20 Years as a Financial Advisor - Lessons Learned Along the Way [Ep. 22]

Transcript
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as opposed to learning the hard way.

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a good learning lesson that I think a lot of people have to go through, including myself earlier in life. I had to experience that. One thing is to read it in a textbook. Another is to see your net worth drop by 30%.

But I think the value a good advisor can bring is the, you know, the line I like to say

is, when is the last time you did something for the first time, and you did it right?

(...)

right, Robert, you ready to talk about 20 years of being in the industry? I'm ready, but before we talk about the 20 years, I think we have to give note to the fact that today is our anniversary of being partners, business partners for so long. And I know you probably forgot, but--(...) I knew it was today. Somebody told me it was Friday. Marketing told you that it was coming up. Congratulations. You wouldn't forget, but I just remembered-- Happy anniversary. Yeah, I remembered just because of that, it was kindness at my heart and just how much you mean to me. But over 11 years together, more than 20 years in the industry for us, but over 11 years together. Feels like 10 minutes underwater. Feels like 20.

(...)

But anyway, so happy anniversary, Glen. Thanks, Robert. So now where are we at? Well, I'm excited to dive into it. I know we're calling these 20 years in the industry. Obviously, I've been in the industry a little bit more than that, having started in 2004.

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But I'm excited to share some things that worked, some things that didn't, and how my view on certain things has changed after working with hundreds, if not thousands of clients at this point. I know. As I was thinking about today, and you reminisce, and you go back-- and I'm sure it's the same for you-- you go back 20 years ago, and you think of all the things that the industry tries to teach you in that first year, and all those things that-- it's like the fire hose effect, right? All this knowledge is being thrown on you. And I remember a couple of years in, still realizing-- I go, man, I don't know much. But then now, 20 years looking back, you kind of go, wow, (...) how the industry has changed, and what I thought worked, how it didn't work, and how different advice

(...)

came from different places. Yeah, that's the tough part. When you're getting coached or starting a new industry, when I was at Lehman Brothers or AG Edwards, and you're in a classroom where 50, 70 financial advisors, and they're trying to teach you-- which I appreciate it. I learned a lot, but it's kind of a one-size-fits-all. Now, I understand why they did that, because if you have 60 people, you're trying to teach how to build a plan, you can't get into nuances of how each one might be different for whatever reason-- client personality, or unique situation.

(...)

And earlier in my career, I don't think I had enough appreciation for that, right? I did think one-size-fits-all, and that just comes with experience. You learned how to differentiate scenarios. Well, you just brought it up. You said earlier in your career. So, tell me something. What is something that you used to tell your clients early in your career that was kind of-- let's call it best practice-- but that later you realized wasn't and might not be the best? So, one mistake I made earlier in my career is I was trying to make my clients as much money as possible, right? So, if I sit down with somebody, I'm trying to profile them how much risk they want to take, and I'm focused on how I make them the most amount of money possible over, say, a five-year, 10-year period of time. So just selling performance at that point. Selling performance? But honestly, I didn't even need to sell performance. I think they would have worked with me anyways. But I was focused on setting the allocation of the portfolio perhaps more slanted to stocks than it needed to be. And my rationale was if I'm sitting down with a 65-year-old, I always try to treat people like I would want to be treated. And I remember thinking, OK, I'm 65. This person, I remember a gentleman who's still a client who I would think of.

(...)

They don't need their assets for another four or five years. They're going to retire close to 70, and that's when they're going to start Social Security.

(...)

And the thinking was, at the time, how do we make them the maximum amount of money? I did profile them in terms of how much risk he was comfortable taking, but I don't think I did enough proper follow-ups. And I took it for face value, which I think a lot of new financial advisors do or new do-it-yourselfers do. They go; how much risk am I willing to have in a portfolio? And a lot of times, people are willing to have much more risk.

(...)

They say they want more risk than they do in reality. And what I mean by that is they'll say, OK, so if I have, let's say, 80% of my portfolio in stocks, I'll make, whatever, 8% to 10% in this portfolio over the next decade. That sounds better to me than having 50% of my portfolio in stocks and making 5%. Therefore, the client may say, I want that more aggressive one. And the point that I don't think I double-clicked enough

(...)

is doing those follow-up questions. OK, well, if the market did drop, how much are we comfortable with?

(...)

10%, 20%, 30%, 40%, 50% drop?

(...)

And so, we did do a risk tolerance profile, but it was very superficial. And I think the key comes into the follow-up questions.

(...)

Well, is your spouse comfortable with that drop?(...) What would we perhaps change in a portfolio?(...) So I think, to summarize, one mistake I did early on is being so focused on making a client money that sometimes I let the client dictate that we were more aggressive than they could have been otherwise, right? Does that make sense? It does. It does. But I'm going to stay on that same vein and say, what mistakes have you made because you underestimated client's behavior,

It's the pain. It's not realizing that the pain of losing a dollar is twice as painful as the pleasure of gaining a dollar. Does that make sense? (...) If somebody has $3 million, you make them 10%, they're up $300,000 for that period of time, that few months or whatever the period of time is,

(...)

the pain of if they lose $300,000-- so they have the $3 million, now they're at $2.7 million-- the pain is almost like if they went down to $2.1 million. They lost $900,000. And the reason that's so important is because sometimes clients at the bottom or near the bottom, they lose a chunk of money and they semi-panic. And they're like, hey, should we go more conservative? Do we get out of stocks? Do we do this? (...)

a problem because you don't want to do that. And oftentimes, the lines I'll use is once in a while, clients still will do that if the market drops 20%. Hey, should we get more conservative? And my response is, look, we can. I would not right now if your appetite for risk has changed, which it seems like it does. Because when we met 90 days ago, whenever you said you were comfortable with the 25% drop and rolling down 13, and you have some anxiety there, what I would do is, let's recover your money first. And then, yes, let's look at reducing your risk exposure. Now, what's probably going to happen, Mr. Client, is I'm going to remember this conversation. I'm going to document it, put it in Salesforce, and remind you, when we make the money back-- I don't know if that will be one month, two months, four months from now. I don't know how long it's going to be. But when I call you and I'm like, hey, we made that chunk of money back, we discussed last time we lost some. You're a little concerned about the losses, and you wanted to be more conservative. Now's the time to do it. And what the client more often than not will say is, well, no, actually, I feel better now, right? Because they're being very emotional. They're going off of the recent performance in a portfolio. And you always want to think, as an investor, of what is going to happen going forward, not in the past. Meaning, if my portfolio just lost a chunk of money, assuming I'm invested intelligently, I should be more excited about my portfolio, right? If you like the stocks yesterday and today, they're just cheaper because they went down, and the fundamentals haven't changed. It's just due to maybe a global war or something that spurred it. (...) COVID happened, right, and dropped the market, which recovered very, very quickly. You want to look at how these plays will affect the market, how you think they're going to recover. But you want to do all that thinking before the bad times happen and determine what is my appetite for risk. You want to determine that in the good times. And if you missed a boat, meaning you invested in a portfolio, you lost a chunk of money, and now you wake up and go, you know what? Actually, I'm not comfortable with that amount of risk. Recover the money, assuming you're diversified, right? I say assuming you're diversified, because let's say you invested in two stocks and one went under, you'll never recover. You don't want to catch a falling knife. That's what I say, catch the falling knife. Catch a falling knife, yeah, by keep buying it.

(...)

But if you're assuming you're diversified, whether it's a diversified portfolio, S&P 500, whatever the case may be, it's going to come back. I don't know when, but it'll come back. And then you need to look at yourself in a mirror and go, OK, truly, what risk am I comfortable taking? And you need to decide that in the good times and stick to it. You can't play money more in quarterback and later lose the money and should have, would have, could have. You need to decide in the good times what you're willing to lose. Yeah, I think that's a really good point, because it's funny, as long as we've done this, the psychology that goes into the mindset of people when it comes to money.(...) How come the financial industry is the only industry, when it comes to investing the stock market, is the only thing that I've ever seen to when it's up and it's doing really well, we want to go in. We want to get more aggressive. And then when it's down, we want to get more conservative. But if everything else in life was that same way, like if you went to the grocery store in your favorite steak, like you bought 10 steaks every time you went to the grocery store. And if you went and it doubled in price, you may not be buying any steak at all that day. But if it was cut in half, you'd probably buy double just to stack up. But in the stock market-- and I think people can relate to this-- in the stock market, the market goes down, and they don't see it as on sale as they should. Common sense leaves. That's true. And we have people that, if you look at their resumes, they're very intelligent business owners, executives. And even them sometimes, they get emotional. And I think the reason why, using the examples you're saying, you're buying a steak or a car or whatever and it's on sale, at that point, you're the consumer. So, you can feel the discount you're getting. The car was $50,000. Now it's $47,000. You feel like that's a win. With stocks, it's different because it's hard for people to internalize that. They have a couple million dollars. Now they have $1.8K. Why is that going to make me feel good? Because you've still got the dividends. And your dollar cost averaging, buying more shares. Hopefully, you're still saving and you're adding.(...) If you're retired, that's a different ballgame because you should have some fixed income, some corporate bonds, government bonds, money markets, some other things to offset the stocks going down and to give you that cash flow to live on while the stock market recovers. But I think it's an emotional thing, man.

(...)

You've worked your whole life to accumulate these assets. And you see it go down on paper. (...) And it's in front of your face. If you own a home, (...) let's say it's $700,000 home and it drops 10%, people don't even really care. In fact, they might be happy because their property taxes might go down. But in a stock market, it's different. They look at it, and they can log in for better or for worse. They can log in and every second that stock market's open; see it go up and down. And some people put too much value on that and internalize it and let them affect if they have a happy day or a sad day. Yeah, I love working with clients and educating them on how when the stock market drops, if you're ahead of things, if you have a plan in place, how the stock market drops, that can be a good thing. We welcome it. That volatility creates the opportunity you can take advantage of but retraining the psychology in their brains of what it looks like to lose money. You've only lost, if you sell, a lot of people will say. But that becomes a buying opportunity when it dips. And I love working with clients to help them understand that. I'll add on that, I think 100% agree. (...)

I think that's a value sometimes an advisor brings. It helps client's figure that out. Or if you're a do-it-yourself investor,

(...)

you figure that out on your own, which is the market will recover. And that's a good learning lesson that I think a lot of people have to go through, including myself earlier in life. I had to experience that. One thing is to read it in a textbook. Another is to see your net worth drop by 30%. Right?

(...)

But I think the value a good advisor can bring is the, you know, the line I like to say is to people is, when is the last time you did something for the first time and you did it right?(...) Right? When is the last time you did something for the first time, and you did it right? I've only heard one good answer. It was at the seminar.

(...)

Which one was that? It was the one, it was actually a few, what, two months ago, (...) where we did one. Because I know you like to save-- Somebody got saved or something? Yeah, yeah. Somebody got saved, it was like, all right, that's a valid answer right there. Well, sometimes people will say, hey, I married so and so because they're with their spouse and then I say, well, it's not over yet.

(...)

Hopefully it works, but yeah. I'm just trying to be smart, you know what.

But the reason that matters is when it comes to investing, ideally you want to learn from others or learn from a book, learn from a book or an advisor, as opposed to learning the hard way. You plop in a few million bucks, you lose a chunk, you sell it near the bottom, a portion of it, it rides back up and in hindsight you're like, oh, I should have played it out different.

That could be a very expensive lesson, that could cost you half a million dollars right there. You'll never get that back.

Yeah. Right? So, we're talking about planning and having that kind of plan in place, having the difficult conversations today so that the clients are okay when that dip happens. So let me ask you this. Tell me about a time that you've had a plan that looked perfect on paper but fell in real life.

(...)

So, one example that I think of, I mean I can think of a thousand, but the one that jumps in my mind is we have a gentleman

(...)

who had enough for retirement, everything was going to be fine. We had a financial plan that built, I would say is best humanly possible, right? (...) We had inflation, we had healthcare, we had social security analysis, Roth conversion analysis. We had everything that I think you would want in a plan. And he was going to be fine. (...) And then a couple years into it, what happened? And by the way, most of the money was qualified, meaning IRA money. It's taxes. So, you would have to pay taxes when you take it out. That's right. So, a couple years into it, he's like, hey Glen, I need a 200K net, which means 300K gross, and you've wanted like, is a stingray? You're a bull guy, C-ray. C-ray, that's more important than a stingray because they're a little lower on the. Okay, C-ray. And he wanted a C-ray because he's always wanted a boat and he's never had one. And we punched in the plan and kind of got him out of what we call a confidence zone. So I heard him, but he could, if there's no additional unexpected expenses, he would be okay, right? So we get him that, that was fun. He buys a C-ray, he loves it, invited us on it, had a good time. But then a few years later calls in, hey,

I want to go to Disney World and take my grandchildren. I'm like, okay, you know, that's great.

(...)

You know, remind me how many grandchildren you have. I knew how many kids he had, but I remember, and he had a lot of kids, but I remember how many grandchildren.

(...)

And he had 19.

(...)

And so, taking 19 grandchildren, (...) most of them, I don't know if it was, I can't remember if it was because of their age or whatnot, but most of them went first class to Disney. They're there a week, staying at a five-star resort

(...)

on property, on the premise of Disney World.

(...)

That ran about 100K, net, right? 19 kids, plus I can't remember how many parents went.

(...)

I've taken the kids for a few days and it's-- I'm sorry. They're-- About the cost or are you--(...) They're both. Bill's sorry for me for walking all those miles, but then the cost was outrageous. Disney World's proud. (...) Yeah, and I'm not saying, by the way, I'm not saying sea rays are bad. I'm not saying Disney World is bad, although maybe I am.

(...)

But what I'm trying to say is, if these aren't in a budget, you're going to have a problem. And I think that's probably the simplest way people screw up their retirement is they have a plan, and they don't stick to it. Few years later, gentlemen needed teeth, right? Teeth are expensive. And again, that's one of those things I would maybe break the plan, because I definitely don't want, I'd like to have my teeth. But that can be 30, 40K. So, you have to budget miscellaneous, but it's hard to budget, depending on your net worth, a 300K sea ray, a 100K trip to Disney World. So I guess that a mistake that happens that, it's one of those that I think over time I've gotten better at explaining to clients why that decision may or may not be wise.(...) And earlier in my career, I would try to use words to verbalize why that decision is smart or unwise. But what I've loved about technology is I've been able to grab technology now and show them ink on paper or on a Zoom share screen. Hey, if you do this, this is the ramifications. And sometimes they still end up doing the decision, but I found most people, if you get the right information in front of them, they're going to make the right decision. If you show them, look, if you do this, this is how it's going to hurt you in 12.2 years from now. Literally, this, now you might think, well, how can you predict that exactly? Well, I might not predict that exactly, but I promise I'll be in the ballpark.

(...)

Because you're talking about different things that have happened through the years. How has your approach to client conversations changed throughout the years when you're going through stuff like that where people, something always seems to come up. So, how's that conversation changing over the two decades? So, it's changed a few ways. So, I use technology more to kind of explain it in real time what's changing. But at the same time, I think earlier in my career, I learned a lot on graphs, right? Different sheets, spreadsheets. I'd be like, hey, Mr. Client, this is what you need to do and why. And I think I was speaking maybe 80% of the time. And now the longer I do it, the less I'm doing the speaking and the more I'm trying to ask intelligent questions to dive down to what is important to the client and figure out the need. Oftentimes, if you ask the right question, the client's going to give you the answer, right? So, I would say what's changed is leaning less on graphs and just slides and more, just on trying to be a good active listener, asking the right questions, to dive deep to find out what's important. And how am I going to help this person reduce their anxieties and concerns? (...)

with that, you talk about explaining things. What financial planning tool sounded good, like tactics sounded good in life, but in best practice it wasn't?

The auto rebalancing, right? Earlier in my career, that was all the rage. Make sure the portfolio's set up. Every 90 days you want to rebalance, sell some of the winners, buy some of the losers. Why is that? Well, in theory, you're continuing to buy things that are cheaper, right? So, if you have a stock that goes way up, sell it, or if you have an ETF or a sector, whatever the case may be. So, every 90 days, sell a little bit of the winners, buy some of the losers. Or if you have a portfolio that's 80% stocks, 20% bonds, if the stocks do really, really well, sell some of the stocks and buy some of the bonds after that 90-day period, or vice versa. If the stock market does terrible after 90 days, rebalance, sell some of the bonds, buy some of the stocks. (...) Isn't that what we were talking about earlier, is like sell when you're up? You do, but I think where people make a mistake, even advisors, (...) is they take it too literal. They'll put on their calendar every 90 days, I'm going to sell some of the winners, sell some of the losers. You want to be tactical about it, right? You want to be tactical about it for several reasons. One is tax reasons. What if you sell it today and now you have a short-term capital gain? You could have waited another month and now you have a long-term capital gain. You could have your taxes. You could create your taxes. And when the markets rally, they tend to rally for a while. So, think of, I don't know, pick a stock that's in our portfolio, (...) Nvidia. So full disclosure, we do like it. And yes, it is in our portfolio.

(...)

I'm not suggesting you buy it right now because of Word's app, nevertheless.

If you buy Nvidia and it keeps rallying, right? And you sell it because, man, now it's at $100. (...) I, it's done so well. I'm going to sell that and you buy this other stock that's been a stinker. Well, guess what? You sold at 100, it's about 175 right now. You missed out on that. So, you want to look at its case by case and not just a blanket, hey, it's up. We sell some. No, I've heard people say, I'm a disciplined investor, even advisors. So, we do this process. That's not how life works. You need to take a scalpel approach, not just a shotgun approach and blast everything away just so it fits in your model.

(...)

So, from a tax standpoint, I don't think makes sense. You're going to leave money behind on the table, I think in terms of when stocks rallies, that most of your gains, if you're an investor out there and you have individual stocks, you know this to be true. If you look at your portfolio, most of your gains have probably only come from a handful of stocks, right? If your portfolio last year is up 20%, (...) every stock on average is not up 20. You have some that were down 10, some that were up three, some that were up 60. Had you sold out one that was up 60, now your performance is jaded, it's all messed up. Yeah, it sounds good though.

(...)

So what's a piece of industry wisdom that doesn't hold up in real life? (...)

You know, I would say buy and hold earlier in your career and even now people say buy and hold, buy and hold. Yes and no. I think, you know, we have some stocks, I've been doing this over 20 years, I have some clients who have certain stocks for over a decade. So, I would consider that buy and hold. Whenever we add a stock in a portfolio, the intention is forever. But the reality is you need to be on top of it. If the facts change, your opinion needs to change. Just because you told somebody, hey, I'm a buy and hold guy. If something's changed with that market, that stock, you need to relook at it and see if it makes sense. And I think people get these prejudices or they get these quick little sound bites, you know, buy and hold, et cetera. Yes, you want to be at buy and hold, (...) but you want to pay attention. I mean, look at Warren Buffett, right? This year, he bought Bank of America 10, 15 years ago. I guarantee you when he bought it, he was intention was to hold it forever. Well, he just sold a massive chunk this year and last year.

(...)

He's even making adjustments. So, you want to, he did the same thing with Apple, by the way, that's another one, just jumped in my mind. He reduced the position in Apple. By the way, I like Apple, so I'm not knocking Apple. (...) But my point is, is this is somebody that's the biggest buy and hold guy ever out there, yet he's making adjustments in real time on what makes the most sense for the portfolio. So, what's a popular piece of kind of investment advice that's technically correct, but often misused?

I would say no debt, right?

(...)

I don't think you should have credit card debt per se. We're affiliated with several organizations, and they hate debt. I personally will tell you; I have a credit card. I do pay it off every month, though, so I'm not paying interest.

(...)

In terms of mortgages, (...) well, let me back up. Credit card, you should never have recurred debt on it. So let me be clear on that. I'm not advocating you have a 20% credit card debt. But if you're paying it off every month, I see no issue with that. But in terms of mortgages, a lot of people out there think you shouldn't have a mortgage period. I disagree with that. If you have a mortgage locked in at 2.2%, 2.75%,

(...)

I think an average portfolio over time, not every year, but over 10 years-- and again, two out of 10 years or probably lose money-- but over 10 years, I think you're going to beat that 2.75, right? Let me ask you a question on that. Maybe a little bit of a curveball, but you're used to this. So I think that is a hot topic for people. Like, oh, I want to pay my house off. Well, what's your interest rate? Well, 2 and 1.5. Well, the math in any financial plan is going to say don't pay it off. That's right. But what do you tell somebody that has anxiety, losing sleep? Like, having that piece of debt is causing stress. Yeah. Well, you read my mind. That's the one exception, right? And that goes back to having some experience, because earlier in my career, I'd be like, look at the math. And what I've learned to ask people is, well, tell me about how much anxiety is this mortgage giving you? And I ask not knowing the answer, because sometimes people will say, I have zero anxiety. I have no problem having that 2 and 1.5% mortgage. I just don't know if it makes sense. And then I show them the math. Other people flat out tell you I have massive anxiety. (...) Their parents won't bankrupt or something, or they've had this mortgage-- a mortgage their whole life, and they just don't want it. That's different. That's different. And I could totally understand. You could have a mortgage, I suppose, at 0%. And if you're losing sleep at night, then yeah, that's a different picture. It might make sense to go ahead and pay off the mortgage. What good does it do to you to make more money if you're going to die sooner due to a heart attack, or you're just not enjoying life, because that's a cloud over your head, you know? Yeah, we always tell people, don't let fear make you do a knee jerk reaction in the market. But this is a different type of fear. This is an anxiety. And we can educate all we want, and we're there to be partners with people. But sometimes, yeah, if it's keeping them up at night, we want our clients to live a happy life. That's right. So what's a buzzword or a trend in the industry that you just didn't buy into over the years?(...) You know, something that has been hot now for a decade is this robo-advisor that, hey, robo-advisors are going to take over the world.

(...)

I think the way technology is changing, a lot of this technology will be helping advisors be more efficient, give better advice, do better planning.

(...)

And maybe in 50 years, I don't know. Maybe there's a hologram that can do it. But I think one thing that people underestimate-- You want a hologram of you? Is that what you're saying? Well, the thing is, if it's a hologram, I can make it better looking at me, right? That's the whole point. That won't take much.

(...)

Maybe it shaves a few pounds off of you, too. Whatever it takes. (...) And you remember, in a couple of episodes ago, I was working on my six pack. Yeah, it didn't work out. We're getting there. A lot of the comments on YouTube were saying that it's not working out. They said it was fantastic. Feel free on YouTube to add if you think a robo-advisor has a six pack or not. I'm pretty sure. Depends on the month and if I'm going on vacation the next week.

(...)

But the robo-advisor, I think technology's helping advisor be efficient. (...) But at the end of the day, I mean, man, if it's me,

(...)

and I need a surgery, right? Honestly, I might even be OK one day a robot to cut me open. But at the end of the day, I want a human being standing by that robot to make sure if it malfunctions or leaves a tool inside me or something, right? That it's literally somebody's neck that I can ring if something happens. (...) Plus the human emotion part of it. You can't get that robot. Well, in asking things, I mean, I think if a robot-- now, who knows, right, if we want to play that game many, many years in the future. But today, there's not that empathy. There's not that understanding. There's not that follow-up question. There's not the experience.

(...)

Well, I mean, I think a lot of people can build a frustration. I feel like when I call my bank and I'm talking to a recording and it's trying to hear what I'm saying, I'm like, just how many times do you go, just give me a representative. Just give me a representative. I can't tell you. That's just repeated, like a broken record. Give me a representative. Somebody picks up the phone because I'm tired of the robo- stuff. You know, that reminds

Several years ago, about 10 years ago, hopefully, he doesn't mind me saying this, about a decade ago, my son-- because my wife's Ecuadorian, first language Spanish, as is mine, having grown up in South America.

(...)

But my son was doing an exam on his computer, and he had to repeat what was kind of not related. But popped him in terms of talking to a computer. He had to repeat the language, and it was, where's the restroom? And so, he had to say, where is the Inodoro? Don Estalino Loro, which, by the way, in Ecuador, where I live, you don't use the word Inodoro, but I think that's more about-- Is that your restroom? Your Mexican, Spanish-- yeah. And so, we hear from the office, we're eating dinner. Don Estalino Loro. Don Estalino Loro. Don Estalino Loro. Like 15 times, but-- I could just see Lucas doing this, by the way, especially 10 years ago. He's like literally almost in tears, because it doesn't understand where the restroom is. But it goes back to robot. (...) I lose half my net worth. I'm like, what should I do? And it's asking you some dumb question, or it doesn't understand.(...) Man, it's one thing if you're making a doctor appointment using a robot.(...) If this is half my net worth, and I've worked 35 years to build this asset, and

I'm losing money, and I'm trying to communicate, and it's the you're not communicating right, doesn't understand me, or not giving me an answer that I'm buying,

(...)

I just think that's very hard for a robo advisor to replicate any time soon. Yeah, I remember when robo advisors came out, and I remember-- I don't know why. I remember thinking, I was a little concerned. How is this going to change the industry? (...) Sounds exciting. And people were-- it was all the rave, right? People were diving into it, because it's less fees. And it truly goes into that you pay-- you get what you pay for kind of thing. And it's still around today, but it's not as hot, because people have left wanting that human connection, wanting more than just a robot picking investments that in the bad times, sometimes don't work out as they planned, as we've experienced. You know, (...) Vanguard. People talk about Vanguard, low fees. They've promoted their self over the years for low fees. They even came out with an article-- You're going to talk about the article I came out a few years ago? OK, do it.

(...)

It was in 2013? That sounds right. Yeah, it's about saying it was-- So somewhere in there-- don't quote me on it. They came out with an article, even though they promote themselves as low fees and robo advisors, that having a wealth manager, having a financial advisor, is worth a 3%.

(...)

That's a 3% return, extra, like in some way. So even them, that's kind of their pitch for low fees, is saying how much an actual advisor can mean to you in the long run. And so, it's a great article from-- And I think half of that 3%, they think-- I'm going off memory here, but I think it's 1 and 1.5%. So, half that, they attribute to behavior finance, (...) having somebody talk to the client about what makes sense in that moment. That's massive. If you think of a mutual fund return or an S&P 500 return, you might look at it on the surface and be like, it's x. Most people don't make what the average return is. Why? Because they're getting in and out.

(...)

So that alone right there is going to make your performance be significantly different than what's advertised. Well, and I don't want to call anybody out or say anything incorrect, but over the years, we've seen some things that robo advisors, because they don't have that brain behind it or that human emotion, that the market's going up a lot or dropped a lot, it makes knee-jerk reactions, because that's the algorithm inside of it. That's the technology. (...) And it ends up not being what the person thought they were getting. True. Very true.

(...)

OK, to wrap us up, (...) 20 years in the industry, what's one of the biggest things you've learned? Which one of the biggest takeaways of 20 years in this industry? (...) Yeah, no, that's a good question. Thank you.

(...)

I would say that numbers matter, but I would say trust matters more.

(...)

Does that make sense? To me but elaborate a little. I mean, I think it matters when somebody's showing you in terms of rate of return, showing you of risk or inflation.(...) And that all matters, but I think the trust of somebody that shows you those numbers and that has that relationship with you is more important.

(...)

That's not to say performance doesn't matter. No, no, no, of course it does. Performance is arguably the most important thing. But I think to have that trust with somebody that's listening, that's on the same wavelength, that's developing a plan, developing a portfolio that's tailored to meet your needs is more important than just googling what's the highest performing rate of return mutual fund or whatever. Because past performance doesn't guarantee future results, and it's just selling you something. There's no relationship. There's no trust there. Plus, you could take unnecessary risk. I know one of your lines that you love is-- Well, it's Warren Buffett. It's Warren Buffett's lines, right? But that you love to kind of regurgitate back out why risk money you need to make money you don't need. (...) And I guess that's what you're saying. Exactly, exactly. Well, perfect. Glen,

Before we jump out, any last takeaways, any last ideas or something you want to say? Well, the reason I got into this industry is my parents, as you know, were missionaries for nearly 40 years, dedicated their life to serving others.

(...)

Didn't want to do that. Although my brother ended up going in that route.

(...)

You're serving others right now. (...) That's my angle, right? My mom laughed. She's like, I got one for the money. I guess that would be me. One for the God, which is my missionary brother. One for the show. I got a brother who's a stand-up comedian. And then my sister, who's a nurse, married with a gentleman in the US Army.

(...)

But I think the reason I got in this business, I wanted to give back to others in a certain way, as you just mentioned.

(...)

I like numbers. I've always liked numbers.

(...)

There's a magic with numbers of understanding what somebody needs and working a magic and trying to show them how you can add value. And it's my way of giving back to others. And I feel like

At the end of the day, I like to live for my eulogy, not my resume. So, I'm focused on what impact can I have on others the rest of my days.

(...)

And there's different ways of adding impact. When I was smaller, I thought maybe the only way was to be a missionary or whatnot. But I think there's a lot of other ways you can add value to people and reduce that anxiety and that concern and be there for when they need you. And to me, that makes me feel like I'm adding value to people's lives. (...) I 100% agree. The effect we make on people's lives is awesome.

before we jet out, we have a mailbag question. OK. Let's do it. You ready? Yep. This is from Carol. OK. How do you measure success in a financial plan?

(...)

I think success is based on the goals, right? Some of our clients' success is enough cash flow for them to retire. Other ones, it's certain legacy assets. They want to leave a certain dollar amount to their children, to their grandchildren.

How much taxes to pay? And how can we control that? Roth conversion analysis. (...) So I think success is measured on, are we accomplishing the goals that the clients articulated?

(...)

And I would argue, if the goals aren't realistic, are you getting through to the client, saying, look, we have $3 million. It's not realistic for you to live on $300,000. (...) Nobody on the planet can generate a 300K cash flow for eternity. Might be a year or two you can do that but not going forward. So, I think--(...) let me summarize that. Success would be getting on the same page of the client. And then whatever goals they've articulated, if we're on the same page that they're achievable, achieving those goals, that would be success. And I would say, if I can add, having the tough conversations today so that you can avoid potential potholes and shortfalls in the future-- you mentioned taxes and Roth conversions, which many plans don't even focus on. But then health care, biggest expense in retirement, people aren't prepared for, social security, all of these different things. So yeah, to me, as well as yourself, having a financial plan is taking all those

(...) could be important to someone that they may not even realize is important to them and adding it in.

All right. Thanks again, Glen. And I want to thank everybody for tuning in today. And remember that if you have any questions or any comments that you would love to make, please feel free to put them on YouTube or any of our other channels. (...) Until the next one, thank you again.

(...)