



## Do You Really Need a Financial Advisor? (Honest Answer) [Ep. 28]

### *Transcript*

**Note:** The transcript of this podcast was generated using an automated transcription tool for informational purposes only and may not reflect the exact wording or content discussed in the episode.

There was one huge takeaway that you wanted somebody to remember from this conversation. What would it be?

Be honest with yourself.

Don't think that it's the cool thing to say, I'm a do-it-yourselfer.

Look at the big picture. And if it is, then yeah, do it yourself. If you can do all of this yourself at a world-class level, you enjoy doing it, do it. You don't need any advisor at that point. But be honest with yourself. Don't fool yourself. That's the worst person in the world to lie to is yourself.

So, today's gonna be interesting.

You know, we're thinking about topics, and even in the last week, (...) my son brought up this topic to me. So, today's topic is when to know if you need a financial advisor, right? It kinda reminds me that Jeff, is Jeff Foxworthy? Is that right?(...) Well, it depends on the line. Well, the line- He is a comedian. Yeah. When he goes, you might be a redneck if, right? Yes. So, this is our version of that. You might not need a financial advisor if. Yeah. Okay, that's him. Just even in the last week, my son didn't know we're kinda thinking about this episode, and he said he was listening to a different podcast. I'm like, you need to listen more to ours. But anyways, he was telling me, you know, there's some people that don't need a financial advisor, and I said, that's true. That's true. And So, that's what we're gonna address. Reasons why you might not need a financial advisor. My response to him was like a dentist.

You know, could you theoretically clean your own teeth? Sometimes if I wanna be dramatic, I'll say, can you perform your own heart surgery? That's a little tougher. Of course, you can't perform any various other surgeries. But I would say cleaning teeth is a little bit more easier than performing surgery. But even that, can, you know, do dentists clean their own teeth? Well, hopefully you clean your own teeth every day when you brush. (...) But I mean, I know what you're talking about, a deeper clean. I should've clarified. A dentist clean. Fair enough, fair enough. But hopefully, dentist cleaning. You do brush every day. Oh, every three days. Okay. I supposed to do every day? Yeah, and floss. Once. That's good stuff. Okay.

But I think it's the same analogy, right?

Even if you know how to do something, meaning whether it's mowing the lawn, people outsource it to get time back in their life. If you're a dentist, you could theoretically potentially clean your own teeth. I'm assuming. I don't even know if that's true or not. If you could keep it open, probably not. Definitely not fix a cavity. (...) But the analogy. It'd be fun to watch. I'm just thinking of somebody trying to do that themselves. But be fun to watch, I guess.

I just got a visual. Yeah, that would be kind of funny.

So, today's episode is you may not need, basically, you may not need a financial advisor if you can answer yes to these questions. So, kick us off, Robert. I guess probably the biggest thing that we talk about a lot of times is what is your thoughts on somebody doing it themselves, not needing a financial advisor? I would say, can they stomach a 50% drop without panicking? What would be your response? I like that because that focuses on the market volatility. And some people might say, well, the market doesn't always drop 50% true. But a lot of people out there who are do-it-yourselfers, they tend to be investing in ETFs, exchange-traded funds. Nothing wrong with that, by the way. A lot of our clients' money, we also, do that. But a lot of the ETFs out there, the one that people talk about, is the index one, the S&P 500, for example. That's a popular one. There's some others, NASDAQ, Dow.

The S&P 500, for example, in 2008 was down 56%, from peak to trough, top to bottom, 56%.

In 2020, it was down 33%.

those drops aren't the end of the world, right? Some people can't stomach it. So, if you're assuming, hey, I don't need an advisor because I can achieve those 10%, 11% returns-ish-- I'm assuming average return of the US equity market, right?

OK. That's the question number one, I would say. If you can stomach that and if you said, well, Glen, I don't need to stomach that because I'll be more conservative. OK. Then make sure you're comparing apples to apples when it comes to performance, right? If you're going to hold somebody's foot to the fire if they're helping you manage your money and you're expecting 10%, 11%, you need to expect that same volatility of an S&P 500. It makes sense? It does. So, what

about the time that it takes to invest your own and do it yourself? I mean, don't you have to kind of treat it like a part-time job and you have to have the time and willingness to be able to do that? It is. And going back to the example of mowing your own lawn, I mean, my dad does that weekly and he enjoys it. He's got a fairly large lawn.

There's a lot of people that prefer time back in their life. I think the main thing we bring to people when we help them, it's not necessarily performance. All the performance, I would say, is very, very good.

A lot of people out there offer very good performance. People use a financial advisor often, not so much for that, but they're using it for peace of mind to get time back in their life. We have three former financial advisors who are retired, right, that use us. (...) Why do they do that? They're competent enough. They're still savvy enough to do it.

They're up on the market. It's time. They don't want to spend five plus hours a week managing their portfolio.

But if you do, then yeah, maybe you don't need an advisor. Do it yourself. And they're a prime example. Those advisors are prime examples of the time that it takes, but to the next question, the diversification. How confident are people in their abilities to have a diversified portfolio? And I know just from clients we've met or do it yourself as we've met, they tend to be sector specific, kind of they have their own biases. It doesn't always look that diversified. So, what are your thoughts on that?

Yeah. So, when it comes to diversification, right? Sometimes people will own four or five different ETFs thinking they're diversified. At the end of the day, if you look in the underlying holdings, they all own my own Apple, they all own my own Microsoft, Facebook, and video, (...) Facebook, meaning meta, right?(...) But at the end of the day, you could have five, 6% in single holdings. You think you're diversified, but there's hidden overlaps going on. (...) That's a big deal. That happens all the time. What do you mean when you say overlaps? You're talking about with the ETFs? Exactly, because especially if you're in index ETFs, So, they're trying to follow the Dow, the S&P 500.

They're weighted based on capitalization. So, the bigger the company that they represent based on capitalization in the market, the more it's going to be of that particular ETF, right? So, if you have the same type of indexes, but you're just doing maybe Vanguard, BlackRock, et cetera, they're all the same thing. That's not diversification. (...) They're buying the same stuff over and over.

saying, then, is because of this, somebody can think maybe they only hold because they have a lot of ETFs, but they only hold two or 3% and let's just use Apple. But since there's a lot of overlap in these ETFs, they might have 10, I'm just making this up, 10, 15%. And one stock that can move the needle good or bad in any direction. I mean, a good way to make a ton of money is to be concentrated, and a good way to lose a ton of money is to be concentrated. Most

people are not going to want 10% of their money in a video. Some will. And I would argue most of those that do have 10% in videos because they had a little bit, and it grew into 10% of their net worth. Most people are not at these levels plowing to 10%. The other thing is when people do their own diversification that way is if you're just owning ETFs, as I said earlier, we have ETFs, but we like to sprinkle in individual stocks for most people, depending on the model, the risk tolerance, et cetera. The thing with ETFs, too, is oftentimes you're buying the good with the bad. (...) So, if you have an S&P 500, for example, a lot of the companies in there are amazing. Not every company in the S&P 500 would I want to own. Now if you just happen to own a little bit because it's in an index, it's not going to be in the world. But if you're in particular indexes that now you're owning not optimal investments, and you're just not really paying attention, I mean that potentially could cost you some money. You're at you're adding additional risk for potentially less returns. What about people's ability to separate, and I love this one, separate emotions from their investment strategies? I think that's big. And the longer I do this for a living, more I realize that that's a big deal.

There's financial advisors whom I know we mentioned earlier who are retired and use us. I mentioned earlier they use us to save time. I think the other reason they do it, I know financial advisors who are not retired who have another financial advisor. It's to have a sounding board, right? To have somebody, a lot of times when people just speak out loud what they're thinking, they'll come up with the own right answer themselves. But having a sounding board to make sure they're not doing something weird,

a, I personally have a business coach, and sometimes a good business coach, they don't give you the answer. They ask you questions, and they help you develop that answer. And I think a financial advisor can do the same. They can figure out, OK, you want to increase the stocks in your portfolio, AKA your risk. In order to potentially make more money. Well, why is that? We want to achieve this goal. Well why is that? Because we want that second home or we want to leave more money to kids or retire sooner. OK, well what levers can we pull to do that? Is that the best lever to pull? Just adding more risk. The answer may be yes and maybe no. If you can't stomach it and you're just not, you're not opening all of the options, you're just assuming the only way you can achieve your goals is to take more risk and you do it, the market drops and you panic and sell. You just did yourself a massive disservice. I love that. It reminds me of that old saying when you tell people don't go to the casinos with your rent money. Right? The people that you always hear about winning, they go in with a statistical, just a thought in the process, a game plan. Well if you're gambling with your rent money, that game plan's out the window if you start going down and you tend to lose it all because you're letting emotions drive that decision. Same thing in the stock market I think. Well a lot of times in this analogy to take your rent money analogy, people don't even realize it's their rent money. Right? Or they're not thinking clearly. People if you're not really focused on it, if you have a full-time job and you're taking care of your family and you're doing all these other things, you're not really focused on the repercussions of these decisions you're making today. We're in the middle of a three year amazing bull market.

These don't last forever. So, just because your position in a manner that you could have benefited the last three years, that means nothing for the next three years. Who knows? We could be in a world of hurt. Is your position set up to minimize the downside? Maybe you don't, that's not to say you don't lose anything, but is it set up to minimize those losses?

That's a good segue when we think about the next question. When people, they need to know when they want to retire, how much they need to retire. And So, to your point, we've had a great three years, but if they're approaching retirement and they don't have a plan in place, how would that affect them?

Honestly, this is probably easier today than it was 20 years ago. Twenty years ago, that would be a selling point of, you know, we're going to either pull out an Excel spreadsheet or use some software to build a financial plan. Nowadays, I would say we have the most sophisticated software on the planet. To be honest with you, we have chat GBT here, right, the Enterprise Edition. And we,

could see somebody out there using them to help build a financial plan. Today, I would say it's nowhere near as sophisticated as what we have, but who knows? Maybe in two, three years it will be. So, I think, to be honest, this is one of the easier ones. When we ask, if you say yes to these, you probably don't need a financial advisor. This is one that five years ago I would say was important. I would say a year from now, this is probably going to be somewhat easier. You could build somewhat of a financial plan. Now, I think there's going to be other problems that you would still need a financial advisor for, (...) whether it be that sounding board and some of the estate planning and other things we're going to talk about, and we have talked about in the past. But in terms of building just a rough outline of a financial plan with AI and stuff right now, that can give you a leg up. Now it's important to establish priorities. We've talked before, whether we're talking to a business owner or an executive, an NFL player.

You have to establish priorities. A lot of them, they kind of know what they want, but they're vague. So, you have to walk through and establish those priorities. And what are we on track for? We always tell clients, typically you can afford anything you want, just not everything. We have to prioritize our goals. I literally sat down with somebody recently that one person and a couple, they had three luxurious cars. By luxurious cars, I'm talking over six figures per car. And we're not on track for retirement, have great income, but we're able to show them on a financial plan.

I would argue these are easy decisions to make, to sell three of them and get a-- still a very nice car, a 50 grand car. I think that's an easy decision. Now, of course, it won't be for them or hasn't been for them. But this is a much easier decision than at being at 60 or 65, not being able to retire. And now you've got to work until you're 75, because you chose in your 40s to have a car that wasn't-- the juice wasn't worth the squeeze. It's not worth it to have that lifestyle. (...) And

going back to something you said about chat GBT and financial planning, I think for basic calculators or basic retirement plans, I think it could answer a lot of questions. But you mentioned not everything, which leads me to the next one, because I think this ties into it perfectly, which-- and especially with do-it-yourselfers, you might have some specific biases or want to have a certain stock.

But what about the tax implications of your overall financial picture and how that can affect-- most people don't have the understanding of a good tax strategy. So, how does that play into it? And you have to incorporate that, right? I've actually messed with some of these software out there, and they don't do them to a level that typical advisors have access to. I'd argue I'd only seen two or three that are truly sophisticated. Of true financial plans. Of true financial plans. Not like the chat GBTs of the world don't have that today. Who knows? Again, the way it's going, we may be leveraging some of that software in three, four years. Who knows? It might make our advanced financial planning software even more advanced. Definitely, but it will. But the specific stuff in terms of taxes would be anything from tax brackets. What are your tax bracket? When does it make sense to take money out of your accounts? Should you need it? It helps us to pay attention to capital gains. Sometimes people have massive gains and we'll push it a year out to minimize our capital gains. Roth conversions is probably the most underappreciated thing out there. Fairly simple to do in theory, right? You convert traditional IRA money to a Roth IRA. But people don't do it. And if you do the math, like what we do, sometimes we sit down with a client and we try to articulate the value proposition of doing that Roth conversion. Sometimes we get the buy and sometimes we don't. But when we're able to show them ink on paper, hey, if you do a Roth conversion, whether it be all or a portion of your traditional IRA or this period, whether it be a year, four, five years, et cetera, this is how much it's going to save you in taxes. This is how much it's going to save you in Irma, Irma taxes.

So, many situations. I know by the way, when you're 73 or 75, depending on your age, you don't have a required minimum distribution like you would on a traditional IRA. And oh, by the way, if you deceased your kids, grandkids or whoever inherits this assets, it's tax free to you to them too. I'm So, glad you brought up Roth conversions because two nights ago we had a seminar, a financial planning seminar, and a young lady, 45 years old, came up to me at the end of the seminar. And I don't know if it was just lack of knowledge, not on her part, either lack of knowledge, misinformation.

They just don't know better. Or maybe they just don't want to have a conversation. But the advisor she's working with told her she doesn't need to do a Roth conversion. And I said, well, what number city shows? She goes, well, he didn't show me any numbers. He just said, I don't need to worry about it. I go, you're 45 years old. She's in a transition of jobs. She said this year is the lowest income year she will have. And I go, I haven't ran a financial plan on you. (...) But I bet just doing this for coming up on 20 years, I bet that I could run a financial plan and it's going to make a ton of sense for you to do a Roth conversion. And she's like, well, why would they not? Why would they tell me that either they don't have the information to do, do their job correctly, they don't have the technology, or they don't want to mess with it. Plus, if you do a Roth conversion, you have to pay the taxes on it, which means you're going to take money from

that visor, what they get paid on, to pay the taxes on that. So, it doesn't really benefit them in the short term, which I would argue that it could if they do their job properly. So, it's just So, interesting that that conversation recently happened in the last 36 hours. And I think, again, that's where the power of an advisor comes in. I, my thinking-- A good advisor, because she had one. That's what I was about to say. My thinking on advisors over the years has changed. And it's constantly changing as I meet other ones or I hear stories of--

I mean, we just met with a gentleman recently. They have an advisor in California, never hear from him, didn't know what they're in. They're in these REITs, they're in annuities. Oh, yeah, that was bad. They have a suit on fees.

And-- And he was a friend. They're a friend. And just not even communicating. Ask them for some simple stuff. And their advisor is being very reactive. Not even reactive. Would it be, hey, I don't want you to do this. And then they do it. I would say non-responded.

So, going back to the raw thing, people- a good advisor is, A, going to bring it to the client's attention. And then a really good advisor, hopefully, is going to persuade that client to do what's in their best interest. Meaning, if it makes sense to their net worth, the pay uncle will say, I'm now some taxes. So, later, they can have more tax-free cash flow. Then they need to explain in their language, and something that the client's going to resonate with to do that. So, they can wake up in 20 years and be set up for retirement. (...) OK. And how about-- let's go to rebalancing. And rebalancing-- let's say rebalancing even when it feels wrong. Whether the market's down or up. You're like, should I? Or do I know? What are your thoughts? So, if you're doing it yourself, or what I see, is people tend to do a few things. One is you're set it and forget it.

I'm a big fan of that saying, too. It's time in the market, not timing the market. I'm a huge fan of that. However, if you're just putting it in 100% stock portfolio, (...) keep in mind that it could drop what we talked about before. Now if you're 25 or 30 years old, and you're not making a ton of money, you're making \$100,000, maybe, honestly, you may not need an advisor. You don't need all the sophisticated estate planning. You can throw it in the S&P 500.

Save yourself a little fee, and you're going to be fine. But as the net worth grows, and people start thinking, OK, well, now I have \$1 million, or now I have \$5 billion, or now I have \$10 million, So, I don't want to put all of it in just in the S&P 500, sometimes people will put it in a portfolio, and then they'll force themselves every 90 days, for example, to rebalance the portfolio. So, if stocks went down, they'll sell bonds to buy stocks when they're down. If stocks went up, they'll do the same thing. They're constantly doing it every 90 days.

Does that make sense? (...) Sometimes, sometimes it does. What if you just did it the last 90 days, So, now if you make that transaction, now you have a short-term capital gain, right? Or if you could have put your thinking cap, maybe you say, you know what, let's delay this rebalancing until 2026 or 2027, or let's tweak it. Or I'll take this one step further. A lot of people have these target date funds, which I don't feel like they're as popular today as they were 10

years ago when they've been out longer than that, but they're much more popular than. And target date funds are, in essence, you pick a date when you're going to retire, and a portfolio kind of changes over time, becomes more conservative as you get nearer to that time you're going to retire. The downside of that, as we've discussed in the past, is sometimes those are going to do the opposite moves of what we're doing for our clients, meaning you're one year closer to retirement, but let's say the market's done terrible, (...) theoretically that target date fund could, at that point, make your account more conservative. (...) So, let's think about that. Your five million just went to four and a half million, you have it in target date funds, bad market. You're going to panic, but the target date fund now says, oh, you're one year older, closer to retirement. Let's go from 70% stocks to 65. (...) Now you're going to sell 5% of your stocks moving into bonds at the exact opposite time that--(...) I'm oversimplifying this, but a lot of financial advisors, they're doing the exact opposite, right? They're selling the bonds, they're buying stocks because stocks just went down, and maybe you can be opportunistic about it. That's all about having a plan and doing the right thing.

I get that.

What about as people have life changing events, and it could be retirement, it could be forced retirement, are things where somebody passes away and you have to do it alone. So, being able to handle that.

That goes back to, I think, having a sounding board, right? If you're making decisions that theoretically are simple, meaning you could click a few keystrokes and buy stocks, sell bonds, but that could have massive ramifications on your portfolio, I think you want that sounding board. Or if you have a death of a loved one, of a spouse, or you're selling a business, how to set it up. All the time we meet with people, and they're like, hey, I made this huge decision, whether it's selling a business or liquidating a position, and they didn't have all the information at their fingertips, right? They made a decision the best of their abilities with incomplete information. And I would argue they had an advisor sitting down with them, walking them through the big picture of what they might be missing in any blind spots. They would have made a different decision.

That leads me right into the next topic, which is, what about estate plans, withdrawal planning, just an entire legacy plan when it comes to people going through these changes? Yeah, same thing. I think not only is it a matter of implementing the documents for all of this, but it's having somebody walk them through of what's important.

A good advisor is going to have that relationship where they can pull it out of them of what they do want, right? Oftentimes we'll ask, well, what does money mean to you? What does success look like in five years? Sometimes people have an idea of how to answer that. Sometimes they have no idea what their own goals are. So, it helps paint that picture, the vision board of what's important for the client and have a roadmap to what success looks like. So, five years from now,

we can look at, did we reach those goals for the clients? And what about if they're, do they need to be comfortable handling incomplete information?

That's a biggie too, because all the time we're making decisions in life, not just as financial advisors, but as human beings with incomplete information, right? You're trying to decide; do you get surgery on your shoulder for something? You interview a bunch of doctors and you're not a shoulder surgeon yourself and you're trying to ask for references and based on the interview of the doctor, I would argue

you're making that decision with incomplete information. You're always doing that. Interest rates. Interest rates have come down this year. They're probably going to come down here in October, which we're recording this. They're probably going to come down in December. That's the expectation.

And when I say probably, right, it's over an 80% shot. If they do come down, how's that going to impact the market's interest rates and maybe banks. Banks tend to do better when interest rates are higher for net interest margin reasons. So, all of this, there's always an incomplete picture of the economy.

That's just the nature of it. And you have to make decisions for your portfolio, for your estate plan, for everything with incomplete information.

And So, when we talk about that, we talk about market conditions, you talk about ever changing laws. What are your thoughts on when you're trying to predict the future, just like you said, as far as interest rates, then you have law changes, you have market conditions. It's a constant moving target. You have to be on top of what's changing. We talk about Roth conversions today and time flies, but I was talking to a financial advisor the other day.

They don't work here, but they thought that you couldn't do a Roth conversion if you made over \$100,000 because that was a law that changed in 2010. You really talked to an advisor that didn't know they can do a Roth conversion. Yes. Yes. That if they made over \$100,000. Exactly. Because that used to be a law. Yeah. Worked 2025. This was this change in 2010. Yeah. So, laws change. You have to be on top of it. What's an advisor does that? What's an average Joe going to do if they're not up to date with what estate tax is, what income-- even this year, they changed the level of income for no capital gains. They raised that a bit. This is changing every year. So, to be clear for the people out there, they need to know that it doesn't matter if you make as much as Warren Buffett, you can do a Roth conversion. Exactly. There's no income limitations. That's still in my line. You know I say that.

But learning from the budget great.

So, what about people that do they need to genuinely enjoy managing their finances?

Honestly, that's probably the most important question of all. Do you enjoy it? Right? (...) I don't care if you have the time. (...) You're good at it. If you don't enjoy it, I would say life's too short. Most clients we work with, they already have the chunk of money. If you don't enjoy something to spend five to sometimes 10 hours a week, (...) if you don't enjoy it, I would not do it. What about a better question? Do you enjoy it? I love it. I mean, besides working with me every day, do you enjoy it? Besides working with you, I love it. I love it. It's a game that's-- Working with me just makes it better. (...) It's OK. Yeah. I get it. Yeah, a lot better. There's a love-hate relationship.

No, in all seriousness, I love doing it. I think now when I retire, I may hire somebody to do it because I think maybe then it's different. I have two kids. Maybe the Lord blesses me and I have a bunch of grandkids. When I'm 70 or 65 or whatever, I don't think I will want to spend five hours a week. I don't think so. Who knows? Well, hopefully 70 because if you say 65, it's only like a year from now.

And I know your retirement goal is actually-- you would love to do cooking, like culinary stuff. So, you might be 70 years old and some apron and top hat just cooking up trying to-- I'm obviously-- right now I'd say I'm not a good cook. I used to be decent.

And that's something-- Well, you're a foodie. I'm a foodie. I love eating in good restaurants. And that's something-- my wife is like a world-class chef. And that's something that-- I had Giselle's Mills. They're awesome. When my son goes to college, then hopefully I'll pick that up again. I don't want to wait until I'm 70. Who knows? I may not be here. It's only a few years away. (...) Come on now. I'm the same age as you, 45. Whatever. I just look better.

Debatable.

If you had a takeaway from today, like just-- you talked about a lot. We went through about 13, 14 questions.

But there was one huge takeaway that you wanted somebody to remember from this conversation. What would it be? Be honest with yourself.

Don't think that it's the cool thing to say, I'm a do-it-yourselfer.

Look in the mirror and do you-- is the answer yes to all of these questions? Do you like doing it? Are you competent? Do you have the time?

Do you know yourself in terms of your appetite for risk? I just thought of another client that I have that's yes to all of these. (...) But he struggles when his own account goes down, even though this gentleman is in his late 60s, a doctor, he struggles when his portfolio goes down emotionally. (...) He doesn't want to look at it. For him, just being able to look at it once a month, knowing it's been taken care of, that's a relief.

The one thing I'll take away is this is not something to just say you're a do-it-yourselfer because you're proud of or you're trying to be-- what's that saying? Any wise pound foolish?

Look at the big picture. And if it is, then yeah, do it yourself. If you can do all of this yourself at a world-class level, you enjoy doing it, do it. You don't need any advisor at that point. But be honest with yourself. Don't fool yourself. That's the worst person in the world to lie to is yourself.

right, well, thanks, Glen. Wonderful as always.

So, you're ready for the mailbag question? Let's do it. All right.

mailbag from Sherry. Don't have a last name from Topeka, Kansas.

What's diversification and why does it matter? Well, I think we kind of addressed that. We talked about it. But yeah, diversification is in essence not having all your eggs in one basket. (...) And sometimes people say, hey, Glen, I have like four advisors. I'm diversified. That's not diversification. That doesn't mean you have \$5 million. You don't have a million of it in one stock. Or you don't have four ETFs and they're all overlapping to a huge degree.

There's ways to measure diversification.

We have software to do that. So, that's one way. But I would say it's by having multiple asset classes. Asset classes would be your stocks, your bonds.

Maybe you have some REITs in there. There's different asset classes that could make sense in a portfolio.

And they tend to not be correlated to each other as much. So, the thinking is if large cap stocks went down, that maybe some other part of the portfolio is making money at the same time. Well, I want to back up on something you said. You said being diversified in stocks, not having multiple advisors, not having four advisors, to your point. We see this all the time. And a lot of people think, well, I want to be diversified. So, I want multiple advisors. They could be doing the exact opposite. They could be setting their self up not for only concentrated positions. Because maybe multiple advisors like certain stocks. And So, they're over concentrated. But-- Wash show rules. Wash show rules. Taxes, which we've talked about in the past. We've talked about in the past. One advisor sells whatever. Coca-Cola, because it's down, gives a client a loss. The other one thinks Coca-Cola is attractive. They buy it within 30 days. Now you can't write it off on your taxes.

So, that's a huge one. I know when we meet people that have multiple advisors and look to keep it, we would rather not be their financial advisor at that point. Because we don't want to be added to a list that could potentially be a problem in the future. Well, typically what we've done, as you know, is if somebody sits down with us and they're like, hey, we want to work with you.

Here's whatever, \$4 million. But I have another \$4 million. I'm going to keep this out of other advisor. (...) The only way we've agreed to do that is we'll say, OK, we'll work with you. You can have a portion with us, a portion over there. But we look them and die. And you have to promise in 12 to 18 months, you have to fire us or you have to fire them. And then if they agree, then we'll give it a shot. And it's not just based on performance. Performance is a function. But based on everything, how we communicate, how the financial plan is, how is the relationship, the estate plan, did we help with that? If it wasn't done, if it was done, how's any addendums that we facilitated?

The full picture of wealth management, not just above and beyond just investing.

To be honest, there is a lot of good financial advisor firms. But I've found 95% of them, they put on their website that they do a lot of these things, but they don't. It's purely marketing. We live it. We have Salesforce and we document everything. So, our advisors are forced to go down the list and address these issues. So, nothing falls through their cracks. We actually won't work with somebody unless we have these issues addressed, unless we build a plan that encompasses all of this stuff. Because the thing is, A, I would say we do that for two reasons. One is, that's the right thing for the client. (...) But it also, protects ourself. When we bring on a client, our retention is over 99%. (...) And I think it's high for lots of reasons, whether the performance, the communication, the planning. But we don't want to bring on a client if we don't think we can keep them happy two years from now, three years from now. If I know somebody-- Decades from that. Expectations. Yeah. I don't even want to begin a relationship, unless I think I can make them happy long term. And going back to all these deliverables, I believe if you don't deliver these, even if they don't request them at the beginning of a relationship, you're going to lose the client. Because at some point in their life, they're going to want these deliverables. And if you didn't start that conversation, another advisor will. And there goes your client.

Well, thank you. And I want to thank Sherry for the question. Great question. And remember, (...) thank you all for listening. And thank you for watching. Keep sending in questions. And if you like what you've heard, tag us on any social media channel. YouTube. YouTube. Yeah. Comment on YouTube. Hit us up on there. And yeah, Glen, thanks for another great conversation. My pleasure.

GDS Wealth Management ("GDS") is an SEC-registered investment adviser; registration does not imply a certain level of skill or training. This podcast is for informational and educational purposes only and is not investment, legal, tax, or financial planning advice. The views expressed are general in nature and may not be appropriate for every individual. Nothing discussed should be construed as a recommendation to buy or sell any security or adopt any specific strategy, and any examples are illustrative and not indicative of future results. All investing involves risk, including the possible loss of principal, and past performance is not indicative of future results. Any discussion of tax or estate planning is general in nature and subject to change; listeners should consult their own professional advisers before making any decisions. For additional information about GDS, including services, fees, and conflicts of interest, please review our Form ADV Part 2A.