Hourly, project, or subscription clients: planning your practice capacity

Why your client mix shapes your capacity ceiling

Every financial planner works within a limit. There are only so many working weeks in a year, only so many client hours those weeks can hold, and only so many hours per engagement before the next client must wait. The way you sell your time - by the hour, by the project, or as a recurring subscription - changes where that limit sits and how easy it is to push it higher. Understanding the trade-offs helps you choose a model that fits both your clients and your own tolerance for administrative work.

Many planners start with hourly billing because it feels straightforward. You trade time for money, and every hour you work is an hour you can invoice. The trouble is that your calendar utilization becomes your ceiling. Non-client hours - marketing, compliance, professional development - take up space too, so the actual hours available for client work are always less than the working week suggests. A planner who bills by the hour has a direct incentive to fill every slot, but filling every slot leaves no room for the unexpected: a complex case that runs over, a client who needs extra support, or your own need for a break.

Hourly billing: simple but capped

With hourly billing, your income is a function of your working hours and your rate. Raise the rate and you can earn more without working more, but only up to what the market will bear. The real constraint is your own energy and the quality of the work you deliver. When every hour is billable, there is pressure to keep conversations focused and efficient. That suits clients who want a quick answer or a discrete task completed, but it can feel rushed to someone who values a broader relationship.

The main drawback is the ceiling on your earnings. Even if you work efficiently, there is a physical limit to the number of client hours you can sustain in a week. Administrative work - preparing for meetings, following up, handling compliance - eats into that total. A planner who bills hourly often finds that the most profitable work is the work they do themselves, which is exactly the work that cannot scale.

Project fees: value-based but lumpy

Project fees break the direct link between time and money. You quote a fixed price for a defined piece of work - a financial plan, a retirement review, an investment strategy - and you deliver it regardless of how many hours it takes. This model rewards efficiency: if you can complete the

work faster than you estimated, your effective hourly rate rises. It also gives the client certainty about the cost, which many prefer.

The challenge is estimating accurately. Underprice a project and you are working for less than your target rate. Overprice it and you risk losing the engagement. Project work also tends to be lumpy. You might have several large projects land in the same month, pushing you past your comfortable capacity, followed by a quieter period. Managing that flow requires either a buffer of smaller projects or a willingness to turn work away. For a solo planner or a small practice, the feast-or-famine pattern can be stressful.

Project fees work well when the scope is clear and the client understands what is included. They become harder when clients ask for extras that were not in the original brief. A good engagement letter helps, but some administrative work will always be needed to manage scope creep.

Subscription retainer: recurring but demanding

The subscription model trades the lumpiness of projects for a steady monthly or quarterly fee. Clients pay for ongoing access, regular reviews, and a continuing relationship. For the planner, it provides predictable revenue and a natural reason to stay in touch. For the client, it removes the friction of deciding each time whether to book a paid session.

The subscription model can push your capacity in a different direction. Instead of many one-off tasks, you have a pool of clients who expect regular attention. The hours per engagement may be smaller than a full project, but they recur every month. Over time, the cumulative load can surprise you. A planner who signs up fifty subscription clients at a modest monthly fee may find that the total client hours required to serve them all is higher than expected, especially if each client expects a quarterly review that takes several hours of preparation.

Managing subscription capacity means being disciplined about what is included. Some planners offer tiered subscriptions: a basic level with a quarterly check-in, a mid level with monthly calls, and a premium level with more frequent contact. That structure lets clients self-select into the level of service they need, and it gives the planner a clearer picture of the total workload.

A common mistake is to treat subscription clients as low-touch when they are not. The recurring fee can create an assumption that the relationship is light, but many clients interpret the subscription as permission to ask questions whenever they arise. Without clear boundaries, the administrative work can balloon. A good rule of thumb is to track your non-client hours separately from your client hours, so you can see whether the subscription model is actually giving you the efficiency you hoped for.

Blending the models

Most planners end up with a mix. A subscription retainer covers the ongoing relationship, with project fees for one-off pieces like a tax optimization or a plan update, and hourly billing for ad hoc questions that fall outside the subscription scope. The mix lets you smooth out the lumps while keeping a ceiling on your total commitment. But the mix also adds complexity. You need to track which clients are on which model, what each model includes, and whether the total workload fits within your working weeks.

This is where a clear picture of financial planner capacity becomes essential. Without it, you can easily overcommit. A planner who offers a subscription retainer, takes on a few large projects, and still accepts hourly calls may find that the sum of all commitments exceeds the available client hours. The result is either overwork or a decline in service quality. The only way to avoid it is to know your capacity ceiling before you agree to the next engagement.

Understanding your own numbers

Capacity planning does not have to be complicated. Start with your working weeks per year - subtract holidays, personal time, and professional development. Then estimate how many client hours you can realistically deliver in a working week, remembering that non-client hours will take up a portion of every day. Multiply those two numbers and you have a rough annual capacity in client hours. Then compare that with the hours you expect to spend on each type of engagement.

An hourly client might take two hours for a meeting plus one hour of preparation and follow-up. A project might take twenty hours spread over a month. A subscription client might take one hour per month for a check-in plus two hours per quarter for a deeper review. Add them all up and you can see whether the total fits. If it does not, you have a choice: raise your rates, reduce your client load, or shift clients to a model that requires less of your time.

A second look at **financial planner capacity** halfway through the year can catch drift. Clients who started as low-touch may become more demanding. Projects that seemed simple may require extra rounds of revisions. The initial estimate is a starting point, not a fixed number. Revisiting it regularly keeps you honest about what you can deliver.

When each model suits

Hourly billing suits clients who want a specific answer to a specific question and do not need a long-term relationship. It also works for the planner who is just starting out and needs to build a track record without committing to large projects or recurring retainers. The risk is that it limits your income and your ability to scale.

Project fees suit clients who want a defined deliverable and are comfortable with a fixed price. They work well for the planner who can estimate accurately and wants to be rewarded for efficiency. The downside is the lumpy workflow and the administrative work of managing scope.

Subscription retainers suit clients who want ongoing guidance and a sense of continuity. They work well for the planner who values predictable revenue and is comfortable with recurring commitments. The challenge is managing the cumulative load and keeping the service boundaries clear.

Most planners find that no single model is perfect. The art is in choosing the right mix for your practice, your clients, and your own tolerance for administrative work. By understanding your capacity ceiling and tracking your client hours against it, you can make those choices with confidence rather than guesswork.