exhibit 3 shows that, among clients who did not know how their advisors are compensated, 60% of them had no idea how much in fees they had paid in the prior 12 months. Of clients who thought their advisors charged by commission only, 36% of them had no idea how much they had paid in fees during the prior 12 months. Some clients reported some amount of fees they had paid, but more than 50% of them reported paying less than 0.50% (50 bps) among all reported compensation structures. Of clients who paid through commission only, 67% reported paying less than 0.50% (50 bps), 34% reported paying less than 0.125% (12.5 bps), and 25% reported paying less than $500 in the prior 12 months. The portion reporting unreasonably low fees is much larger for the commission-only type in comparison with other types of compensation structures.

Previous studies have found that insurance agents recommend more suitable products to financially sophisticated customers, while customers with less knowledge are more likely to get inferior products

Fees Paid by Compensation Structures (U.S. 2012 and 2014)

Compensation Structures	Row Percentage (%)			
		Reported How Much Paid		
	I Don't Know	<50 bps	<12.5 bps	<$500
Fees only (calculated as a percentage of assets)	20.52	54.97	19.10	13.54
Fees only (not linked to assets)	16.08	69.46	31.88	38.19
Commissions only	36.26	67.61	34.41	25.64
A combination of fees and commissions	33.46	62.96	27.78	19.39
I don't know	59.42	77.64	36.65	23.46

Notes: Entries are the row percentages of whether respondents underestimate the fees paid in last 12 months in each corresponding cell. 50 basis points of fees to investable assets ratio is used as the threshold.

(Anagol and Kim [2012]). Hastings and Tejeda–Ashton [2008] argue that investors with higher levels of financial literacy focus much more on fees and select lower average fees when choosing investments. Given the potential impact of human capital on reduced preference for shrouded attributes, formal education is controlled in this analysis.

EMPIRICAL TESTS AND RESULTS

Demographic characteristics are included in our analysis. In particular, our analysis includes education level, age, marital status, and income. Those variables are available in the data both from the United States and from Canada. Including data from Canada for analysis provides more empirical results and can help reveal the impact of regulatory differences. All those variables are shown in the Appendix, with the first group used as the reference group. It is anticipated that more education would lead to a lower probability of unreasonably low estimation. Clients with higher education level are expected to be better at and more efficient in analyzing complicated information and thus are expected to be more likely to understand the prices of financial services. Longer tenure with an advisor is expected to be associated with a lower probability of unreasonably low estimation. Clients who stayed with one advisor for several years are expected to be more familiar with the products and to learn more about fees paid than new clients. Older clients are expected to be more apt to underestimate the amount of fees paid due to a decline of cognitive ability (Agarwal et al. [2007]). Income and marital status are included because they can be associated with some other

unobserved variables, such as the complication of financial plans. More complicated financial plans use more financial products, and making it harder for clients to evaluate overall prices.

The probit model to be estimated is given by

$$\Pr(Y = 1) = \Phi(\beta_0 + \beta * X + \epsilon), \quad (1)$$

where $Y = 1$ when clients meet the threshold of unreasonably low estimation of fees paid to advisors and $Y = 0$ when clients do not meet the threshold; X is a matrix of variables that includes compensation structures, education levels, client tenure with advisors, age categories, income levels, and marital status. There are six categories of compensation structures: "Commission only," "Combination of fees and commission," "Fees only (not linked to assets)," "Fees only (linked to assets)," "Other," and "I don't know." The groups "Other" and "I don't know" are combined because this should cover all compensation models currently available. It is expected that, in comparison with other compensation structures, clients who paid a certain percentage of investable assets tend to be more likely to know their fees because the price is more salient and easy to estimate. So, the group "Fees only (linked to assets)" is used as the base category.

There are different thresholds for fee ratios that we use in identifying unreasonably low estimation of fees paid by clients. Exhibit 4 looks at those who did not know how much they paid. Exhibit 5 uses a fee ratio of 0.5% (50 bps) as the threshold for unreasonably low estimation of fees paid, and Exhibit 6 uses the threshold of 0.125% (12.5 bps). These thresholds are much lower than industry averages so that we may confidently identify

Exhibit 4
Probit Regression Marginal Effects of Factors Affecting Estimating of Fees Paid—Don't Know

Variable	(1) US-2012 (454/1407)	(2) US-2014 (375/1229)	(3) CA-2011 (481/1017)	(4) CA-2012 (478/1257)	(5) US-CA (1788/4910)
Fee Structure					
Ref: Fees only (Calculated as a percentage of assets)					
Commissions only	**0.172***	**0.143***	0.057	**0.122***	**0.132***
	(0.377)	**(0.041)**	(0.044)	**(0.041)**	**(0.020)**
A combination of fees and commissions	0.030	0.019	−0.011	0.027	0.023
	(0.037)	(0.038)	(0.046)	(0.044)	(0.020)
Fees only (not linked to assets)	**−0.074***	−0.020	**−0.123****	−0.047	**−0.061***
	(0.039)	(0.040)	**(0.053)**	(0.048)	**(0.022)**
I don't know	**0.362***	**0.393***	**0.290***	**0.337***	**0.353***
	(0.036)	**(0.039)**	**(0.042)**	**(0.037)**	**(0.019)**
Community college	**−0.131***		−0.041	0.006	
	(0.046)		(0.055)	(0.048)	
College	**−0.111****		−0.079	0.059	
	(0.046)		(0.052)	(0.044)	
Advanced graduate degree	**−0.099****		−0.040	0.031	
	(0.045)		(0.057)	(0.047)	
Between 3 and 5 years	0.025	0.017	−0.031	0.058	0.019
	(0.039)	(0.040)	(0.048)	(0.048)	(0.022)
Between 6 and 9 years	0.060	0.016	−0.003	0.069	**0.038***
	(0.040)	(0.042)	(0.049)	(0.048)	**(0.022)**
10 years or more	0.043	0.020	−0.042	**0.073***	0.020
	(0.034)	(0.038)	(0.046)	**(0.041)**	(0.020)
44 to 65	**0.066***	**0.100***	0.009	0.052	**0.060***
	(0.038)	**(0.037)**	(0.046)	(0.049)	**(0.020)**
65 to 70	0.037	**0.109****	0.057	0.008	**0.050****
	(0.046)	**(0.047)**	(0.056)	(0.056)	**(0.025)**
Greater than 70	**0.079***	**0.145***	−0.019	0.006	**0.061****
	(0.045)	(0.046)	(0.061)	(0.056)	**(0.025)**
$50,000–$99,999	0.044	−0.046	−0.020	0.006	−0.000
	(0.038)	(0.038)	(0.056)	(0.041)	(0.021)
$100,000–$199,999	0.039	**−0.072***	0.006	−0.064	−0.018
	(0.041)	**(0.040)**	(0.057)	(0.043)	(0.022)
More than $200,000	**−0.090***	**−0.118***	−0.086	**−0.156***	**−0.109***
	(0.048)	**(0.043)**	(0.071)	**(0.053)**	**(0.026)**
Prefer not to answer	−0.076	0.169	**0.249***	−0.072	0.061
	(0.083)	(0.122)	**(0.079)**	(0.067)	(0.042)
Married	0.006	0.015	−0.048	0.017	0.005
	(0.027)	(0.029)	(0.034)	(0.029)	(0.015)
Country (Ref: CA)					**−0.072***
					(0.013)
Pseudo R^2	10.72%	11.68%	8.55%	8.83%	9.64%

Note: Significant values are in boldface. ***, **, * indicates significance at the 1%, 5%, and 10% levels.

EXHIBIT 5
Probit Regression Marginal Effects of Factors Affecting Estimating of Fees Paid—50 bps

Variable	(1) US-2012 (811)	(2) US-2014 (732)	(3) CA-2011 (536)	(4) CA-2012 (623)	(5) US-CA (2702)
Fee Structure					
Ref: Fees only (Calculated as a percentage of assets)					
Commissions only	**0.183***	**0.088***	**0.140***	**0.182***	**0.149***
	(0.040)	**(0.048)**	**(0.049)**	**(0.039)**	**(0.022)**
A combination of fees and commissions	**0.116***	0.052	**0.097***	**0.178***	**0.116***
	(0.040)	(0.045)	**(0.051)**	**(0.039)**	**(0.022)**
Fees only (not linked to assets)	**0.169***	**0.130***	**0.139***	**0.271***	**0.181***
	(0.040)	**(0.044)**	**(0.052)**	**(0.035)**	**(0.021)**
I don't know	**0.263***	**0.143***	**0.249***	**0.300***	**0.251***
	(0.038)	**(0.054)**	**(0.045)**	**(0.033)**	**(0.020)**
Community college	0.085		−0.053	−0.092	
	(0.081)		(0.084)	(0.078)	
College	**0.125***		−0.043	−0.081	
	(0.074)		(0.078)	(0.070)	
Advanced graduate degree	**0.161****		−0.105	−0.100	
	(0.072)		(0.088)	(0.073)	
Between 3 and 5 years	0.026	0.034	0.072	−0.036	0.020
	(0.051)	(0.053)	(0.060)	(0.063)	(0.028)
Between 6 and 9 years	0.079	−0.043	0.054	0.029	0.030
	(0.050)	(0.057)	(0.064)	(0.061)	(0.029)
10 years or more	**0.122***	−0.006	**0.102***	0.004	**0.057****
	(0.047)	(0.051)	**(0.058)**	(0.055)	**(0.026)**
44 to 65	**0.087***	**0.253***	0.070	**0.143****	**0.152***
	(0.048)	**(0.040)**	(0.60)	**(0.057)**	**(0.025)**
65 to 70	0.086	**0.249***	**0.121***	**0.148***	**0.167***
	(0.055)	**(0.039)**	**(0.066)**	**(0.056)**	**(0.026)**
Greater than 70	**0.096***	**0.238***	0.071	0.050	**0.134***
	(0.054)	**(0.041)**	(0.074)	(0.064)	**(0.027)**
$50,000–$99,999	−0.020	0.075	−0.034	−0.047	−0.013
	(0.055)	(0.058)	(0.079)	(0.062)	(0.031)
$100,000–$199,999	0.065	**0.169***	0.062	−0.026	**0.066****
	(0.058)	**(0.057)**	(0.078)	(0.065)	**(0.032)**
More than $200,000	−0.089	0.071	0.063	−0.136	−0.036
	(0.070)	(0.065)	(0.089)	(0.084)	(0.038)
Prefer not to answer	−0.005	0.168	−0.007	−0.129	−0.022
	(0.162)	(0.183)	(0.157)	(0.102)	(0.069)
Married	0.047	**0.069***	**0.087***	**0.120***	**0.047****
	(0.039)	**(0.039)**	**(0.047)**	**(0.041)**	**(0.021)**
Country (Ref: CA)					−0.006
					(0.018)
Pseudo R^2	7.01%	6.20%	5.68%	12.03%	5.81%

*Notes: Significant values are in boldface. ***, **, * indicates significance at the 1%, 5%, and 10% levels.*

EXHIBIT 6
Probit Regression Marginal Effects of Factors Affecting Estimating of Fees Paid—12.5 bps

Variable	(1) US-2012 (811)	(2) US-2014 (732)	(3) CA-2011 (536)	(4) CA-2012 (623)	(5) US-CA (2702)
Fee Structure					
Ref: Fees only (Calculated as a percentage of assets)					
Commissions only	**0.205*****	**0.174*****	**0.205*****	**0.249*****	**0.200*****
	(0.051)	**(0.055)**	**(0.061)**	**(0.055)**	**(0.028)**
A combination of fees and commissions	**0.129*****	**0.100****	0.091	**0.306*****	**0.148*****
	(0.046)	**(0.049)**	(0.059)	**(0.055)**	**(0.026)**
Fees only (not linked to assets)	**0.204*****	**0.134*****	**0.157****	**0.299*****	**0.194*****
	(0.048)	**(0.051)**	**(0.066)**	**(0.058)**	**(0.028)**
I don't know	**0.261*****	**0.189*****	**0.115***	**0.274*****	**0.214*****
	(0.058)	**(0.067)**	**(0.068)**	**(0.062)**	**(0.032)**
Community college	−0.043		0.056	**−0.127****	
	(0.077)		(0.077)	**(0.053)**	
College	−0.020		0.020	**−0.122****	
	(0.072)		(0.070)	**(0.056)**	
Advanced graduate degree	−0.030		−0.019	−0.066	
	(0.072)		(0.073)	(0.058)	
Between 3 and 5 years	0.007	−0.023	0.029	0.037	−0.000
	(0.050)	(0.053)	(0.065)	(0.061)	(0.028)
Between 6 and 9 years	0.036	−0.063	0.078	−0.038	−0.001
	(0.052)	(0.053)	(0.068)	(0.058)	(0.028)
10 years or more	0.038	0.033	**0.105***	0.016	**0.045***
	(0.044)	(0.050)	**(0.060)**	(0.052)	**(0.025)**
44 to 65	**0.252*****	**0.161*****	**0.134****	0.090	**0.162*****
	(0.044)	**(0.046)**	**(0.054)**	(0.057)	**(0.025)**
65 to 70	**0.337*****	**0.202*****	**0.210****	0.088	**0.213*****
	(0.063)	**(0.061)**	**(0.085)**	(0.073)	**(0.035)**
Greater than 70	**0.358*****	**0.223*****	**0.223****	0.003	**0.212*****
	(0.061)	**(0.063)**	**(0.091)**	(0.071)	**(0.036)**
$50,000–$99,999	**0.137****	0.063	0.116	**0.109***	**0.097*****
	(0.054)	(0.061)	(0.082)	**(0.063)**	**(0.031)**
$100,000–$199,999	**0.273*****	**0.142****	**0.133***	**0.114***	**0.164*****
	(0.056)	**(0.064)**	**(0.080)**	**(0.065)**	**(0.032)**
More than $200,000	**0.249*****	**0.194****	**0.303*****	**0.159***	**0.214*****
	(0.073)	**(0.076)**	**(0.110)**	**(0.087)**	**(0.041)**
Prefer not to answer	0.136	0.033	0.059	0.111	0.117
	(0.170)	(0.237)	(0.168)	(0.106)	(0.074)
Married	−0.019	0.034	0.050	0.004	0.016
	(0.036)	(0.039)	(0.040)	(0.038)	(0.019)
Country (Ref: CA)					
Pseudo R²	9.98%	5.24%	7.41%	8.46%	5.94%

Notes: Significant values are in boldface. ***, **, * indicates significance at the 1%, 5%, and 10% levels.

those unreasonable estimations from clients. Different columns represent different data sets. Column 1 presents results using U.S. data in 2012, and column 2 presents results using U.S. data in 2014. The education variable in year 2014 in the United States was not available due to a redesign of questions in the survey. Data from Canada in years 2011 and 2012 are presented in columns 3 and 4. Column 5 combines the United States and Canada together to help identify the differences in these two countries. "Fees only (linked to assets)" is the base category for compensation structure in the regression analysis. The results show that clients whose advisors charge "Commission only" are significantly more likely to give unreasonably low estimates of fees paid. This is the case across all datasets.

The results of education and client tenure are not as expected. A higher education level, as a proxy of human capital indicating better information processing, is expected to help clients better understand how much they pay in fees to financial advisors. However, the results show that it is not significantly associated with accuracy of estimated fees paid. This finding is consistent with previous literature that showed that financial knowledge is a very specific type of human capital that cannot be obtained from general education. The results also show that clients who have longer tenures with a single advisor are more likely to give unreasonably low estimates of fees paid, demonstrating that the longer clients stay with one advisor, the more likely they are to underestimate fees paid. Those clients may value some other aspect of the client–advisor relationship and choose not to pay attention to fees. We find that older clients are less likely to reasonably estimate fees paid. The differences observed across ages may be due to the decline in cognitive ability at older ages, or older clients may focus more on other aspects of the advisor–client relationship, such as communication.

CONCLUSION

This study finds that most clients do not know by what type of compensation structure their financial advisors are paid. Most also do not know the dollar amount that they had paid for advice in the last 12 months. Those who think they know the amount paid are usually wrong, quoting an amount that is far lower than would be reasonably expected based on the standard ratios of fees to investable assets. Clients whose advisors are compensated using more opaque forms of compensation are far more likely to underestimate the amount they pay for advice.

This study provides empirical evidence that compensation type is associated with a reduced ability to assess costs within the financial planning industry. The opaque nature of commission compensation is likely to result in increased demand for costly advisory services, particularly among more naïve consumers. This is likely to lead to an equilibrium in which advisors who employ a shrouded compensation scheme are more likely to cater to households with lower socioeconomic status and advisors with more salient compensation will cater to wealthy clients. Forcing all advisors to provide more salient pricing information likely will both reduce demand for advising services among naïve households and increase price competition among advisors.

A PPENDIX

Control Variables

Education Levels	Years with Primary Advisor	Age	Annual Income	Marital Status
Less than Community College	*Less than 3 years*	*Younger than Age 44*	*Less than $50,000*	*Unmarried*
Community College	3 to 5 years	Age 44 to 64	$50,000 to $99,999	Married
College	6 to 9 years	Age 65 to 70	$100,000 to $199,999	
Advanced Graduate Degree		Age greater than 70	More than $200,000	

Note: First line is the reference group in regression.

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