

Episode 46 The Marketing of Financial Advice - How To Separate The Wheat From The Chaff

Bob French 00:00

Are you a financial professional wondering how to transition your clients from the accumulation to the distribution phase, how to engage individuals looking for a professional with true Retirement Income expertise? How to mutually develop a solution that resonates with them? Or how to grow your practice in a meaningful way that's based on best practices for financial planning. Then you've come to the right place. Sign up for our two day masterclass for financial professionals, hosted by Wade and Alex on January 23, and 24th. From 12 to 130. Both days, your future practice will thank you for it. Go to [Risa profile.com/masterclass](https://www.risa.com/profile.com/masterclass). The more honest, you told me you are the tighter I hold on to my wallet. Now what is it you're about to tell me about your selfless approach that only has my best interests at heart?

Alex Murguia 01:11

Hey, everybody, welcome to a very special edition of retire with style. And as always, I'm still Alex and I'm here with Wade. And we have a very special guest. And Kelly, please say your last name as well.

Kelly Waltrich 01:29

Kelly Waltrich, thanks so much for having me, guys.

Alex Murguia 01:32

Thank you, Kelly. Kelly, what do you think of our intro? Since you're in the marketing game, we kind of just fling it. We have no idea what was gonna come out of our mouths and we've gotten in the habit. I don't know, we can even break it where we kind of do this. I'm Alex. And then we finish this is. And when we do first names, I don't know, what do you think? I love it.

Kelly Waltrich 01:51

I love it. I feel like you have to be authentic. And that's definitely authentic to the do and you to have you if you get to know you. So it's great.

Alex Murguia 01:58

All right. All right. Well, the reason we wanted to bring Kelly here on today's episode is she brings to, you know, my vantage point, well, number one, she's she's literally a rockstar within the marketing community is specifically for advisors. But we wanted to bring her on because she is on our advisory board for the Risa. And before we get into that, Kelly, why don't you let everyone know a little bit about your background, because I do feel, you know, there's a lot of folks within our industry that, you know, they're kind of, you know, in like a lion out like a lamb kind of vibe to them. But I think you're the antithesis of that. And I think it'd be great if everyone just heard your background. So they

Kelly Waltrich 02:44

Yeah, I would love to thank you. I've spent my whole career in financial services, I landed here by accident, and I plotted a really intentional path through every type of financial services firm so that I could get a really true understanding of, of everything that's out there, I spent years working for advisors. At an RIA, I spent time at an independent broker dealer, I even spent time supporting estate planners in terms of annuities and life insurance and, and all that kind of stuff. And then ultimately ended up in technology, which is where most people know me from I spent several years as the CMO of eMoney, advisor, a financial planning technology company, and then several years as the CMO of Orion, a portfolio accounting, I don't even know if we can call them that anymore. They're, they're massive and do so much more than that. But a portfolio accounting technology company, they're

Alex Murguia 03:38

the they're the POLYMATH of the financial services industry.

Kelly Waltrich 03:42

Exactly.

Alex Murguia 03:43

Did you like that Wade?

Wade Pfau 03:45

Yeah, they do it all the factotum.

Kelly Waltrich 03:49

And today, I run my own financial services marketing agency intentionally. And I'm a board member, as Alex said, for Risa.

Alex Murguia 03:59

And just a little bit of background just because I realized we have two sets of viewers here. Or listeners, although we aren't YouTube now right, Wade? we have those that are advisors, financial professionals, and we have, you know, equally number of consumers. And so with this episode, we're gonna we want to try to provide something that it's good for both and that's why we want to just provide some sense of what's going on and how consumers are viewed by advisors, and then vice versa. But just for consumers, Imani is actually one of the de facto software's that advisors use for financial planning and for client portals. They were I don't know how long ago Kelly like 10-12 years ago, they were bought by fidelity.

Kelly Waltrich 04:44

Yeah. 2017 Maybe

Alex Murguia 04:46

was 2017 Oh, that's I thought was much longer than that. Okay. 2017 They were bought by fidelity for a considerable sum. And you know, Kelly was employee number eight now I don't know that's, that's Antoine Walker. I think and look into them or hate for the guy who was with him from, you know from the start and then Orion again. They're, they're an industry standard. We use them actually within

McLean Asset Management and their management team is, you know, top top top notch great, great people to, to work with. And then intentionally this is something How long have you started intentionally?

Kelly Waltrich 05:21

So we are about a year and a half as of today. And we Yeah, working with lots of, of the top industry firms, whether they're technology or consulting or advisory firms. So some of your advisors if you're listening.

Alex Murguia 05:34

Yeah. And shout out to Megan Richter,

Kelly Waltrich 05:38

my amazing partner who keeps all the things, all the balls in the air.

Alex Murguia 05:42

All right. And so Kelly, what, what intrigued you about the Risa? Because the reality is, Listen, you're not you're not wanting of clients sort of calling you up and saying, Hey, Kelly, can you helped me with this? What sort of intrigued you here?

Kelly Waltrich 05:58

I think it's a it's a combination of things. As we started to build intentionally. We started to ask ourselves, what kind of firms do we want to support? And, you know, as we learn more and more that that evolves and changes, but I think one of the things that we focused on is, is this firm doing right by the advisor and the end investor in what?

Alex Murguia 06:21

Can I stop you right there? I'm sorry? Yeah. Yeah. Wade I owe you \$20? I thought she was gonna say, Wade Pfau is the reason why you're up. \$20. Okay, buddy. Good job. Sorry to interrupt, Kelly, I couldn't help it. I saw Wade went from a grin to a frown just like that. When we started, I was like, Oh, my goodness. I'm sorry you were saying, Kelly.

Kelly Waltrich 06:48

Very sorry. It is actually true Wade is a silly Column A celebrity had intentionally. So just back to what I was saying. firms that are doing right by the investor and the advisor. And I think that we you're right, we get pitched all day long by technology companies who want to grow advisory firms who want to grow, and we're trying to be really smart about the ones that we believe have the right recipe for success. The ones that understand marketing, that have the time, energy and resources to put towards it, doing it right. And who if we promote, we feel really good about what they're delivering to the to the industry?

Alex Murguia 07:29

No, and I thank you for thinking of that. And the reason we wanted Kelly on the advisory board is I really feel went and waited. I strongly feel like this as well. But when we have something that that really

is good. I have no problems getting up on the mountaintop and screaming about it. Because to some extent, I feel it's almost my ethical duty to to give this to as many people as possible. And I think the Risa way, just to get you in here. You say something when we're talking about this, that always I always say, Yeah, you're right, no matter how many times I hear that song, right. It always catches me. No, and that's the mismatch issue. And I think that's a great marketing angle to have to solve. But you want to talk about that? Because I think that's really a salient thing for consumers.

Wade Pfau 08:20

Sure, sure. Yeah. And that's really a flashback to my graduate school days in economics, where they have these search models. And it's really, because people don't have complete information about everything. And in the world of retirement income. Consumers don't necessarily know there are multiple viable retirement income strategies. And there's so many financial professionals that really are just advocates for one strategy. And so the concern is that there's a mismatch that somebody hears about a strategy. It sounds good, whenever an advocate of his strategy describes it, of course, it's going to sound good. But then people end up with a strategy that might not really resonate, and there might be an option out there, that's better. And that's hopefully the the role the Risa can play is to better match it well, if someone wants to work with an advisor, but even if they're doing more of a do it yourself basis, match the style, the strategy they want for their retirement income with what's going to resonate best with them, rather than just sort of falling into a strategy because randomly it was the strategy they heard about first and sounded okay at the time. That's the idea.

Kelly Waltrich 09:28

I think that's so spot on and coming from the money, like we said earlier, it's interesting. I think the majority of the top financial planning tools actually do a disservice to the retirement planning piece of it. I think that they have might have retirement planning modules, but it still does not provide enough information, I think for the adviser and the end investor to make to make the right decisions.

Alex Murguia 09:57

No, I agree.

Wade Pfau 10:01

Yeah, I mean, absolutely on the like financial planning software side. So much of that was just it was developed from an accumulation mindset. And it just hasn't had an opportunity yet to fully incorporate the differences for retirement.

Alex Murguia 10:14

No, but from a technological standpoint, I think you got to take a step back, Kelly, on second thought they did make an advance. And what they did is they got their software, and they created an extra tab. And they put on the tab, retirement planning. And then they took the algorithms that were on the other one, and they just ported them over. So to create that tab, and call it retirement planning did take some work. So you know, let's, you know, let's be nice here a little bit. All right.

Kelly Waltrich 10:48

We are friends with all these.

Alex Murguia 10:50

I'm not, it's okay. The views and opinions expressed here are those of Alex McGee and that those of Kelly Qualtrics are way far out there, we got that data, you're all set. The thing that actually along these lines from a marketing standpoint, and this is this runs counter to, to I think, what's been done, what is done, and what's currently done is I think to the resort represents a point of departure from the advisors that say, this is the best way to do it. This is the best way to do it. This is the best way to do it that way is subpar. This is the best way to do it. Team A Oh is always better than Team B kind of thing. And that's something that Wade in I sort of complete antithesis of I mean, we really take this agnostic view were hand over our hearts. But there's many ways to get it right. I mean, we could we could take anything, we could take the time segmentation position, there were total return position, the risk rep position and income protection position, and make cogent arguments, well, at least wait good, I can do three out of four, we can move forward for now and make cogent arguments about them right and then be very specific. So I think it's a silly game, that advisors tend to play like this is the best strategy. And I gotta imagine, a lot of folks pitch you, hey, Kelly, this is what we do. And this is why it's the best, you know, kind of thing. And I don't know if that kind of works, or at least that's kind of the point of departure that we have with Risa is really trying to find what strategy resonates with the individual. So we can start from there, you're never rubber stamp it, but you start from there. And if you divorce yourself from this idea that this one strategy is the best and you know, the One Ring to rule them all. Think if you divorce yourself from that, that's, that's the way to go. And I think underlying that, what what you're doing what we're doing is an it's a trite phrase, but it's still right. You're empowering the advisor, I mean, not the advisor, you're empowering the client, because you're letting them know, look, there is a way that resonates with you, let's find a way to do this. But if you now have something you can hang on to, when you go to a professional or as you're reading through the literature as you're, whatever you're doing, to find a way you now have something you can anchor to, that can help guide you. And I think that's that's what's interesting to me and from marketing standpoint, aside from the research, retirement income, from a marketing standpoint, I find it fascinating. So Kelly, how are we going to promote this? Let's make this a working meeting.

Kelly Waltrich 13:17

What I think is interesting, in alignment with what you're saying is actually what most advisors say, is we build financial plans to meet your unique needs, you're gonna see that on like, 99% of websites,

Alex Murguia 13:33

like snowflake, like a snowflake,

Kelly Waltrich 13:35

like to your point, when you actually get to get inside the business, you become a client, it is truly that they have a way a process. And one thing that they suggest is that's what they they're used to or they believe in. So I think this actually also gives them a way to make their marketing message real. It's we do have a way to figure out how you're unique and make good on that promise that comes through in their marketing and I feel really strong.

Alex Murguia 14:02

That's not bad. Kelly, that's I'm serious. That's what this is recorded. That's good. You're actually I didn't even think about that angle. That's That's exactly right. We have a way to kind of discover how you unique.

Kelly Waltrich 14:18

Yep, I think you know, I was telling Wade and Alex this before we got on before we started recording, but essentially as a consultant now coming out of cmo role into consultant role, I have realized more than ever how the shiny marketing message wins. And that's always benefited me in the past but what I am pushing clients, whether you're an advisor, a service provider, whoever you are, whatever you're promoting, you have to get to the why and the how. So we help solve investors unique needs. We offer these services why and how is that good for the end investor and investors if you are listening clients, you need To push hard for that don't get caught by the shiny marketing message and the beautiful website and I'm a marketer. And I'm telling you this. So you know, you need to listen, you need to, you need to figure out how somebody, if someone is saying they build a plan that is unique to you, then you need to understand how it is truly unique to you. And I think the Risa is exactly that.

Alex Murguia 15:19

I would also say in in the irony of all ironies, if somebody is telling you that they build a plan that is unique to you, that isn't a unique thing to say. Like, okay, wait a second, what just happened?

Wade Pfau 15:36

Really, really, mostly just means they give you a risk tolerance questionnaire and find out your your asset allocation that seems to work best?

Alex Murguia 15:43

Yeah, I mean, you're absolutely right. You made a good point to sort of give give, like consumers, because I do want to make it kind of relevant for consumers. And like I said, break that fourth wall, what are some tells, you know, because you, you're kind of like, you know, that show where a restaurant is broken? And you kind of fix it up? What are some tells, you know, over time that, you know, somebody comes to you, and I say this for your informed consumer had on your your person looking for an advisor, right? And you're looking at websites, because now I don't think people kind of visit five advisors, and they pick the one that they feel most comfortable with? Ain't nobody got time for that? You know, kind of thing? I think. I think they just look at a couple of websites. And from there, whoever has the best picture of a photo of a beach or something like that? They go with? I'm kidding, obviously. But what you see the broken stuff, when they come to you, they don't come to you because they're hitting it out of the park. Right? Yeah. So what's the restaurant rescue kind of tips consumers can learn?

Kelly Waltrich 16:48

I think, I think it's looking for a couple of things. One is expertise in specific areas. So everybody can't be perfectly knowledgeable on everything. So I think the advisors who are realistic about who they are and what their expertise is. And the way they supplement that expertise is is a winning formula. I also think that the transparency that the consumer gets into the process, so that plays into the technology that you're provided, whether it's a support portal, or a planning technology, or an assessment tool like

this, how do you get to collaborate, be a real part of the process and have transparency into the sausage making, I think is a winning formula. And then I think,

Alex Murguia 17:38

and I would add to that just real quick, even if you don't want to be an active participant in it, there are people that are delegators, as opposed to collectors, at least know what it is at the you know, like, if you buy a car, at least look under the hood, make sure there's an engine, and then you can do.

Kelly Waltrich 17:53

Exactly. And I think I think I push people to really have a point of view, if there is one thing that makes firms stand out from others, it is having a true point of view and a true passion about something so that everything doesn't look so cookie cutter. So if you're looking at five websites, and you can't tell what that firm's passion or point of view is on what financial planning actually means, or, or how it should look or what you know, how they go about things, and I think that's a red flag. I think that that means that they're not taking the time to tell a story that's going to resonate with people who are like them. So I feel like a point of view is important.

Alex Murguia 18:37

And Kelly, let's say I'm a consumer, and I'm looking at three sites, right. And they all say we're holistic financial planners, and they have this like beautiful like flowchart, usually in a circle, about discovery meeting, financial planning, goal setting, financial plan, investment, appicate, you know, and investment sort of implementation, and then effectively redo the financial plan and rinse repeat, and the circle of life continues over and over again. You get that that's pretty much almost like, is that table stakes? Or is that stale messaging?

Kelly Waltrich 19:17

So I think your process is, I think what you just outlined is a firm's process, versus their

Alex Murguia 19:24

to get on websites. I think that's kind of what you see. Right?

Kelly Waltrich 19:27

Yeah, I think that's kind of what and if so, if I can relate that to what we do for firms, we have a process and it is standard for how we get from where they are today to where they need to be. But that doesn't mean that the tactics and the strategies and the communication styles and the way we collaborate are the same. So I think so I think that you need to push on as a consumer okay, this is very cookie cutter. I understand that this is what you do for your clients, but where does the uniqueness to meet come in like How does the way that I want to communicate with you? How does the way that my life is evolving? How did these things play into and change and evolve the way that you're you're working with us?

Alex Murguia 20:09

And I'm hearing there's two ways to be unique. The niche? And Kelly is absolutely right. Look, this advisors that are the most successful are the ones that unless you're like this machine kind of firm, where you're just like an assembly line, that you're just getting, you know, you somehow, you know,

have some sort of magic dust. Right, but for the most part, advisors are a family, you know, family offices, if you will, and family offices, like, you know, family run businesses themselves like that, you know, aspiring to be this assembly line sometimes. But effectively, though, Kelly, there's, there's two advisors that are very effective based on what you said, the folks that focus on niche niches, and by niches. He's very true. It's not just like a niche, you can be as specific as left handed pool cleaners, I focus on left hand a pool cleaner, and you'd be surprised. It's a big country, right? There's 300 million people, you'd be surprised how many of those they are. And if you focus on them, if you solve their unique solutions, it builds on itself and not left hand pokers. But think about somebody that focuses on if you're looking for an advisor. And you happen to work for Xerox, not Xerox, but something more IP, Xerox sounds like

Wade Pfau 21:20

a major employer with a pension plan

Alex Murguia 21:23

a major employer with a pension plan. Thank you. Wade, Wade for the win. He's the closer you know, I just caught in there really? No, yeah, yeah, a major point with a pension plan that has these Byzantine kind of rules? Well, if you're an advisor that focuses on that, and you know, there have 10,000 employees, you're going to do very well. But more importantly, your client, your, if you're an individual, that goes to an advisor that focuses on that, and that's your, your kind of scenario, he's gonna you're no longer a sample of one to him your sample of like, 100. And so he knows that insight or not, Kelly, you're trying to get awarded,

Kelly Waltrich 21:59

no spot on. And I would just say that we can back that up with data. You know, I was talking to my my digital team yesterday, and we were going through digital campaign metrics for all of our clients. And it's so interesting to see the the firms that say, this is the dream geographic region that I'm going after, this is this very specific type of person that I'm looking for, we can narrow that down, we can focus the dollars and then the firm's that say, you know, what, the whole country we serve is just about everyone. I mean, that's, that's a that's a losing game. So we we spent a decent amount of time actually yesterday going through the data to see the winners and losers and it is every time the the firm's that are that are focused.

Alex Murguia 22:43

So going back to consumer hat, I've seen well, and there's one more one more piece, the cadence you're talking about, and then we talked about niche, but then the cadence. And by cadence, I mean, that firm goes through the trouble of figuring out what cadence of information do you like to flow with? You know, is that they did because there's, there's your Okay, your niche, but then your personal style? Correct?

Kelly Waltrich 23:06

Yes. And so I've always thought, maybe this is a product that you and I and Wade will spin up one day when the ROI

Alex Murguia 23:14

this is this is recorded, do we need to kind of copyright this bad boy? patent it or whatever

Kelly Waltrich 23:21

might actually you might need to edit this out. But I've always wondered why there isn't a client facing side to a CRM that says, client, we're onboarding you tell us what you care about how often you want to be communicated to how you want to be communicated, to what channels you prefer? And what topics you prefer. What if it is just like a simple thing, like at the front end to CRM, here's our back end. Here's their front end. And we're tailoring our communications very specifically, I feel like somebody needs to build that.

Alex Murguia 23:56

I think you see that. I think you see that, but I didn't CRMs traditional See, or could client relationship management tools, effectively the modern day Rolodex, you know, and note taking kind of thing, you see that, but you see that not so much with the traditional CRMs that you have right now. But you see that with a marketing CRM, like ConvertKit, Ontraport, things like that, where you can start but it doesn't necessarily ask for the the client or the consumer feedback, but it can kind of make the communications more bespoke, if you will, which is I think what you're getting at

Kelly Waltrich 24:31

and it should, where consumers can update their preferences.

Alex Murguia 24:36

So, let me see. Let me see if we have a breakthrough here. So a consumer is looking at three sites. And they see the beach the mountain top the boat or whatever. Hike hopefully the couple is holding hands if not, who knows, right? So they had that but they all look the same, you know, and they all have that circle we do a financial Applying holistic, blah, blah, blah. All right? If you can't tell, though, by further inspection of that site, who their ideal client is, and not like I fog a mirror, but like I, you know, I had I, this is what we work with. Yeah, then that's, that's, it's a signal by what's not being said, as opposed to what's being said. And if you can't get a sense of their style, because if you don't have your own style, then you're not gonna care about somebody else, because then you're just some sort of vapid kind of robot to begin with. And so if you can't get a sense of a personality from that site, either, and it's all corporate, then you know, there's nothing there there. Is that a correct assessment?

Kelly Waltrich 25:43

Yep, I would say niche personality. And then I would just add one more thing. And I don't I don't mean to say that a single advisor can't serve you well. But I do think, I do think that the team is important. Because, again, I'm going to use myself as an example, are you going to come to a marketing agency to work that doesn't have somebody to do digital and somebody to do creative and somebody do. So I feel like you want to look for especially so relevant to this conversation today, expertise in different areas that you're going to need throughout your, your lifetime, and your relationship with the advisor. And if they don't have it as part of their team, that's, you know, W-2, then they need to have an extended network of people that they can share that they tap for different things, I think that's really

important. There is just no possible way. For a single advisor to know everything, do everything and be able to,

Alex Murguia 26:39

I would add to this, and this is from the business snap on, I think you're 100% Correct. I think at that point, there's one thing of an advisor starting their business, and you have to start somewhere. And there's always the phrase, no one wants to be your first client. No one wants to be your biggest client, you know, kind of thing. Okay, fine. But let's say you're in that phase two. And because there's inflection points in running an advisory business, you know, your first 10 million, your first 40 million, your first 80 million, your first 100, you know, whatever, yeah, there's these milestones, right? Each of those milestones are an inflection point for you to make a decision of, do I grow this practice by bringing do I invest in my practice? By bringing in people? Or do I, you know, just the hell with it, and maintain margins and do a little bit more, you know, kind of thing, those advisors that are the one person shops, or the two person shops, there's exceptions, right? I can't, you know, say everyone to Kelly's point. But for the most part, I always kind of view that with, unless you're starting your firm, it's very different, right? You got to start willing, but those folks that have been around and it's, it's a bare minimum staff, I kind of always viewed them as being a little greedy. You know, it's funny as much as they took clients invest for the long term, this and that, because it makes sense over time, they kind of do the opposite of that with their own business. They don't invest in their business to kind of grow it, they just kind of like see it as a well that they're drawing, you know, water from, if you will, as opposed to investing it as opposed to looking at it like a farm or where you're investing to harvest you know, that kind of thing.

Bob French 28:12

Are you a financial professional, wondering how to transition your clients from the accumulation to the distribution phase, how to engage individuals looking for a professional with true Retirement Income expertise, how to mutually develop a solution that resonates with them, or how to grow your practice in a meaningful way. That's based on best practices for financial planning, then you've come to the right place. Sign up for our two day masterclass for financial professionals, hosted by Wade and Alex on January 23, and 24th. From 12 to 130. Both days, your future practice will thank you for it. Go to risaprofile.com/masterclass.

Kelly Waltrich 28:55

Yeah, and I think I think there is a way to go about it. So again, I don't want to put down one or two man shops because it is no it's fun. But with a network. So if you're going to say this is the business that I'm this is my business, and we can serve all of your unique financial needs. And you need to be able to show like this is there is a group of people that I tap for different things for retirement expertise we we use this for for whatever it is, we use these different things, I think it is really important to be able to show and really important for investors to ask because I think that's just it's truly impossible to be able to do it all yourself

Alex Murguia 29:34

it's a good point. You can't you can't slap a holistic kind of phrase on your website and expect you to do everything. You know, the whole that the definition of it itself means that you're bringing in folks, and it's being

Wade Pfau 29:48

done like they may have as partners that turnkey asset management programs or different services that they work with. It's sort of the back office and team of experts. So it's a there can be more to it than just.

Kelly Waltrich 30:02

Yeah, no, totally agree. I totally agree. I think there if they need to be able to showcase that they have the partnerships to, to deliver it.

Alex Murguia 30:11

Kelly, how do you think the whole marketing message to consumers has evolved over the years? I kind of socialize this a little bit beforehand. And Wade, you know, you know, we all see commercials, right? I always find it interesting simply because of the business we're in how how things kind of evolve. And I always find myself, like my grandmother, we used to watch a lot of the Miami Dolphins. And never there was a kickoff you know, the dolphins got the ball, she would say Run, run, run, run, run, you know, that kind of thing. cattitude like scream at the TV. Like for them to toggle the guy or for the guy to escape and run for it. That stuff. I find myself having those reactions, when I'm watching. Like, like a financial services commercial via Merrill Lynch, Morgan, whatever, where I'm like, my wife looks at me funny and stuff like that. Because I'm like, like, I'm answering back, like, you know, in a, in my own kind of way, I gotta keep this as Wade said, No Cussing, because it can't be an explicit episode. But I don't know what Wade, I'll start with you. What do you think what what have you seen as the marketing message, as you kind of view this from the, because we, you know, we're in the business?

Wade Pfau 31:22

Well, we talked about this a lot in her last episode, I I'm assuming it'll be last week's episode with John Faustino how this fiduciary idea becomes a marketing message in that I was recently on a road trip where I had a car rental. So I got to hear some of the commercials. And there was this major firm talking about how they're a fiduciary, and they serve your best interests. And when you do well, they do well in this sort of thing. And I just felt really bad listening to that, because it was such a warping of, especially when the firm tends to also focus on retirement, warping of this whole idea of, they're just pushing the total returns style and not really willing to consider any other style. And that's not serving the best interests. And so when I just, I'm surprised, to some extent, because things are so regulated, that advisors are even able to use where a fiduciary is part of their marketing message. But there it was, and yeah, doesn't leave a great feeling listening to that sort of thing.

Kelly Waltrich 32:26

I was gonna bring up the same commercial, we won't name names, but I was thinking I was actually thinking the same. I think they're, I think there's some good things that are happening, Alex. So the good things that are happening are that firms are speaking to consumers like people, I like to see that change. I think there's a more casual tone going into financial services, marketing that was never there before, it was always very complex. You had to go ask someone what what it meant you had to get a mic, you know, a magnifying glass read the fine print. So I think that firms across the whole entire industry, whether advisors, or product creators are all trying to be more conversational, trying to relate

to consumers. I like that. I think that that's a winning formula. So I think the simplicity message that we're starting to see a little bit is a win. I don't know how you guys feel about that.

Alex Murguia 33:30

No, I agree. I think you know, what's the make things as simple as possible, but not simpler kind of thing. And it's funny, it's a full circle moment. Now that you've said that, because I remember as a kid, viewing those EF Hutton commercials, and that was probably I don't know, in the early 80s, right? Where, when EF Hutton talks, people listen, and the commercial was effectively a person, a guy. And that's another thing that a lot more women in this industry now than before, but it was a guy having dinner with another guy. And they're talking about stocks, and all of a sudden, you know, the people in the table across from them start, you know, they shut down their conversation, they start leaning towards and listening in. And the whole restaurant now is in silence. And the phrase was when he went and talks people listen, kind of what we do with weight now. And so. So effectively, what happened Wade

Wade Pfau 34:27

I said, Now we have index funds. We don't have to

Alex Murguia 34:29

Yeah, exactly. No, no, that's exactly right. You know, and so but but the pitch, the pitch effectively was we're smarter than everyone else. We have this information asymmetry, we're on the right side of that information hurdle. So you need to go with us because we just know what happens. A lot of research comes out saying that active managers you know, it's it's it's no better than a crapshoot kind of thing. And so index funds come out, right, it's about index fund combat and at the same time Schwab comes out and becomes low costs, keep costs low and and call it The day kind of thing and so these guys that were making money off this information, that symmetry kind of pitch, that was really just a ruse really is nothing there. What's the messaging now? And these They're not stupid, all of a sudden, you know, the messaging shifts? Well, also, they have to fight against Schwab and Vanguard which just ran roughshod over them and continue to do so. But then the marketing message becomes what? I'm your friend, right? Yeah, this person in a commercial giving away the bride. And the punchline is, it's not the bride. It's their Merrill Lynch broker. You know, at which point I'm throwing stuff at the TV. Because it's complete BS, right. But, you know, it's this, um, your rent a friend kind of value? You know, and it's really, you know, they're, they're sort of, they're sort of pulling at the heartstrings of the trust. And I don't blame them. I mean, look, they're they're trying to do what they do from a from a marketing standpoint, but it's just, it's just that like, ridiculous, right? And then it moves over towards, there's really, you know, where is the value being added? And I think this what you're getting at, you know, the full spectrum of financial advice, you know, being on top of it, you know, from a client's that, but kind of what you're ending on and keeping it simple, because it doesn't have to be more difficult than that.

Kelly Waltrich 36:19

Yeah, I think I think you're spot on. And I think, I think there has to be a happy medium hit here soon, where it's not so complex, that consumers are confused and feel like there's something that they don't know. And then this idea of, of where your best friend, there has to be, the message has to be, this is a complex topic, there's a lot to know. And we're here to help you navigate that, however, that looks like

there needs to be a better there needs to be a happy medium. And I think that most firms are falling on either side of that spectrum. Unfortunately,

Alex Murguia 36:56

No it's true. I mean, I see it too. Like there's a lot of firms out there that focus on the human side, and you have to absolutely have to focus on the human side. Yeah, I think if anything research has shown over the last 15 years that that is as important of a variable as any in financial financial outcomes. But I don't know sometimes they get the sense. They don't have any financial planning chops, though. All right, thank you. But how do you do a Roth conversion? Yeah, that kind of thing. You know, like,

Kelly Waltrich 37:25

it's complex, it is complex, and you can't you can't skirt that you have to, you have to be you can't make it seem like it's so interesting. So I've actually had a couple clients who have, you know, we've always said, make things simple, make things simple, but you can't make things so simple, that the end user, the end client doesn't realize what goes into getting there. There has to be, I think, and that's a situation where I think in our industry, we're saying make things simple, make things simple, we want the investor to feel like they are part of the process, but at the same time, they need to know like this is this is complex, getting to where you want to go, there is knowledge that needs to be had to get there. So the right person is very important. Yeah,

Alex Murguia 38:09

I don't know how much of that is a personal philosophy or something that is right. I think something with Bob French myself way, something we struggle with is the high level of complexity. I mean, one of the weights biggest feedback, if you ever turned on a paper antenna for consumers is hey, you got to tone this down, hey, you got to understand, hey, no graphs, you know, that kind of thing. And we get that.

Wade Pfau 38:31

And my one star reviews on Amazon.

Alex Murguia 38:33

Yeah, right? That was me, actually. But we get that. But there is this philosophy that I take is there has to be a balance, and we could turn it down and keep it going. Because it's a little bit of an infotainment kind of thing. I get it, there has to still be credibility. And I don't mind always erring on the side of maybe being a little too heavy on the data and explanation. The reason is, because I feel like the math teacher in fourth grade that says, Hey, you didn't get the right answer, but I need to see the work. You know, if you want to get full credit, right? You know, I don't I don't even care if if our clients or prospects see this, you know, we hand them a white paper and they don't read it. It's almost like, hey, we did the work kind of transaction where, you know, there's credibility here, if you want read it, if you don't, doesn't matter, but know that we did the work, I feel like we have a responsibility, you know, to do that, in addition to obviously, being open to try to create a bespoke experience for that person in a manner that connects with them. I think that's the balance that we try to shoot for.

Kelly Waltrich 39:35

I love that and so, so. So tell me, you know, McLean, let's just use that as an example. If you say we provide transparency into our process. I don't know if you say that, but I would imagine, you know, what does transparency mean to this industry? Like what does transparency to the investor mean? Is it just fees? Is it

Alex Murguia 39:58

No that's that's, that's a great point. Here. We were, and we had no idea we would take this conversation here, but I'm game. No, no, no, no, I like it, I like it I'm game. Here, listen, we were a fee only advisory firm, right up until, let's say two years ago. And you know, when you look at the literature, and the stuff that we're writing about, and stuff like that, there's a place for annuities, there's a credible empirical place for annuities. If you say, no, then I'd say go to the eye doctor and get the right prescription, because you obviously have trouble reading, you know, kind of thing it you know, numbers or numbers, you know, they don't lie, right? God's language. But the reality is, so So what we would do is we refer, we refer it out a lot. And that was actually a pain for folks. Because then they gotta go, you know, get and develop a new relationship, etc, etc. And then we're also sending them to somebody that we hope they're going to do, right, you know, over time, and, you know, we're not like in every single meeting with it. So from that vantage point, and that goes to transparency, right? There's this always, there's always argument of, oh, there's fee base, there's, you know, you're charging assets under management. But then if you do anything that has a commission to it, it's that right. And to me, I think that's, to me, personally, I'm not sort of into our firm, because it's how we feel. That's not the right question to be asking. The question to be asking is what you just said? Is it transparent? You know, is there a dose of transparency? Yes. Are you? Are you in the best interests of the client? And from a competence standpoint? Is this a way to go? You know, you had to check those boxes, but then is it transparent? And that's, that's good enough for me. You know, from that standpoint, with an abundance of transparency, this is how we go about doing things. And you know that that that's very clear, I would say this in the spirit of transparency, if every advisor that doesn't assets under manager approach has to issue a separate receipt to the client. Yeah, yeah, I think you'd have a little friction that just, you know, goes under the water. And I say that as McLean. Asset Management.

Kelly Waltrich 42:09

Yeah. Well, I'm Wade I imagine that this is part of the lore of the reset is that this transparency issue, you say, this is how we got there. This is the path to the decisions that we're making. And that adds a whole different level of ability to provide transparency, I think, is what you're getting at.

Alex Murguia 42:28

Did you see how she what she did there? She has you brought it in full circle?

Wade Pfau 42:33

But yeah, I mean, make taking a full circle to the conversation around Advisor Websites. I don't know how many times I've read the description on an advisor website, and not been able to figure out what in the world they're actually pitching with it because it's the same language no matter what the strategy is with downside protection, growth potential and everything else. And you could be describing an annuity with that. Or you could be taking the view that the investment portfolio can provide the same things. And it's a lot of times there isn't that transparency, and at least the Reese's putting the language

around, there are different options. And which one are we specifically talking about, rather than trying to not even save what we're talking about?

Alex Murguia 43:15

No, I think he was right. And Kelly, you're right to bring it back to this because effectively in our view, the Risa the whole genesis of it was just to be able to direct people, when we had, you know, from retirement research, direct people in the right direction to curate, you know, their solutions. And we had no no dog, you know, we had no no incentive to point them in one way over the other, it was just, hey, we want to know how you'd like to source retirement income. These are very transparent questions that we're going to ask you just right may not be the right word, but very explicit object, you know, no subjective wording, just very, you know, face value kind of questions, that you answer them over and over and over and after a while, you know, you can't help but realize, okay, this is how you want to source retirement income and if you want to source retirement income in this manner, that most likely resonates with this strategy. Point blank and that's your starting point. That that that removes like the advisors opinion, your maybe preconceived opinion beforehand, or whatnot. It just says, Hey, if you want to source retirement income like that, this is the strategy that you want to least start from. And to me, that includes Yeah, a healthy dose of transparency among other things that could lead you to that can lead you in the proper direction.

Bob French 44:38

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Kelly Waltrich 45:00

Yeah, thanks for derailing with me for a second there. No, it's true. No. And I feel like as advisors, you get to see this every day. But I, what I've come to realize, you know, over the years is talking to friends of mine who just don't who don't live in our, our world, just how little they, you know, they're not thinking about this stuff all day. So to me, I look for the advisors who are doing the best job educating people who, who need to understand something that's complex, very simply, and who are, who are again, providing insight into how they're getting where they're getting, I think that's really important. And actually, that's why I love the money because I feel like it was lacking on the retirement side for sure. But at least advisors can say this, these are the inputs. And this is how we got to where we're, we're we're taking you because I think that's really important in your marketing.

Alex Murguia 45:56

No, I think it's great. And then to wrap it up for for folks, for advisors, I think they they know the drill in terms of the things that we've said. But for consumers, like I said, if you're thinking about what, what what an advisor, could you know, what, what would be a good advisor from just, you know, checking out certain sites, and obviously, everything's with a caveat. I think the messaging that that Kelly had, you know, is spot on, Kelly, you want to repeat those points real quick?

Kelly Waltrich 46:23

Yeah, I think it's do that, does the advisor have a focus? Because it's, I think it's impossible to boil the ocean? Do they have a point of view and a personality that resonates with you, because that's really important you. It's not that they need to be your best friend. But you have to, you have to want to have conversations with them, you have to want to have a relationship with them, because it's going to be a really important one in your life. And then the third thing is do they have? Well, it's actually four things out. The third thing is do they have the resources around them to provide you what you need over the course of your life as it evolves? So do they have even if it's an outsourced capabilities, do they have the right makeup to be able to do what you need? The right team? And then, you know, to the to the point that we just made? Are they transparent to you in terms of how they are delivering what they're delivering? Can you understand how they got from where you are today? To where they want you to go?

Alex Murguia 47:25

And there you have it, everyone. The great Kelly Waltrich

Kelly Waltrich 47:34

Was it good working session.

Alex Murguia 47:35

Yeah, I don't want to say anything else. After that. I'm like, Okay, we're done.

Wade Pfau 47:38

Yeah, that's a great way to wrap things up. Thank you so much, Kelly.

Kelly Waltrich 47:42

Thanks, guys. I really appreciate it. Love working with you.

Alex Murguia 47:45

Ya know, Likewise, likewise. All right. Take care everyone.

Bob French 47:50

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.