



4 Top Investor Questions Explained [Ep. 14]

Transcript

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Many people think that not having all their eggs in one basket is having multiple advisers. That's really not the case. Being diversified amongst investments in the stock market. One adviser is selling something, the other adviser is buying something, and they do it within that 30 days and now you're getting hit with tax when one person thinks they're helping you, the other person thinks they're helping you. The realization is you're actually being hurt.

Alright another episode, are you ready Robert? I'm good. I'm ready, its Friday. Today's going to be a little bit different. A lot of times we have topics we really dive into.

(...)

But today we wanted to go over three,(...) actually four common questions we get.

(...)

And then of course we'll do our mail bag. So you want to kick us off with the first question? I will. And I always think this is a fun one when people ask it because they always want to know "how much risk should I take?" So I guess that's the question to you because everybody, we all want very little risk and high reward. Like I want to make everything the market makes, but I never want to lose money. So answer that question. How much risk should a person take?

(...)

That's a tough question to kind of, I mean, it's an important question to-- 30 seconds, go. You've got to answer all of it.

(...)

You want to know your time horizon, your risk tolerance, and what your goals are, first of all.

(...)

And what I mean by that is let's say somebody's really comfortable with risk, right? They want higher returns and are comfortable with a ton of risk. You might think, well, that means hands down they should have a portfolio, say, in 100%(...) stocks.

(...)

That may or may not be true. It depends on what the goals are, right? If it's for retirement, that might make sense.

(...)

If let's say you're a very aggressive investor, but you have a portion of that money you need for your taxes, your property taxes next year. You need it for a down payment for a business or a home. Those are parts of the portfolio that you're going to want to consider in something that it's less volatile. Because the last thing you want is to invest part of your portfolio for a goal 18 months from now. 18 months has come. You need to pay that college, kids' college. You need to buy that car with cash or whatever the case may be. And now that investment you had is worth 20% less because the market's down. But you could have different buckets, right? Of course. I mean, that's kind of what you're saying. Yep. Different buckets. And that's exactly what you want to do. You're leading me there.(...) You want to have a bucket for your short-term investments,(...) a bucket for mid-term investments and long-term. And, again, for an investor, even if they're aggressive, part of their assets can be invested at different risk tolerance levels. And I think that's huge.

(...)

To time, to line up how much risk you're taking with when you need that liquidity.

(...)

Well, and I guess the next question that we commonly get, and it's kind of loaded just going into the different buckets. So I know what your answer is going to be. So I'm curious how you're going to break it down. Is given those different buckets, what's a reasonable expectation for a return to expect when you're working with an adviser or doing it on your own? So it's going to depend on how the portfolio is invested. Right. Right.

(...)

But let's dive into that further. If you're looking at equities, yeah, historically 10% to 12% is what's reasonable. On the fixed income, fixed income meaning CDs,(...) bonds, whether it's government or treasuries, you're going to be more than 3% to 5% right now. Tenure treasuries around 4.5%. So that's very realistic to make about 4.5% with very, very little risk.(...) And most people have a blend of a part of their portfolio in fixed income, meaning bonds, and a blend of equities of stocks. The more stocks you have, over time, you should make more money.(...) But it's going to be more volatile. We've talked about that in the past. The price of admission, if you want that return closer to 10% to 12%, is you've got to put up with volatility in the account.

(...)

One thing, too, I think is important is a lot of times people assume that age is the main thing that dictates how much you should have in stocks and bonds. Not necessarily, as you know, we had one of our oldest clients who's passed away not too long ago, it was 101 years old.(...) And you remember the conversations we used to have with her, and we've shared this story with others, where we had a 101-year-old lady, beautiful lady, who had a-- She's a sweetheart. She had 99.9% of her money in stocks.

(...)

And sometimes people would think, well, when they hear that, that doesn't make sense. Why would you have somebody at that age in this much in equities? Well, what were her goals?(...) Obviously, we knew she was already retired. She's not going to live to 1,000.(...) But her goals were to make as much money as possible for her kids and her grandkids when she passed away. And now great-grandkids. Yep. They're still generations with us.

Yep.(...) And a side note, for those of you who aren't aware, when you pass away-- when she passed away most of her money was tax-- was in a brokerage, taxable, as opposed to tax-deferred, as opposed to a 401(k) or an IRA.(...) So when she passed away, her kids, her grandkids, they get us stepped up cost basis, which is huge. Sorry to go off into weeds on that. No, actually, I want you to-- this is completely off topic. But if you're going to talk about this individual client that was with us for more than a decade and was such a wonderful lady, you have to tell your favorite part about her when I would go meet with her. Well, there's a few things. So--(...) It's off topic, but it's a good story. There's a few things. So I remember-- I remember what I think you're referring to is one of the-- one of the things I make fun of-- give you a hard time on is when we would go to her house, right? I'm thinking that's what you're talking about. Several times we went to her house.

(...)

She was extremely with it mentally.

(...)

She was hard of hearing. That's it. And when you-- sometimes you would say something. She couldn't hear. She'd hit you with a cane. Tell me to speak up. And then I would pretend like I can't understand him either. Like, "Robert's not talking loud". "I don't know what he's saying either". "Robert, why are you whispering?" And then she'd hit you under a table with a cane. Constantly picking on my southern accent. OK, so let's play off of her real quick. So I know we've had this conversation with her. And there's reasons why we didn't sell certain things with capital gains so that they did get the stepped up cost basis. But there are many conversations we have with people where they want to know, should they invest in individual stocks, mutual funds, ETFs? And that's a common conversation we have on a weekly basis. So what's your answer to that on what somebody should invest in? Are stocks-- mutual funds or ETFs are correct-- are right for them? Yeah, so the main investments out there typically-- I mean, of course, you could argue, you could do private equity and hedge funds and alternatives. Having done this for 22 years, I think it is now,(...) my experience has been at those bigger firms where they have these private equities, these alternatives.

(...)

Typically they're pushed just because they're embedded fees, the commissions, right? But when you take a step back and look at the performance, they underperform the market.

(...)

So I'm a little biased most of the time against those alternatives, private equities, hedge funds.

(...)

There are some that do amazing, but in general, the ones that an average client's going to have access to, they're not the best out there. So moving on beyond that, what can you invest in? You've got your equities, meaning individual stocks. You've got your ETFs. You've got your mutual funds. I suppose annuities. Although 99% of the time I don't think those make sense.

(...)

So let's talk about mutual funds, ETFs, and individual stocks.(...)

Mutual funds can make sense. I would say if you had \$100,000, you just want to do it yourself. A mutual fund is probably going to do a pretty good job. Again, you've got to do your research on what mutual fund are you in, are you in stocks, bonds, make sure the embedded fee is reasonable.

(...)

But that could do a decent job. The only hang up on a mutual fund is as your investments grow,(...) you're going to most likely be paying a little bit too much and they're embedded. You're

going to have taxes that are going to be passed on to you, because the mutual fund inside, they're turning over the account, even though you may not have.

(...)

Well, and I don't know if you want to dig into that. I know what you mean, but that could be confusing to somebody else that doesn't know what you mean. What do you mean when, I can invest in a mutual fund but pay taxes even though I haven't made any money or even if the market may have been down and maybe I lost money? Yeah. You want to touch on that? Sure. So basically, I'm invested in a mutual fund, market comes down dramatically. I don't sell, but the guy next to me or lady next to me does sell, that incurring a capital gain within a mutual fund.

(...)

Now Pro Rata, that trickles down to me, because they could have added an embedded stock that they sold that had a low cost basis.

(...)

So now there's a significant capital gain. So you in theory, this doesn't happen every day of the week, but it happens, you in theory could own a mutual fund, lose money, and then pay taxes as if you make money. So that's an issue in my mind with mutual funds. Another one would be liquidity entering or exiting it. Let's say it's 10 a.m. and you want to get in a investment. If it's a mutual fund, 10 a.m. central, that order doesn't execute or take place until the end of the day, 3 p.m. central. So anything that's happened throughout that day, you've missed out. And that happens more often than I think people think. And even the fact of paying taxes, when you've lost money, you said it doesn't happen that often and it really doesn't, but over the last 16 years, including 2008,... that's happened a handful of times, a couple of times, and it kind of shocks people when they realize that that's a possibility. Typically the bigger the mutual fund, the longer it's been in existence, those are the ones that happens because their cost basis tends to be lower, right?

(...)

And I don't want to name particular mutual funds, but there's a half a dozen out there I could rattle off that. If the market comes down, you're going to lose money. Again, you would have no matter where you invested because that means the market's down, but you're going to pay capital gains that part was avoidable. Perhaps it's not avoidable to lose money, but it is avoidable to pay a capital gain when you just lost. And I know you said if you don't really know what you're doing or you want to do it yourself, do a mutual fund. And I know a very common thing because people, one of the biggest options you have in somebody's 401(k) is a target date fund. And so people tend to do those target date funds when they retire. You got any thoughts on target date funds?

(...)

You know, target date funds are a double-edged sword. A lot of 401(k)s now, they're becoming more and more sophisticated. More people out there have the options of picking their own investments or there's, you know, a hundred options and you can pick some ETFs that you want.(...) Some mutual funds, even in this day and age, they might have six, seven options and their target date funds.(...) For those of you who aren't familiar with what that means, that means you pick a date. So 2030 or 2035 when you want to retire. And as you age, as you get closer to that time,(...) you're going to, the account's going to become more and more conservative. Why? Because in theory, once you retire, you're going to need more income.(...) So you don't want your portfolio to be so volatile, right? The problem with that, I would argue, is the target dates to a certain extent don't really have a brain on them. Meaning the market could deteriorate, you know, and what might we be doing? Again, there's always case by case. I don't want to generalize too much. But if the market's coming down, typically we do our best to be greedy when others are fearful, fearful when others are greedy.

(...)

You know, Warren Buffet. Yeah. So what that means is if the market's down, we're going to look for opportunities.

(...)

You know, there's a ton of stocks we've talked about in the past, whether it's CrowdStrike who had a blimp on a radar last year due to Delta Airlines, right? It hurt their, hurt the Delta Airlines traffic control. So it hurt the SOC too of CrowdStrike and it came down dramatically. We thought it was an opportunity. Sure enough, now it's doubled in price. So you want to take advantage of when the market's fearful, whether it's fearful on the whole market in general or a particular stock.

(...)

Well, what is a target date fund going to do in theory?

(...)

Let's say the market's deteriorated. We're buying, trying to take advantage of that. The target date fund might say, okay, Robert, now you're, how old are you, 52? Now you're 52. You wish.

(...)

Now you're a year older and you're closer to retirement date of whatever that target date fund is 2030, 2040, whatever it is. So because you're one year closer to retirement because of the target date fund you selected, it is making you more conservative at the precise moment that theoretically we might be making that client more aggressive. We're buying stocks cause the

market's down and it is selling stocks because it's saying you're one year closer to retirement. So that's my issue with target date funds.

(...)

You know, the hard part of our job is when we give examples like that, I try to be fair to the other side and yes, this doesn't happen every day of the week, but you know, corrections of a 10% drop, they do happen about every 14 months. So it doesn't happen 365 days of the year, but it happens about every year, every year and a half. There's volatility and these little things, if you could eke out an extra, I don't know, 1% more in return or a little bit less in taxes, does that add up? Of course, yeah, it adds up big time.(...) Okay. And so what about the stocks and ETFs? So we, the way we invest our portfolios,(...) typically clients have, depending on how much money they have, what model they're in, most of our clients are going to have roughly two thirds of their money in individual stocks and a third, maybe a half of their money in ETFs, right?

(...)

ETFs are a benefit. It's like a mutual fund in that it's a basket of stocks or bonds or whatever the case may be, but it's fully liquid. While the stock market's open, the fees tend to be significantly less inside.

(...)

You typically on an ETF don't pay taxes unless you sell that ETF and you made money. Let that sink in. That's obvious, right? You don't pay taxes unless you make money. Unlike what could happen in the mutual fund. Exactly. Exactly.

(...)

So ETFs I like, because it's an awesome way to buy a certain sector, energy is attractive right now, or financials a few years ago, we did that.

(...)

It's a quick, easy way you can buy an ETF that has the top 20 banks out there.(...) But it buys instantaneously. Correct. And so could you. I could name specific dates where we made a trade at 9am after the market opened that traded instantaneously. By the end of the day, the market had already moved 5%, 10%. If you're in a mutual fund, you could have called it right on the day, but it's not buying in until after that increase at the end of the market. So you missed all of it, which is a huge deal. I don't think people realize that enough. So you're paying more for a mutual fund, but it's not as nimble. In the ETF, you can follow the same sector as you could in a mutual fund, but get more nimble at a lesser cost to you. You're right. You're right. And then on individual stocks, depending on what model somebody's in, how conservative or aggressive, they may have a third of their money, maybe a little bit more, a little bit less of their money in individual stocks, which we like. And what this allows us to do is that point that you just gave is

we can take a sniper approach and take advantage of-- I gave the example of CrowdStrike. There's plenty of other examples. Hewlett Packard Enterprise, not to be confused with Hewlett Packard. Hewlett Packard Enterprise was spun off by Hewlett Packard. And they do semiconductors, not like Nvidia does. Nvidia does semiconductors for AI and soon to be-- or not soon to be, it's already happened, robots.

(...)

Hewlett Packard. Can't wait to get mine.

(...)

Have an assistant-- I just want a friend at the house. I can talk to you. The Hewlett Packard Enterprise does a semiconductor to keep things from overheating, whether it's your phone, whether it's your refrigerator, any electrical device in your kitchen, really.(...) And that was a stock that got hurt earlier this year. And we could take a sniper approach and invest just in it. Had we invested in an ETF in, say, semiconductors, that would have been a small piece of it. And now I'm buying semiconductors that the price is not attractive.

So that's what I love about individual stocks, is I can cherry pick the good. And I don't have to have the stocks that are overpriced or I don't find attractive at this moment.

(...)

And last thing I like about individual stocks is you can do a ton of tax loss harvesting.(...) If you're in a mutual fund or in an ETF,(...) it's rare to do tax loss harvesting. Tax loss harvesting, what does that mean? That means you invest in something and you could theoretically do this in an ETF or stock. You invest in a stock,(...) you'll obviously bought it thinking it's going to go up, but you were wrong. It went down 20%, but you still like the stock, right? It just maybe it misses earnings or like CrowdStrike, something happened. It's not going to affect it to go bankrupt, but it's made it, it's changed evaluation and it's made a lot more attractive. You could further buy more of that stock.(...) Now you wait 30 days and you sell your initial cost basis.

(...)

What's the point of that? I get to deduct that on my taxes. So a quick example, I buy a hundred shares of CrowdStrike at a, say a hundred bucks. It goes down to \$70. I buy another a hundred shares at \$70, right? The current price. Drop the cost basis. Drop the cost basis, wait 30 days. Now I sell my original one and I get to deduct it, you know, I bought it at a hundred and whatever I sold it at, say it's at 85. I got to deduct 15 bucks per share. Now can you hold it long? You can hold it longer than 30 days, right? Correct. If it's on a run back up, maybe you hold it 45 or 60 days. Absolutely. Especially to your point, if it's going from 70 to 85 and you cut your cost basis in half, now you're profitable. If we think it's going to continue to go up, you could also hold it and then sell off on it.(...) Yep. We did that with Estee Lauder a half too long ago. So there's plenty of reasons or strategies of how long you could take it, hold it. Minimum those 30 days. If

you don't do it, if you're asleep at the wheel or your adviser is, how often have we seen client statements and we look at their statement and it says "wash sale". A wash sale means the adviser for whatever reason, they acquired more of that stock that was down and within 30 days they sold it. Now you don't get to write that off on your taxes.

(...)

You actually brought up a really good point. This doesn't happen often, but many people think that not having all their eggs in one basket is having multiple advisers. That's really not the case. Even being diversified amongst investments in the stock market. If you have multiple advisers and again, it's a small percent of the population, you could have a wash sale rule by the right hand, not knowing what the left hand is doing. So one adviser is selling something, the other adviser is buying something and they do it within that 30 days and now you're getting hit with tax when one person thinks they're helping you, the other person thinks they're helping you. The realization is you're actually being hurt.

You're right. So a quick example,(...) let's say I'm a client and I have two financial advisers and they both own Coca-Cola.

(...)

Coca-Cola goes down, the stock,(...) and the first one says it's going to go down further, I'm going to get out.

(...)

They sell it to give you the loss, to give you a tax loss. The other adviser,(...) they believe that this is an opportunity. They buy within those 30 days.

(...)

They buy Coca-Cola. So now,

doing what you just talked about to get more on the way back up and lower that cost basis. Exactly, and we'll know in a year who is right, but that's irrelevant for the purpose of this example. The point is by the second adviser buying Coca-Cola, you don't get the right that off on your taxes. That's called a wash sale rule.

(...)

And also, in addition, you brought up a good point, sometimes people think it means being diversified having multiple advisers.

(...)

Yeah, sometimes that happens, and that's not one of the questions we're going to discuss today, but now let's talk about it. So sometimes when somebody says, "Hey, I have two advisers, I don't want to have all my eggs in one basket," that's not what that means, to your point.(...)

I would say you want one adviser. And sometimes when it happens to us, I tell them, "Look, okay, we can try this. Let's try this working together for a year or 18 months, but I'll only do it if you promise me in 18 months, you're going to fire us or you're going to fire them based on whatever the agreement is. It could be, are we focused on performance? Are we focused on the plan,(...) on the estate plan to make sure it's done right, whatever the case may be. Because I think it's going to do the client a disservice, right? Why? If you have two advisers, your fees are going to be probably higher because you have less assets at those firms. You could have a wash sale going on. And then I would say most people pick a financial adviser for a lot of reasons, right?(...) They think they're going to help them make money, they're going to help them perhaps get their estate plan lined up with their attorney, make sure they're maximizing their tax losses when it comes to investments. There's a lot of things, but I think one that often is overlooked if you're maybe an outside looking in that I can see being a financial adviser, I think something that people really value is time back in their life. We have several financial advisers who are retired who use us now today.

(...)

And I use that as an example because theoretically they have enough knowledge, they could manage their own money, why do they use us? They use us for time back in their life. They don't want to spend 5, 10, 15 hours, whatever the case may be, managing their own money.(...) So to that end, if I have two financial advisers at two different firms, who is now quarterbacking both of them? And now it's you the client because what happens if one has a strategy,(...) we think interest rates are going to go down. Fed Chairman Powell later this year is going to lower interest rates by 100 basis points. One financial adviser thinks that and so because they think that they're going to put you in long-term bonds. The other one says no, we're not going to lower rates because inflation is coming back up due to the tariffs. Rates are going to stay elevated, so therefore let's own short term bonds. You have two different strategies going on. It's like you're playing a football game and you have two coaches, two head coaches yelling plays at the same time.

(...)

You're making it harder on yourself. You the client, you're going to have to determine whose voice they hear. So I think you're creating more work for yourself. You're hurting the financial advisers. I think you're going to make it harder for either of them to do a great job. So that's why typically,(...) I don't know, off the top of my head I would say maybe 2%, 3% of our clients have two advisers and even those we encourage them. Look, if you think the other one's doing better, they're making you more money than we're going to make you better service, better cost, then use them. That's fine. But pick one.

(...)

You're doing yourself a disservice and your family a disservice.

And learn their process. Learn what meshes better with your philosophy and have a financial plan, things like that. Yeah.

All right. So thank you for answering all of those questions for us. Last question before we jump into it. What is the process to begin working with GDS wealth management? It's kind of that, that little sizzle. Well, as you know, we call it the GDS experience. Right. Right. And it starts with a phone call. Do you want to, there's several steps. Do you want to start with the first step? Number one? Absolutely.(...) I love this part because I think the way we do things is we kind of pride ourselves on not telling somebody what they want to hear to gain them as a client. So we created the GDS experience to have this process so people can, they can learn us, we can learn them. And it starts with that initial phone call to make sure that we're a good fit. And so the initial phone call is a 10, 15 minute call, us learning about them, kind of what their needs are, them learning about us a little bit, really just trying to find out if we're an initial fit, not getting too granule, just kind of high level stuff. So we, once we realize that and we feel like they're a good fit and they're nice and we can get along, then of course we'll set up the first appointment. So you want to do that one? Sure, sure. First appointment, it can be here at our office in Flower Mound or Zoom.(...) What we're trying to really do is dive into your goals, what's important to you,(...) things, if you have an adviser, things that you feel like they're dropping the ball on, we're trying to get to know you, things that are working well, things that are working poorly and set the stage.

Kind of why they're looking around in the first place. Exactly, exactly. I would say most of the people we work with, they already have an adviser.

(...)

But there's an issue, they're not being communicated with (...) something's being missed. So what we're going to try to dive into is what their time horizon is, what their goals are, what their risk tolerance is. From a high level, we're going to give them homework, which maybe I'll pass that back to you and you can talk about the second meeting. But first thing, it takes 45 minutes to an hour, really depends on how many questions our clients give us, but we're trying to dive into what their goals are and what they're trying to accomplish. Of course the obvious ones, do they have any estate planning done?

(...)

Do they have a financial plan?

(...)

Are they working with the CPA? What are they doing to maximize their tax deductions? Stuff from a high level, we're not trying to prescribe anything, if you will, we're just trying to see, get a feeling of where they're at right then.

(...)

That tees us up for our second meeting, which in essence is our MRI, but before the second meeting we have a phone call. Do you want to dive into that? Right, so once we give people that homework,(...) which is the financial plan, and I love going back to the financial plan, I know we talk about it a lot, because more than 80% of advisers don't build financial plans and some that do charge for it. So we put our best foot forward and we give them a very comprehensive financial plan upfront. So we give them that homework, once they have the questionnaires complete and they get them back to us, one, we let them know, hey, thank you, we got them back, but then we ask for two or three business days to build the rough copy of the financial plan, go over commonly missed shortfalls, nobody feels them out right the first time. We've been building financial plans for 20 years, so it's our job as a fiduciary to catch anything that they might have missed, any potholes along the way. So about two to three days after we get it and we build it, we give them a call, go over those commonly missed shortfalls, make sure it's accurate, and then we set the second meeting. And of course the second meeting we're at right now is, that's when they come in, we present the results of the financial plan. The MRI. The MRI. The strategies that we have learned are important to them, because there is not a one size fits all, you can't have a cookie cutter model for everybody that walks in the door. So it's got to be personalized, and you've got to go through those things that most people aren't thinking of. We talked in another episode of the podcast about how 100% of advisers invest money, and that's how they get paid. We're no different. We invest money and that's how we get paid. But it's only 60% of what we do. The other 40% is answered in the podcast, where we're answering questions like, when we talk about the strategies of the financial plan, it's answered with questions like estate and legacy planning,(...) how and when to take Social Security,(...) health care, biggest expense in retirement people aren't prepared for, Roth conversions,(...) all of these things. So when we come in the second meeting, we're presenting those results and strategies we've learned are of value. Then we're going to go over the investments, because there's no one size fits all, we have 19 different investment models. We go over fees, down to the penny, our service model, you name it. At that point, if somebody likes it, wants to become a client, perfect, we'd love to work with them. But if not, no harm, no foul, we're not mad at them. Thank you.(...) So yeah, that's a great job explaining step number two. Step number three is to your point, if the potential client wants to be a client at that point, we onboard them.

(...)

We will have answered all their questions in terms of our service model, in terms of any costs involved, how we take care of bringing over the assets in kind. In kind is industry lingo, meaning you don't have to sell what you have, it comes over just like it is if you own 100 shares of Coca-Cola somewhere, 100 shares of Coca-Cola, just move over here.

(...)

Our service model is once somebody is a client, twice a year, we're going to want to do preferably in person, but we have a ton of clients in Florida, California, and other states, we do those over Zoom, not a problem at all.

(...)

Twice a year, our preferences go over the financial plan that we just spoke about, it's to go over the investments, are we making money, are we losing money, why is inflation less or more than we thought it was going to be, and inflation, we've talked about that many episodes previously, inflation is different for everything, right, different for health insurance than a retirement home than other things, aspects of your life.(...) Look at all that,(...) twice a year we're going to do that, financial plan and the investments in addition to that, we're going to call you typically two to four times a year, that's what we say, the reality is most of our clients here from significantly more than that. That's the minimum. That's the minimum that we offer. And that's regardless of asset level. Correct, as long as there are minimum, obviously our minimum here is a million dollars for us to work with somebody, and it doesn't matter, so if they have one million or a hundred million, we're doing that for everybody.

(...)

Two to four phone calls, or it could be Zooms, and a client can call us as much as they want, we're not like an attorney that's going to bill by the 15 minute increment.

(...)

And then of course we have our events, that all clients are welcome to attend. In the past as you know we've had Rob O'Neill, the gentleman that killed Bin Laden, speak to our clients. That was a fun event. It was a fun event. Famous musicians speak and play music, singer songwriters at, you know, we did Ranger Stadium, was it this year? This year, February.

(...)

February / March, yeah, I think February, you're right. Fancy like, I still listen to it in the car and Buy Dirt. It's like every morning, it's like a routine on the way to the office to get me ready for the morning. Yeah. Great songs, they're great songs.

(...)

And then we do webinars too that people are welcome to attend. We had a gentleman who they made a movie of his life, who was a spy.

(...)

Man, do you remember his name too? I'm drawing a blank.

(...)

Robert,(...) oh, Eric O'Neill. Eric O'Neill, you're right, you're right. And there's a movie of him called *Breach*, you're right.(...) That's a good movie, that's 20 plus years old though. And he did a webinar telling the true story of how he caught the spy.

(...)

And it's funny that even though he's been through all of that, people still try to hack him in his own personal life. And he's the guy who brought down so many people. It's crazy.

(...)

And then we have a webinar later this year. We have Gary Chapman, the gentleman who wrote *The 5 Love Languages*. Every wife's favorite book out there today. Hopefully you read it now and you apply it. Well, I don't read, but I listen to it. I'll read it to you. But my wife wants me to. Just copy my example. She knows my love language. What's that? Words of affirmation? Words of affirmation, probably.

(...)

So yeah, that's the experience, right? The GDS experience, the initial call, the discovery meeting, review customized plan, you become a client. Then we're doing our two to four phone calls. You're welcome to attend as many events or as few as you want. Some clients never attend any event. They say, hey, I love you guys. But the two meetings a year is plenty. Others come to every single thing we do. And we're fine with whatever you the client wants. They can be as much of a part of this family as they want to. Or they could be the distant relative that loves us, but just says, oh, they're a little too crazy for me at the-- That's right. That's right. Perfect. All right. So anything else you want to add? No. You ready to do the Mailbag? I'm ready to do Mailbag. Let's see.

from Katie.

(...)

It says, what is the most common mistake that you see people make that you immediately jump in and go, without giving away the secret sauce, I've got to fix this. I've got to help this individual or this family. What would you say that would be? Man, there's so many things I can think of. But I think the first one that jumps out that's the most common is lack of a financial plan. As you know, when we hire financial advisers to work here, sometimes they'll ask the client, they'll say, do you have a financial plan? And you've heard me talk to them. I said, that's not the right question. You don't ask them if they have a financial plan. Because if you ask somebody out

there, do you have a financial plan, 100% of them will say yes.(...) Right? The question is, when is the last time you updated your financial plan? And then the question is, oh, I have a plan, but I updated it four years ago, three years ago, a couple of years ago.

(...)

Rarely is it, yeah, I updated it three months ago, six months ago. We're basically saying a financial plan at this point because we don't know. It could be your basic Google calculator. Exactly. In any of the new ones. So I'm not even saying is it like a world class financial plan? Right. I'm just saying, do you have a financial? I said it wrong. Not if you have one. When is the last time you updated a financial plan? And they might just think, yeah, I do. But it's the basic Google calculator. And that one they looked at 18 months ago. Right. So there's basically nothing.(...) Yes. Yes, if you call them out on it. And I think that's the biggest thing because what's that saying? If you fail to plan, you plan to fail.(...) You have to have some type of plan. And sometimes people will say, "yeah, Glen, but you can't predict what the rate of return over the next 30 years is going to be, what inflation is going to be, what my expenses..." OK.

(...)

We won't predict it exactly. But I can tell you we will be in a ballpark. I would rather be in the ballpark of how much money I need to retire, what I'm going to leave behind, than not even in the ballpark. You have no idea if you're ever going to run out of money. Maybe you should be spending more money right now. You have plenty of money. Maybe you should be giving more to charity, more to your kids, whatever the case may be. Or maybe you should be pulling back because that's going to ensure that you have a lifestyle for your whole life that you're comfortable with.

(...)

But if you do a financial plan and you're constantly updating it, you're going to bring the future to the present. And just like an MRI or a CAT scan, I know you love to do all these. I don't know how frequently you're supposed to do them. MRI, I think, gives you radiation, right? No. CAT scans, radiation.

(...)

MRI is not radiation. You can go get one of those every six months if you want. So that point, that goes along with a financial plan about every six months. Why? Because you want to catch something. What you don't want is-- it's been four or five years since you did the CAT scan or MRI or the financial plan. And now, oh, I got to live on 30% less money for the rest of my life because I spent 10% too much previously. And some of that I could have controlled. Now you have to make huge sacrifices, whereas if you would have caught that four or five years ago, you would have made relatively minor financial sacrifices. And it goes back to that early detection, just like the MRI is key. That's right. And somebody says, oh, you don't know what it's going to be in the future. You don't know this. You're right. I don't know what it will be in 10 years. But if

we're monitoring it twice a year at minimum, then we're able to tweak. Financial plans have to be nimble. They have to be that vehicle that can always be changed because life happens, life changes. So yeah, I agree. 100%.

(...)

Awesome. Good. Well, thank you for answering that. I want to thank our audience. Remember to keep sending in those questions and you can always mail them to gds@gdswealth.com or comment on any of the channels we're posting on. Thank you for attending.

(Upbeat Music)

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