Earned

After-Tax Alpha:

Quantifying the value of integrated wealth and tax management for doctors

Introduction

For many high-income doctors, taxes are often the largest controllable expense across a career.

Yet the standard wealth-management industry continues to treat tax planning as a once-a-year exercise — disconnected from investment decisions, practice planning, and the full doctor financial picture.

The gap between what reactive tax management delivers and what proactive, integrated tax management can deliver is not theoretical. It is measurable. And for doctors in top marginal brackets, it compounds into outcomes that can differ by hundreds of thousands — or millions — of dollars over a career.

This paper quantifies what we call **Earned After-Tax Alpha**: the measurable value created by Earned's integrated, continuous, doctor-centered approach to tax management.

We build on a foundation established by Vanguard's *Advisor's Alpha* research and Envestnet's *Capital Sigma* framework, both of which quantify the cumulative value advisors create through planning, tax management, behavioral guidance, and disciplined investing. Those frameworks demonstrate that well-executed advisor value consistently adds approximately 300 basis points of annual value-add.[1,2] Earned extends those principles into a doctor-specific context — a group with uniquely complex tax exposure and uniquely large planning opportunities.

Our Key Finding:

+3.7%

Our clients keep more of what they earn — **3.7% more in taxes saved** or deferred so far in 2026.[3]

Earned After-Tax Alpha is built around six quantifiable drivers:

Drivers	**Tax-loss harvesting & gain-deferral alpha**	**Asset location & account-coordination alpha**	**Practice sales & liquidity-event planning alpha**	**Behavioral & integrated-planning alpha**	**Long-term after-tax compounding alpha**	**Strategic tax planning for practice owners & 1099 doctors**
Annual value-add*	**~370 bps** (Earned YTD, net of fees)	**50–70 bps**	Highly variable; case studies show **$420k–$520k+** per event	**~150 bps**	Multiplicative effect of the above	Highly variable; case studies show **$40k–$57k** per year from entity optimization

Earned

After-Tax Alpha

Integrated, continuous, doctor-centered tax management

*See note 4. These are not isolated strategies. They are the compounding result of building tax management into every major financial decision — not after them.

Taxes are the largest controllable cost in a doctor's career

Doctors occupy a distinct position in the American tax landscape.
High W-2 and 1099 income simultaneously subjects them to the top federal bracket (37%) and the 3.8% Net Investment Income Tax. In California, New York, and New Jersey, combined marginal rates regularly exceed 53%.[5] For a doctor earning $600,000 annually, the federal and state tax bill almost certainly exceeds mortgage payments, student-loan service, and practice overhead combined.

Yet the standard wealth-management response — annual portfolio reviews, December tax-loss harvesting, April tax filing — is fundamentally misaligned with this reality. It treats tax as a cost to be reported, not a variable to be actively managed.

The doctor tax problem is also not a single problem. It is a layered set of simultaneous exposures:

- **W-2 income** from health-system employment, taxed at ordinary rates with limited shelter options unless coordinated with retirement plans and deferred compensation.
- **1099 and practice income** from ownership structures that carry self-employment tax implications and open access to powerful defined-benefit and profit-sharing tools — if used.
- **Equity compensation** including RSU vesting, ISO and NQSO exercises, and health-system equity events. Each carries distinct tax treatment; poorly timed, they create massive bracket spikes.
- **Practice-sale proceeds** — often the largest single capital event in a doctor's financial life, ranging from $500,000 to $10 million or more. Most doctors arrive at the transaction underprepared. The optimal planning window opens three to five years before the sale.
- **Investment real estate** with depreciation recapture, capital gains, and 1031-exchange opportunities that require multi-year coordination.
- **Investment-portfolio gains** from rebalancing, dividend income, and RSU-driven portfolio additions that accumulate silently without active management.

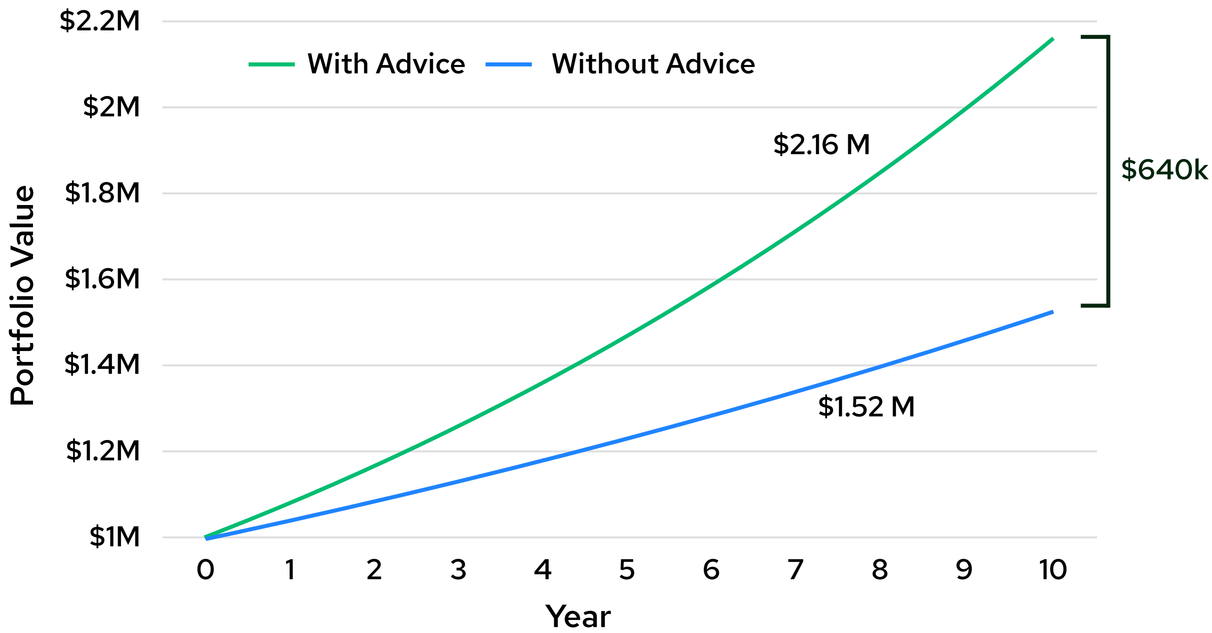
Managed in isolation, each of these creates friction, missed opportunities, and unnecessary taxes. Managed together through Earned's integrated platform, they become levers in a coordinated strategy.

What inaction actually costs

The following illustration highlights what passive tax management costs over time.[6] A $1 million portfolio that realizes gains annually grows to approximately $1.52 million over 10 years at an 8% annual return. An equivalent portfolio managed with active gain deferral can grow to approximately $2.16 million — a difference of $640,000 generated purely from tax discipline, not investment performance.

Earned After-Tax Alpha: The Value of Our Advice - Figure 1

Each portfolio had a $1 million starting value and appreciated 8% each year. One portfolio realized gains each time period equal to 5% of the beginning of period value, while the other did not.



For doctors, the effect is amplified. Higher marginal rates mean deferred gains compound more powerfully. Larger income events — practice sales, equity vesting — mean the loss bank required to offset them is greater. And the compressed windows around major liquidity events mean the cost of inaction in any given year can be permanent.

The broader industry has moved to quantify this precisely. Vanguard's *Advisor's Alpha* framework attributes approximately 300 basis points of annual value to advisors who implement best practices across asset allocation, behavioral coaching, tax-efficient investing, and withdrawal sequencing. Envestnet's *Capital Sigma* research similarly attributes roughly 100 basis points to tax management alone — and more than 300 basis points in total across the advisor value chain. Earned's platform was designed to deliver each of these pillars, calibrated for the specific complexity doctors face.

Turning volatility into long-term tax assets through continuous, tax-aware portfolio management

Most wealth-management firms still treat tax-loss harvesting as a December activity. Earned manages it every day. Taxable client accounts are monitored continuously; harvestable losses are captured in real time; and rebalancing events and portfolio transitions are evaluated for tax impact *before* execution. The result is a portfolio that is tax-optimized every day — not just at year-end.

Tax savings are often enhanced through custom indexing and direct stock ownership: rather than holding pooled funds, clients own individual stocks, enabling management at the tax-lot level.[7] Individual positions that decline can be harvested even when the index as a whole is rising. This captures what research describes as the *dispersion premium* — the persistent reality that even in strong bull markets, a meaningful portion of individual stocks within an index decline, creating harvestable losses that a fund-based approach cannot access.

How the savings are generated

The +3.7% figure is not a single trade; it is the cumulative product of three repeatable, year-round activities:

- **Continuous loss harvesting.** Declining tax lots are sold and replaced with closely correlated positions to maintain market exposure, realizing losses that bank against current or future gains while avoiding wash sales.

- **Tax-aware rebalancing and transitions.** When portfolios drift, or new assets arrive (a bonus, an RSU vest, a transferred account), rebalancing is executed by directing cash flows and harvested lots so the portfolio returns to target with minimal realized gains.

- **Gain deferral.** Where gains must be realized, the lowest-tax lots are selected, and recognition is deferred where possible — keeping more capital invested and compounding rather than paid to the IRS.

The Earned data

As of April 30, 2026, Earned clients enrolled in managed taxable accounts experienced an estimated average of **+3.7% in taxes saved or deferred**, net of asset-management fees, across active taxable client accounts. See important disclosures at the end of this whitepaper.

This figure materially exceeds the ~100-basis-point tax-management estimate in Envestnet's *Capital Sigma* framework — reflecting both the technology advantage of continuous management and the doctor-specific complexity of the client base.

The industry validates the moment
Recent Wall Street Journal reporting documented the explosive growth of long/short tax-aware strategies among high-net-worth investors.[8] These approaches – which deploy modest leverage to generate persistent realized losses at multiples of what standard custom indexing can produce – have grown from approximately $1 billion in assets in 2021 to more than $150 billion today. The reason is straightforward: traditional custom-indexed portfolios may stop generating meaningful losses after extended bull markets, and sophisticated investors have sought more powerful offset mechanisms ahead of major liquidity events.

Earned has incorporated both approaches into the toolkit. Continuous tax-loss harvesting, gain deferral, and custom indexing serve as the cornerstone of Earned's taxable portfolio management approach. For doctors nearing a significant liquidity event – practice sale, large RSU vesting, concentrated-position exit – Earned offers access to accelerated long/short strategies, enabling the construction of a meaningful loss bank in the years before the gain event occurs.[9]

How long/short "accelerated" harvesting quantifies its value
A long-only harvesting strategy can fade over time: after extended bull markets, many positions may sit above their cost basis, and new losses depend on market dips. A long/short extension (for example, a 130/30 structure) adds offsetting long and short positions designed to keep generating losses in rising and falling markets.

Illustrative analysis suggests the net tax benefit scales with the size of the extension – on the order of ~3.4% of market value per year (averaged over a 10-year time horizon for a 130/30 structure), rising toward ~8% of market value per year (averaged over a 10-year time horizon for more aggressive 200/100 structures) – with the largest net capital losses generated in the early years.[9]

On a $10M cash-funded account compounding at 6%, illustrative analysis suggests a long/short approach can widen the after-tax wealth gap to several million dollars over a 20-year horizon versus long-only harvesting – before the eventual, planned unwind of the extension is accounted for.

While the potential tax benefits can be significant, investors should also recognize the additional risks associated with long/short strategies. These approaches employ margin and leverage and introduce financing, short-selling, and liquidity risks not present in traditional long-only portfolios. As a result, long/short accelerated harvesting strategies are generally best suited for investors with sufficient risk tolerance, long investment horizons, and a clear understanding of the tradeoffs involved.

Coordinating the household as one system

Most doctors don't have a portfolio problem. They have a coordination problem. Wealth accumulates across taxable brokerage accounts, 401(k)s and 403(b)s, 457 plans, Roth IRAs, HSAs, practice retirement plans, trusts, equity-compensation accounts, and real-estate entities. Too often, each is managed independently — different advisors, different custodians, no coordination. The result is predictable: tax-inefficient assets end up in taxable accounts, tax-advantaged accounts are underutilized, concentrated risk builds unnoticed across separate statements, and Roth-conversion and bracket-management opportunities are missed entirely.

Envestnet's *Capital Sigma* research attributes more than 50 basis points of annual value to asset-location advice. Vanguard's framework puts the figure at up to 70 basis points.[10] Both are based on general investor populations. For doctors, the opportunity — and the cost of not acting — is larger.

Different asset classes carry different tax consequences. Bonds generate ordinary income; REITs are tax-inefficient; municipal bonds generate tax-exempt income; equities benefit from preferential capital-gains treatment; and Roth accounts maximize long-term tax-free growth. Where each asset class sits — taxable, tax-deferred, or tax-free — determines how much of its return the doctor actually keeps. Earned approaches the doctor household balance sheet as one coordinated system, using tax-smart technology to help determine the placement of tax-inefficient assets in tax-advantaged accounts and tax-efficient assets in taxable accounts, continuously and across all enrolled accounts simultaneously.

Coordination also extends to retirement-plan architecture and entity structure — where practice owners and 1099 doctors have access to defined-benefit and cash-balance plans, S-corporation optimization, and family-payroll strategies that can dwarf the value of asset location alone. Because those opportunities are specific to ownership and contract income, we address them in detail in **Driver 6.**

Value estimate: 50–70 basis points annually, consistent with Envestnet and Vanguard research, with upside in doctor-specific scenarios where multi-account coordination is underutilized.

The most valuable planning often happens years before the transaction
For most doctors, the biggest financial event of their career is not a year of strong investment returns. It is a liquidity event: a practice sale, a concentrated-equity exit, a major RSU-vesting schedule, or the sale of investment real estate. These events can generate enormous wealth — and enormous tax bills. The highest-value planning opportunities are almost always available only in the years before the transaction, not in the weeks before closing.

Earned's approach is explicitly anticipatory. When a doctor anticipates a significant liquidity event within 36 months, the planning response begins immediately: building a loss bank through custom indexing or a long/short strategy, engaging Earned's CPA team for deal-structure analysis, reviewing entity architecture, and modeling the charitable, Opportunity Zone, and withdrawal-sequencing strategies that may apply.

Case-study illustrations *(identifying details modified; results not guaranteed)*
An orthodontist in San Francisco, anticipating a $1.6 million practice-sale gain, funded $1.7 million into a taxable account 24 months before the sale. Accelerated tax-loss harvesting generated $1.4 million in realized losses; at sale, those losses offset the majority of the gain — reducing the taxable event from $1.6 million to roughly $200,000. Estimated taxes saved: **$420,000**.

A radiologist in New York with $1.8 million in a concentrated single-stock position used a three-part coordinated approach: a $400,000 Donor-Advised Fund contribution of appreciated shares (eliminating capital gains on the contributed portion and generating a charitable deduction), a $1.5 million long/short SMA through Quantinno generating $600,000 in accumulated realized losses over three years, and a $500,000 rollover into a Qualified Opportunity Zone fund for remaining gains. Estimated total taxes saved and deferred: **$520,000+**.

These are not outlier results. They reflect the structure of doctors' financial lives — large, concentrated gain events that can be meaningfully offset when planning begins early enough.

Value estimate: highly variable by situation. In practice-sale scenarios, tax savings of $200,000–$500,000+ are achievable with 24–36 months of proactive preparation; in RSU and concentrated-position scenarios, the benefit of a properly structured offset strategy frequently exceeds the Envestnet and Vanguard baselines considerably.

Some of the most expensive financial mistakes never appear on a statement
Vanguard's *Advisor's Alpha* research attributes approximately 150 basis points of annual value to behavioral coaching — the discipline an advisor provides that keeps clients from abandoning their plan during market stress or short-term thinking.[11] For doctors, there is an additional behavioral and coordination premium that general-population research does not fully capture.

Most doctors work with a fragmented set of advisors — an investment advisor, a CPA, an insurance professional, an estate attorney, a retirement-plan provider, and sometimes business consultants — none coordinating with the others. That fragmentation creates compounding risk: duplicated strategies, conflicting recommendations, missed tax opportunities, and poor timing around major decisions. Earned's integrated model brings these disciplines together: advisors, in-house CPAs, and estate counsel act as one team around every significant client event, reviewing RSU vesting, practice sales, and real-estate transactions in coordination *before* execution — not reconstructing them for tax purposes after the fact.

The value of this coordination includes:

- **Bracket management and Roth-conversion strategy** — identifying the low-income years (sabbatical, a transition between positions, partial wind-down) where conversions can be executed at 22% or 24% rather than 37%, with benefits that compound over decades.

- **Withdrawal sequencing** — the order in which retirement accounts are drawn down can have a six-figure impact on lifetime taxes; modeling the full income picture and sequencing to minimize lifetime tax is a high-value service most fragmented relationships never deliver.

- **Charitable coordination** — contributing appreciated securities rather than cash eliminates capital gains while generating a full fair-market-value deduction; Donor-Advised Funds, Qualified Charitable Distributions, and Charitable Remainder Trusts each carry distinct advantages depending on the doctor's situation.

Value estimate: ~150 basis points, consistent with Vanguard's behavioral-coaching estimate, with an additional coordination premium for doctors transitioning away from a fragmented multi-advisor model.

The multiplier that the other drivers create

Tax savings don't just reduce this year's bill. They compound forward — every year, indefinitely. Capital that stays invested rather than going to the IRS earns returns. Those returns earn returns. Over a 20- to 30-year horizon, the difference between a doctor who managed taxes proactively and one who didn't isn't measured in basis points. It's measured in what their family actually has in their portfolio. Two doctors can earn identical market returns and end up with dramatically different long-term wealth depending on tax efficiency, planning discipline, coordination, and realization strategy. Envestnet's *Capital Sigma* research illustrates the effect directly: a portfolio managed with sophisticated tax harvesting grew to $3.48M versus $3.15M for a non-tax-managed portfolio — an 11% difference generated by tax management alone, compounding over time. The growth curves in Figure 1 make the same point for a $1 million portfolio: roughly $640,000 of additional after-tax wealth over 10 years from tax discipline, not market outperformance.

For doctors in top brackets with 20–30-year horizons, the effect is materially larger. A 370-basis-point annual tax advantage — the Earned YTD figure — does not simply add 3.7% to wealth each year. It compounds: capital that stays invested rather than being paid to the IRS earns additional returns on the taxes it would otherwise have paid, and those returns compound forward, accelerating over time. This is why the goal of Earned's platform is not simply reducing this year's tax bill, but improving lifetime after-tax outcomes. Every dollar of unnecessary tax paid today is a dollar that never compounds again.

For practice owners and 1099 doctors, the entity is the starting point

The first five drivers optimize the portfolio. The sixth starts earlier – with the entity, the compensation structure, the retirement plan, and the way income is earned in the first place. For a practice owner or 1099 doctor, this is often where the largest planning opportunity lives. It is also the work that an investment-only firm cannot perform alone. The portfolio cannot be fully optimized until the structure around it is right.

> *The right entity election, retirement-plan design, and compensation structure can save five figures every year – and millions across a career.*

What distinguishes strategic tax planning from ordinary tax preparation is timing and intent. Preparation looks backward and records what already happened; strategic planning looks forward and changes what will happen. It is proactive, multi-year, and it requires the tax advisor, accountant, attorney, retirement-plan specialist, and wealth manager to read from the same plan. The opportunity is clearest at an *inflection point* – a contract coming up for renewal, a move from employment to private practice, or a decision between W-2 and 1099 work.

The W-2 vs. 1099 decision: the same income, an entirely different picture

Consider a $500,000 physician weighing an offer to leave W-2 employment for contract (locum tenens) work, structured through an S-corporation. The income is the same. The after-tax picture is not.

	W-2 Employee	Locum / S-Corp
Tax flexibility	None – employer withholds FICA	S-Corp FICA reduction + business deductions
Deductions	Limited; no business deductions	Augusta Rule, home office, vehicle, CE, equipment
Retirement cap	~$23,000/yr (employee 401(k) only)	$150k–$275k+/yr with Solo 401(k) + cash-balance plan
Disability (DI) coverage	Employer group plan – ends Day 1 of exit	Own-occupation – must be placed before transition
Annual tax savings	Baseline: $0	**$40,000–$57,000+ vs. W-2 baseline**

Illustrative comparison for a $500,000 physician; figures vary by state and circumstance. Source: Earned strategic tax-planning analysis.

Entity evaluation and selection can make all the difference

The choice of entity – and whether it is paired with active planning – drives payroll taxes, the availability of deductions, retirement-plan capacity, and the eventual treatment of a sale. The table below models the same $500,000 California physician across structures.

	W-2	Sole Prop – No Planning	Sole Prop w/ Planning	S-Corp No Planning	S-Corp w/ Planning
Total federal tax	115,706	119,478	90,454	115,886	54,561
State income tax	41,019	34,994	28,024	41,701	7,737
Corporate tax	–	–	–	3,500	3,000
Pass-through entity tax	–	–	–	–	19,000
Payroll taxes – owner	20,868	–	–	27,230	27,230
Payroll taxes – family	–	–	8,262	–	8,262
Total taxes	**177,563**	**154,472**	**126,740**	**188,317**	**119,790**

Illustrative; California resident. Every state drives different results, though results may be similar in other high-tax states. Source: Earned strategic tax-planning analysis. Not tax advice.

Fully optimized: a fully planned S-Corp structure lowers total tax from $177,563 (W-2) to $119,790 – more than $57,000 in annual savings.

The three levers that move the needle

For a 1099 healthcare professional — say, a $200,000 contract clinician facing self-employment tax with no employer benefits — three levers do most of the work:

- **Retirement plan.** Contributions of up to roughly $72,000 annually through a Solo 401(k) or SEP-IRA directly reduce taxable income — the single biggest lever available. For higher earners and practice owners, layering a cash-balance (defined-benefit) plan on top can push deductible contributions to $150,000–$275,000+ per year, dramatically exceeding standard 401(k) limits and producing $3.4 million or more in additional retirement accumulation over a decade at a 7% return.
- **Business deductions.** Home office, malpractice premiums, CME, licensing, equipment, and travel are properly documented deductions fully available to 1099 earners but unavailable to W-2 employees. Ownership extends the list to officer wages, family payroll, the Augusta Rule, vehicle and mileage, health insurance, HSA contributions, and the pass-through-entity tax election.
- **Entity structure.** At $200,000 of income, an S-corporation election may reduce self-employment tax by roughly $8,000–$10,000 per year; at higher incomes, as the entity table shows, the combined effect of structure, family payroll, and the pass-through-entity tax can be far larger. Entity choice is not a one-time decision — it should be revisited as the practice and income grow.

Five teams, one conversation

None of these levers work in isolation, and the decision window is short. When a doctor says, “*My contract is up in four months*,” that is the trigger for all five Earned disciplines to be at the table at once — ideally with at least 90 days’ lead time:

- **Tax** runs the W-2-vs-S-Corp comparison, models the five-year after-tax income delta, and sizes FICA savings, deductions, and entity structure before anything is signed.
- **Retirement-plan services** design the optimal plan for the new entity and quantify the contribution jump from ~$23k to $150k–$275k+ and its ten-year compounding impact.
- **Wealth management** aligns the portfolio to the new cash-flow pattern, deploys continuous harvesting to offset the first year’s higher self-employment tax, and optimizes asset location.
- **Insurance** confirms own-occupation disability coverage is in force before the last day of employment — group coverage ends immediately on exit — and reviews health and umbrella needs.
- **Legal** reviews employment-contract termination and non-compete terms and ensures the new S-Corp or LLC is properly formed, documented, and compliant.

That coordination is the sixth driver in practice: the integrated model converts a stressful, time-boxed career decision into a structured, multi-disciplinary tax-planning event — and turns ownership and contract income into the largest after-tax opportunity in a doctor’s financial life.

How the Earned platform delivers all six drivers at once

Earned's ability to deliver these drivers simultaneously rests on integrated platform capabilities:

- **Continuous tax management** embedded in every trade, rebalancing event, and portfolio transition — not reserved for year-end.
- **Technology-enabled scale,** automating tax-smart trading, loss harvesting, asset location, and custom indexing across accounts simultaneously and delivering personalization that once required a dedicated team for a single client.
- **Multi-disciplinary coordination** among Earned advisors, in-house CPAs, retirement-plan specialists, insurance, and legal counsel — acting as one team around significant doctor financial events.
- **Doctor-specific strategic tax planning** for practice owners and 1099 doctors, integrating entity structure, retirement-plan design, and compensation strategy with the investment plan.

The most important number is what you keep

Most wealth managers focus on investment performance. Earned focuses on after-tax outcomes. The distinction matters for every investor; for doctors, it can define the difference between a good financial life and an exceptional one.

Vanguard and Envestnet have documented that well-executed advisor value adds approximately 300 basis points annually across the full value chain. Earned's platform is designed to meet or exceed that benchmark — and our own data shows we are doing so in the tax-management driver alone. See Important Disclosures below.

The **Earned After-Tax Alpha** framework is not a promise of a specific return. Individual outcomes depend on tax rates, timing, portfolio composition, and the specific strategies deployed. But the principle is durable, documented, and directionally clear: **every dollar of unnecessary tax paid today is a dollar that never compounds again.**

For doctors building wealth over a 20- to 30-year horizon, the compounding difference between proactive and reactive tax management — across harvesting, location, liquidity planning, behavioral discipline, integrated coordination, and strategic tax planning for practice owners and 1099 doctors — is not modest. It is the difference between what you make and what you keep.

A final note to our clients

As a doctor, you've spent your career mastering complexity – but the tax complexity surrounding your income, your practice, and your investments rarely gets the same disciplined attention. Too often, taxes are treated as a year-end afterthought rather than what they actually are: the largest controllable expense of your career.

The cost of that afterthought is real. It shows up after the investment decisions have been made, after the contracts have been signed, and after the opportunities to improve the outcome have passed.

We believe there's a better way.

The **Earned After-Tax Alpha** framework is built on a simple principle: tax management shouldn't be a separate service. It should be embedded in every meaningful financial decision – every trade, every rebalance, every practice transition, every equity event, every liquidity event. Our advisors, in-house CPAs, retirement-plan specialists, and legal counsel work as one team, so opportunities are captured before decisions are made, not reconstructed after the fact.

The result isn't simply a lower tax bill this year. It's the opportunity to build substantially more after-tax wealth over an entire career. **Earned After-Tax Alpha** illustrates how we think about that opportunity – grounded by industry research and the measurable outcomes of our approach. Every doctor's circumstances are different, but the principle is remarkably consistent: every dollar unnecessarily paid in taxes today is a dollar that never compounds for tomorrow.

Whether you're already working with Earned or exploring what a more integrated approach could look like, I hope this paper encourages you to think differently about the role tax strategy can play in your financial life. Because in the end, the most important measure of financial success isn't what you earn – it's what you keep.

Bill Martin, CFA®
Chief Wealth & Investment Officer
Earned

Sources & Notes

1. The Vanguard Group, “Putting a Value on Your Value: Quantifying Vanguard Advisor's Alpha,” 2020. Vanguard estimates its best-practice framework can add “about 3%” in net returns, noting the benefit is irregular rather than annual and varies by client circumstance.
2. Envestnet | PMC, “Capital Sigma: The Sources of Advisor-Created Value,” 2019. Envestnet estimates approximately 100 bps of annual value from tax management and roughly 3% in total across the advisor value chain (financial planning, asset allocation, investment selection, systematic rebalancing, and tax management).
3. Earned data as of April 30, 2026, across 580 active taxable client accounts with equity and fund balances above $1,000 enrolled in tax-smart investing via Earned’s outsourced trading agent, Smartleaf Asset Management. The figure represents estimated taxes saved or deferred, net of asset management fees; individual results ranged from -0.2% to +23.6% and will vary. See Important Disclosures.
4. Driver value ranges synthesize Earned data (Smartleaf-managed taxable accounts), Envestnet | PMC (2019), and Vanguard (2020). Figures are illustrative and educational, do not sum (the drivers interact), and are not guarantees of any result. The actual amount of value added may vary significantly depending on client circumstances and time horizon.
5. Top combined marginal rates regularly exceed 50–53% in high-tax states such as California, New York, and New Jersey, reflecting the top federal ordinary bracket (37%), the 3.8% net investment income tax, and state income tax. Rates and thresholds are current as of the 2026 tax year and subject to change.
6. Compound Interest Calculator, Investor.gov. The chart is for illustrative purposes only to demonstrate the power of compounding returns.
7. Smartleaf Asset Management serves as Earned’s outsourced trading agent, automating tax-smart trading, loss harvesting, asset location, and custom indexing across enrolled accounts.
8. Wall Street Journal, “Stock Gains Without All the Taxes?”, May 16, 2026. Reporting documents the rapid growth of long/short tax-aware strategies among high-net-worth investors, from roughly $1 billion in assets in 2021 to more than $150 billion.
9. Quantinno Capital Management LP, “DEALS Managed Account Platform,” 2026 (private/confidential). Figures are illustrative, hypothetical, and/or backtested and do not represent guaranteed or actual investor outcomes; backtested performance is not an indicator of future results.
10. Envestnet | PMC (2019) attributes more than 50 bps of annual value to asset-location advice; Vanguard (2020) puts the figure at up to 70 bps. Both are based on general investor populations.
11. Vanguard (2020) attributes up to roughly 150 bps of annual value to behavioral coaching — the most consistently documented single source of advisor value — noting its timing is irregular, with the highest value delivered when it is hardest to provide.

Important Disclosures

Investment advice is provided by Earned Wealth Advisors, LLC (“EWA”), a registered investment adviser. Registration does not imply a certain level of skill or training. This material is provided for general educational and informational purposes and does not constitute investment, tax, legal, or accounting advice, nor a recommendation or solicitation to buy or sell any security or to adopt any strategy. It does not take into account the objectives, financial situation, or needs of any individual.

The +3.7% average tax-savings figure represents estimated taxes saved or deferred, net of asset-management fees, calculated by dividing total year-to-date tax savings by the market value of taxable client accounts enrolled in tax-smart investing strategies. The average was calculated based on tax-managed positions in all 580 active taxable client accounts with equity and fund balances above $1,000 that utilized Earned’s outsourced trading agent, Smartleaf Asset Management, for the period ending April 30, 2026. Estimated tax savings are an approximation only. The range for individual client tax savings was -0.2% to +23.6% over this period. Individual client results will vary.

The case studies and the W-2/1099 and entity-comparison examples are illustrative. Identifying details have been modified or generalized; figures assume a high-tax-state (e.g., California) resident and will vary by state, income, and circumstance. They do not factor in all transaction costs or wealth-management fees, and results cannot be guaranteed. Not all Earned clients choose or are eligible for tax-smart investing strategies. Tax rates, thresholds, contribution limits, and deduction rules are stated as of the 2026 tax year and are subject to change; clients should consult their own licensed CPA and legal counsel regarding their individual situations.

Figures associated with accelerated long/short strategies (including those of Quantinno Capital Management LP) are illustrative, hypothetical, and/or backtested; backtested performance is not an indicator of future actual results and does not represent returns any investor actually attained. Long/short strategies involve leverage and additional risk, and an eventual unwind of the extension may generate taxable gains. Past performance is not indicative of future results, and all investing involves risk, including possible loss of principal.

Third-party research citations: Envestnet | PMC, Capital Sigma (2019); Vanguard, Advisor's Alpha (2020); Wall Street Journal, “Stock Gains Without All the Taxes?” (May 16, 2026). External research is cited for informational context and does not imply endorsement of Earned by these organizations.