

Episode 75: RISA® in Action: Using the RISA® as a retirement income planning teaching tool for individuals.

00:00

Bob French

The purpose of Retire with Style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to Risaprofile.com slash Style and sign up to take the industry's first financial personality tool for retirement planning. Slow down Wade and Alex, it's time for you to do the learning in this episode.

00:45

Wade Pfau

Hey, everyone. Welcome to retire with style. I'm Wade, I'm joined by my co host Alex. And today we're continuing the arc talking with financial advisors who are out there working with the Risa tool. And today we're very happy to welcome Charles Pettit to the show, who's with the CSP Financial group based out of Scottsdale, Arizona. He's been part of the group of advisors who's been using the Risa tool as part of his practice. And so we're very glad to have you on the show today to talk further about your experiences. Welcome to the show Charles.

01:17

Charles Pettit

Yeah. Thanks a lot, Wade. And Alex. It's great to be here and spend some time with you guys. Been listening to your podcast forever, all 65 issues, so I would have never imagined I would have been on this podcast as a guest. So it's really great to be here. Thanks for asking me to attend and share with you my experiences.

01:38

Wade Pfau

Absolutely, yeah. Sounds like a long time color. There you go.

01:44

Alex Murguia

Exactly. And thanks for that. Look, I think I may have mentioned this before, but there's two types of

advisors. There's advisors that really like to get out there and produce tons of content and then folks think that's what an advisor is all about, that persona. But they don't realize the real advisors are in the trenches and then they listen to podcasts. They don't appear in podcasts because you're always a lifelong learner and you love the smell of the client relationships. You love being in it and providing solutions for that. And I think this serves two purpose. Provide some sort of signaling for how the Risa is used and teaching folks how to do it, but then also being able to identify to other folks that are the consumers that are listening in. Listen, these are advisors. These are what great advisors are like in the shadows.

02:38

Alex Murguia

They're working for your benefit and this is what they're about. So I think it's great from that vantage point.

02:45

Wade Pfau

And maybe a good way to get started is just to tell us a little bit more about yourself and what you do with your practice. Any particular focus? We're talking beforehand. It sounds like a pretty interesting job that you have. Could you share a little bit more detail about that?

03:00

Charles Pettit

Yeah, sure. Wade. Prior to getting into financial planning, which has been almost 30 years ago now, I was in the military, I was in the army for twelve years and I thought that I would retire from the army. I never thought I'd be in financial planning and I got introduced to the insurance world and I actually started my career in the insurance business. And I did that for about the first 1213 years. And then I started to learn more about investing and financial planning, and I decided to enroll in the American College and get my ChFC. Lately, I just finished up the CLU program, but my first half of my career was just in the insurance side of the business and then I got into the investment piece. So when I saw what you guys were doing with the Risa profile, it really intrigued me because I wanted to get that information and education to round out what were doing for our clients in the world of comprehensive planning.

04:03

Charles Pettit

And that's what attracted me, really, to start listening to your show and read your books and start to really see how I could implement some of these ideas and concepts.

04:15

Alex Murguia

Charles I got a sense of it, but I think it'd be interesting because I think it'll open up a sleeve of conversation. What do you mean by round out what you're doing? How would the Risa function in that manner and what

would an advisor see in it that helps them round out and what would a client realize? Oh, I needed to be rounded out.

04:36

Charles Pettit

Yeah, I think that when I first got into the industry, I didn't really have a lot of understanding and knowledge. I kind of learned by doing it through the school of hard knocks, as you will. And I realized that there was a lot of things that I did not know and understand about money and finance and financial planning. And that's what led me to get some more knowledge and some more education about it because I knew that if I was needing to get that information that my clients was going to need that information. And it was really funny because for 15 years of my career being in the industry itself, these were things that I didn't even know. I remember when I first got into the security side of the world and working with broker dealers and having the risk tolerance questionnaires and going through those with my clients and questions would come up and I would see that it was kind of superficial.

05:37

Charles Pettit

It really wasn't getting them where they needed to be in planning for their future. And I went for many years just kind of going through my own thoughts and my own ideas. But what I saw in the Risa was it allowed me to focus more on what was important to my clients rather than just saying, hey, I'm the expert here. I've got all this knowledge about financial planning and you got to listen to me and you got to invest your money this way and you got to do things that way, and not realizing that everybody has a different personality when it comes to retirement planning, especially when they get close to and into retirement. And so I realized that I was losing a lot of clients and not really even losing them, but they were not getting fulfilled on what it is that was important to them.

06:32

Charles Pettit

So that is when I first saw you guys coming out with Risa that this is more of a personality kind of a conversation where if I could let go of some of my own thoughts and ideas and the way I see things in the future for retirement, for myself, and that I could open up and really have that conversation with them around what's important to them and their personality. That was really a big game changer for me. So I appreciate both of you for that, because it really has allowed me to be more compassionate about what my clients want to do in the future and be able to be there with them and on their team. And not feeling like I'm always fighting against them because I wanted something for them that they didn't want for themselves, if that kind of makes sense for you guys.

07:29

Alex Murguia

Charles that makes absolute sense. In fact, I almost want to tell Wade, hey, Wade. Why don't we end the

podcast right here? Because he said this more succinctly than I think I've ever been able to do, so my goodness.

07:44

Wade Pfau

Yeah.

07:44

Alex Murguia

Wade absolutely.

07:46

Wade Pfau

And also, I think a different angle that you can provide as well is you're active on the education side as well with helping to helping people who may not directly be clients of the firm, but in a more educational type setting of helping people plan for their retirements. And that's you were saying you're on a trip right now. It sounds like the perfect job for a lot of people. Could you tell us just a little bit more about who you're educating and more about your client base in that regard as well?

08:17

Charles Pettit

Yeah, education has always been something that's really important to me. Once I started to realize the difference that education could make coming from the background that I came from, not really knowing and understanding anything about money to where I am today, where I have a very vast knowledge, of financial planning, which has allowed me to be able to put together some programs that could not only deal with the science and the academics of financial planning and investing in particular, but also to be able to look at all the human side and the emotional side of what it is that we do. Both that behavioral science and the academic science. So I get to travel around a lot. I do a lot of work with the government as far as I'm also a chartered federal employee benefits consultant. So that allows me to go out and do a lot of work with the federal government.

09:12

Charles Pettit

And I really, in particular, work a lot with the National Park Service. And then I've kind of created a niche in that service with law enforcement and firefighters, what they call special provisions, and they retire very early. So the Risa conversation is really important to them, not only from an emotional and the way they're thinking about they're retiring at such a young age and how their money's got to last. Also the sides of it that they've got their pensions and they've got their Social Security and then they've got their savings plan or their other longer term investments. So seeing where they end up on the recent profile and being able to

have that education component to them is really important. But we do a twelve week program called the Financial Foundations Course and it's really open to everybody. We don't really discriminate in our firm.

10:04

Charles Pettit

We don't care how young people are, it doesn't matter how old they are, how much money they have or don't have. We feel like everybody needs this information and they need this education. And I realized about, I guess it was about three years ago, I was asked to put together a program that could educate widows of the military who lost their spouse, either through suicide, or they were killed in action, or they were even killed in the line of duty. And these were mostly women. There are some men, but young women has been my experience that I work with most of. And they receive all of these benefits from the government and they really have no idea what to do with them. And so they asked me to put together something. So I put together a program that lasted for twelve weeks and it was called the Financial Foundation Schools.

11:00

Charles Pettit

And it went so well that I decided to open it up to the general public. So for about a year now we've been doing that once a quarter, every quarter and we came up with a pretty strong curriculum in my view. And then what I started to do recently, and just to give you a plug on the book, Wade, is that in just reading and understanding more, I started to see that there was just such a great alignment in what you guys had put together in the retirement guidebook that was in alignment with what I was doing. And at the time I didn't realize that you were associated with the American College. From my education through the American College, it started to make sense to me that we would have some similar thoughts because of the thoroughness of the retirement planning conversation. And so I really gravitated to that and to the book.

12:03

Charles Pettit

And that's why I've always been listening to your guys' podcast. And there's 13 chapters in that book and the first chapter is talking about the Risa and all the different personalities and the way that people, when they take the Risa profile can start to determine what they're thinking long term. So I decided I'm like, you know what, I'm going to go back through and this is actually my project starting next week is to read all the other twelve chapters. I'm going to take one week in each chapter and then I'm going to go back and look at our course as to how we can implement some things over that twelve week course to bring some more of these concepts to the course itself. But I tell you, it's really been powerful.

12:53

Alex Murguia

Charles, that could be our project. If you want help with that could be our project for a couple of reasons. Number one, what you're doing is so impactful. I mean, if I was there, I'd give you a hug simply because you're doing stuff that, my goodness, for people that have sacrificed for this country and served this

country, you're doing God's work. I mean, it really is a tip of the hat on many levels for the stuff that you're doing. I can't stress that enough. And so to the degree that we can help, we can take this offline and let me know, let us know because I'm sure Wade echoes these sentiments because this is so important what you're talking about. And yes, we want to talk about the reason, but I think this takes precedence. How can someone find out about this particular education curriculum that you're putting together?

13:42

Alex Murguia

And if they wanted to participate because my goodness, how can we not give this the ultimate plug? Why don't you just do your thing, Charles?

13:51

Charles Pettit

We do that course once a quarter. We're almost done with the one that we're in right now. We won't start another one until August. I believe it's like the August 15. But if anybody just wants to learn more about it, they can go to our website, which is Cspfg.com, and we have a tab there for the financial foundations course. So the curriculum is there, the next class that's coming up in August is there and you can register there as well. And the minute that you register for that, we get information to you and we start to share with you and start to educate you on some of these things. So I would just recommend if anybody wants to learn more about it, they go to the website and feel free to get some information. If they want to contact me and talk some more about it, they're welcome to do that.

14:41

Charles Pettit

And we've also had other advisors who, they're not affiliated with my firm, but they love what I'm doing and I've opened it up to those advisors to invite their clients and their prospects to come in and get educated as well. So it's not even something that I'm just doing for myself. I'm really interested in educating the entire financial community. And there's a lot of advisors out there like myself, who just have not had this kind of information, have not been exposed to it. And like I said, it took me 15 years before I even knew what modern portfolio theory meant. So I'm like, if that was me, then there's a lot it wasn't modern anymore. I was like, how come no one ever taught me this stuff? So I would say that they're welcome to attend that.

15:30

Bob French

Are you a financial professional looking to learn more about the Risa and Retirement Income best practices? Well, if you are, you should join our retirement income masterclass on Monday, August 28 and Tuesday, August 29. You can sign up@risaprofile.com advisors. That's risaprofile.com advisors.

15:52

Alex Murguia

No, that's wonderful. And again, this is why I wanted to spot we wanted to spotlight folks like you that no one would you're not like the Dave Ramsay's of the world. I don't consider those people to be advisors. Where the real advisors are folks like you with literally boots on the ground. I think it's amazing. A couple of things you said that I'd love to peel back a little bit earlier. You were talking about client meetings. And the phrase that I kind of remember is you said, let go of some of your own thoughts and ideas. And you said it from the standpoint of focusing on the client instead. And you were doing this within the context of the Risa. Can you peel that back a little bit? So folks know what that means for two reasons. Wade always discusses, rightly? So that there's a mismatching problem that the consumer is at risk for walking into randomly walking through somebody's door that's an advisor or reading some sort of blog or from some pundit and going with that strategy because there's this idea that's the best one kind of thing.

16:59

Alex Murguia

And assuming well, this person knows what they're talking about. And so I must do that from that perspective. And then adviser from the advisor perspective. I think the folks that have been taking on the Risa as advisors have realized, you know what, there's a dose of humility that's needed before I really begin to make my recommendations. And that's checking what I would do, checking my worldview at the door and being a little more open minded with regards to what is the art of the possible for somebody's plan. And so that's the set up I want to leave you with because I was taken back with let go of some of your own thoughts and ideas. Can you expand upon that from a practice standpoint?

17:41

Charles Pettit

Yeah, sure. Alex. For me, when I took the Risa for myself, I was clearly in the total return, investing that upper right hand quadrant. And now that I am studying it more, I'm a few months into really using and utilizing the Risa. I'm actually starting to look at changing even what I think about myself. I was thinking even this morning in preparing for the podcast, I'm like, man, maybe I'm more in the risk wrap category. I've been working a little bit more on my own thinking as an advisor. It's really given me some food for thought there. But with that being said, I can tell you a perfect example. I have a client that I've been working with for years and he's a pretty high level federal employee and retired recently because of his pension and just by nature of his job over the last 30 years he's really risk averse and looking for more guaranteed type of products and programs and things like that.

18:55

Charles Pettit

And I'm that guy like, hey, you got your pension, you've got your Social Security. I mean you need to be putting more money in the markets and taking more risk and we would fight about that all the time. And so he contacted me a few weeks ago and it hit me. I'm like, you know what, I'm going to have him take the recent profile and I'm curious where he's going to land? And so I sent him the link and he took the profile and it came back and there was no surprise where he landed because he was safety first and commitment

for sure. But in my mind I'm like, no, you got all this stuff figured out, you got all your expenses covered, you've got thousands of dollars a month left over in discretionary income. You need to be investing more. That's when it hit me that I'm like, you know what, I am letting my own biases get in the way here and I had to make a decision to let that go and say how can I help him based on what's important to him and not what I see?

19:59

Charles Pettit

That's important to me as an advisor. And once I let that go the conversation totally shifted. And now we're having conversations about using some different annuity products and things that would help him to be at peace with what he wants to do with his life. So that's a really good example of something that happened to me very recently where I was able to let go my beliefs and think about what was important to the client and then to help them start to design some strategies that were around that. Because I feel like if you go off on that road by yourself, in my view without an advisor working with you can really make some big mistakes and so he loves it. I love it. And now we're communicating to a level that we never communicated before and he was more of a self delegator, right?

20:57

Charles Pettit

Didn't think that having an advisor was going to be so useful and now he's starting to see that maybe there is some use for an advisor in making some choices on what products or services that he employs to keep within his framework or the Risa itself and his personality.

21:15

Wade Pfau

That's a great example of that humility for the advisor to be able to make that adjustment like you did because the advisor is not going to resonate with the Risa, is the advisor who would still argue no total returns is correct for everyone, you're wrong. If you don't have the preferences that align with the total returns, if you're safety first, it doesn't mean you're not willing to consider a role for the market in your portfolio and so forth. It's just you don't want to be reliant on that. And so thank you for just sharing how the humility of the advisor, recognizing that you do have to think beyond just what resonates with you as an individual, recognizing there are different ways people think about this. Really neat to hear that experience.

22:05

Charles Pettit

Yeah. So there was a second situation that I just had recently with a prospect that I'm working with, and it's a couple, and when I was gathering all their information, they had everything more in fixed income, fixed assets. And when I sent them the recent profile, it came back and it said that they were total return investing. And so it just really opened up a whole new conversation around what they were actually doing and what their receipt profile said their actual personality was. And I was just blown away by that because

once we had that conversation, they were opened up to having a whole different mindset and idea about what they were planning and what they were doing for the future. And then we ended up realizing that the decisions that they had made was all emotional decisions and it wasn't based on any kind of logic or science, and it really did make a difference for them.

22:59

Charles Pettit

So they were really grateful for the reset.

23:02

Alex Murguia

Well, that's a great story. And this reminds me of two points that we always are trying to come across, where I'm technically the psychologist and you're technically the economist. Right. And you had said this earlier, Charles, which I was going to ask you, and you had talked about the science of financial planning. And so what I think what we're trying to do here is not be a complete personality assessment tool without any context to financial planning, but nor do we want to be this retirement income intake form that's all about the numbers. We're trying to hit that blend. And so I'm curious because you said a couple of times that this has opened up conversations for then developing plan options. Right. And so what are your thoughts when we say you opened it with the science of financial planning? And with regards to does Risa help from the psychological standpoint and the retirement income planning?

24:05

Alex Murguia

How do you see that the Risa is able to blend the two and help you then determine potential starting points for a plan?

24:13

Wade Pfau

Yeah.

24:13

Charles Pettit

I think what has really helped me using the Risa for that is that for me, I've always been coming in from the science standpoint and the academics and not really thinking about the emotions of it, psychology of it, the behavioral side of it. And having them going through the reset opens up that conversation where I can now start to ask them about their personality, about their emotions, and we can have an intelligent conversation about it and then start to build around that with the financial products that would suit their personality. And it just wasn't there before. It was more me saying, hey, this is your goal, this is what we need to do to get to your goal without really finding out what was important to them and really what is their true

purpose for their life. And if I share with you why, our company exists as a firm is to inspire humanity, to create a life that they love.

25:14

Charles Pettit

And our vision is a world where everyone discovers their true purpose for their life, their money, and their American dream. And our mission is to inspire individuals and families to live their purpose through coaching, education, and planning, leaving them with peace of mind. So if we're going to live up to who we are as a company in the world today, then we have to find a way to do that. And the Risa has really melted that together for me in a way that I've never been able to do that before. So it's really powerful.

25:44

Alex Murguia

No. What can I say? This is very similar to the other answer that you provided. I mean, you got the gift of eloquence. I wish I had. What I will say is, if somebody wanted to take the Risa, would you suggest they go to the same link you mentioned earlier and hit a Contact us page or something like that? I'd let you take it from here.

26:10

Charles Pettit

Yeah, just come to our website, www.cspfg.com, and contact me and I'd be happy to send a reset link to take the profile at no cost.

26:24

Alex Murguia

And Wade, for our own Risa commercial, you want to do the honors since I always mess with them up.

26:31

Wade Pfau

Thanks, Charles. That's for any consumers listening and for any advisors listening, we will be doing our next Risa retirement Income Master class. It'll be an opportunity to learn more about the Risa, going in depth with the research and so forth, and then also learning about how you can have the opportunity to use the Risa yourself as part of your firm and with your clients and your prospects. So that's my commercial message for the day.

26:58

Alex Murguia

Yeah, right. The student has become the master. But Charles, again, thank you so much for your support. And again, we really wanted to in doing this. Reese, and putting it out to advisors Wade and I and Trevor

and Maggie, we've just been just been blown away by the quality of advisors that are out there. And so we thought, man, we have to shine a light on them from that vantage pointing. Yes, we have McLean Asset Management, our sister firm, but it's a big ocean and there's plenty of room for everyone, frankly. And so it's our pleasure to really talk about the recess since that is what we created, but how that is utilized in practice because we've even gotten some consumers here. We'll end it on this thought. Wade and I have gotten a couple of folks that have emailed us or other professionals that have emailed us and have said, hey, we want to give this to our advice.

28:00

Alex Murguia

They've done it themselves. Consumer, they've done it. They've gotten a link from us or something like that. And then they ask us, hey, I have an advisor. How do I present this to them? It's almost like bubbling up. And we think that's kind of interesting. How would you respond to that kind of question? Because Wade and I look at each other and we're like, I don't know what to say to an advisor. Put yourself in weight in my shoes. And somebody asks you, hey, I took the reason. I'm a consumer. I have an advisor. What do I tell them about this and what I just took? And that doesn't seem to be what I'm doing with that advisor. That kind of thing.

28:40

Charles Pettit

Sure. Well, first of all, I really thank you both for having me on today. And it's an honor for me to be here. And I do think that there's a big world out there and there's plenty of opportunities for everyone. Exactly. I'm dealing with that myself. I've got 20 different advisors that work with me. I have 15 investment advisors, and we're training them now on how to use the Risa with their clients. Because I think that if you're an advisor out there and you're not using this Risa profile, you're at a big disadvantage. And the conversations that you can have with your clients and the relationships that you can have is so much deeper when you can have both the science side and what a lot of advisors think is the fuzzy side, the touchy feely side. Right. And I think the Risa brings both of those together beautifully.

29:36

Charles Pettit

And it's a great marriage and it's a great conversation. And I think everybody should tell their advisors to use this thing. If I was a client, I'd be all over it.

29:46

Alex Murguia

All right. So the answer is succinct, as always.

29:48

Wade Pfau

Yes.

29:49

Alex Murguia

They should show it to them. All right, Charles, man, I really appreciate the time you've given us. What can I say other than thank you for your kind words? I mean, it really is humbling for us to hear from a professional of so many years say something like that. It makes us realize that let's continue this journey on many levels. So I'll bid adieu by saying thank you, man Wade?

30:16

Wade Pfau

Yeah. Thanks so much, Charles, for being on the show, and it's great to learn about what you're doing. And I'm on your website now, and I'm checking out that financial foundations course. So I'll keep reading that once the episode finishes. But thank you so much for joining us today. And thanks everyone for listening to Retire with Style.

30:36

Bob French

Wade and Alex are both principals of McLean Asset Management and Retirement Researcher. Both are SEC registered investment advisors located in Tysons, Virginia. The opinions expressed in this program are for general informational and educational purposes only and are not intended to provide specific advice or recommendations for any individual or on any specific securities. To determine which investments may be appropriate for you, consult your financial advisor. All investing comes with risk, including risk of loss. Past performance does not guarantee future results.