THE HIDDEN COST OF

SCATTERED SUCCESS SYNDROME

How Uncoordinated Financial Decisions Cost High-Income Households Thousands Each Year Across All Identified Planning Gaps, Which Vary by Household

Future Path Financial Planning

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IMPORTANT DISCLOSURE: This document contains illustrative estimates based on general assumptions about income levels, tax brackets, portfolio sizes, and historical averages. These figures are not guarantees of savings, returns, or specific outcomes. Individual results vary significantly based on personal financial circumstances, tax situation, investment objectives, and other factors. This content is educational in nature and does not constitute personalized financial, tax, or legal advice. Consult with your own qualified advisors before making financial decisions. Past performance and historical averages do not guarantee future results. Investment returns are not guaranteed and you may lose money.

What Is Scattered Success Syndrome?

Scattered Success Syndrome describes the pattern that emerges when a high-income household makes financial decisions in isolation, without coordination across tax planning, investment management, insurance, employee benefits, and cash flow. Each decision may seem reasonable on its own, but the lack of integration creates a compounding cost that most people never see.

This is not about making bad decisions. It is about making uncoordinated decisions. The CPA does not talk to the investment advisor. The insurance agent does not know about the retirement plan. The employee benefits go unoptimized because nobody reviewed them. Each silo operates independently, and the household absorbs the cumulative cost of the gaps between them.

The following analysis examines specific, quantifiable planning areas where this lack of coordination typically results in measurable annual costs. Each estimate includes the assumptions used, the income tiers analyzed, and the third-party sources that support the underlying calculations.

Methodology and Assumptions

All estimates in this document are based on two illustrative household profiles:

Household A: $150,000 gross annual income, $200,000 investment portfolio

Household B: $400,000 gross annual income, $500,000 investment portfolio

Tax brackets used are based on 2026 federal marginal rates: 22% for the $150K household and 32–35% for the $400K household. The Tax Cuts and Jobs Act rate structure was made permanent by the One Big Beautiful Bill Act (OBBBA). Where investment growth is referenced, a 7% average annual return is assumed based on long-term historical equity market data, specifically the historical average of a diversified equity allocation. This is not a guarantee of future performance. All IRS limits referenced are for the 2026 tax year unless otherwise noted.

Section 1: Personal Financial Planning Gaps

These costs apply to all high-income households, whether employed as W-2 employees or self-employed. They represent the most common areas where lack of coordination results in quantifiable annual losses.

1. Retirement Contribution Type: The Cost of Not Evaluating

The decision to contribute to a traditional (pre-tax) or Roth (after-tax) retirement account depends on the individual's current marginal tax rate compared to their expected tax rate in retirement. When this analysis is not performed, households may systematically contribute to the suboptimal account type year after year. The cost is not in choosing wrong — it is in never performing the analysis at all. The following two illustrative scenarios demonstrate how the mismatch works in both directions.

Scenario A — When Roth Would Have Been Better: A household currently in the 22% marginal tax bracket contributes $24,500 pre-tax to a traditional 401(k), reducing their current-year tax bill by $5,390 (22% × $24,500). However, in retirement, between Social Security income, required minimum distributions from multiple accounts, and other income sources, their marginal tax rate on withdrawals is 32%. When they withdraw that same $24,500 in retirement, they pay $7,840 in taxes (32% × $24,500). The net cost of contributing pre-tax instead of Roth is the 10-percentage-point difference: approximately $2,450 in additional taxes on that single year's contribution. Had they contributed to a Roth, they would have paid the 22% tax upfront and withdrawn the funds tax-free in retirement.

Scenario B — When Traditional Would Have Been Better: A household currently in the 32% marginal tax bracket contributes $24,500 to a Roth 401(k), paying $7,840 in taxes today (32% × $24,500) for the right to withdraw tax-free in retirement. However, in retirement, their income drops and their marginal rate on withdrawals would have been only 22%. If they had contributed pre-tax, they would have saved $7,840 today and paid only $5,390 in taxes upon withdrawal (22% × $24,500). The net cost of choosing Roth over traditional in this scenario is approximately $2,450 per year's contribution — they paid the higher rate now when they could have paid the lower rate later.

In both scenarios, the cost comes from the spread between the tax rate at the time of contribution and the tax rate at the time of withdrawal. A 5-percentage-point mismatch on $24,500 costs approximately $1,225 per year. A 10-point mismatch costs approximately $2,450. Over a career of contributions, these annual differences compound substantially.

Future tax rates are inherently uncertain, which is precisely why the analysis matters. The goal is not to predict the future with certainty but to evaluate available information — current income, expected retirement income sources, current tax law, and planned retirement age — and make an informed decision rather than a default one. Households that never perform this evaluation have no framework for adjusting as circumstances change.

Estimated annual cost: $1,000–$3,000, depending on the size of the bracket mismatch between current and future tax rates, which vary by individual circumstance. The low end reflects an estimated 4–5 percentage point mismatch; the high end reflects a 10+ point mismatch.

These scenarios are illustrative examples using 2026 federal marginal tax rates and are not predictions of any individual's future tax situation. Actual results depend on future income, tax law changes, filing status, state taxes,

and other factors that cannot be known in advance. This is not a recommendation to choose Roth or traditional contributions. Consult with a qualified tax professional regarding your specific circumstances.

> **Source:** *IRS Notice 2025-67 (2026 retirement plan contribution limits: $24,500 employee deferral); 2026 Federal Income Tax Brackets per IRS Revenue Procedure 2025-32.*

2. Health Savings Account (HSA) Underutilization

Important: HSA eligibility requires enrollment in a qualifying High Deductible Health Plan (HDHP). Not all health insurance plans qualify. This item applies only to households with HDHP coverage who are eligible to contribute to an HSA.

For eligible households, the HSA offers a triple tax benefit: contributions are deductible from federal income tax and exempt from FICA taxes, growth is tax-free, and qualified withdrawals are tax-free. Despite this, many eligible households either do not contribute, do not invest the balance (leaving it in cash), or spend from the HSA instead of paying medical expenses out of pocket and allowing the account to compound.

At the 22% federal bracket plus 7.65% FICA, failing to contribute the family maximum of $8,750 per year (2026 limit) forfeits roughly $2,598 in annual tax savings. If the balance is contributed but left uninvested, the opportunity cost at an assumed 7% average annual return on a diversified equity allocation compounds significantly over time. Combined, the annual cost of HSA underutilization runs $2,000–$4,000 depending on bracket and investment behavior.

Estimated annual cost: $2,000–$4,000 (for HDHP-eligible households only).

The 7% assumed rate of return is based on the long-term historical average of a diversified equity allocation and is not guaranteed. Actual investment returns will vary and can be negative.

> **Source:** *IRS Revenue Procedure 2024-25 (2026 HSA contribution limits: $8,750 family, $4,400 individual); 2026 FICA rate schedule; Ibbotson Associates / Morningstar SBBI Yearbook (long-term equity return data).*

3. Flexible Spending Account (FSA) Non-Participation

For households not eligible for an HSA, the healthcare FSA ($3,400 annual limit for 2026) and dependent care FSA ($7,500 limit for 2026, increased by the One Big Beautiful Bill Act) provide straightforward tax savings by allowing pre-tax dollars to cover predictable expenses. At the 22% bracket, a fully utilized healthcare FSA saves approximately $748 per year. At 32%, savings approach $1,088. The dependent care FSA adds $1,650–$2,400 in annual savings depending on bracket.

Estimated annual cost: $750–$2,400

> **Source:** *IRS Revenue Procedure 2025-32 (2026 FSA limits: $3,400 healthcare; $7,500 dependent care per OBBBA); 2026 Federal Income Tax Brackets.*

4. Tax-Loss Harvesting Not Performed

IRC §1211(b) allows individual taxpayers to deduct up to $3,000 per year in net capital losses against ordinary income, with excess losses carried forward indefinitely. In portfolios containing individual securities, normal market volatility routinely creates positions at a loss even when the overall portfolio is positive, providing more frequent harvesting opportunities than portfolios holding only broad index funds.

At the 22% bracket, the $3,000 ordinary income deduction saves approximately $660 annually. At the 32% bracket, the savings are approximately $960. In addition to the ordinary income deduction, harvested losses can be banked and carried forward to offset future realized capital gains, which are taxed at 0–20% for long-term gains. The upper end of the estimated range reflects the combined value of the ordinary income deduction plus the expected annual value of losses available to offset future gains.

Estimated annual cost: $660–$1,500, in years where the portfolio contains positions with unrealized losses. The upper end includes the estimated value of losses carried forward to offset future realized capital gains.

> **Source:** *IRC §1211(b) (capital loss deduction); IRC §1091 (wash sale rules); IRC §1(h) (long-term capital gains rates).*

5. Excess Portfolio Fees

Portfolio costs include the advisory or wrap fee, underlying fund or ETF expense ratios, trading costs, and platform fees. According to the Envestnet/MoneyGuide 2024 State of Financial Planning and Fees Study, the average advisory fee is approximately 1.05%. When underlying fund expenses and platform costs are included, the Kitces Research/Veres study estimates a total all-in industry average of approximately 1.50–1.65% for portfolios under $1 million.

By comparison, Future Path Financial Planning charges a wrap fee of up to 0.95% for standard investment management clients. Clients enrolled in active financial planning membership receive a discounted wrap fee of 0.80%. Both tiers include advisory services, trading, and portfolio management. Underlying fund and ETF expense ratios, which are separate from the wrap fee, typically range from 0.00% to 0.15% for the low-cost index funds and ETFs used in client portfolios. This brings the total all-in client cost to approximately 0.80–1.10% depending on service tier and fund selection.

The differential between the industry average all-in cost (1.50–1.65%) and the Future Path Financial Planning all-in cost range (0.80–1.10%) is approximately 0.40–0.85%. On a $200,000 portfolio, this fee differential represents approximately $800–$1,700 per year. On a $500,000 portfolio, the annual excess cost is approximately $2,000–$4,250.

Estimated annual cost: $800–$4,250

Fee estimates compare the industry average all-in cost (advisory fee plus fund expenses plus platform costs) as reported by third-party research studies against the fee schedule of Future Path Financial Planning. Future Path charges a wrap fee of up to 0.95% for standard clients and 0.80% for active financial planning members. Underlying fund expense ratios typically range from 0.00% to 0.15%. Total all-in client cost ranges from approximately 0.80% to 1.10% depending on service tier and fund selection. The industry average all-in cost of 1.50%–1.65% is sourced from independent third-party studies cited below. Actual fees depend on specific advisory arrangements, fund selections, and account types. Prospective clients should review Future Path Financial Planning's Form ADV Part 2A (Wrap Fee Program Brochure) for complete fee disclosures.

> **Source:** *Envestnet/MoneyGuide, "2024 State of Financial Planning & Fees Study" (average advisory fee of 1.05%); Kitces Research/Veres, "Independent Financial Advisor Fee Study" (all-in cost of ~1.65% including underlying expenses); Morningstar, "U.S. Fund Fee Study" (annual fund expense ratio data).*

6. Life Insurance Product Mismatch

When the primary goal is income replacement through death benefit coverage, term life insurance provides significantly more coverage per premium dollar than permanent (whole life) insurance. A healthy 35-year-old can typically obtain $1,000,000 in 20-year level term coverage for $500–$700 per year, compared to $5,000–$8,000 per year for $500,000 in whole life coverage.

Whole life insurance can be appropriate in certain circumstances, including estate planning, guaranteed insurability needs, cash value accumulation for specific purposes, and wealth transfer strategies. This estimate applies only to households where the primary objective is death benefit protection for income replacement and the premium differential could be redirected to other financial goals. Households with estate planning or permanent insurance needs should evaluate their coverage with a qualified insurance professional.

Estimated annual cost: $3,000–$5,000, when the primary need is income replacement coverage.

> **Source:** *Sample term life quotes from publicly available carrier rate comparison tools; American Council of Life Insurers premium data.*

7. Estate Planning and Beneficiary Designation Gaps

The absence of basic estate documents (will, durable power of attorney, healthcare surrogate, living will) and failure to regularly audit beneficiary designations on retirement accounts and life insurance policies creates exposure to probate costs and unintended asset distribution. In Florida, probate costs typically run 3–5% of the probate estate value under Florida Statutes §733.6171.

For a $500,000 estate, avoidable probate costs range from $15,000 to $25,000. Amortized over a planning lifetime, this represents an expected annual cost of $500–$1,500.

Estimated annual cost: $500–$1,500 (amortized expected value).

> **Source:** *Florida Statutes §733.6171 (compensation of personal representatives and attorneys in probate).*

8. Not Shopping Insurance Coverage (Auto, Home, Life)

Consumer research consistently shows that households who compare auto and homeowners insurance every two to three years save 15–25% on premiums. For Household A with combined auto and home premiums of approximately $3,500 per year, savings from periodic comparison shopping range from $525 to $875 annually. For Household B with combined premiums of approximately $6,000–$8,000, shopping savings range from $900 to $2,000.

Households that have not re-quoted term life insurance after health improvements (such as quitting smoking, losing weight, or resolving a medical condition) may also be overpaying relative to current rates. A rate improvement of even one health class on a $1,000,000 term policy can reduce annual premiums by $200–$500 or more depending on age and coverage amount.

Estimated annual cost: $525–$2,500

The low end of this range reflects auto and homeowners shopping savings alone. The upper end includes estimated savings from re-quoting life insurance after health improvements.

> **Source:** *J.D. Power, U.S. Auto Insurance Study (annual); Insurance Information Institute, consumer premium data; National Association of Insurance Commissioners rate comparison data.*

9. Lack of Tax-Location Optimization

Tax-location optimization involves placing tax-inefficient investments (such as REITs, taxable bonds, and high-turnover actively managed funds) in tax-advantaged accounts while holding tax-efficient investments (such as broad index funds and individual equities) in taxable accounts. Research from Vanguard's Advisor's Alpha framework estimates the value of proper asset location at 0.00–0.75% annually, depending on portfolio composition and account structure.

The benefit ranges from 0.00% for households whose assets are already properly located or held entirely in one account type, up to 0.75% for households with a mix of taxable and tax-advantaged accounts holding tax-inefficient assets in the wrong locations. On a $200,000 portfolio, the estimated annual cost ranges from $0 to $1,500. On a $500,000 portfolio, the cost ranges from $0 to $3,750.

Estimated annual cost: $0–$3,750

The wide range reflects the fact that not all households will benefit from asset location optimization. Households with assets in only one account type, or portfolios already using tax-efficient investments, may see little to no benefit. The upper end applies to households with significant assets across both taxable and tax-advantaged accounts holding tax-inefficient investments in suboptimal locations.

> **Source:** *Vanguard, "Putting a Value on Your Value: Quantifying Vanguard Advisor's Alpha" (2019, updated annually); Morningstar, "Alpha, Beta, and Now...Gamma" (2013).*

10. Emergency Fund in a Low-Yield Account

Many households maintain emergency reserves equal to approximately three to six months of expenses in a traditional bank savings account earning 0.01% APY or less. The same funds held in an FDIC-insured high-yield savings account currently earning approximately 3.50% APY involve no additional risk and require minimal effort to establish.

For Household A with $37,500 in emergency reserves, the annual interest differential is approximately $1,309. For Household B with $100,000 in reserves, the differential is approximately $3,490 per year.

Estimated annual cost: $1,300–$3,500

The 3.50% high-yield savings rate reflects current market conditions as of March 2026 and is variable. The rate will fluctuate with changes in the federal funds rate. Both traditional and high-yield savings accounts referenced are FDIC-insured up to $250,000 per depositor.

> **Source:** *FDIC National Rates and Rate Caps (weekly); Bankrate.com high-yield savings account survey (current).*

11. Carrying High-Interest Debt While Investing

When a household carries high-interest consumer debt (typically 15–22% APR on credit cards) while simultaneously directing discretionary cash flow to taxable investments earning a long-term average of 7%, every dollar allocated to investing instead of debt payoff represents a negative annual spread of approximately 7–15 percentage points.

For Household A with $20,000 in credit card debt at 15% APR, the negative arbitrage versus the assumed 7% investment return is $1,400 per year — a guaranteed negative spread on every misallocated dollar. For Household B with $40,000 in high-interest debt, the annual cost of misallocation reaches $5,600–$6,000 depending on the interest rate.

This estimate does not recommend ceasing all investment contributions. Employer-matched retirement contributions, for example, should generally be maintained regardless of debt levels due to the guaranteed return of the match. The cost identified here relates specifically to discretionary savings directed to taxable accounts while high-interest debt remains outstanding.

Estimated annual cost: $1,400–$6,000

> **Source:** *Federal Reserve, "Consumer Credit – G.19" (average credit card interest rate data, published monthly); long-term equity return data per Ibbotson Associates / Morningstar SBBI Yearbook.*

The Hidden Time Cost

Scattered Success Syndrome does not only cost money. It costs time. Without a coordinated financial plan, high-income households spend significant hours each year thinking about, worrying over, researching, and half-managing their finances — often without making meaningful progress.

According to Empower's 2025 "Money on the Mind" study, Americans spend nearly 4 hours per day thinking about their finances. That is the equivalent of approximately 1,460 hours per year — more time than most people spend preparing meals or exercising combined. Over half of respondents (54%) said they are thinking about money more often than they did the prior year, and over a third (36%) reported losing sleep over financial worries.

A separate survey conducted by OnePoll found that the average American spends 104 hours per year on active financial tasks, including organizing expenses, paying bills, and checking account balances. Nearly one in three respondents reported spending at least 11 full days per year just thinking about their finances. More than half (53%) said they were not always sure what deductions they could claim on their tax returns, and two in five reported experiencing extreme anxiety when doing their taxes.

Taken together, these studies indicate that the average American spends well over 200 hours per year on a combination of active financial management and passive financial worry. For high-income households managing more complex financial situations — multiple account types, employee benefits decisions, insurance policies, tax planning considerations, and investment oversight — the time burden is likely higher.

This is time spent without a system, without coordination, and often without progress. It is the time cost of Scattered Success Syndrome: not just the hours lost to worry, but the opportunity cost of decisions deferred, optimizations missed, and financial tasks that never move from the to-do list to completion.

Estimated annual time cost: 200+ hours of thinking about, worrying over, and managing finances without a coordinated plan. This estimate is conservative relative to the studies cited, which report figures ranging from 104 to approximately 1,460 hours per year depending on what is measured.

> **Source:** *Empower, "Money on the Mind" (July 2025; survey of 2,206 U.S. adults: nearly 4 hours per day spent thinking about finances); OnePoll/Lili Financial Survey (2021; survey of 2,000 Americans: 104 hours per year on active financial tasks).*

Personal Planning Gaps: Annual Cost Summary

Planning Area	$150K Household	$400K Household
1. Retirement Contribution Not Evaluated	$1,000	$3,000
2. HSA Underutilization (HDHP only)	$2,000	$4,000
3. FSA Non-Participation	$750	$2,400
4. Tax-Loss Harvesting Not Performed	$660	$1,500
5. Excess Portfolio Fees	$800	$4,250
6. Life Insurance Product Mismatch	$3,000	$5,000
7. Estate and Beneficiary Gaps	$500	$1,500
8. Insurance Not Shopped (Auto, Home, Life)	$525	$2,500
9. Tax-Location Not Optimized	$0	$3,750
10. Emergency Fund Cash Drag	$1,300	$3,500
11. High-Interest Debt Misallocation	$1,400	$6,000
ESTIMATED ANNUAL TOTAL	$5,925–$13,050	$18,000–$32,250

Individual items may not apply to every household. Totals represent the estimated range if all identified gaps are present. Most households will experience a subset of these costs. The low end of each range is used for the conservative total estimate.

Annual Cost Summary

	$150K Household	$400K Household
Estimated Annual Cost	$5,925–$13,050/yr	$18,000–$32,250/yr
10-Year Cumulative	$59,250–$130,500	$180,000–$322,500

These estimates represent illustrative ranges for W-2 employees assuming all identified planning gaps are present. Individual households will typically experience a subset of these costs. The 10-year cumulative figures are simple multiplications of the annual ranges and do not include compounding effects or account for changes in tax law, income, or market conditions over time. They are not projections of actual savings or guaranteed outcomes. These figures are presented solely to illustrate the potential long-term significance of annual planning gaps.

Important Disclosures

This document is published by Future Path Financial Planning for educational purposes only. It does not constitute personalized investment, tax, legal, or financial advice. The information presented is based on general assumptions and may not be applicable to your individual circumstances.

All dollar estimates are illustrative ranges based on the income levels, tax brackets, portfolio sizes, and other assumptions described in the Methodology section. Individual results will vary significantly. Not all planning gaps identified in this document will apply to every household.

Where investment returns are referenced, a 7% average annual return is assumed based on the long-term historical average of a diversified equity allocation. This assumption is not a guarantee or projection of future performance. Actual investment returns will fluctuate and can be negative. Past performance does not guarantee future results.

The fee comparison in Item 5 references the wrap fee schedule of Future Path Financial Planning: up to 0.95% for standard investment management clients, and 0.80% for clients enrolled in active financial planning membership. Underlying fund and ETF expense ratios typically range from 0.00% to 0.15%, bringing total all-in client costs to approximately 0.80%–1.10% depending on service tier and fund selection. The industry average all-in cost is sourced from the Envestnet/MoneyGuide 2024 State of Financial Planning and Fees Study and the Kitces Research/Veres Independent Financial Advisor Fee Study. Actual fees vary by advisor, portfolio size, and investment selection. Prospective clients should review Future Path Financial Planning's Form ADV Part 2A (Wrap Fee Program Brochure) for complete fee disclosures.

Tax laws and regulations are subject to change. The tax brackets, contribution limits, and deduction rules referenced in this document are based on 2026 tax law, including changes enacted by the One Big Beautiful Bill Act (OBBBA), and may be different in future years. The TCJA individual rate structure (10%/12%/22%/24%/32%/35%/37%) was made permanent by the OBBBA. Consult with a qualified tax professional regarding your specific tax situation.

Insurance cost comparisons are based on publicly available rate data and general consumer research. Actual premiums depend on individual health, age, coverage amounts, location, and carrier. Consult with a licensed insurance professional for personalized quotes.

Interest rates on savings accounts are variable and subject to change. The rates referenced in this document reflect market conditions as of the publication date and may differ from rates available at the time of reading.

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