Episode 4: The Building Blocks of Your Retirement Income Personality - Optionality vs Commitment Orientation

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. While learning is optional, our commitment to having a good time is not welcome our hosts, Wade and Alex.

Alex Murguia 00:50
Hey, everybody, welcome to our podcast here, retire with style. I'm Alex Murguia, and I'm here with

Wade Pfau 00:57
Wade Pfau, and we're happy to join or have you join us for the fourth episode of this series.

Alex Murguia 01:04
Awesome. And just give a quick recap. I think this is it's sort of a continuation over the last episode. In the last episode, we really started talking about, you know, a specific retirement income belief. And that was probability based safety first way do you want to give us a quick recap of that?

Wade Pfau 01:26
Yeah, yeah. So we're talking about these two sets of core preferences. And last time, we talked about probability based safety first probability based been, I'm comfortable relying on this idea of market growth, that it doesn't necessarily have to be the stock market. But something that gives you the opportunity for upside above and beyond the quote unquote, risk free type return you might get from a simple like bond allocation. And then safety first to contrast, that is, I'm not necessarily comfortable relying on the market growth, I'd really prefer some sort of contractual protection to support what I'm doing, whether that means using individual bonds, whether that means using a contract through annuity that can support some protected income. But I want something that has some element of contractual protections, I don't want to have to rely entirely on the idea that the stock market or other growth assets will outperform and support a higher level of spending. And I could get with bonds alone.

Alex Murguia 02:29
Yeah. And so well, this is the this is one of the key distinct retirement income beliefs that we discovered. In our investigation. There's another one that's just as distinct, the you know, as probability safety first. And that one is optionality versus a commitment orientation. It complements probability safety first, extremely well. And putting these together helps you do a lot of interesting things when

deciding on a retirement income strategy that will, that will flesh out in future episodes, and we'll we'll begin to talk about it towards the end of this one. But you know, before we get that, let's just go into what exactly is optionality commitment orientation, whereas probably the safety first, kind of may require some some thinking with regard to financial planning concepts. optionality and commitment orientation, frankly, is more of just common sensical term. What did you say Wade?

Wade Pfau 03:37
Yeah, it's something I never really thought of as a distinct retirement factor. I mean, I had named the two schools of thought probability base and safety first. So that was very much at the forefront of my thinking, but never really thought this idea about do I prefer optionality? Or do I prefer committing to something that I know will work as being a highly relevant or important factor to actually keep in mind and that's where it was. We let the data tell us what's important in the data told us that this idea of optionality versus commitment is extremely important to understanding retirement preferences. So, Alex, what does what does optionality mean? And I mean, at some level, everyone wants optionality. But what does it mean in the context of a trade off that you can

Alex Murguia 04:26
Yeah, and that's important, think about this in in a in a, in the construct of trade offs, and this is where I think, I don't think we intended to do this initially, but this is how it's formed itself, where there's this great blend of psychological constructs, but they're they're married to these financial planning constructs as well. And they're presented as trade offs. And so you know, it really is beginning to bridge these two fields quite nicely in this practical manner. And in that regard, opt finality, the way we view it here is, I don't want to commit to a retirement income strategy. If it removes my ability to revisit it in a significant manner for X number of years, whatever time horizon, you say, five years, 10 years or for the rest of my life, and why wouldn't you want to do that? There's this, you know, I, there's this feeling that, hey, the, my situation may improve, and it allowed me to do something that's more beneficial, or the economic environment may improve, and it may allow a better a better opportunity set. Right. And so that's the thinking of optionality. It's just one of these things where there's, there's this uncertainty, you can even say it's an uncertainty aversion, you know, to a large extent, there's, you don't want to lock in on something, in case there's a better opportunity at some future. And just to continue the momentum Wade, commitment orientation is ultimately the flip side of that coin. Right, which is, I really don't mind locking in on a on a strategy if it solves a lifetime issue for me that I don't have to revisit. So you can you can see why, from a retirement income strategy perspective that could be appealing to most, yes, I fully aware that things may get better, and will allow me to do XYZ more than now. But by the same token, things may not get better, and they may get worse. And so by locking in now, I'm good with that. But it doesn't have to be that pessimistic, are you a glass half full, or glass half empty person, it could also entail that, hey, if I can solve this solution for the rest of my life, you know, for the rest of my retirement, that's very valuable to me, that's very valuable to me, because it allows me to amplify other areas of my life that I couldn't before because I would always have this concern that I need to be mindful of. And, and so there's that kind of nuance there. It's not simply lucky and not locking in because optimistic, pessimistic, it's more it opens up a lot more things in the other areas. And this is where weights point about liquidity that he may get into comes into play. Now, I we, why did we come up with this and way to saying, you know, it's kind of one of these things, these constructs that may not be as intuitive at the beginning, as opposed to other more quote unquote, financial planning oriented

items. One of the reasons is because you can make a very, that made us thinking like that made us think in this way is you could present a new ities or contractual sort of solution sets to folks. And they rationally can see it in the same way that people, you know, tilt towards the markets because they rationally believe in the time diversification argument, etc, etc. Well, it's the same thing. You know, they people can can acknowledge, okay, I get it, there's a huge benefit of locking in on something that solves for my retirement income. But even after all of that, you hear a lot of Yeah, but I don't want to do it. In this sort of, yeah. But if you find yourself kind of answering the answering these columns with Yeah, but I don't know. That to me, that's that optionality commitment orientation kicking in? That's my non scientific answer of what that is that the Yeah, buts, if you will. And you see this in practical, just meetings with folks are comments that we receive. Yeah, I get the whole annuity thing, I get the whole contractual income. But it's not me. Wade, you want to take it from that?

Wade Pfau 08:47
Yeah, that's ultimately what it gets at, as you can see that the value in something, but ultimately, you prefer to keep your options open. And I think another element of commitment is, you can check it off your to do list. And does that provide the comfort? Again, it's this idea of, here's a solution that I know will work and I don't have to worry about it anymore. If that's appealing, that's a commitment orientation. If it's No, I don't want to lock in, I just want to keep the flexibility to do whatever I want to do in the future. And I don't mind revisiting it. That's that's optionality and practice. And so that's ultimately what we're talking about here. And it's how you feel about those trade offs that then define where you stand on this scale of, are you optionality oriented? Or are you commitment oriented? And now it's maybe it makes sense to go back to sweet we've talked about in the past. We started with a pool of 900 questions, we narrowed it down from there to get into the questions that we thought really are going to work best or that the data tells us work best I should say, but drawn from some of the questions that aren't part of that final list. So you've got the again, there's six out options? Are you going to read two statements statement A on the left statement B on the right? Are you very strongly identified with one or the other? Or are you somewhere in the middle? You can't choose to be right in the middle. And you do have to lean with these six options, one or the other. Like, there's no pure middle option for you. But statement one is, I do not like to commit to a retirement income strategy in case my preferences change. Statement two is I can commit to a retirement income strategy as long as it will solve a lifetime issue. Which statement do you identify with?

Alex Murguia 10:37
I am personally on the last statement that you said not not too too heavily. I'm probably let's say one through six, one being, um, with the first statement completely six being and with the last statement completely, I'm probably like, for with regards to I can commit to retirement income strategy, as long as it will solve for lifelong issue. For me personally, I, you know, if I'm looking at it from a central expensive standpoint, if I can lock that down, you know, once I'm retired, you know, I'm not thinking about this accumulate, I'm not thinking about, you know, growth, growth, growth growth, the reality is, is that, that opportunity for me is right now, right, as I'm working, etc, etc. And so I know myself to the extent that once this rolls around, there's a value in being there's a value to me call it a consumption, whatever, but there's a personal value to me to be able to solve my retirement income for essential expenses. It just provides me a lot of comfort with regards to that. And another thing is, I'm married. And when it comes to what you're going to do from a retirement income standpoint, there's a division of labor of

responsibilities. Interestingly enough, my wife does all the budgeting and things like that, I couldn't tell you wait, how much I spend on electricity a month, or anything like that? My, what her my wife says, I, it's gospel here. But when it comes to the investment side of things, obviously, this is something that from division of labor, I go with, and, you know, this provides a lot of comfort, having this locked in, provides a lot of comfort to me, and for my wife, if something were to happen to me. And the other piece for me that I always worry about is cognitive decline. You know, although many would say that's already upon me. You know, one of these things that, you know, worrying about distribution strategies in my sis 70, mid 70s, late 70s 80s 90s. It's not something I want to consider. So to me, there's a lot of value for that. You know, there's a lot of value for me and taking care of things like that. That's where I stand in it. But again, these are that's my preference. I'll hit you up. Wade. So the first statement, I prefer a flexible retirement income strategy to retirement income consistency. I prefer retirement income consistency to a flexible retirement income strategy.

Wade Pfau 13:23
Yeah, yeah. So for me, that's, I mean, it's kind of a tough question. At some level, I think I'd go with the consistency. But when I really think about this question, I think I do actually lean more towards that first statement, which is I prefer a flexible retirement income strategy to retirement income consistency. And that's partly I mean, just going through the pandemic, and seeing how much less my household spent in 2020 and 2021. It's ultimately this reminder that there is this potential to just spend less without that necessarily disrupting the standard of living that you can still enjoy life without necessarily spending as much and so that that kind of leads me to question like, What is the floor? What are my longevity expenses? And I'm not exactly sure and at least I may want that flexibility for then in some cases, spending more in particular years. But also recognizing I don't necessarily have to consistently spend at that high level and maybe if there's some like big world trip one year, I could spend on half that amount the following year. And and just having that flexibility, I think I see value there. So I wouldn't be all the way to the strong answer there. But if preferring flexibility, it would be the one preferring consistency as a six. Yeah, I'd probably be in the two or three for that one.

Alex Murguia 14:47
Yeah, so think about this. This is a concept here optionality commitment orientation, and Wade and I are a different, different sides of the middle and you So, hopefully no one thinks that Wade is right or I'm wrong or I'm right and Wade is wrong. It's just how we are. And something I alluded to earlier. And Wade didn't get too much into it. But you know, when your Wade is married, when you when you have a spouse, you know, it's it's sort of a sort of a group conversation as well to have with regards to things along these lines. Wouldn't you say Wade

Wade Pfau 15:24
what is and what we say about like taking the Risa we do think that for any spouses or partners, to both take the recess separately, so that once someone's not dominating the conversation, but then I was one of the the advisors that we talked to, at McLean mentioned, after having each person take separately. He also likes to have them then do together as a Risa to and see, to get a sense of like, maybe which one's the more dominant strategy when you're actually working on it together. And yeah, you because if there's differences, then that's a very important conversation is how can we find a strategy that works? If somebody has strong optionality? The other person has strong commitment

orientation, how do you then find some sort of compromise so that both set of preferences can at least be respected or have something that offers them comfort with their plan?

Alex Murguia 16:22
No, I think that's 100%. Right. But this, again, this is what got us about this is that this wasn't necessarily this financial planning construct. Like I said, when we came up with these questions, we Wade I we really went through the entire literature as much as we could with regards to retirement income, you know, the journals, the books, etc, etc. And you start to well, shout out to Moshe malevsky, who will say, and where's the book? I just wanted, I'll leave it there. Zwicker for retirement portfolios, you know, they great, great, great, masterworks, I would say with regards to retirement income, but you know, and Wade books, obviously. But you start, right. Hey, buddy, hey, I'm thinking about you Wade. But you just start, you know, whenever you read certain turns of phrases, or whatever, and you're like, oh, okay, this is an interesting concept, oh, this is an interesting concept, and you just start categorizing them. And at the end of this, we realize, hey, there's something here, Wade, that's like, commitment or leaving options open? You know, that was kind of a reoccurring theme. And then when we did the study, you realize, you know, in the pilot, it was actually the most distinct factor. And part of that is because I think it really makes you pick a team more than the others, you know, as opposed to these other factors. Hey, like accumulation distribution, there's a little bit of safety, first probability in it, if all whereas optionality commitment oriented, is distinct, you know, it's, it's almost like this personal proclivity of how you are, you know, it kind of is independent. And it works really well in complement with, with this optionality with this probability based safety. First that we'll talk about towards the end of this.

Bob French 18:18
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Alex Murguia 18:42
Now, where do people land in general? You know, in our study, we did it. And the mean here, interestingly, is a little lower. And the low score implies optionality the highest score implies commitment orientation, right? And what you find here is that the mean is closer to 3.3. The split is 3.5, it's one to six, so 3.5. Now, it's still somewhat central, there's still a central tendency there. But the reality is, it's a little tilted towards people like, just naturally like to have optionality as as a as a baseline, if you will, at least some semblance of it, as opposed to being right down the middle. And I and I just think that's interesting. Now, with regards to in the previous episode, we compared probability base and was significantly related to longevity concerns and reserves, specifically health and general reserves. And what we found, again, is that these retirement concerns these new risks that you face in retirement, longevity and spending shocks. And right now the proxy for the spending shocks. says reserves, it was significantly related to how you felt about where you were on the spectrum. Specifically, the more commitment oriented you were, the more you were concerned about longevity, and reserves, especially like health care kind of reserves in general, the more you're willing to commit

to a strategy to take that risk off the table. And it makes sense, in my view, it makes total sense. If you're concerned about running out of money outliving your assets in retirement, then it wouldn't you know, intuitively, yeah, okay, you would want a solution that takes that risk off the table, and you're willing to solve for it as soon as you can. Wade. Thoughts?

Wade Pfau 20:42
Yeah, yeah, that's I think that's very intuitive in terms of, you don't need to commit to something if you're not worried about it. But if you are worried about outliving your ability to fund your essential spending, if you are worried about not having resources to cover the unexpected, especially not having resources as well to cover long term care, health care expenses, then if there's a solution that you can commit to and take that concern away, and to solve for that problem, I think that is quite intuitive that you'd have that commitment orientation. Whereas if you didn't have those particular concerns, there's no particular need to commit to something you just keep your optionality. And so I that makes sense to me as well that if those within optionality orientation, or it's and it's not universal, but are less likely to have those concerns about longevity and health care, and general spending shocks for their return plan.

Alex Murguia 21:41
And just to make clear, because again, some of you may be listening and thinking, Well, is it really a function of again, net worth and not this gender enough? This marital status, and not this? These findings were significant, even when accounting for gender net worth, marital status, retirement status? And, drumroll? I mean, I mean, do it Wade, since I got a new little toy, even like accounting for loss aversion, which, again, is the foundational tool for risk questionnaires. And so what you're finding is that this is picking up a lot of variability with regards to what folks are experiencing as they enter retirement from the point of view of concerns that they want to take off the table. And so we think that's, that's, that's more than go that's, that's progress. You do see this, this wasn't significantly related to lifestyle concerns, which actually fits to what way to saying in terms of it, you know, it's, you know, if you have this discretion, your level of, of, of concerns, that means that longevity, and those kinds of things are not as primary, there's less primacy for those. And it was this was also related to different types of retirement income styles that we'll cover in future episodes. But again, this is me teasing something in a, in a poor way. We'll talk about that in future episodes, as opposed to just hinting at what these different styles are without getting into them. The other piece that that we found is that while everyone is slightly under that 3.5 threshold, meaning that everyone likes to have some semblance of optionality available, males do so less than females, you know, there was 3.2. Again, it's still above three. So there's still you know, there's still a nice measure of central tendency on this mean, but here, males are 3.22 and females are 3.37. So they're, you know, females are more have a more commitment oriented tilt, then the males do,

Wade Pfau 23:59
and that's just relative, there's still optionality side, but probably a better way to say that it's just that men are even more optionality oriented.

Alex Murguia 24:08
Ladies and gentlemen, Wade Pfau

Wade Pfau 24:13
don't want to create any confusion, they're

Alex Murguia 24:19
adding value Nanana. You're right, absolutely. Now, what's interesting here and we want to begin to really flesh out this concept is what we did in the last one, we talked about probability based versus safety first, and in this one, we got into the details with regards to optionality and commitment orientation. Now, if you put these together, if you put these two spectrums together, you have the foundations of your retirement income style. There are other factors that can play into it, but we see them as complementary and the next few episodes will flesh those out as well. But with probability for So safety first. And optionality and commitment orientation, you now have a strong foundation framework, if you will, to help you identify what your retirement income style is. Wade, you want maybe the you know, the detail that a little bit?

Wade Pfau 25:20
Sure, yeah. So with the retirement income style awareness, the the matrix that we have in mind you you put these together. So we talked about probability based safety. First we talk about optionality commitment. And then ultimately, well, how do you score on each of those two preferences and sets and so you could be probability based and optionality oriented, you could be safety first and optionality oriented, you could be safety first and commitment oriented, or you could be probability based in commitment oriented. And also what we see is there is a tendency, so these are distinct factors, but they do have a relationship where, if you're more optionality oriented, you also tend to be more probability based on average, if you're more safety first, you also have a tendency to be more commitment oriented as well. And so we see kind of two core combinations here, that optionality oriented probability based group, and then also that commitment oriented safety first group. And then the less natural relationships was still important quadrants within this matrix, the optionality and safety first group, and then the commitment oriented and probability based group. But those are the four different quadrants that we are going to describe as the four core retirement income styles will have a second set of secondary characteristics that we can overlay to better tell the story. But 90% of this story is just how do you score with these optionality commitment and probability based safety first,

Alex Murguia 27:05
and now what, what I would add to this? Is this really open? You know, now we have a framework, a framework for identifying retirement income styles, according to somebody's preferences, which, you know, if you're agnostic about one is not more right than the other, everyone's optimizing for their own contextual reason. Right? And so if you have this framework, it really opens up your world. And what I'd like to get at here and I'm going to try to flesh out is okay, so if you're optionality oriented, and probability based, what are you saying, really? You're saying something along the lines of hey, I believe in market growth, the funds sustainable withdraws. And the optionality pieces, I'm willing to kind of play it by ear, if you will, depending on the situation. Right? That that, that that's that there'll be greater detail to follow. But this is identifying a specific strategy, if you will, that has to do with sustainable withdrawals from a portfolio. If you take the opposite of that spectrum now. And now we're talking about a commitment orientation. I'm willing to commit to something as long as it solves this lifetime knee, and safety first, I'm willing to commit to something that's contractually oriented. You're really talking about

pension like income, if you will, with regards to spending in retirement, and Wade, You know, he alludes to something here. That's interesting. And this is the annuity puzzle. There's this thought that, hey, not enough people get an annuity, why not? Why are they being so irrational about it? You know, when you're retired, it's obvious. You should spend relative to the probabilities, you're going to be alive. And it's obvious. You should do that by getting some sort of structured solution that that glides you there, Wade. Do you want to maybe detail out a bit more?

Wade Pfau 29:13
Right, right. Yeah, this is important, because I don't know how many times I've heard, investment managers make the claim that academics don't like annuities. And nothing could be further from the truth in that because academics have defined the annuity puzzle, which is, it seems like simple income annuity solves for the lifetime income need, it should be incredibly popular. And why is it that not all that many Americans own an income annuity? So they're looking for an answer to the puzzle? And I think partly we can explain the puzzle not not for the whole population, but there's a segment of the population that has characteristics that describe why they may not be all that interested in owning an annuity and it's simply that If they're comfortable relying on the market growth, they want to keep their options open. And anyone who's not going to resonate,

Alex Murguia 30:08
and Wade, now I'll take it a step further I, I know the answer, but I want to make it clear, is relying on long term market growth and maintaining optionality and irrational thought.

Wade Pfau 30:21
No, no, it's, it's all about your style. And that's where we're agnostic. Like, ultimately, I see the value of annuities. But I also see I, I see the value of investments, and it's, what we want to do is help people find the style that's right for them and not be forced into a style, that someone who's very dogmatic about one style is best for everyone. may unintentionally or intentionally for them, but may push people into the style, that's not really going to be the right style for their retirement.

Alex Murguia 30:50
Yeah, and now let's, let's talk some frequencies. Right? And if you think about it, we're gonna we're focusing on just these two sub quadrants, right? Now, we'll introduce the other ones in a sec. But okay, you are probability based and optionality oriented, it makes sense, right? It just does. Your you have this commitment, orientation and safety first till that makes sense. It just does. And what we find is that 35% of the population, at least based on the study, and again, this was a national study of folks, you know, 40, and above, etc. 35% fall in that probability optionality quadrant, another 35%, fall in the commitment orientation, safety first quarter. So there's a very sort of, they're very split evenly with regards to how folks land here. And so this goes back to that. To think someone's irrational or not rational or contain someone's right or wrong to be in one way to be in one place or the other is not the way to think about it again. In the first episode, we talked about how when you decided what to do professionally, and what you know, how you wanted to source, your professional income, and the decisions you made with regards to the types of profession you undertook, you know, had a lot to do with your own personal preferences, I want to be behind the desk running analytics, I want to be in front front of the house, you know, interacting with people making sales, it's just a different personality. And

what we're finding is you're seeing this kind of spread very similar. Now, that was 35. And 35. What we also find is those that are emphasizing probability based, but with a commitment orientation, what does that what does that imply at a higher level without getting into the specifics Wade? What would that sub quadrant imply?

Wade Pfau 32:52
Yeah, so if you're probability based, but with a commitment orientation, it's you're comfortable relying on the markets, but you're also comfortable committing to some sort of strategy. And and so that's really you want some sort of guardrail around the market. So you don't necessarily want to stake your entire retirement success on the markets. But you do want the markets to be an important part of your funding mechanism for your retirement goals. And so that can speak to a different set of solutions. But it's it's one of the the core retirement styles that we'll talk about, and how to say not to get into too much depth. But that's what it's all about you you're comfortable relying on the markets, but you want to have some sort of guardrails so that you're not overly reliant on the markets.

Alex Murguia 33:37
And on the on the, on the other side of that sub quadrant you have high optionality and this strong safety, first orientation. And if you take a step back and think about what that means, this is effectively, okay, I want contractual income I want I want, I want some sort of that safety, first of contractual income, but I don't want it as a lifetime floor. You know, I want to have the option that optionality according to whatever time segmentation I want. And that implies a different solution set than being safety first, but being fine with committing to a lifelong strategy. Right. And that that is that that solution set ultimately is revisit, you know, it's you're getting a reliable income stream from contractual source, but you're tending to revisit that decision every few years, like, like a bucket, a bucketing strategy, if you will. And there's many ways to go about doing that. And what we find is again, high optionality high probability based about 35% high commitment orientation, high safety first, but 35% And then you see 15 and 15. On the other side, 15 high probability high commitment together, and 15% high optionality high safety first together. And that's an interesting kind of spread. And we see this spread actually, across the different demographic slices, you see this an aggregate. And then you see this, across across ages, you see this across retirement sort of cohorts, if you will. And it's it brings to light that you put these retirement styles together. And independently, the styles seem to resemble traits, but the solutions, you know, become consistent. And that's, that's kind of cool. But what's also cool here is Wade your comment, and you said this, and I thought, you know, dang it, I think he's got something here. And this is where there are natural correlations to be at the 35% sub quadrant and the 35%, some quarter, the other one with regards to high probability, high optionality, high commitment orientation, high safety first, those are natural correlations, and they make sense why they run together? Wait, I'll let you take it from there. Because I know you know where I'm going with this. What What were the other? What, how do you define the other sub quadrants,

Wade Pfau 36:04
right, and where we're kind of jumping ahead to some degree, but there's a behavioral element of this. If your safety first and optionality oriented, you want contractual protections, but you want to keep your options open. That's not necessarily a natural set of preferences. So there's some behavioral element there. And that's always how those times segmentation and bucketing strategies that can fit into that

quadrant, are described that it's not necessarily a better way to invest. But it's something that may resonate with people's thinking. And so you get contractual protections through your your bond buckets. And you get optionality through yours, your growth buckets. And conversely, as well, if you're probability based, but commitment oriented, that's not necessarily like usually think of investing in the markets, that's more of an optionality tilt, but the commitment orientation there for the people who have those preferences, there's a whole host of like insurance related products that have been designed to provide that sort of market exposure, but still offer that ability to commit and to sulfur, a worst case scenario type income need with the ability to still participate in the markets. And so again, it's a behavioral type strategy that's been designed to meet that type of preference set as well.

Alex Murguia 37:28
And I think you're right Wade specifically with I'm getting ahead of myself here. But yeah, I we find this fascinating, because if you see the progression that we've taken so far, it's Listen, everyone has this retirement income set, everyone has a way that they want to source retirement income. And I think it's important to have that be your starting point. And when I say I mean, Wade, and I, you know, we subscribe to the same philosophy. And so then you have these new risks in retirement. And your profile says a lot on how you want to take those risks off the table. And then we further said, Well, you take probably the safety first, as you know, this distinct style factor, and you take optionality and commitment as a distinct style factor, and you put them together, you have a very interesting matrix that is not only able to identify, you know, where kind of the general population lies, but is able to identify more importantly, where you are in the mix. And that leads to starting points for your strategies. You know, we kind of hinted at these a little bit right now over the last few minutes. And we'll get into, but I think it's fascinating on a lot of levels. And again, it's progress with regards to blend, blending, if you will, the psychology and financial planning together, excuse me, in a manner that we can identify our retirement income personality, and marry that to a starting point for analysis. Now, before we really get into unpacking the strategies, I think we should talk about secondary factors that we found as important as important but secondary factors that were important to telling the story. Why? Because some of you may be listening, thinking, What about how you view liquidity? What about how you view? accumulation, your views on accumulation versus distribution? What about your views on, you know, the pace of the income distributions, your front load, do you backload, etc, etc. I think those merit a lot of conversation because they complement the styles very well. And we'll talk about those in upcoming in the upcoming episodes. And then we'll we'll revisit the matrix and really start to talk about strategies. With that, I'm gonna we're getting better at our conclusion. So with that, thank you for listening. Oh, Wade, you want to take us home?

Wade Pfau 39:54
Yeah. Thanks, everyone, and we'll catch you in the next episode. Appreciate you. Continuing with us. This many episodes in. Very grateful that you're here.

Bob French 40:03
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