Episode 12: Psychological Factors That Affect Your Retirement Plan Implementation

Bob French 00:00
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 reset profile.com/style and sign up to take the industry's first financial personality tool for retirement planning. What might this be? It's a podcast. That's what with our hosts Wade and Alex.

Wade Pfau 00:50
Hi, and welcome to retire with style. I'm Wade Pfau.

Alex Murguia 00:54
And I'm Alex.

Wade Pfau 00:56
And thank you for joining us for another episode. This week, we're going to be looking at the idea of financial attitudes and retirement outlooks. And it's going to bring together a lot of the psychological research that Alex in part developed with the an article that we had published in the financial services review that came out in early 2022. And so let's dive in unless you have any chitchat or small talk you'd like to get to before getting into the meat of this subject, Alex?

Alex Murguia 01:25
No, that was such a clean opening. I was I was hoping I could find something to tease about maybe your name dropped a little bit that we had an article published, I don't know whether to give you a hard time on that one or not. But I think the opening was clean so we can get right down to it unless you want to talk about your weekend or something like that.

Wade Pfau 01:43
No, no, I was just calling the other day, like you were talking about? Should we mention all these articles? But then, Oh, good.

Alex Murguia 01:51
bring it back to me. So it's my fault. Wade, it's my fault. We're like an old married couple. All right, no I'll kick it off. Yeah, and this, Well, interestingly enough, we, you know, we started a bunch of our podcasts we recorded, we pre recorded a lot of them. And so this is the first episode that we're recording, you know, after we actually had our launch. And, you know, Wade, I may have to bring my A game on simply because a few of my professors from GW, you know, I sent this out to everyone, and they

contacted me about it. And so since this is kind of, since we're talking about some psychological constructs on this one, we need to make sure that I'm on so you know, there's that and the other note that I want to tell them all is, I'm not giving my diploma back, it's too late, no matter what you hear now, it's a done deal.

Wade Pfau 02:49
Right. And I know you really did send this podcast out to everyone you knew, and everyone who received that kind of personalized message from Alex because he did not use any sort of efficient mail merge or any other technology to speed up. Yes,

Alex Murguia 03:03
yes, yes. You have all people to be giving me tips on technology? All right. Here we go. Right. So in the last episode, we effectively laid the groundwork on these psychological constructs that we wanted to discuss in this episode. And I'm just going to list them today, just in case anyone hasn't heard them. But if you really want to get into their definition, just check out the last episode. Here we're going to talk about loss aversion. We're going to talk about heuristics in the form of financial biases. We're going to focus on hindsight bias, recency survivorship bias, gamblers fallacy and endowment effect. Now what we did is we took all of those biases, if you will, and we just made them into a squishy heuristic financial bias gap. All right.

Wade Pfau 03:51
And that data had indicated with there really wasn't a difference was really just a general, there's financial biases people may have.

Alex Murguia 03:59
Yeah, it's interesting. I was scrolling on Twitter last week, and there's these infographics, right, the visual capitalist and stuff like that, and there are 183 biases. I don't know how they determine 183 versus 182, etc. But yeah, what we found is that there's just a general noise and it could have been the way we structured the scale obviously, but it just there's a general noise around biases and I think it captures it, in essence but and and so our financial bias scale is really a mishmash, if you will of hindsight bias which is again the the armchair quarterback recency bias, which is you take what's happening now, you extrapolate that into the future survivorship bias you forget about the winners I mean, I'm sorry you forget about the losers and just remember the winners the you know, the the your uncle that that smoked all his life and didn't get cancer. gamblers fallacy just a misunderstanding of probabilities, you know, expecting things to happen based on you know, previous outcomes, if you will, and domino effect what you own you, you value You have more than then when you when you have it, you value it more Hence your willingness to sell it. You know, it affects, you know, it affects rationality to, to a large extent really, that was effectively a lot of Keystone biases that we discussed in 30 seconds. So again, no one's getting their diploma back. The next one that we really wanted to look at was inertia, which is that once you know that you need to do something, you know, how long does it take you to do it? numeracy, your competence with regards to numerical concepts, probabilities, numeracy, self awareness. And this is our shorthand for the phrase you don't know what you don't know. It's kind of vibe, otherwise known as what's it known as Wade? Otherwise?

Wade Pfau 05:49
Dunning Kruger effect.

Alex Murguia 05:51
You go. Yeah, it's that's numerous cell phone. So we do numeracy. And then we effectively ask them, How did you think you did on it? And how did you think you did on it relative to others? And what you find is that that sort of construct lays lays itself out retirement income, self efficacy. And that's the only caveat I always like to say, is self efficacy different from confidence, self efficacy is more of a localized issue. And so we specifically address it in terms of retirement income, how confident do you feel I used to work confident, right? How likely do you feel that you can overcome this retirement income puzzle of yours. And, you know, we turn that to be retirement income, self efficacy, and then perceived advisor usefulness. As we mentioned, in the last podcast, there's a lot of studies about, you know, the benefit of an advisor, the value of an advisor, but in our world, we kind of are just putting that aside, because that tends to get confused as marketing material, even though the studies are actually quite credible. We've realized we just want to get a sense of how cost effective does an individual feel and advisor is and we turn that perceived advisor usefulness. Okay. So what we're going to do today, is that all these constructs that I just blitz through, you see a lot of papers, you see a lot of these individual papers on just heuristics, or just numeracy or even self efficacy, that's something that's you're seeing bubbling up in the literature, but we really haven't seen them all together in a sort of, what's that technical word that I like to use Wade to bake off?

Wade Pfau 07:30
Oh, your baked off?

Alex Murguia 07:33
Sort of Bake Off, right. And so we want to look at these constructs, and just see how they affect retirement investing behaviors, retirement income concerns, and retirement outlook. Wade, you want to since I sort of held court for a little bit, you want to take it from there and maybe go into these these out? You know, what, what I mean by retirement investing behaviors?

Wade Pfau 07:59
Sure, sure. And so we're going to be looking at two retirement investing behaviors. And one is about this idea of dividend agnosticism? Are you somebody who specifically seeks higher dividend paying stocks versus being Okay, going with a total market portfolio?

Alex Murguia 08:18
Does that have anything to do with religion Wade?

Wade Pfau 08:22
It's not at all it's agnostic in the sense of in a total return investing environment, you if you're agnostic about dividends, that means you really you don't care what the dividend rate is, you're focused on the total returns. But if you have a dividend focus, you might seek out sectors of the market that offer a higher dividend yield, thinking that that may give you a better outcome for your financial plan. And that's in practice, it's a very popular approach to take. But it's just something that hasn't really been

researched in great detail. Other than I mean, the research to the extent that it exists, suggests maybe not really trying to focus on dividends, but instead focusing on getting the biggest total return for the portfolio is going to work better in the long term. So it's an area where if you spend much time on internet discussion boards, where people talk about retirement planning, there's a lot of people that love dividends. And we look at how does that if you have that love for dividends? How does that relate to some of these other constructs that Alex mentioned at the start? And that's really what the this aspect of the research was looking at. Now, if you love dividends, the results that we find aren't necessarily going to make you very happy or fuzzy feeling inside because we tend to find that a preference for dividends relates to factors that you may not appreciate, like lower numeracy and so forth.

Alex Murguia 09:54
And before you give it to me, let me just say, the views of this podcast do not repeat Like the personal opinions of Wade and Alex, they reflect the data. Yeah, so we want to talk about it, let's let's kick off then the there's three things, retirement investing behaviors, dividend focus are not forecasting or not retirement income concerns and retirement, I'd like you want to kick off since we started. How these psychological constructs are associated with retirement investing behaviors. Wade.

Wade Pfau 10:30
Yeah, yeah. So that's the, we're talking about the dividends right now, the other one will be this idea of forecasting versus non forecasting. But we'll, we'll come back to that stick a pin in that for a moment about the dividends first to keep some organization here.

Alex Murguia 10:46
Let me let me let me do my little two minute or if, if you don't mind with regards to dividends, and I feel actually a little more strongly than Wade, he's, with regards to this. I, I think, you know, effectively, there's not a lot of difference, if you think about dividends and total return how you're viewing it. I mean, many folks thinks it's a safer route simply because it looks optically like you're avoiding eating your principle, since you're not selling off your shares. But if you really think how dividends are distributed, effectively, when a company issues a dividend, their stock price declines by set amount. And so it's effectively the same thing, the money is coming from the same, the same place, you don't have more money or less money, you're effectively just moving money from one pocket to the other. So this this idea of eating principle, and I want to just live off a dividends. It's really more of a framing exercise from that vantage point there. There's no, there's nothing there. There's no there there, if you will, from a true economic standpoint. The other, Wade, agree or disagree?

Wade Pfau 11:59
yeah, the dividend is just an internal way to sell some of the future value of the company by distributing it as a cash flow in the same kind of manner that someone might sell part of their holdings in the company to create a cash flow for spending.

Alex Murguia 12:14
And so that's why we didn't even discuss this in our four types of strategies, in previous episodes will total return the time segmentation, the risk wrap and the income protection? I mean, regardless of what books like the dividend aristocrats or whatever, have you think I mean, the reality is, is it's an economic

equivalence, if you will. The other piece, there's another some other avenues where I'm not as sanguine about it, and that's my own personal view, is you're not in control of those distributions. It's a board room that's in control of your distributions. And so, you know, if you want to really match up expenses, sure, you can back into it. But, you know, just do it yourself. If you choose to go that route from a total return standpoint, and the other piece, I think gets lost in this mix, is you. There's certain sectors that really are more that have dividend focused stocks. So if you just focus on dividends, you're really narrowing your opportunity set from the entire capital market returns that are available for the taking your you're taking industry bets. And so in a funny sort of way, even though you're think you may be more conservative, because you're picking these blue chip industry, you know, stalwart kind of companies, you're you're really taking some serious industry bets that, you know, when you're when you're when you're setting yourself up for retirement, I'm not so sure that's the the most optimal way to go about things. I'll leave it at that. Wade, you're the economist, I'm the psychologist. So did I miss that? How did my response make you feel?

Wade Pfau 13:57
Worse, whenever you're moving away from the total market, you're you're taking on more risk, because you're less diversified. And traditionally, dividend paying stocks tend to be in sectors of the economy more like value and so forth, where there can be greater potential risks. So it's, it's not less risky. At any rate yeah,

Alex Murguia 14:18
in a funny sort of way. And I do think in terms of just listening to commercials and things like that, I do think it's a bygone kind of era. You know, from the 50s and 60s, these dividend kind of stocks. And if you listen to the commercials, they're they're really pushing on it. I think it's something that's a marketing message more than an actual economic message. Alright, so, so again, there's an economic element to it shouldn't matter is ultimately that's the nicest way I can say it. So from a finding standpoint, Wade, what did we find? You can say it much more I don't know, you can say eloquently than I can without going on a rant. What did you find? What did we find?

Wade Pfau 15:08
Well, I mentioned that numeracy one and that that's your numeracy score is correlated with the the preference for dividends. And it's, if you are not agnostic, if you specifically want dividends, you tend to score lower on the numeracy questions, which is important. And as well, if you favor dividends beyond just numeracy, you tend to also have less retirement income, self efficacy, and less risk tolerance. Those are the primary kind of negative relationships. And then this is also bad news. But if your favorite dividends, you tend to also be more vulnerable to those behavioral biases or heuristics to that list of the gamblers fallacy and recency bias and all those things.

Bob French 16:03
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Alex Murguia 16:29
No, I would say this, this is again, this is a judgment free zone, right? Like, like the gym, right? Like, but it makes sense that you're seeing this, because I ultimately think dividends, you know, this concentration on dividends is just how you're framing the way the income is coming in. And you know, that kind of does imply this sort of on a relative basis, or lower level of understanding of mathematical concepts, frankly, relative to someone that's more agnostic to it. You know, and self efficacy, lower levels of self efficacy with a dividend concentration could now I'm just assuming here, so you know, there's caveats everywhere, but maybe there's fevers, previous failures, you know, in this approach that have given you pause to reconsider certain things in your own efficacy with regards to that. And I can totally see the higher heuristic scores on a relative basis, you know, if you favor dividends, because it really is just a framing exercise. Right, Wade, who Oh, what are their investing behavior? Do you want to quote unquote? Pick a vote?

Wade Pfau 17:47
Yeah, yeah, I think we've got the dividends covered there. The other one is this idea of forecasting versus non forecasting. And this is, if you're non forecasting, that's the more like, academically grounded the idea of the Random Walk Down Wall Street, the idea that all the available information has been priced into current valuations for companies. And so you can't necessarily forecast what's going to happen tomorrow in the markets. And so that would suggest having a more passive approach towards just investing in the total market. And to the extent that markets grow over time being able to take advantage of that, versus the forecasting approach. That's where either you feel like you can select individual securities that you believe will outperform the overall market, or you believe you can time the market in terms of okay, I'm pretty sure stocks are about to go down. So let me sell my holdings and go into cash. And then okay, I'm now I think markets are gonna go up. So let me get back into the market. That's a more active type of an approach that is popular in practice, but isn't really grounded in in the academic research in terms of people being able to have success as a whole with those types of strategies

Alex Murguia 19:07
Can I, Can I mentioned something a couple of nuances their way?

Wade Pfau 19:10
Sure.

Alex Murguia 19:11
Oh, thank you. Thank you. You know, just just, I'm trying to put myself into folks that are listening, and hopefully they are folks that are listening. But the forecasting piece, just just to be clear, it's not Wade doesn't imply that the pricing is perfect. It's just, you know, you can't take the information that's out there. And I can't take the information that's that's out there. And I'm going to outperform you and you're going to outperform me on that sort of informational advantage. The it could be half the time overprice it could be half the time underpriced. We don't know we don't forecast we just accept market prices for what they are because they're the best estimate. They're not the correct one. But, you know, we take it at that now. This in and of itself is a whole string of podcasts. So I'll leave it at that. And with regards to

The forecasting, some of you may be thinking, Oh, I'm not a market timer. I, you know, you it's important you check yourself with regards to that. Because, you know, when we, when we see, we see a lot of prospects, we talked to a lot of folks, you know, even our clients, and you get a lot of the I'm not a market timer, but, you know, I'm not a market timer. But as Wade and I are recording this, you know, there's a there's an issue, obviously, the Ukrainian situation is rearing its ugly head, unfortunately. And the reality is, is I'm not a market timer, but this thing is just too crazy. I'm gonna step away COVID I'm not a market timer, but COVID I'm out of here. So, really, it's important to check yourself and yeah, you may not be the day trader, you know, with meme stocks. But by the same token, you know, it's almost as insidious. If you're the this sort of tactical forecasts are based on these macro events that you think, you know, we're gonna go from a 90% equity to 60% equity for the next three months. That's, or for the next two years that that's, that can come back to haunt you. Sorry, wait, I just think those that's important, because we it's just contextually weak. It's one of these things that, you know, there's always this back and forth with folks.

Wade Pfau 21:18
Yeah, and I think you see that in the historical data, too. Whereas, like, we could already see with the COVID case, if you panicked in March 2020, and left that markets at that time, you missed out on that quick, subsequent strong recovery. And that's the kind of thing that if you just stay the course with your strategy over the long term, that's what the academic evidence suggests that sort of passive stay the course philosophies gonna win out in the end.

Alex Murguia 21:49
And just to bring it back to what we're do remember, this is an overall podcast on retirement income. So this is where we acknowledge that we are going to face volatility, sequence of return risk, that's where you have to make sure that your strategy, you know, we're kind of in our conversations, we're talking about somebody that's really tethered to the market. So if your strategy is total return, it's part of the game. It's not a platitude that we're saying Don't worry about it, but it's part of the expectation in your approach.

Wade Pfau 22:21
Okay, so let's talk about how your views on forecasting versus non forecasting relate to these different constructs. So if you're a forecaster, and this is like, you can time the market, or you can select winning stocks, or whatever the case may be, you're more vulnerable to having. I mean, a lot of this is the same as dividends. If you, if you're forecaster, you're more vulnerable to financial biases you are, you're going to have lower levels of numeracy. And you're going to have less retirement income self efficacy, and this is all correlation. So on average, and in the typical case, that can be exceptions. And you also may may seek more professional guidance, actually, that if you're a forecaster, you may have greater perceived advisor usefulness. Then the any flavor or comments on those are the main findings there. Yeah,

Alex Murguia 23:20
I think it's interesting to me, they would I come back to it's, it kind of makes sense. If you're, if you're, if you're more active and tactical, and you're effectively trying to set pricing, if you will, by picking stocks or moving stuff around. It's easy to see why it makes you more vulnerable to financial biases. Because

you're leaving yourself open to hindsight bias. You're leaving yourself open to recency effect. Look, when you have all these biases, you know, if you look at the outcome, you know, the end result is there's nothing you can do about them, you just have them right. And so then it goes back to controlling your environment. Ultimately, and I get that phrase, the space between stimulus response is your freedom. I think that's Frankel or something along those lines. But the reality is, is that control your environment, and you put yourself in situations to succeed. And if you're in this act of forecasting bent, you're really just getting bombarded, you know, with with with a temptation to react to your human nature, Wade, you know, through these biases, and so, I totally see why on a relative basis. You know, there's there's, there's a greater vulnerability to this. Lower levels of numeracy and numeracy self awareness with regards to forecasting. Well, I mean, if I take self awareness, if you really aren't picking stocks, you know, I think there's a sense of humility. That's, it's the wrong word. Let me say it the other way. If you're a passive investor, there's this humility that comes with accepting market prices. Like it is what it is kind of in, this is the best I can do. I don't think that's the present. If you're forecasting forecasting, at the end of the day, you're kind of saying, I'm smarter than the guy next to me, or the woman next to me, and I get the job much quicker than everyone else. And so I can see where you have that self awareness and then numeracy. I mean, if it's easy to just say, hey, like you said, Wade, if you look at the historical numbers, I mean, wait, if you're if you're the department chair, and someone comes up to you, a grad student comes up to you wanting to do a dissertation on how active management underperforms passive management. What would you say? You'd say? No, Christopher Columbus already. Know, and I don't know who, you know, the things have already been discovered. It doesn't matter, you know, kind of thing. And so there's, I don't know, maybe this is too much of a stretch. But if you can read papers, if you can understand basic stats, you realize that the odds are strongly against you. You know, from a forecasting standpoint, and if you want to roll the dice, you know, be my guest, the world needs, price takers as much as price setters. But to some extent, it's a difficult challenge. And so why would that also look at why would that? Why would you have lower levels of self efficacy, there's probably a lot of failure involved in it. You know, which then translates to why you may want to see an advisor, because at a certain point, you just throw your hands up in the air. Again, the last two points that I'm saying are, it's just conjecture on my part, but it follows that narrative.Wade.

Wade Pfau 26:40
yeah. And so the, did these individuals who are forecasters have that Dunning Kruger effect where they, they felt like they knew more than they did.

Alex Murguia 26:50
Yeah. Yeah. Which is, which makes sense, right? There's that I'm the smartest person in the room kind of vibe. Now I say that. I don't know. I'm kind of trying to be funny, but not at the same time. But yeah, there's that there's that sense of it. I think there's a level of humility that's needed. And, again, with regards to retirement income, you got to think about what's your end goal here. And so you see that this is an investment behavior that that can that could set you back, you know, in a significant manner. And so this is what we see the people that attempt this, this is what you're finding it. And again, this part is not our opinion, this is just how it lays out. All right. So that's investment behaviors.

Wade Pfau 27:32

Yeah, so let's move on to retirement income concerns. And that's the, the four L's although it turns out, a lot of people are not really worried about legacy. So we'll talk about the three L's in that case. The the longevity, which is you want to make sure you can cover your basics, no matter how long you live lifestyle, which is more a sense of, you just want to maximize your overall lifestyle. And you don't want to have any regrets that you didn't spend or take as much advantage as you could in life. And then the liquidity, which is you want resources to cover the unexpected things that can happen, where you may have a big expense, whether it's healthcare related, whether it's having to replace a roof on your home, but you're just the liquidity to cover these sorts of unexpected events. And we want to look at how these relate to the the different constructs that we talked about at the beginning of the episode.

Alex Murguia 28:32
And the big winner here seems to be self efficacy. I mean, biases had some effect, but we're just focusing on the ones that didn't. So we don't talk about inertia, it's just because it didn't come up, if you will. And here what we found is low levels of self efficacy, are strongly related to longevity concerns and liquidity concerns. And high levels of self efficacy is strongly associated to lifestyle concerns. For me, Wade, I don't know about you. This was curious. And I'm thinking of the world from a hierarchy of needs of sorts. Obviously, everyone wants everyone is to some extent, thinking about longevity, not running out of money, etc, even the high net worth levels. But it seems to me that there seems to be a graduation that you need in terms of these concerns, like longevity and liquidity concerns, you know, just grouped with this low self efficacy. And I don't know it's just a strong strong sort of sort of feeling. I have visceral feeling, you know, it seems like you gotta before you like from a concern standpoint, before you get to lifestyle concerns. You need to cross the longevity and liquidity bridge. You follow what I'm trying to say, right? It's like an

Wade Pfau 29:54
In order at the basics,

Alex Murguia 29:56
like Yeah, yeah, it makes sense, right? There's there's an order of opera reactions, if you will. And it's just kind of cool. How efficacy graduates through that order.

Wade Pfau 30:07
Yeah, if you're that low self efficacy is just you're worrying more about these basic considerations, your longevity and your liquidity. And if you have high retirement income, self efficacy, you feel like you've got control over those basics already. So you're, it's not that they're not important, but you're not just concerned about them. You're more concerned about that lifestyle, lifestyle component of getting the most enjoyment, or most spending power out of your assets to, to enjoy the highest possible standard of living.

Alex Murguia 30:38
Yeah. And and I think, you know, you tie into that the other the other construct that that was significant on again, these are correlations right now that we're looking at was the associations of levels of financial biases, and with longevity and liquidity concerns, which makes more sense to me, I see that as, you know, you probably are concerned about longevity and liquidity, having high financial biases,

simply because you may have had a tough go at it so far. And so you're like, Man, I'm not gonna get it together? And, you know, run through the tape here? Or is this going to be something that's going to be a continual, you know, rinse, repeat, exercise. And so you know, that that's kind of interesting. I don't personally want to make too much out of this way, just because it's just correlational data at this point. And it's more, hey, look at this cool little finding. But that's what I see. I, I can't read more into it than that.

Wade Pfau 31:36
Right. And by no means are any of these universal statements. It's more just a tendency that where these different issues show up together. But yeah, the final thing we want to talk about today is this idea of your retirement outlook, and controlling for your characteristics, your age, your gender, your marital status, your net worth, are you satisfied with your nest egg? Are you satisfied with where you're positioned for your retirement is one issue we want to look at, and then do you have anxieties about your retirement income is the end

Alex Murguia 32:14
and Wade the only thing I'd like to say here is that we did allude to we control for various factors such as age, gender, marital status, and net worth, but we also controlled for all of the other internal psychological variables. So we did put them all this is the closest thing to a bake off now, because we put them all in the same sort of analysis. And so if if self efficacy, and financial biases, you know, are kind of explaining the similar variation and an outcome, and self efficacy is stronger self efficacy will drown out the biases, you know, that kind of thing. And so this is where you really get to see, you know, which one kind of sticks, which one hangs a little bit better and explaining, you know, this, you know, the outcomes. And again, we're using nest egg satisfaction and retirement income plan. But I think that's important. Now, we've moved on from correlation on this is more everything. I don't want to be too nerdy here, but it's just everything at once. That's the best way. I want to say it right now.

Wade Pfau 33:18
And so with the nest egg satisfaction, if you're satisfied with your nest egg situation, you tend to have higher retirement income self efficacy, and that's the, the big important finding there. The other one is more with those demographic type characteristics. People who do have higher net worth, also tend to have higher nest egg satisfaction for

Alex Murguia 33:42
makes sense, right. But even controlling for net worth, it's important how self efficacy was this strong variable. So if you've noticed them throughout this presentation, at podcast that this this year, right, this sort of self efficacy variable seems to be coming up a lot. Right? It seems to be an important variable, it seems to me with regards to a lot of these retirement income, you know, outcomes. Retirement Income anxiety, Wade, what what did we find there?

Wade Pfau 34:16
So it's kind of similar with self efficacy, as you said, it keeps showing up. But if you're more anxious about your retirement income situation, that means you have lower self efficacy, which makes sense in this context, you're just you don't feel comfortable with what you're doing there. And so you have more

anxiety. And then also, if you have more anxiety, then you tend to display more of these financial biases, as well as inertia that you're just you're more vulnerable to these types of issues which because then with as well with lower self efficacy, you're just not as comfortable with. You're anxious you're thinking about it.

Alex Murguia 34:59
Yeah, sure. It makes sense, man. This is like inertia, inertia. This is where, let's say you've just retired. And you realize, man, I got to develop a plan. Two years later, there is no plan, right? And with those 24 months that get you to two years, there's nerves that come that come with that, like, Man, I gotta do the plan, I gotta do the plan. It's that little voice in your head that keeps on, you know, ringing. And so to that extent, I can totally see why that would lead to retirement income anxiety. But, again, in terms of what we did here today, is we we really looked at all of these factors. And we wanted to see together, how do they hang with each other? In terms of investment behaviors, I think the dividends stuff in itself is its own, you know, research project kind of thing, right. But, you know, you We saw that with investment behaviors. We saw that with retirement concerns. And now we see this with like your outlook, right? And so leading into here, I mean, we really want to now set the stage for the next episode. In the next episode, what we want to do is take these factors that we think are important, obviously, self efficacy is one. And we and we want to take another factor here. I'll leave it alone for now and see how In combination, these two factors in much the same way that we were able to create a RISA matrix to identify what strategy makes sense. We can really do something interesting from an implementation, we take retirement income, self efficacy, and we take variable x this is this is my way of doing a cliffhanger Wade. Let me know how effective I am. And we create a matrix off of that. And it's a financial implementation matrix, which is very predictive of for specific implementation personas that we'll get into because I think it's very important. I mean, well, you can have the strategy down to a tee what you want to do, but if you don't implement, if you don't move forward, it doesn't matter. So we'll get that in the next episode. For me, thank you for listening. Wade.

Wade Pfau 37:08
Thanks, everyone have a great day.

Bob French 37:18
Wade and Alex are both principals in McLean Asset Management and Retirement Researcher. Both are SEC registered investment advisors located in Tyson's 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.