

# Episode 137 The Evolution of Messaging in the Financial Advisory Industry

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## SUMMARY KEYWORDS

advisor, retirement, retirement income, wade, consumer, messaging, years, financial advisor, mclean, investment, retirement income planning, thought, risk, financial planning, focus, broker, modern portfolio theory, retirement income plan, managing, portfolio

## SPEAKERS

Alex Murguia, Bob French, Wade Pfau

### 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 [risaprofile.com/style](https://risaprofile.com/style) and sign up to take the industry's first financial personality tool for retirement planning. Find out how you're marketed to by financial advisors, and also how to identify who's not really acting in your best interest. Hi

### Wade Pfau 00:49

everyone. Welcome to retire with style. I'm Wade, and I'm here with my co host, Alex. Hi, Alex, thanks. Hey, Wade,

### Alex Murguia 00:58

how are you doing good?

### Wade Pfau 00:59

And I think it's important to mention that because we did recently receive an email from a listener who referred to it as my podcast, and I think Alex was down in the dumps for a few days. But indeed, there are we also do want to thank Jason and Bob for not Jason, I'm sorry, Rob and Bob, that's a rhyme for filling in for us last week as well. Yeah, I

### Alex Murguia 01:23

think it was Rob Loblaw as well within

### Wade Pfau 01:25

his law blog. But it's good to be back in the driver's seat and to move forward with our discussion on retiring with style. But but actually, as part of Alex being the co host, this is going to be more of an Alex driven episode, we're going to talk more about marketing and what consumers can expect with financial market advising, and also what advisors might be able to do to help improve their marketing as well, to make sure that their expertise on retirement

income is revealed and understood by those who may be looking for opportunities to work with someone who provides that sort of retirement income expertise.

**Alex Murguia 02:07**

Yeah, we thought it'd be good, simply because sometimes this is sort of the business of advice, right? And as consumers, we've gotten as we progress with this podcast and with many of the content generation strategies, if you will, or initiatives that we've been doing and many more to follow we've been we've had to answer a lot of questions just about the business of advice from prospects, which is great. I think it's great that they're asking us these questions, because that means they're just not nodding their heads yes and moving on. I think an informed consumer is the start of a great relationship if you do pursue an advisor. And we wanted to address some issues that I think we can nip at the bud here, and we thought the podcast would be a great way to do so. And so Wade, I'd like to begin, if you don't mind, with just, I think the evolution of messaging, if you're a consumer, what have you thought financial advice is? And interestingly enough, I don't know about you Wade, but I get this every once in a while from my friends, especially when they're teasing or something like that, where there's this pejorative reference to say, oh, you're a broker or something along those lines. And I've always you just move on, you know, because they're just your buddies messing around with you. But the reality is, I think the evolution of messaging, with regards to what a financial advisor does, has moved on, but there's still some remnants of the past. Have you experienced anything like that? Wade,

**Wade Pfau 03:38**

well, yeah, I think so. I mean, there's really no clear definition about who's a financial advisor, who's a financial planner, and so sometimes brokers of securities or insurance agents and different groups or people who may not really have any sort of license or expertise can just wear the hat of being a financial advisor. And yes, you certainly do see, see that sort of issue come up with, what does it really mean to be a financial advisor, and how is that organized and structured and regulated and and all that? Yeah,

**Alex Murguia 04:10**

and so I think, and, but I think, luckily, the in the industry have, the financial advising industry has experienced a nice halo effect from the Tiktok influencers that are also dispensing advice that's put us up in a better light. Wouldn't you say, Wait,

**Wade Pfau 04:28**

some of that coming through with the maybe not the best advice being provided through various social media outlets? Yeah,

**Alex Murguia 04:37**

no, that's kidding. But no, look, the reality is, is that if you're a consumer searching for financial advice years and years ago, let's say 20 plus years ago, or even 30 years ago, the idea was that there was a broker. I need to have a broker. This is my broker. My brother's a broker. My uncle's a broker. Things along those lines, and in that age, I mean the. Reality is that a broker did what technically the definition of a broker was, which is, facilitate a facilitate a transaction, and you were just seen in that light, nothing more, nothing less. And over time, brokers became investment managers. No, I'm not a broker. I'm an investment manager. I actually create a portfolio of stocks or investments for you that could proceed you to the next stage that you want in life, things along those lines, where we're more than just facilitating, we're more than just call

jockeys. We're actually creating the portfolios for you, right? And in this explanation, I'm going to ignore the passive versus active, or that sort of movement, if you will. The reality is, is that it was seen as, okay, I'm an investment manager, and I think financial representatives like that term more than the brokers, because just presented them in a better professional light, and they're always take umbrage if you called them a broker. No, I'm an investment manager, right? But then there was one, I

**Wade Pfau 06:00**

mean, it's modern portfolio theory, with just this focus on building a diversified portfolio. Rather than selecting individual securities, you really have to look at how those securities interact, and if they're negatively correlated with each other, even if they're each kind of volatile on their own, they might really blend well into a portfolio. And so that focus on managing the entire investment strategy, rather than maybe selecting individual securities that you feel are going to perform the best over the upcoming time horizon.

**Alex Murguia 06:31**

That's correct. And then from there, as as you know, the profession continued to level up, wealth managers, financial planners, financial planners wealth managers, to some extent, I think people now refer to them as wealth managers, themselves as wealth managers, because financial planners implies, from a business standpoint, it's a lower level of wealth that they're managing, right? So they like to refer themselves as wealth managers, if you I think that's that's just my opinion. This is not nothing is written in stone. But to me, that's more of a marketing game, if you will, to call yourself a financial planner versus a wealth manager, because I think they both are ultimately providing holistic advice across all levels of financial planning. But Wade, you were laughing when I was saying that.

**Wade Pfau 07:15**

No, it does sound like a loftier title to be a wealth manager than a financial planner, but if you're providing comprehensive planning advice, either title is appropriate, yeah. And the

**Alex Murguia 07:28**

point is that the key there is that, as you said, as the science moved further along, with regards to integrating modern portfolio theory, and so brokers became investment managers, well, integrating financial planning, a science of financial planning, into the relationship. Well, all of a sudden now you have wealth managers, because that's where you hear the the contextual reasoning, right And and frankly, a lot of independent registered investment advisors were way ahead of the curve by 15 years relative to the large brokerage houses. I think a lot of the brokerage not a lot, but there's a significant portion of the brokerage houses where they're just really only functioning as investment managers, and their higher ups are trying to figure out, how do we create more stickiness? And that's where you see this integration of the financial planning into into into those relationship dynamics among the large brokers, albeit to a lesser extent, but it's growing more and more. And I would say now there's another inflection point, and you can kind of see it with the commercials that you're that you're observing, or the messaging that you're receiving. And that's where it's beyond money, you get phrases like health and wealth, or you get phrases where the the investment part is something that's kind of figured out. The more difficult part is the existential things around money. And if you look at the books that are starting to be published now with by by these personal financial wizard like Morgan Housel, if you will, I mean the best selling book in the last few years on investments, and it was really

about the existential issues around money. What does it mean to have money and things along those lines? And you're seeing some folks actually begin to concentrate their practice on what's known as the human side of money. And in fact, on our end, if you're a consumer, advisors are getting blasted in their inbox every day about how to become a better advisor, and it has nothing to do necessarily with the actual technical competencies around advice. It's just really the end game is listening to consumers better, listening to your client better, things along those lines. Why? Because the better you understand them, the more you're going to have insight into what would be a good step, and the more they're going to have trust in you to give you that, that to give you but to bestow upon you the responsibility that will help them guide them to that next stage. I think that's where we're at right now. Now,

**Wade Pfau 10:00**

wait, yeah, and another name for financial planning is personal finance. And kind of another way to look at that is there's been, well, the finance side is always what's covered now, also covering the personal side and also just thinking about retirement, ultimately, it's an asset liability matching problem. You have to position assets to meet household goals, and purely Investment Management, or even a more simplified wealth management, that's more about managing assets, not the household's true problem, which is managing assets to meet liabilities. It's just growing a pot of assets, not using those assets to fund the goals that the household has in mind. And so that's where we see that transition into comprehensive financial planning is really about not just looking at managing the asset side of the balance sheet, but managing the asset side in relation to the the liability side of the balance sheet, so that you can have a more efficient outcome.

**Alex Murguia 11:01**

Sure. And so I think that's exactly right. And so what you've also seen within our industry, and again, consumers thinking about this, this is this is an important transition as well. Is this transition from accumulation to decumulation, and that's largely led by the peak 65 the Baby Boomer, Boomer generation, which is, this is a year where the most number of people will be hitting 65 I don't know since, since we've been keeping historical records. I have no idea, since a law, you know, for a long time, and it's going to be that way for another good let's say 1010, plus years, right? And so the business, the business of the financial advisory space, yeah, there's always next generation, and there's always asset transfers like, you know, folks die and they leave it to their children and managing assets for their children, or providing Wealth Management Services for the next generation. We get all of that. But the reality is, there's this huge movement towards identifying, like there's not enough folks to be able to address the accumulation efforts of people, of what people are going through right now. And there's two things that are really bringing that to the light. The first one I mentioned, which is the demographic stuff. But there's also this literature that's starting to come out again. Wade mentioned at the beginning, brokers became investment managers all of a sudden, because modern portfolio theory, right? Well, to a large extent, there's this, there's this empirical basis now for thinking about accumulation different from decumulation. But who better to talk about that briefly and why that's a business priority for many financial advisory firms to do that? Wait, sure. I mean

**Wade Pfau 12:45**

retirement, to some extent, is a relatively recent phenomenon. If you go back more than 100 years ago there, there's no concept of retirement. It was you work until you can't work, and then

maybe for those final months, or even a couple years, your family members take care of you. After World War Two, we really got to a position where a lot of people now had company pensions, and they might be able to enjoy a 510, 15 year retirement. Then we transition away from traditional pensions towards the defined contribution. Invest in your 401, K plan, and figure out for yourself how to distribute that in retirement and with longevity improvements, maybe even if you retire at 65 looking at 30 plus years of potential retirement expenses that you need to fund. And so we really that sort of the demand for how do we solve that problem prompted the development of retirement income planning as a distinct field within financial services. It's not an old field. I usually if I have to say, what was the year retirement income was born? Sometimes I'll say 1991 that was the year Harry Markowitz, after winning the Nobel Prize, realized modern portfolio theory wasn't meant for households to use. You could even say 1994 we're now at the 30th anniversary of Bill Bingham's 4% rule. But it's not really much older than 30 years that we've started to think about retirement income, about how risk changes in retirement, with longevity, with the sequence of returns and so forth, and then ultimately with the asset liability matching problem that households face in retirement, how to better solve that particular problem? And so we've seen an entire academic literature develop around that area of how do you build efficient strategies to manage risk in retirement and to give a good or better opportunity to meet your financial goals in retirement.

**Alex Murguia 14:42**

Wait, I I like to think retirement income planning started when you and I met. Oh, there you go. I mean, between us, between us, how many awards and articles have we written on retirement income planning? Between us?

**Wade Pfau 14:59**

60 plus. I know from the Journal of Financial Planning,

**Alex Murguia 15:06**

that was before. I'm trying to make it funny, I'm just goofing but, but the larger point is, there's this mute there's this strong development, and so where I'm leading with this is, okay, What? What? What effects did this have? Retired, you know, bringing your retirement to the forefront and the messaging that you're hearing. Well, again, most of the industry, because of the switch, because of the movement from brokerage to investment management. And listen, modern portfolio theory has years on us, on us being retirement income literature, right? There's a sense of everything is anchored in the investment only, right? But again, Wade waving that flag in a massive way is brought to light effectively, that there's best practices for retirement income, and you just can't apply modern portfolio theory to solving the retirement income challenge, and that's it. There are other things that you need to bring in. Now what I'm following, the following is my opinion, if you will, and I believe Wade is there, but wait, if you differ, feel free to chime in. That's totally fine, but I think what's happened is that the investment management industry is really hanging on to that hegemony that they have from a marketing standpoint. And what I mean by that is that, hey, investment management is the way to go, and retirement income planning is just taking distributions from a portfolio and figuring out what the optimal way to take that distribution is. We have no qualms against a total return approach, which is what I've just explained. It's just not everyone feels that that's the strategy for them. And there's many credible ways to do this. If you listen to this podcast, you would know there's many credible race heck, that's why the RESA came about, right? But I do feel it's never about the money. It's always about the money. And from that standpoint, think about it's very convenient, if you're an

investment manager, to all of a sudden promote the 4% rule or any distribution rule at all costs, because it just, it just reflects their business model very, very neatly. And to all of a sudden take a step back and be like, hey, look, there's many ways to get this right. I need to incorporate other ways so I can identify my audience's needs better, my consumers needs better. It's very hard to do that, and I think it's simply wrong. And to some extent, I would venture to say, as much as they push against other forms of compensation, I would say that, you know, a total return approach just appeals to one business model, and that's it, and it's in that person's, you know, human nature interest. I don't think there's any malfeasance involved. It's just human nature to to really promote that, while you minimize other potential avenues. I mean, look at Ken for fish Fisher. Ken Fisher, his dad wrote about investing, right? And it was about, I think price to sales was something that he used whatever, you know, a great book on, just in fundamental investing. He starts writing in Forbes, but the point is, this is an investment oriented approach. He starts his own Ria, investment orient accumulation. All of a sudden, he's recognizing the demographic trends. And look at the commercials. The commercials that you see are all about, get my retirement income planning book for whatever XYZ, but you need to have at least 500,000 in AUM, in investable assets. That. What does that have to do with retirement? Right? That's just a business model accommodation. He's effectively saying, if you don't have any money, don't talk to me. I don't have time. If you have money, guess what? That's a great if you have at least \$500,000 okay, that meets our minimum from our, you know, profitability standpoint. So come on in. We'll help you. Kind of weird. Wade,

**Bob French 18:59**

are you getting close to or are you in retirement? Well, investing during retirement is a little bit different than during your working years. Your investments are there to help you pay for retirement, and now is when they need to earn their keep to make sure you're on the right track. Download retirement researchers eight tips to becoming a retirement income investor by heading over to [retirementresearcher.com/eighttips](http://retirementresearcher.com/eighttips). Again, get retirement researchers eight tips. Becoming a retirement income investor by going to [retirementresearcher.com/eighttips](http://retirementresearcher.com/eighttips). That's the number eight tips.

**Wade Pfau 19:38**

Yeah, yeah. I mean another example as I used to pull out an ad from Kiplinger's at one point, that was for one of the robo advisors, where they talked about retirements, different when they outline longevity risk, sequence of returns, risk and so forth, but then and so what you need is a diversified portfolio. So it's kind of the same idea of even when there's. This recognition that retirement is different from pre retirement. It's easy in the investment world to fall back on, but we'll Okay, so let's go ahead and use the same approach anyway, and we'll just flip a switch and take distributions, but somehow, by having a properly diversified portfolio, we'll be able to manage all those risks that way, and the kind of they pay lip service to the risks, but then they don't really provide an approach to effectively manage those risks.

**Alex Murguia 20:28**

That's exactly it. So if you're a consumer looking looking for that retirement income advisor, how can you tell what's lip service and what's actually substantive? What's the signal from the noise? And frankly, I think advisors have these issues as well. If you're an advisor that truly is focused on retirement income planning, how do you create that signal that allows prospects to see that? Yes, this person is different from Ken Fisher, who's who I can download a book, right? How does that person really I, how does that consumer discern the signal from the noise from that



and how does that advisor present themselves in a manner that they're able to to provide tells a lot a lot easier. And I, why do we do that? Well, I think that just makes life easier for everyone, right? Because if you're going to the right person for your specific need, the world functions a lot better. And so Wade, what would you say are some signs you said a little bit with longevity and liquidity risk? What is, what does that mean in terms of just any mention of it? How would you know that an advisor is really up to up to speed with these issues?

**Wade Pfau 21:43**

Well, the discerning listener might not have heard me say, liquidity risk. Yeah, I don't think I did, but yeah, I'm sorry. Is there a conversation around risks in retirement? And really what we found with the RESA research where these two primary risks and concerns people have for retirement are longevity and liquidity. Longevity is this fear, and it's not the same for everyone. That's where we have to measure what your concerns are. Longevity just relates to the concern while I outlive my assets and not be able to meet my basic expenses for as long as I live, liquidity is Do I have resources that if I have some unexpected spending shock that falls outside of my budget, such as a significant health care event or long term care related event, do I have the resources? Do I have reserves that are liquid and available to help fund that type of spending shock or contingency? And for some people, that becomes a big concern. How will I fund these types of potential spending shocks in retirement? Do I have sufficient liquidity for that? And does the advisory firm talk about these types of risks? Because these really are two of the key fundamental risks of retirement, alongside perhaps less important, but also their lifestyle risk, the fear of missing out. Have I because I'm so worried about outliving my money, do I end up underspending and not really enjoying the lifestyle I could have had in retirement? It's more of a fear of missing out and then legacy, if how important or how concerned Am I about making sure that I've left something for the next generation, whether it's family or community or whatever the case may be. But do I value providing the legacy? Those are the risks of retirement. They relate to the financial goals, and they reflect the concerns on those goals. And is the advisor talking about these types of concerns or risks that people face in retirement would be one important sign,

**Alex Murguia 23:41**

yeah, I agree. I now take the next important sign, but I'll do it from the what not to hear, what don't you want to hear? From that vantage point, something that I would say for the last five or so years, you're starting hearing more of. And I think Wade actually ushered in this phrase, or to some extent, made it popular, is the term sequence risk, right in this fragile decade around the sequence risk, which is when advisors start speaking about sequence risk effectively, like you want to make sure that you know the 10 years, the five years before and After retirement are there are disproportionately going to be responsible, if you will, for the types of distributions you can take from a portfolio. And their answer to solving that is effectively just diversify your portfolio further on. You know, an investment only approach of diversifying your portfolio, or they get into talking about dividend investing, you know, to take out yields from a stock, or they talk about like, invest in only certain sectors, because they've shown to be steady, especially in down markets and that kind of jazz, such as consumer staples or railroad stocks. I mean, bottom line is, if this person is talking about the. Way to adjust for sequence risk is to buy union, Pacific, you know, railroad stock. They don't know what they're talking about at the end of the day. They they just like to throw out terms without having a lot of weight behind what they're saying. And so if somebody's giving you really reason thinking in terms of, now you're in retirement. We need to accommodate for longevity risk, and we need to look at liquidity risk and

lifestyle and things like that that Wade was speaking about. And there's, you know, it's really well thought out from the standpoint of, beyond just investments. That's something that I would put in the win column for that advisor, and they're talking about, oh, yeah, we control sequence risk by just diversifying your portfolio, making it more conservative, and that's about it. Or going into matching a portfolio with dividends. I that person's still living in the past with regards to an accumulation oriented approach, and they're just outdated with regards to how to bring up income. Now, I know I'm being a little more, I don't know, blunt than most, but we just, we're just cutting to the chase here, more than anything. Wait, yeah,

**Wade Pfau** 26:12

you know we like your bluntness, all

**Alex Murguia** 26:17

right? And so, no, I think you see that a lot. I think you see a lot of firms too. Let's say if you're in a current relationship with an advisor, or you're thinking about one, and the bottom line is, oh, while you're accumulating assets, this is a strategy. And then when you retire, what we're going to do is take you from a 80% equity, 20% stock portfolio, to 60% equity, 40% stock portfolio. And

**Wade Pfau** 26:42

did I say it the wrong way, equities and bonds? Equity? Oh, yeah. Okay, sorry, sorry,

**Alex Murguia** 26:47

yeah. Well, the bottom line they're making giving you an 80/20, 60/40, more conservative allocation. And guess what, we're going to distribute from that portfolio whatever \$2,000 a month for retirement, and that really is their retirement income plan, and nothing else, and you haven't discussed anything else, that's a problem. I'm not saying you won't land there, because maybe that is your style or whatnot, and that's fine, but if that's assumed, that's what we're going to do, and that's that that advisory firm really is not serious about retirement income planning. That's just a that's just an accumulation approach, that are accommodating your your distributor, accommodating a retirement income plan, and that's it. Again, that's not necessarily you won't land there, because you'll say you're a total return person, after assessing that and the like, but it can't just be rubber stamped. Is ultimately what I'm getting at. If you do that, you that advisor really does not understand the full scope of what's involved with the retirement income plan. Now, I know I'm saying this and this could be harsh, but hey, this is our podcast, right? That being the case. Wait you. You set up the whole retirement income certification program for the American College. Is this actually an actual discipline, or is this one more set of acronyms for consumers to have to memorize? Well,

**Wade Pfau** 28:16

yeah, you're throwing a bunch of accomplishments my way. Just I am a past director of the program. I'm not the originator that came up recently at another conference. I did not create the RICP, but I was a director and really did help with the development of the curriculum. And yes, absolutely, an advisor who has RICP after their name. And there's now much more than 10,000 advisors in the US with that, they've gone through a rigorous, rigorous, three course curriculum that really focuses on practicalities related to retirement, and they should come away from that with with a much more agnostic type of view, so that they're not wedded to just one type of an approach, and so that can be a helpful signal. Advisors with our ICPs definitely have gone



through that retirement income education, and could be a great kind of signal for this is someone you could at least have a conversation with. There's also the RMA designation out there as well, that it's much less common to find an RMA, but it's another rigorous retirement education as well. So if you see someone ricp or RMA, that's a good starting point. This person, at least, did seek education specifically on retirement income, which is important, because in the broader general financial planning designations out there, there isn't really much focus on retirement income. There may be a course on retirement planning, but that course, is really much more about pre retirement, retirement planning, the understanding different types of tax advantage vehicles, like the How to IRAs and 401, Ks and that sort of thing work, much less focused on post retirement. That's why you do need a designation. No, that's great. And. The scene.

**Alex Murguia 30:00**

I'll say this again, as many Okay, and as many people know Wade and our managing principles of McLean asset management, and we'll get to our journey in a bit, but all of our advisors, the one of the requirements is, obviously they have CFPs, but to get the ricp program, me, we're focusing on retirement income planning, and we specifically want to not just have that level of expertise at the at the higher ups, you know, our at our research level, but we want it to have all of our advisors have that so they're able to put the stuff that way. And frankly, I write about and put it into practical application. And so we require advisor, our advisors, to have an ricp. I'm saying that that benefits me to say that, obviously, in this podcast. But those are tells that you want to look for. The other piece, I think, is in their messaging. And I think this is important for advisors as well, because many advisors are, you know, are listening to us, and they're saying, check, check, you know, we accomplish all of that, but I think where they fall sometimes is their messaging. They're not doing themselves any favors in how they're presenting themselves to consumers. And so in our world, again, if advisors are using the right messaging, then you as a consumer, you shouldn't be thinking, are they right for me, you should be thinking, Boy, oh boy. These, these folks are speaking our language. I mean, he's, he's telling he or she, as an advisor is telling me my problem with better words than I would be expressing them. You know, when they're when they're speaking that kind of language, then, you know, there's a connection. And many advisors fail to do that, and we're just as guilty as anyone else, and we're always refining, but that's really the key there, and the most specific, and going back to it, there's many advisors that say we specialize in retirement income, but you can't tell them apart from any other advisor that says they specialize in retirement income. Like if you have, if you're looking at a few advisors, and one of them is, let's say, is Ken Fisher, because you downloaded that book and you read through that book, and you can't tell the difference between, you know, the Ken Fisher advisor rep that's calling you up trying to get an appointment because you downloaded that book, or an advisor that you know, you've met and you've spoken to them, And you can't tell the difference, then that advisor, even though they may be specializing in retirement income, and they're doing it at a at a very competent level, because they have an recp or whatever, but they're not able to verbalize it, and you can't tell the difference. And that advisor has failed you, you know, to a large extent. And so there's that piece to it. You want to make sure they're speaking your language, but also, are they solving for your specific solution? You want to make sure that, as much as you can ask them about the regulatory issues, which is hugely important, we did a whole series on that on the ADB advisors brochure, the ADV along those lines, as those are table stakes to some extent. But you also want to make sure that they're solving for your specific Retirement Income Solution, because even within the retirement income world, there's many issues that us at McLean may not be equipped to have because they're very niche

down, but again, the best advisors are very niche down in a specific thread. Wade, you want to talk about your example that came through in your email just last week that you thought I was pranking you on because it is totally something I would do, find

**Wade Pfau 33:28**

out eventually, but I still think someone may be pranking me, or else it's a scam. So someone who's semi famous, but knows that I live in Japan, and also they were somewhat more famous in Japan than elsewhere, wants to talk to me about retiring in Japan or another country in East Asia. So that's an example, I guess, just through the podcast. It's not necessarily a focus of my professional life, but certainly it is a topic I can talk about and see if there's any way we can help out with that type of situation?

**Alex Murguia 34:04**

Yeah, and the point is that even expat retirement issues, those are very different issues than, like someone in Sheboygan, Wisconsin? Is it? Miss Wisconsin or Michigan?

**Wade Pfau 34:14**

Sheboygan is Wisconsin, Wisconsin,

**Alex Murguia 34:16**

right? You know, they would have very different issues than somebody retiring Japan, and so an advisor that would just say, Yes, I focus on retirement income planning. I don't think that's enough. I think if you have a very particular issue, I think it's fair game to ask, can you know, have you dealt with my specific situation and more than once? Because if someone's dealt with it once, you have to understand regulations change all the time, and what what they've dealt with five years ago on a particular case may not be relevant anymore. And at another level, an advisor is a human being. They're not going to remember what they did five years ago for a specific client in great detail. And so it's one of those things that you want to make sure that the advisor. Has a lot of reps in and the advisor is not, doesn't have that in their messaging or in their marketing. It's going to be very tough. There was one advisor since we licensed Larissa to advisors to use with their own clients, even though, you know, we created it for McLean, it's one of those things that many advisors came to us wanting to use it. And we thought, great, why not? Right? Because everyone benefits, and it's a big world out there, but there was one person that was specific to pilots. You know, I focused just on airline pilots retiring. And I thought it was great. I thought it was fantastic. And then, you know, he showed me his side and things like that, and it was just general retirement income stuff. Because I think they hedge at the end of the day. They think, well, there's not enough pilots. So let me just say I focus on retirement. Retirement for everyone, and that's it. And my comment to him was, no drill down on pilots. It's a big country, right? America is a huge country. There's enough pilots that this is a one person shop. That advisor is fine if he has a nice handful of very successful pilots. It's a great little business for that person, not little, because that sounds like I'm, you know, don't pay it's a great business for that person, right? And so from that standpoint, I think the further you go, the better for the advisor, but that also helps the consumer. And so I think a question that goes unasked when a consumer speak, when a prospect speaks with an advisor, is ask the advisor point blank, who is your ideal client, right? And you know, if they say fog a mirror, somebody that's alive and can pay the bills, that that's obviously you can move on. But they won't say that, but you can, you know, you can listen clearly how they phrase themselves, right? But if they just say retirement income planning, and they can't really get bring you any more detail than that, and it's

very generic. It's probably not going to solve your specific situation, right? Everyone, you know, everyone has a specific issue that they need addressed. And I would, you know, I would try to get them to essentially paint that picture of yourself. I'd get them to convey that. And if they can do that, then you're in great position, right? But again, also, another way to look at this is Look how you're marketed, because after you have a meeting with them, after you have whatever, a couple of conversations you may you may be on an email list. And so they'll have a quarterly newsletter, a weekly newsletter, a monthly newsletter. They'll have webinars every once in a while that kind of thing, and see what messaging you're getting. If it's messaging that has nothing to do with your situation, then you know that this person really is not it may not be for you. And what I mean by that is, if all of a sudden you've told them, Listen, I have this particular Retirement Income Solution and and you've told them, I don't my kids are graduated, they're no longer in college, they're working, etc. And then you get invited, and you don't have any grandkids, and then you get invited to something related to college funding. Then you know at that point that it's not for you, right? That this advisor really is not focusing on the stuff that you need focused on, because they're not able to make things, you know, very bespoke to you. So that's what I would say, that that's how you sort of go about doing that. Now, that was important to us, and I think it's made us better. In McLean, we had a journey that we weren't. We were somewhat generic, really. And we made up, I made a joke to say, oh, and Wade joined us. That's when we, you know, that's when retirement income planning was born. But no, the reality is, is that McLean was the standard fee only wealth management firm, the traditional one, where it was more investment managed focus, but we did a lot of planning, or let me say it another way. It wasn't retirement income focus. We had many retirees and the like, but we did a lot of planning, and we brought in people that needed accumulation, distribution, etc. But Wade and I met, and it was at that point that we really started realizing, okay, this whole field of retirement income is something that we should drill down on, because the demographics are there, and it's something that I thought we would have a competitive advantage on, because we're in the forefront of the research. And, you know, we started doing that, but even then, we had to learn some message, some lessons around the messaging, of how we bring in some folks. And I'll let Wade, chime in here. Wait what? Because you've, you've, you know, you've done hundreds of presentations to advisors and the like, but all of a sudden, when you joined us, your writing began to needed to have a consumer tilt towards it. Not that you didn't have a blog before, but we had to change the way you even wrote about stuff. Yeah,

**Wade Pfau 39:33**

initially was really focused on the research and tables and tables of outcomes and results. Gradually over time, have shifted more away from that, towards just trying to make it more accessible and not requiring reading graphs and so forth as much and explain how things work in a manner that most anyone can understand. It's been an important part of then writing books and so forth and just what you're saying with. Of the broader like, what does the marketing look like on the advisor's website or the the newsletters? I've gone to different financial planning conferences and so forth. There's now so many third party marketing firms that actually, and I'm on so many advisor mailing lists, and get the same newsletters from multiple advisors because they subscribe to a service. And then I've also even, you know, these days, every financial advisor has a book. There's third party companies that just ghostwrite books for financial advisors. And I was a little bit shocked. I mean, I knew that existed, but I didn't realize it was as prevalent as it was. And I do write my own books. I do not have them go straight, although I think, almost every day on LinkedIn, someone reaches out asking me if I've ever thought about writing a book, and they'll ghost write it for me. So you don't know if you're really getting the

authentic viewpoint from the advisor in these situations. That's why you do want to drill down more into that. And so just with that evolution. How can we explain things while still keeping that sort of technical bent, authentic point of view, but making the content accessible to a broader audience as well?

**Alex Murguia** 41:11

Yeah, and what we've done at McLean to again, McLean Asset Management and retirement researcher, which is Wade's blog that we turned into an education site is we had a problem, right? We wanted to fix our messaging. Okay, we're retirement researcher. We're writing about best practices, but we were tracking a lot of do it yourself folks, a lot of a lot of advisors, but a lot of consumers that were do it yourself, engineers and the like. And we realized we had to create a service for them, because, well, the market was there, right? We didn't intend to start that way, but there was a huge market for there, and that's where we created the educational side, because we can then do something very specific, niche down for the do it yourselves. But we also realized we changed the content for folks that wanted other things, that wanted a relationship, and that also led us, as opposed to just saying, Oh, we create, you know, we're a retirement income advisory firm, and we only were doing AUM at the time, asset management, and we baked in the services within that there were some folks that just wanted one time planning. So we created a service for that, and messaging around that some folks actually just wanted annuity. They wanted contractual income. They wanted an annuity, and we would refer it out, but after a while, we're realizing, why are we doing that from both the business perspective, but also it's a pain for then to tell somebody, okay, meet this other person and let them do it for you and it and now there's commission annuities and fee only annuities, and you'd be surprised how many folks actually would rather just do a one and done commission on an annuity, then to maintain a consistent AUM relationship with an advisor with a fee based annuity. So it was one of those that we had to open up a fact within McLean, an insurance harm, you know, to be able to handle that. And then that further led to the Risa, that ultimately is what led to the RESA. So we know how to effectively when someone takes the Risa and we help them identify their style. We provide messaging around their style and their implement and their preferred implementation method. And so that was something that took us years of trial and error to figure out, but we did it to create this ecosystem now that I think makes a lot of sense for our consumers and our folks who become clients that we're providing to them very bespoke messaging and solution sets based on their retirement income style, but also how They want to implement, and that's the level of specificity that if I was a consumer, I would want, right? We would want, and that's kind of the tech we've chosen, right? The golden rule, treat others how you would want to be treated. And for us, we put ourselves in the consumer's eyes and said, Well, if we're consumer, how would we want to be treated? And that kind of led to this sort of how we treat our firm as retirement income expert, I largely think we personified it. But again, as a consumer listening, I think someone doesn't have to do exactly what we did. I mean, we have a lot more resources than, let's say, a one or three, four person shot. We're a 30 person firm effectively. And so that's little different than than a one or two person shop, and that's a lot different than 1000 person shop. We want to, we want to maintain this sort of boutique, if you will, vibe if you will, because largely Wade and I aren't these big corporate executives, we, you know, we like, we like the lifestyle that we've chosen around this. But the bottom line is, this is you kind of want to see something along these lines. When you're looking at is this really a retirement income advisor? Is this just somebody that's putting that sign out there to bring me in, and then I don't know any better, that's what I would say needs, needs to be changed. So again, that's if you want to experience. Firsthand, I encourage you to for

consumers to go to [retirementresearcher.com](http://retirementresearcher.com) on the homepage and see what it's all about, where we really profess retirement income. But on that homepage of [retirementresearcher.com](http://retirementresearcher.com) there is the ability to take the RESA if you go to [resaprofile.com](http://resaprofile.com). There's effectively, like a \$30 charge to take the RESA if you're a consumer. But if you do it on [retirementresearcher.com](http://retirementresearcher.com) on the homepage, you'll see the RESA. Just take it, and then from there, what you can see is this is what the messaging could look like. Obviously, you know, we have a business. It'd be great if you folks follow along with us, but if not, that's fine, you would at least see this is, this is what a firm that focuses on retirement income looks like, and I think that's important. Now if you're an advisor that's trying to working on your message, because I do think the RESA has taught us that there's many advisors doing things the right way. They just don't know how to stand out from the next retirement income advisor. And every once you get the the table stakes down on what it is to be a retirement income advisor, being that you know you're right, you're up to date on weights, books, you have your RSVP, etc, you still need to be heard, right? Because if you have all the knowledge, but you don't know how to be heard, it doesn't really matter, to a large extent. And so you still need to be heard. And so we've realized that with Arisa. And so if this is something that interests you, you know, I I strongly recommend advisors stand up for you know, sign up for a workshop that we're going to be having in early August, August, 6 and seventh, and go to [resupprofile.com](http://resupprofile.com), forward slash marketing workshop. And what we want to do there is just help advisors. It's a free workshop. We want to help advisors understand what are the key pillars that they need to make sure that they can differentiate themselves from others, not just the ken fishes of the world, but also other retirement income advisors, like the gentleman that I spoke earlier, who's focusing on pilots, that's a very different messaging than somebody who's focusing on, I don't know, IBM executives, if you will, and so I strongly encourage advisors to do that as well. I think it's a great workshop that we have, and it's really learning from how we went through our trajectory, as you know, from when Wade and I met and we brought him into McLean to where we are right now. What were the key takeaways that we've had to make ourselves into this retirement income oriented wealth management firm? Wade? Did I miss anything? There

**Wade Pfau 47:41**

no but to just emphasize your points again, for the financial advisors listening, there's four Session Options, but you only pick one. It's not a two day series, but you pick one of the four. There's two options on August 6, two options on August 7, and you can get to that sign up at the link with [resaprofile.com](http://resaprofile.com) the marketing workshop. If you are a consumer who's not a financial advisor, but listening more for the purposes of planning for your own retirement, we do encourage you to take a resa and Like Alex said, you have a an option to do that without any cost going through retirement. [Researcher.com](http://Researcher.com), which is the education site of our universe here the retirement McLean Asset Management retirement researcher, Risa LLC.

**Alex Murguia 48:33**

Well, you sound like a lawyer. Wade, no, no, no, yeah, it's, that's a fact of it. No to Wade's point again, just because that may have been confusing, McLean Asset Management is our wealth management arm, more the traditional wealth management where we focus on retirement income as you know, working hand in hand with clients, retirement researcher is our education site, and so think of that as Netflix for retirement income planning. And that's where you can sign up, and there's a membership there. And, you know, we have monthly workshops. We have things to really make you an informed consumer so you can implement it yourself. We give you the entire playbook that McLean has. We really no if you want to do it yourself, that's fine,



but just here's how, you know. And then the reason came about because we wanted to really create bespoke strategies for everyone and the messaging around that. But then advisors were asking us for this, and so Wade and I realized, listen, we can really get the word out by creating a company around the RESA framework and letting advisors license the RESA from us. And so that's what we've done, and so far, so very good. But again, for consumers, go to [retirementresearcher.com](http://retirementresearcher.com) on that homepage, you'll see a banner to take the RESA. I strongly encourage you to take it, and then you'll see what it is to really be with a truly retirement income focus advisory firm. I believe that to be the case, and if you're an advisor looking to get your message. Out because you feel you're doing things the right way and you can't stand those Ken Fisher commercials. I strongly suggest you join our marketing workshop. [Resaprofile.com](http://Resaprofile.com), forward slash marketing workshop, alrighty. Thank you everyone,

**Wade Pfau 50:15**

right. Thanks, and we'll catch you next time on retirement style.

**Bob French 50:20**

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