the Register

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Philippines	3

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Business Owner Consulting Workshop
April 19, 2012, Middletown, OH

Business Owner Consulting Workshop
April 2012, Manila

IARFC CE @ Sea™
Bermuda
(Holland America, msVeendam)
May 20-27, 2012

MDRT Annual Meeting
June 10-13, 2012, Anaheim, CA

IDA 9th Worldwide Chinese Congress
August 9-12, 2012,
Sydney, Australia

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From the
Chairman's Desk…

Lessons From The Drug Industry

Which industry commands the most money — one rewarding you for your good feeling and exploring what to do with it — or one helping you with the pain of physical discomfort or threat?

Far more money is attracted by the drug industry, treating real, perceived or diagnosed problems. It is a one trillion dollar industry — $643 billion of prescribed drugs, and over $400 billion in non-prescribed drugs. This does not include medical implements, hospitalization or surgery.

Does it bother you that the government wants to reach out and help you with this issue?

Maybe you are a supporter of the type of health plan installed in Massachusetts by Governor Romney, or the modified version installed by the President. Maybe you are not. This column is not about the politics of healthcare, and I am not expressing an opinion. Where I am headed is that people who feel badly will spend an enormous sum to feel better. Pain and threat motivate far greater expenditures than pleasure.

Now, let's shift to economics. Which will generate more attention — the pain of loss, or the happiness of a reasonable return?

A popular program based to some extent on the behavior of Bernie Madoff and Allen Stanford is "American Greed." There is no lack of subjects or shortage of interested viewers. Is there a counterpart series of biographies of those who have succeeded in business, or simply those who have exercised prudence in spending, made modest efforts in budgeting and savings, consistently invested, and simply "stayed the course?" Unless interrupted by some calamity, those persons reach retirement in a state of relative comfort. But they attract no headlines.

Attention-getting Copy

Imagine that a nice display advertisement appears twice in your daily paper. In the economics section the ad mentions all the positive habits and knowledge you will acquire by attending a seminar. You will master "Three ways to increase investment income" or "How insurance can protect your children's future." In the society section with similar graphics and different text you learn you can, "Recover from Stock Market Disaster" or "Avoid the Tax Collector Now."

Which copy grabs your attention? Which will pull the most seminar registrations?

Americans are Hurting and Scared!

Even those few whose income has been rapidly rising are seriously concerned. They have witnessed the dramatic falls in the stock and real estate market. Companies that used to pay dividends are no longer doing so. Some banks pay multi-million CEO bonuses, but cannot afford dividends to the shareholders.

Articles explain why a financial planner can no longer assume that a retiree can prudently withdraw 4% from an investment account, and still have an inflationary increase in investment account value to offset inflation. Isn't that logical, when interest rates are hovering below 1%, the stock market trembles daily, and real estate is still not on the rise?

In fact, the only things rising are the cost of living, the fear of further economic bad news and the propensity for "poor losers" to sue their financial advisors or broker dealers.

Medical care and insurance continue a double digit inflationary increase, with no end in sight.

Medicine, not Compassion

The public is crying for help, and you need to be holding yourself out effectively as someone with solutions. They need to be New Solutions (or at least packaged in a new format). There are not many really new investments as there are those which have been newly re-created or are now available to a new market.

Have you noticed that it is impossible to listen to talk radio for more than a half hour without being told you need to be buying Gold and Silver? This is a fear-based sale, and the volume of retail precious metals purchasing has been skyrocketing.

Yes — you do need to be offering solutions! But the way to get there is to first dramatize and explain the problems. There is an old story about a cowboy who is told to train a donkey to carry riders in a saddle, not just a pack. The cowboy took a 2 x 4, walked up to the donkey and smashed his head, staggering the beast. The rancher's wife ran out in the yard shouting, "Don't strike that donkey, we want you to train him to carry our daughter to school." The cowboy replied, "Sure I will train him, but first I need to get his attention!"

Gaining Attention

With a very large advertising budget, you can make an impact — whether it is glitzy TV ads, a landscape of billboards, pages of color print ads, or a mailbox full of stuffers - but you don't have that kind of budget. So how do you respond to this atmosphere of fear?

Write More Aggressively

In your letters, newsletters and articles, try to use words with more power. Describe your services (current and proposed) in terms of the damage they can overt. Some products have account balances that are fixed, while others may decline with market functions. For example, rather than say "may decline" you could say, "might plummet". Your clients are more interested in countering the "disaster that looms" than in benefiting from the "potential for profit."

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Show The Real Benefits Of A Charitable Lead Annuity Trust

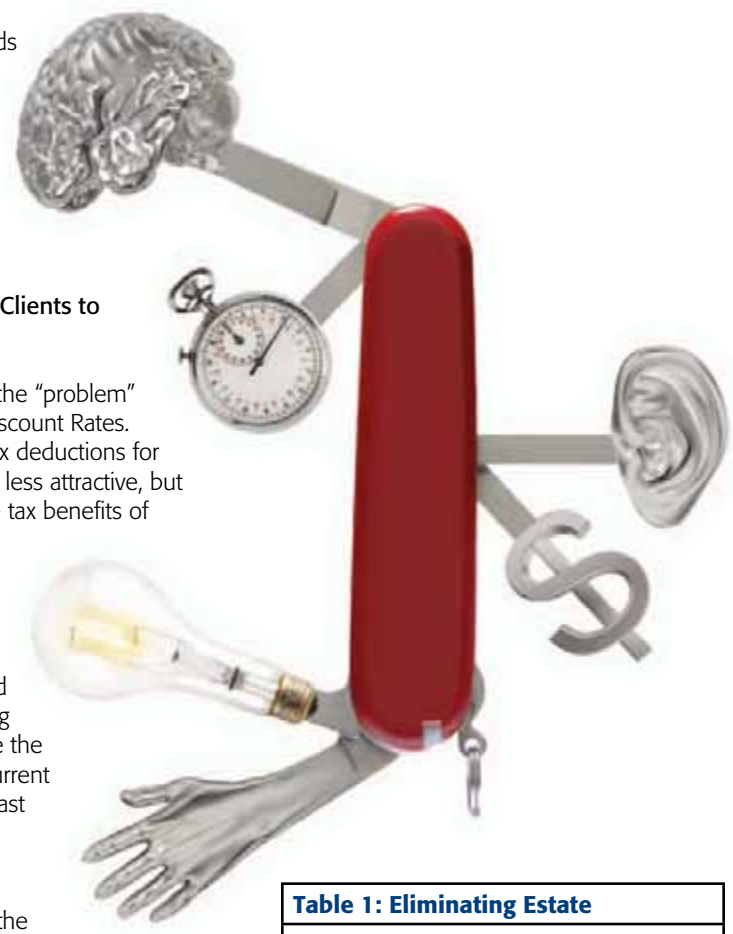
"People are writing Charitable Lead Trusts that name our institution as the beneficiary; they're just not asking our advice or getting us involved in drafting them." I wasn't sure whether that comment made during a session I led on the Charitable Lead Annuity Trust (CLAT) at the National Conference on Philanthropic Planning was a complaint or not.

CLATs are becoming more popular estate planning tools among donor advisors. If you want to distinguish yourself as an advisor who can help your clients put their money to use in the ways that are most important to them, it's time to start letting them know about the benefits of a Charitable Lead Trust. This article explains the simple algebraic formula that relates the most important benefits for the donor, charity and heirs. Once you grasp this simple concept you can be comfortable suggesting and discussing CLATs.

What is a CLAT?

A CLAT is a trust that pays a fixed annual sum to charity and helps a donor pass assets to heirs while avoiding federal estate and gift taxes. Many advisors consider it the best way to avoid these taxes, since dying before December 31, 2010, is no longer an option. The Charitable Lead Trust (CLT) operates like a mirror image of the better-known Charitable Remainder Trust (CRT). A CRT makes regular payments to individuals, then distributes the remaining assets to charity at the end of the term. A CLT makes regular payments to charity, and then distributes the remaining assets to individuals at the end of the term. The word "Lead" in the name of this instrument describes the charity's benefit which comes ahead of the remainder benefits to heirs. The benefit to charity is in the lead, and individuals receive what remains after the charity has been paid. A Charitable Lead Annuity Trust pays a fixed amount to the charity each year.

CLTs are almost never written by the charity, nor do charities manage the money. Donors almost always choose their own investment managers. At the end of the term, that manager hands all remaining assets to the beneficiaries, which provides an opportunity to continue the relationship across generations.



How Do You Motivate Clients to Consider a CLAT?

Right now, we're facing the "problem" of historically low IRS Discount Rates. These rates make the tax deductions for Charitable Gift Annuities less attractive, but they greatly improve the tax benefits of Charitable Lead Annuity Trusts (CLAT).

But charitable planned giving officers never answer their phones and hear eager donors asking which instruments make the most sense given the current IRS Midterm Rate. At least I never get that call. Just knowing how to calculate the exact rate necessary to "zero out" the federal estate and gift taxes won't give you the answers your clients are looking for.

Your clients have many reasons why they consider different gifts. Taxes and tax rates are not usually the prime motivating factors. How can you be prepared to answer your client's highest priority question? Or better yet, how can you ask the question in a way that will start your client's thought process moving toward funding this type of gift?

What are The Most Important Benefits to Your Client and the Charity?

Financial software packages can generate illustrations that demonstrate how taxes can be eliminated or greatly reduced. The following chart shows the percentage donation needed to eliminate all estate and gift taxes:

Table 1: Eliminating Estate Taxes with a CLAT	
Term (T)	**Percent (P)**
25	4.74%
20	5.74%
15	7.40%
10	10.73%

All calculations for the tables in this article are based on the current IRS Discount Rate of 1.4% which is available for CLATS funded through the end of May, 2012.
The percentages illustrated in Table 1 through Table 3 are the correct percentages needed to "zero out" the gift and estate tax on CLAT assets.

The Ideal Candidate:

Passing depreciated assets to heirs yields the greatest tax benefits. Therefore, the ideal candidate will have assets that have

Table 2: Demonstrate the Benefits a CLAT will provide for your Charity			
Corpus (C)	**Term (T)**	**Percent (%)**	**Benefit (B)**
Chosen	Chosen	Based on Software	B = C*P
$1,000,000	25	4.74%	$47,400
$1,000,000	20	5.74%	$57,400
$1,000,000	15	7.40%	$74,000
$1,000,000	10	10.73%	$107,300

*The principal is referred to as "corpus" in the charts and equations to make the formula easier to understand.

Table 3: Start with $100,000 Desired Benefit to Calculate the Required Corpus				
Benefit (B)	**Term (T)**	**Percent (P)**	**Corpus (C)**	**Term Benefit (TB)**
$100,000	Chosen	Based on Software	C = B/P	TB = B * T
$100,000	25	4.74%	$2,109,705	$2,500,000
$100,000	20	5.74%	$1,742,160	$2,000,000
$100,000	15	7.40%	$1,351,351	$1,500,000
$100,000	10	10.73%	$931,966	$1,000,000

Table 4: Assume a $1,000,000 Principal and an annual Benefit to Charity of $50,000				
Corpus (C)	**Term (T)**	**Percent (P)**	**Benefit (B)**	**Percent Avoiding Estate Tax**
Chosen	Chosen	P = B/C	$45,000	From Software
$1,000,000	25	4.5%	$45,000	95%
$1,000,000	20	4.5%	$45,000	78%
$1,000,000	15	4.5%	$45,000	61%
$1,000,000	10	4.5%	$45,000	42%

suffered substantial depreciation. That's a pretty wide net right now.

Since the CLAT has greater tax advantages when used to pass assets down one generation, the ideal candidate for this gifting instrument will have children between the ages of 35 and 55. A Charitable Lead Unitrust (CLUT) is usually a more effective method of reducing death taxes on assets passed to grandchildren, including the generation skipping tax. The IRS Discount Rate does not impact a Unitrust as dramatically as an Annuity Trust, and this article focuses on the CLAT.

Since the only people to benefit from a reduction in estate and gift taxes are those whose assets and estates are large enough to trigger these taxes, the ideal candidate for this type of trust is someone with an estate substantially above the exclusion amount for estate taxes set by Congress. However, we do not know what the exclusions will be after December 31, 2012, so the CLAT could become much more popular. Your clients who are wondering what they should do to protect themselves against taxes they expect to rise would be interested in hearing about a CLAT.

Focusing on Other Benefits:

We know that more donors are motivated to make charitable gifts because of the good the gift will do, their belief in a mission, or their desire to give back, than because of the taxes they will save. Therefore your clients who are interested in the charitable benefits may be interested in a CLAT for other reasons.

What projects could your charity run with a steady, dependable, predictable income for a fixed term of years? Does your client have specific projects in mind that accomplish their favorite charity's mission at specific price points? If your client wants to fund a multi-year project, a CLAT may be the perfect solution to offer.

Table 2: Demonstrates the benefit a CLAT will provide for your Charity. The formula "Benefit equals Corpus times Percentage" (B = C * P) shows the specific payout of any CLAT being considered. Many charities have started illustrating the charitable benefits, rather than focusing exclusively on the tax avoidance. It is just as easy to start with the desired benefit to the charity, in the form of a specific project with a known cost of the project, and work back to the size of corpus and percentage payout required to support this project with a CLAT.

Table 3 starts with the desired benefit of $100,000 per year. The formula "Corpus equals Benefit divided by Percent" (C = B/P) is used to determine the required corpus when you know the desired benefit to the charity and percentage payout rate. The final column shows the full benefit to the charity over the term of the trust.

Do Your Clients Need to Eliminate All Estate Taxes?

Up until this point, all illustrations and charts have been written as if complete elimination of all estate taxes on the donated assets was required. Hospitals, universities, and other charities have been receiving payments from CLATs for decades. When these trusts were written it was very difficult to eliminate estate and gift taxes with a CLAT unless the payout was prohibitively high. Yet these gifts met the needs of the clients quite well, even under those conditions.

If your client and the client's tax professional are willing to use some of the Gift and/or Estate Tax Exclusion on this gift, or willing to pay some estate taxes on these assets, then the percentage payout rate will be lower than the rate required for total elimination of the taxes. The client can begin with the corpus and the benefit, then base the percentage of the payout on the price of project the donor wishes to fund.

The equation "Percentage equals Benefit divided by Corpus" (P = B/C) may seem obvious or at least intuitive to the planner with good math skills. The resulting percentage can provide the input for the planned giving calculations software. Table 4 shows the results for a 5% CLAT.

Using the three simple formulae, B = C*P, C = B/P and P = B/C, you can understand the relationships of the three parts of the CLAT equation: Benefit to Charity (B), Corpus funding the Trust (C), and Percentage of the Annual Gift to Charity (P). Once you understand these relationships, you should be able to discuss the CLAT from the perspective of the most attractive element to your client. After you understand this increasingly more popular gifting instrument from more angles you can find new ways to promote the real benefits of a CLAT in conversations and through other media.

Dr. Scott Janney, CFRE, RFC®

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Financial Advisor Usage of Social Media in 2011: Network Usage, Results and Future Obstacles

Understand that social media is here to stay, and that the only direction financial organizations and compliance regulators are going to move is forward. Adopting social media strategies now and educating yourself and your team will help you in staying ahead of the curve — and your competitors.

I attended a great webinar recently put on by Socialware: 2011 Year in Review: Social Media in Financial Services. Not only did the webinar recap and discuss some of the key highlights and trends throughout 2012, including new regulatory guidance like **FINRA Notice 11-39** and large firms announcing their move from prohibition to participation, but the webinar also showcased advisor stats that continue to show interest in social media to drive business.

These stats are what I'd like to share with you in this article — they showcase advisor usage of social media, the results they've achieved, as well as the obstacles that still exist. Let's delve into these stats and discuss their implications on the financial services industry in 2012.

Advisor usage of social media

"It's a must going forward if you look to be competitive."

Advisor network use of social media
- **LinkedIn:** 84 percent
- **Facebook:** 60 percent
- **Twitter: 28** percent

Breakout by sub-vertical
- Broker/dealer: 21 percent
- Holding company: 23 percent
- Life insurance: 28 percent
- Wealth management: 9 percent
- Asset management: 19 percent

What these numbers tell us is that financial advisor **social media usage** is currently quite high, and Socialware's quote regarding the need for social media to be competitive couldn't ring more true to these statistics. If your audience and prospective clients are online, and if your competitors are online, what more do you need to convince yourself that social media is a driving force in the financial professional's bag of marketing tricks?

As far as the numbers go for financial advisor social network usage, it's no surprise that LinkedIn is the top dog of the networks. LinkedIn provides professional networking features like professional profiles, niche networking groups and company profiles.

Facebook is hot on LinkedIn's heels, and for good reason: Facebook fan pages and ads have given businesses the ability to

better target their specific audience and interact with them in new and more personal ways.

Finally, Twitter rounds out the networks on the bottom, most likely due to its predisposed reputation and advisors' lack of platform understanding.

Advisor Results

"We need to be given access to these sites to protect our clients and gain new clients. If we don't, someone else will."

Stated that social media…

- …has made a positive business impact: 60 percent
- …generated new prospects: 34 percent
- …generated new clients: 17 percent

The question of measuring a return on investment of social media use has plagued financial professionals and marketers alike. These types of statistics help solidify the fact that whether or not there is a measurable ROI of social media use, more than half of financial advisors stated that social media has made a positive business impact.

While social media has the ability to increase leads, generate new clients and thus make your business more profitable, social media should be looked at as a way to lay the foundation for these results, and not necessarily a way to generate a direct outcome.

Advisor obstacles

"The social media policy at my current company is one major reason I am leaving it."

- Lack of best practices.
- Lack of understanding of the compliance issues.

Oh, compliance; the elephant in the room for financial advisors in the online world. I'm not surprised by the obstacles found in these statistics — compliance and a lack of understanding regarding rules, regulations and best practices clearly stand as obstacles for advisors using or trying to use social media.

The bright light at the end of 2011 and moving forward in 2012 is that more and more organizations that initially prohibited the use of social media are now allowing social media use for their advisors. They are providing education, guidance and changing the archaic rules that formerly ruled online interactions. Furthermore, external organizations are providing their own compliance help through best practices and compliance guides, as well as educational tools.

So what should you take away from these statistics that the survey compiled? Understand that social media is here to stay, and that the only direction financial organizations and compliance regulators are going to move is forward. Adopting social media strategies now and educating yourself and your team will help you in staying ahead of the curve — and **your competitors.**

Also, while there are obvious obstacles standing in the way of social media use for financial professionals, understand that there are solutions. There are myriad companies out there advocating for the optimum use of social media in the financial industry.

Author Amy McIlwain: President of Financial Social Media Entrepreneur, author, speaker, and worldwide connector, is recognized internationally for radical new ways of thinking about Social Media, PR, marketing, advertising, and customer service.

A former NCAA Division I Soccer player, Amy started building and designing Websites back in the late 1990s. She spent the past 6 years in the financial industry selling advertising space for the Senior Market Advisor and consulting for insurance companies on various media vehicles.

As the marketing landscape shifted from traditional to Social Media, Amy saw the increasing value of social networks in their ability to connect with clients and prospects. As a result, she launched Financial Social Media in 2010 which specifically address compliance issues surrounding social media and the financial industry. With her unique background in both online marketing and financial services Amy advises which media vehicles work and the marketing language needed to deliver results.

Visit: www.financialsocialmedia.com

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DI Sales Are Down, Which Is Why You Should Get in the Game

by Roccy DeFrancesco

Did you know that disability premiums were down 9% in 2009 and 4% in 2010? Why is that? One simple reason is the economy, but another is a dwindling sales force of agents able to and interested in selling DI.

Do you sell DI? Chances are the answer is no. Most advisors do not sell DI to their clients. How many fellow agents do you know who sell DI? Most who ponder this question will be hard pressed to think of more than one or two advisors who actively sell DI.

Why is that? I think there are a number of reasons, but the main one is that most advisors don't know enough about disability insurance and, therefore, are not armed with the knowledge to sell it.

Here are some other reasons that keep agents away from selling DI. It's hard to sell; I'd rather sell life insurance or annuities; it's hard to get a client through DI underwriting; the exclusions are so great in DI policies that companies won't pay.

Let me just put the question out there: Should life insurance agents be selling DI to their clients?

My answer is absolutely yes. Why?

1 For clients who need it (doctors, lawyers, etc.), in order to give complete advice to help them "protect" their wealth, you have to help them with DI (in other words, it's the right thing to do).

2) Lack of competition. The average age of a full-time disability agent is approximately 54 years old. It's an older sales force that gets older every year, and it's not being replenished as new insurance agents are selling annuities and life insurance instead of DI (in other words, if you are selling DI, you may not have a lot of competition in your local marketplace).

3) You can make good first-year commissions and nice renewal commissions. The typical commission on a DI sale is 50% of the first year's premium and 5%-15% on renewal (depending on the volume of business you submit). If you have a doctor who is paying $7,000 a year for $15,000 worth of lifetime "Own Occ" coverage, the first year commission is $3,500 with renewal fees on average of $750.

New unique policy riders — since you last looked at selling DI, some companies have become quite creative with their riders. A new one out there specifically for doctors (the #1 purchaser of DI) has a Pension-Protection rider and a Malpractice-Insurance rider.

Think about it - if a doctor becomes disabled, who is going to make his $45,000 pension contribution? Who is going to pay his $50,000 malpractice-insurance premium? Without coverage, the answer is no one. These unique riders will do just that and can really help you market DI to doctors. (For information on this unique DI product, e-mail info@thewpi.org)

Get educated -in an effort to help advisors educate themselves on DI, I'm going to make a special offer to RFC advisors. What offer? I'm going to e-mail you my 25-page CWPP™ educational module on DI. To receive this module in PDF, e-mail info@thewpi.org.

Roccy M. DeFrancesco, Jr., JD, CWPP™, CAPP™, CMP™, is the Founder of The Wealth Preservation Institute, and the Co-Founder of the Asset Protection Society. Roccy is the Author of *Bad Advisors: How to Identify Them; How to Avoid Them©, Retiring Without Risk©, The Home Equity Management Guidebook©, The Doctor's Wealth Preservation Guide©, The Home Equity Acceleration Plan (H.E.A.P.)©*, and the Editor of: *Wealth Preservation Planning: A "Team" Approach©*, by The National Society of Accountants.

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Cracking the Code

How To Use Psychology In Your Marketing

Quick: What do you get when you cross a marketing firm with a psychologist? You get someone who says, "How does that make your client feel?" In other words, you get someone who psycho-analyzes your marketing. In today's industry, that's actually a good thing!

Why is this important to you? Everything about your marketing is rooted in psychology. From your photo to the type face. From the line length to the types of verbs. Every single element says something about you to your target market. You're either connecting with them, or you're chasing them away.

The Secret Code. Think of the psychology behind your marketing as a code. When you think of a message it's in its raw state. Then, in the act of articulating it, you encode it, thus aiming it at only certain people. Those are the ones who can take in your words and thoughts as you intended them.

Unfortunately, most people use the wrong code, thus attracting the wrong people. In other words, every message you transmit has a 67% chance of going wrong. You could attract people you don't want to work with, or chase away people you do want to work with.

For example, did you ever fill a seminar room with people who had no money? If so, the invitation was written in the wrong code. Ever deliver a seminar and get zero appointments? Wrong code. Every time your results are underwhelming, it's because you used the wrong code.

The Solution. In this article, we're going to look at how you can begin to use the right code and take control of your messages. We call this process the "Psycho-Social Marketing Analysis." *Psycho* because the process analyzes how effective the psychology is. *Social* because in today's world (since the birth of social media), business communication needs to feel like a social conversation.

Through this analysis, we explain how your target market (or prospects) perceive your marketing. This includes your website, print materials, blogs, social media, ads, letters, articles, white papers — everything. But, for today, let's focus on your website.

Phase 1. Immediate Impact!

Capturing the visitor's eye. The most important three seconds of your business is that tiny time frame in which your prospect gets a first impression of you via your marketing. So, your website represents you, your values and your credibility. Here, you have an opportunity to show your true colors — your kindness, generosity and wisdom. Or, you could give the visitor the impression that you're something else. Right code or wrong code?

To capture your visitor's attention, you must understand what the visitor sees first. You have to see the world through the visitor's eyes. Strangely, most financial websites give a terrible first impression by displaying a lovely scene of mountains or leaves or horses, or something else equally irrelevant. Not only are they irrelevant, they're also ubiquitous, so they provide nothing distinctive. Rather, they show you as pretty much the same as everyone else using that visual approach. **See example: 1, 2, and 3.**

Guiding the visitor's eye.

Once you've lured the visitor onto your site with the right image, you have to give a pay-off. Consider what most people are looking for on your site. Then, address that — not in full, but just enough to keep that person on the page.

What do most advisors do? They start telling their story, rather than answering the visitor's question. They give a resume, rather than describe the solutions they represent. They turn the site into a show about them, rather than the prospect.

Manage the visitor's eye movement.

This requires you to understand a truth: when eyes get tired and minds get bored, the person takes a hike. So, what causes eyes to get tired?

- First is long lines of text. If your website (or any other marketing) is laid out in a way that contains lines longer than 50 characters, change it. That's too long. People don't like long lines, they get weary reading them. People want short lines because they're easier to read. Remember, a visitor to your marketing does not want to invest time or effort into checking you out. So, make it easy.

Example 1

About

"I don't know where the friendship ends and the business begins. It's one seamless relationship."

In an industry where it seems that every financial service provider carries the moniker of "financial planner" or "financial consultant," the ability to articulate a differentiation is extremely challenging for the service provider and, even more so, for the potential client, who is placing, to a significant degree, their financial future in the hands of a financial professional.

On the most basic level, we, too, are financial planners and consultants. Where we differentiate ourselves is that, far beyond these labels, we are "Wealth Strategists" who take on the role as our clients' "Financial [illegible]." In every meaningful metric we have the experience and gravitas that distinguishes our firm as unique in the financial services industry. Given the opportunity, we will prove it to you.

Example 2

Example 3

Retirement planning, particularly early retirement planning, is a critical episode in your financial life. There are many complicated decisions and if you get it wrong... you will not have sufficient retirement income to help you through the rough spots and protect you from future risks. An ideal time to consider consulting with a financial advisor is when you retire or begin

- Second is small type or a type face that is difficult to read. There is an entire field of psychology devoted to figuring out how certain type faces affect people. For example, if your target market is conservative executives, you'd probably want to use a type face like Times Roman. That's because it's a traditional face. It's not hip and cool, but it's classic and it's easy to read. If your target market is younger college grads, you would probably use Calibri. It's sleek and hip.

- Third is the length of each sentence. This is a trap that's perfect for advisors to fall into. See, an advisor who loves the planning process is most likely analytical. In this way, planners and engineers are alike. Both tend to think in larger chunks of data, thus they attempt to say too much in a normal sentence. The result is long sentences, typically containing more than two details. Those long sentences are difficult to comprehend, and they cause the mind to get tired.

The following examples come from actual websites. What impression do they give to a visitor?

Example 1: Though other professional financial advisors usually focus on one area of a client's financial life, the broad-based approach to financial advice that financial planners offer distinguishes them from the rest of the profession.

Example 2: At XYZ, our clients are matched with an experienced advisor appropriate to their unique needs and circumstances — their Financial Coach — not just to help navigate diverse and complex financial transactions, but to assist them in articulating, in an actionable way, their objectives and concerns.

Example 3: Diversification entails thoughtfully combining multiple uncorrelated return and volatility streams to create a portfolio that targets a given rate of return with lower risk than could be achieved through any of the component asset classes.

Example 4: In an industry where it seems that every financial service provider carries the moniker of "financial planner" or "financial consultant," the ability to articulate a differentiation is extremely challenging for the service provider and, even more so, for the potential client, who is placing, to a significant degree, their financial future in the hands of a financial professional.

Motivate the visitor. In other words, inspire him/her to keep reading and then contact you. The longer people stay on your site (or other marketing) the closer they get to contacting you. So, how can you keep the person on the site? Focus on the visitor. Use "you" language rather than focusing on yourself. Answer his/her questions before they're asked. Finally, use the right type of language. But, take notice, figuring out the right language is not so easy. Let's see how you can start to solve this puzzle.

1. Print the home page of your website, or get one of your marketing pieces.
2. Use a yellow highlighter and mark every verb form you can find.
3. Use a pen and circle the active verbs.
4. Underline all the passive verbs.
5. Notice the ratio of active verbs to passive ones.

You will most likely find that your marketing is filled with passive language. These verbs contain is, be, are, will and the "ing" forms of verbs. Verbs are the words that inspire action. However, passive verbs inspire no action.

When you find an example of a passive verb in your marketing, just rewrite that sentence to turn the verb into an action verb. For example: Passive Form: Prospects are affected by the psychology. Active Form: Use psychology that impacts your prospects!

The Psycho-Social Marketing Analysis contains five phases. This article focused on the first one. In subsequent articles, we'll look at the other phases. Each phase gives you a new level of skill, and each level helps you crack the code of your marketing. When you use the right code, your marketing will generate better results.

Your **IARFC Reward**. If you want to get a jump on fixing your marketing, just let me know. I'll send you the Psycho-Social Marketing Analysis guide we use. Copy this paragraph from the *Register* into an email and send it to me at: michael@aboutpeople.com.

Michael Lovas

Michael Lovas is the author of twelve books, mainly on Professional Credibility and Psychological Communication in the financial industry. He currently writes several columns and has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to write more business and inspire their clients to love them. Michael also holds the distinction of creating "Credibility Marketing" in 1991. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping advisors build credibility and relationships with their chosen target markets.

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Jon Rogers

Our Family Working for Your Family…

How did you first enter the financial services industry?

After completing my Masters in Dairy Science/Industrial Management at Clemson and serving as an officer in Vietnam, I saw the difference that having insurance made in the lives of widows whose husbands were killed in combat. As a result, I started out in financial services by establishing investment portfolios for those widows to ensure those funds were available for their future income needs, including the education of their children. From this, I quickly realized the true value that our services as financial consultants provide to our clients. After I got out of the military, I returned to my hometown of Greenville, SC, and went to work at Metropolitan Life.

What was your educational background?

When I entered the business, I had a Bachelors and Masters of Science in Dairy Science/Industrial Management. I had also served as an Officer in the U.S. Army, being awarded the Bronze Star for my combat duties. Since then, I have obtained my RFC, ChFC and CLU designations, as well as completing my Ph.D. in Financial Management. I now teach finance courses in the MBA programs at two colleges in Greenville.

What were your early job duties?

Initially, I had no clients, no prospects and no book of business. I created my business from scratch by knocking on doors, taking every opportunity to network, attend events and do anything that would help me meet people. My first manager told me, "When you get out and meet with people, you will understand what you need to do to help them." Since I had no established clients at the start, I focused on individuals recently establishing residences in our community. I literally went door to door, welcoming people to Greenville and handing out cookbooks.

Were you successful at first?

Yes, I was persistent and disciplined in my approach from the start, and it immediately paid off. Early in my career, we had a contest where you could earn a trip, and I won it. My wife and I had never traveled much, and we thought this was wonderful. It was then that I realized that this is a great business because not only do you serve others but you will be rewarded for doing so. That first year was a lot of work, but it was successful. I qualified for the MDRT and was offered my first management position. After several upward moves with MetLife across the South and Midwest, I decided I wanted to return South and focus on financial planning. Ultimately, that led to me setting up my own business.

What were your major obstacles?

There are always ups and downs, but every obstacle I have encountered has been nothing more than an opportunity in work clothes. However, time management has always been and remains a consistent issue for me. Keeping my spiritual, business and family life in perspective is also a constant challenge. You must ensure that your life is in balance and that you don't constantly rob from one area to give to the other.

What or who influenced you the most?

My two personal influences have been my father and my wife. I grew up on a farm and my father constantly believed in me and helped me become the first in my family to graduate from college. Similarly, my wife and I married when we were very young. We now have three grown daughters and ten grandchildren. We have now been married for fifty years and she continues to be my partner and support.

In terms of the industry, the MDRT program influenced me greatly. MDRT education

and career development programs enabled me to navigate a successful career for over 40 years. The MDRT's seven values or whole person concept stresses that if one area in your life is out of balance then the rest of your life will follow. I truly believe in the concept of being a life-long learner, continually gathering knowledge and applying what you learn to ensure you are doing the best for your clients. In fact, if you don't continually learn, you cannot continue to achieve success in this industry.

Tell us about your current practice or professional service.

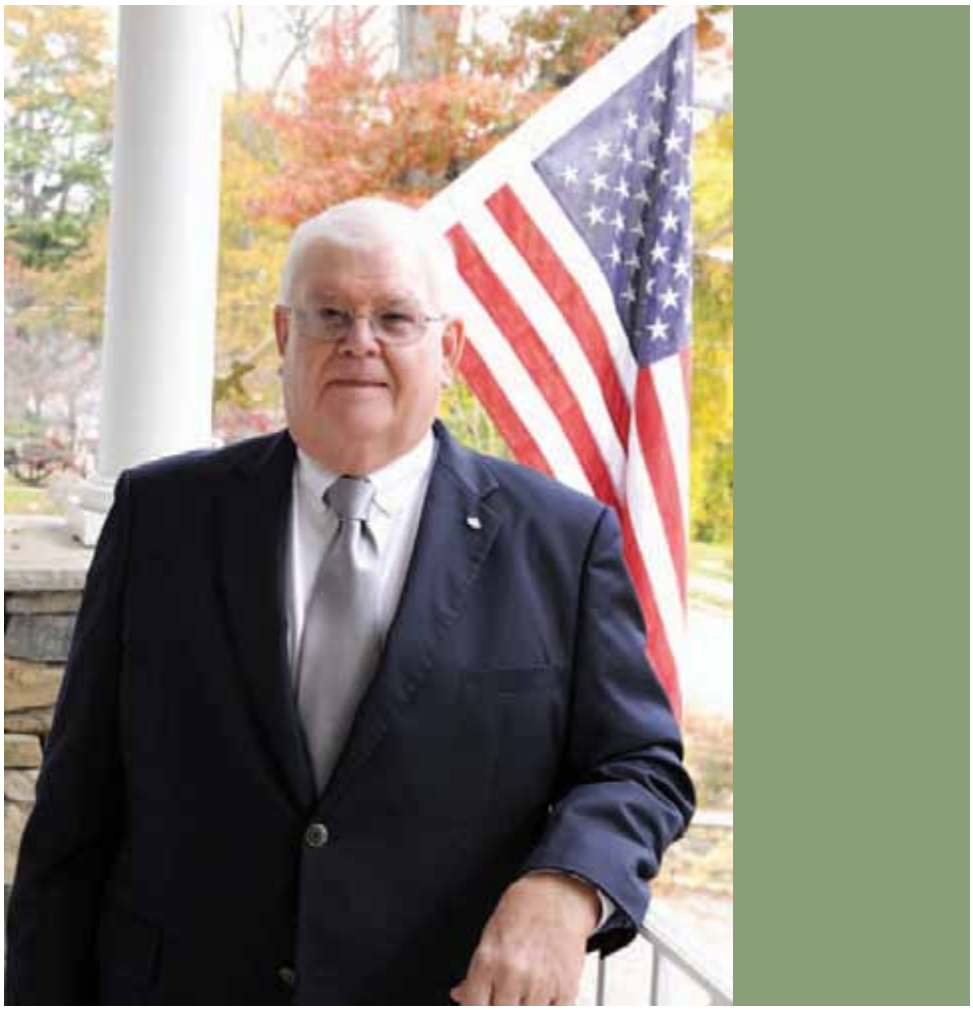
My current practice focuses on financial planning, wealth management and estate planning for the families and businesses with whom we work. Although I started out with a large insurance company, for the past 25 years, I have concentrated on having a more broad-based and personal approach to my business and community. I now market securities, insurance and other financial products necessary to achieve our clients' financial goals.

My son-in-law, David S. King, joined me in the business several years ago. Together we stress the concept of "our family doing business with yours." With this, we believe we develop stronger and more productive relationships with our clients. Not only does this approach encourage client loyalty, but it also fosters more service-oriented relationships when you personally connect with your clients. In addition, my son-in-law, David has established a tax preparation business which we have found to be a major convenience for our clients.

How do you market now to acquire new clients?

As everyone already knows, marketing is the key to success in our business. Because we are a regionally-focused business, we use marketing tools both to keep our clients informed of developments and garner new relationships. For years, we have provided a quarterly newsletter to both clients and prospects, which typically is shared with individuals not included in the original distribution. We have an active website that provides client education materials and calculation tools that not only serves our current clients but generates additional prospects.

However, I believe we are most effective when we have personal interaction with people. For our clients, we schedule annual reviews. We also offer periodic seminars



where the public is invited to learn about financial planning and retirement issues. We get actively involved in our community through event sponsorships. In the last several years, we have focused on theater sponsorships, ranging from local high schools to professional shows. We try to work in focused sponsorship teams; many times co-sponsoring these events with banks, lawyers and clients. These types of community outreach programs have proven to be very successful in helping us reach a whole audience that we had not previously tapped into.

What are your major frustrations?

After 45 years in the business, the increasing amount of compliance and regulation takes away from truly productive time. We counter that with a knowledgeable back office staff who can streamline the process for us. Although we ensure that appropriate levels of compliance are in place to maintain the respect and dignity necessary to preserve confidence in our industry, the growing levels of regulation do, as a practical matter, delay implementation of new services essential to our clients.

Tell us about your business continuation plan.

As I mentioned previously, my son-in-law joined my business over a decade ago. When he did that, I implemented a business succession and continuation plan. We executed a buy-sale agreement, as well as set up life insurance to provide for a smooth transition. Since we market as a family business, we are hopeful that some of my grandchildren will want to join so that the business will continue for years to come.

What feature or benefit of the IARFC has been of greatest value?

One of the benefits that I have most valued from the IARFC is the continuing education programs offered. I have been especially pleased with the programs offered on cruises. Not only have I found these programs to offer top-notch education, but they provide excellent opportunities to network with other RFCs in a more casual environment.

What do you see for the association in the future?

I see tremendous growth ahead. Although much penetration has been made in the market internationally, I expect that this will continue to grow. When I attended IARFC CE@SEA™ last year I realized that, the diversity of the group continues to broaden. As the grandfather of six girls, I am happy to see an ever increasing number of women in the industry. Plus, the reach of the Association continues to expand to almost every corner of the globe. This change has greatly benefited the industry and broadened the impact of our association. I expect that the IARFC will continue to provide outstanding programs for all of these diverse members.

What should financial advisors be doing in this economy?

Contrary to what some might say, I view this time as one of great opportunity. Even though the economy is a negative environment, we must continue to put forth a positive attitude toward the future. Although many people have become frustrated with the level of service they have received from some in the industry, qualified advisors should look at those individuals as potential clients. Those individuals are begging for an advisor with whom they can develop a trust relationship.

What will the impact of technology on financial advisors?

Needless to say, the change I have seen in technology during my career has been immense. We did not even have handheld calculators when I started. Now, the use of technology is a must in every aspect of our profession. Technology is simply a tool that makes it increasingly easier to reach clients and to perform many aspects of our job. As we use technology, however, we must never forget that we serve each client individually and it is that personal connection that keeps them coming back. Failure to do so may result in a very short-lived relationship.

What do you advise an RFC to concentrate on?

You must concentrate on continuing education and the most recent developments in our industry. Use your clients to meet new clients and apply all the skills you have with them. If you fail in doing the best for your referrals, then your old clients are at risk. Concentrate on being the best, most trusted advisor in your community and keeping your life in balance, and you will be blessed. In my experience, opportunities abound for an advisor who takes the time necessary to truly understand clients' personal goals.

Jon M. Rogers, PhD, ChFC, CLU, RFC® and wife, Jeanette O. Rogers

Tell us about your interest in Asia or any particular region or country.

Although I believe Asia and other international markets will continue to expand, my business will remain focused regionally. That said, I have enjoyed seeing the growth of international advisors at the MDRT and IARFC. In fact, I was delighted to meet a RFC from Vietnam, where I had served in the military, at the last MDRT. I would love to see programs developed where we could share best practices across borders in these developing markets.

What's looming on the horizon for our profession?

Our future holds great opportunity. Even though the regulation and compliance environment will remain, and possibly grow more strenuous, people will continue to need proper financial advice in order to prepare for retirement and beyond. As a result, those who can navigate both areas should expect a bright future.

What do you wish you had done early in your career?

I really don't have any regrets about any of my choices. However, early in my career when I was doing very well, I accepted a promotion into management where I stayed for 15 years. In hindsight, I now realize that my strength lies more in working directly with clients. Although I did learn a lot from being on the management side, I believe that I would have been even more successful had I stayed on the sales side.

Jon M. Rogers, PhD, ChFC, CLU, RFC® is a family man married to Jeanette O. Rogers, the father of three daughters, and the grandfather of 10 grandchildren. Jon brings over forty years of financial investment experience with a Ph.D. in Financial Management. With quantifications in asset management, Jon specializes in the development of financial plans with major emphasis on wealth accumulation, retirement planning, investment planning and estate planning.

Jon is also an Adjunct Professor at Webster University and North Greenville University teaching Finance, Marketing, and Business. Along with his knowledge in the financial arena, Jon brings a lifetime of practical experience to the planning table.

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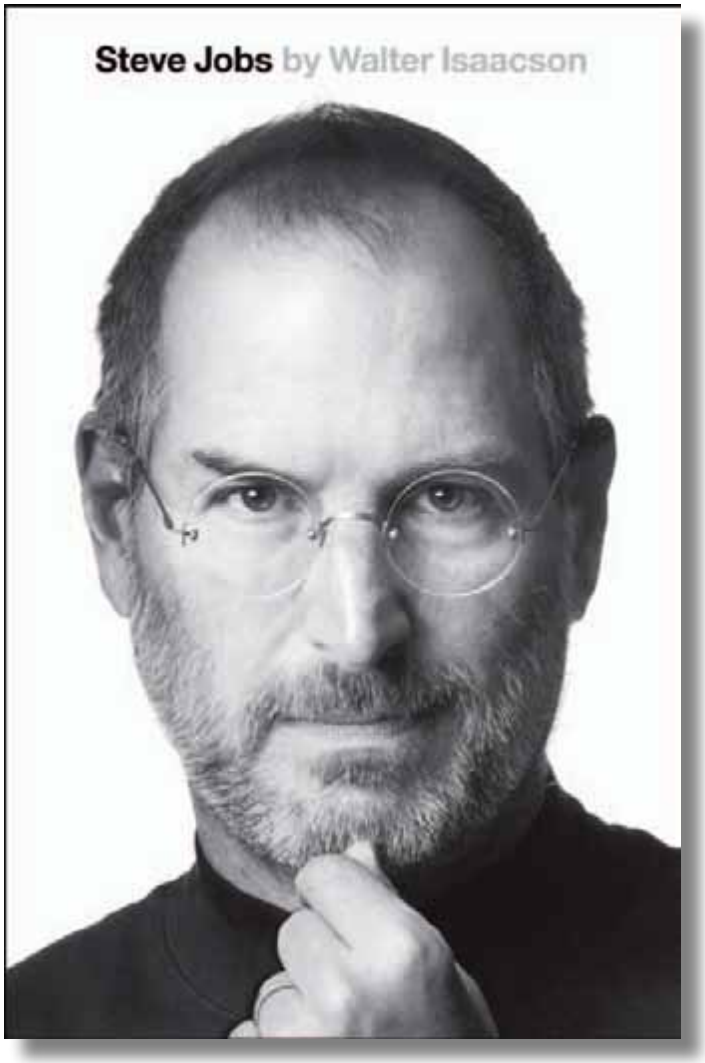
Book Review

Steve Jobs

by Walter Isaacson



I used to think I liked Steve Jobs. We're about the same age after all and I have always been aware of him since he started Apple with Wozniak. In fact, the first computer I ever owned was an Apple IIc in 1984. Unbelievably, the 'c' stood for compact even though it is not even close in size to my new iPad2.

Now, having just finished the biography written by Walter Isaacson, I find I like Steve a little less. I still admire him, respect his genius and envy his success - but now I feel like I really know the person and find that he was very different from my initial perception.

Isaacson paints a very complex and detailed picture of Jobs, the people around him and the difficult and volatile relationships they shared. The book is an easy read and draws you in quickly. For baby boomers and especially computer geeks that remember Atari and Commodore and that original Apple, the book fills in the story. I was fascinated to learn about the others who contributed — some that I was not aware of like Mike Markkula.

As Isaacson explains it, Markkula was instrumental in voicing the three principles that formed the Apple Marketing Philosophy. You will recognize these guiding principles today if you buy any Apple product or even visit an Apple store. Here it is from the Apple website:

> **Empathy** was about empathy with the customer: Truly understanding the needs of the end user better than any other company.
>
> **Focus** was about eliminating the lot of unimportant things so as to do a good job of the important.
>
> **Impute** is about having the packaging impute a sense of quality into the product when the person opens the box, because people do judge a book by the cover. Steve Jobs later said, *"When you open the box of an iPhone or iPad, we want that tactile experience to set the tone for how you perceive the product."*

Reading the book you also come to appreciate how inspiring and infuriating it must have been to work with Jobs. As Debi Coleman, a member of the original Macintosh team, is quoted in the book, "He would shout at a meeting, 'You asshole, you never do anything right.' It was like an hourly occurrence. Yet I consider myself the absolute luckiest person in the world to have worked with him."

Perhaps the most amazing aspect of the book is that Jobs gave Walter Isaacson free rein to write it as he saw fit. Read the book and you will learn that there was no detail too small for Jobs to obsess over. From the colors of the logo and the fonts used in marketing to the number of glass panes in the Apple store, his hand was everywhere. But Isaacson's book was to be a part of his legacy and there is no doubt he saw the end of his life approaching.

The book is surely worth your time and you will certainly know a different Steve Jobs than you did before.

Mark Terrett, RFC®, Operations Manager joined Ed Morrow at Financial Planning Consultants in 2000 after a long career in retail management. In 2004 he started working more extensively with the IARFC and assumed a supervisory role in 2006. Today, as Operations Manager for the IARFC, Mark is responsible for all the administrative tactical efforts to support the strategic goals of the organization.

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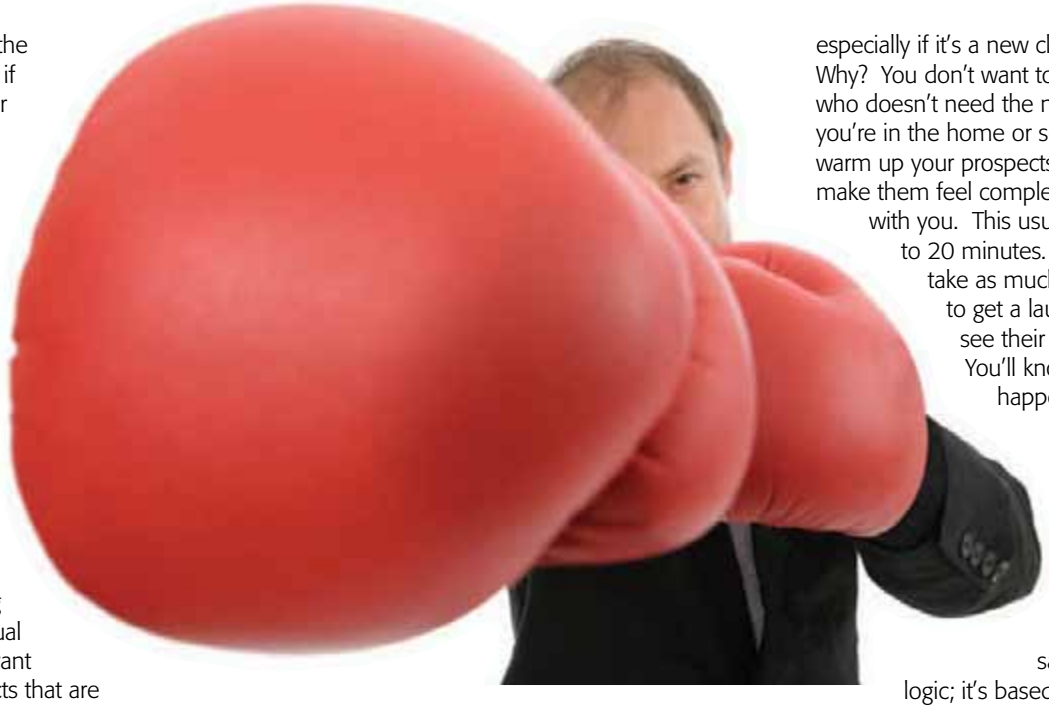
LTCI and Annuities — The Perfect One-Two Punch!



LTCI and Annuities are the perfect one-two punch if you're serving the 55-or better market. Here's some secrets on how to use the two together effectively.

Long-term care insurance and annuities are keystone products for success in the senior market — they complement each other perfectly. Yes, there are certainly plenty of other opportunities, including life insurance and mutual funds, but you might want to start with the products that are on everyone's mind and make your first sale with an annuity or LTC policy.

They're both safety products that protect against the financial catastrophes of long-term care and living "too long" respectively. That's why they're such compelling door-openers. In contrast, other financial products are sold by every financial advisor and your client might not be able to tell the difference between you and the next person who wants to get their account.

Annuities and LTC complement each other, and it doesn't really matter which product you sell first. Once you've made the first sale with either, you're in the catbird seat to make the second sale and more. In fact, it's a great idea to have LTC and annuity marketing campaigns going in parallel, because many people will respond to a direct-mail piece for one but not the other. Every senior in America seems to have gone to at least one annuity seminar or wealth-planning seminar already, so your marketing strategy has to be unique.

LTCI, though, does have one big drawback: clients have to be healthy enough to qualify for it — a barrier that doesn't apply to annuities. Later in this article, you'll learn how to pivot to the annuity sale when a client can't buy LTC.

Long-term care is fraught with a lot more emotion and fear. And, don't forget that when you are talking to a client or prospect, look steadily into their eyes and ask the BIG question: "What are your plans WHEN your health changes?" Yes, it will make the client squirm but it also focuses EXACTLY on what you're there to do — wake them up to the need for a decision in this priority area! The annuity sale is more straightforward, less emotionally charged, and it also affords you an opportunity to design a Plan that fits with their long term goals.

Making the LTC Sale in One Call

Consider selling LTCI in your prospect's or client's home. It's where they have all their financial and medical records - and where they feel most comfortable. If you're serving the retiree market, you can make all your appointments in the daytime. What a Bonus for your family life!

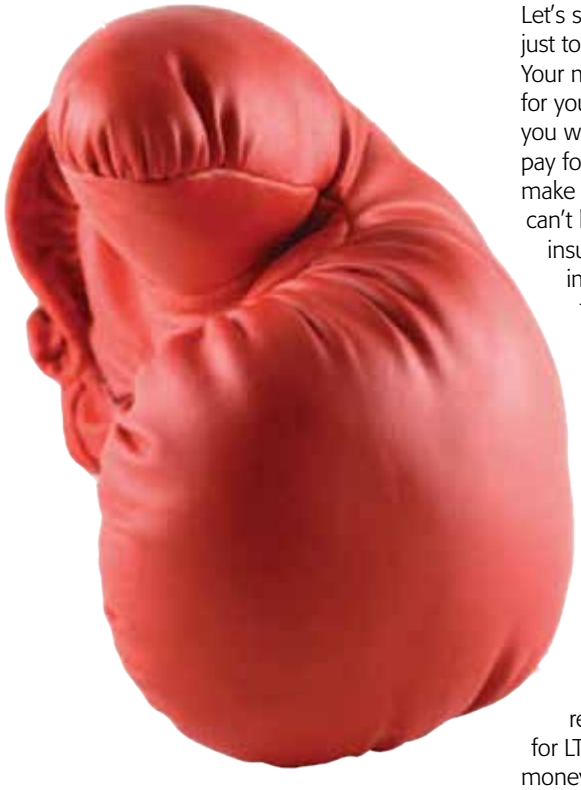
For your appointments, drive to their home in an ordinary car instead of a luxury vehicle, especially if it's a new client or prospect. Why? You don't want to look like a "fat cat" who doesn't need the next sale. Whether you're in the home or selling in your office, warm up your prospects with small talk and make them feel completely comfortable with you. This usually takes about 15 to 20 minutes. Don't skimp on this; take as much time as you need to get a laugh, create trust, and see their shoulders relax. You'll know it when it happens.

Now, you can start talking business. Remember, if you don't create the need, you'll never get an LTC application. This sale is not based on logic; it's based on creating their anticipated need for long term care insurance to pay for the cost of care. You must be able to get your prospects to envision a time when their health will change. People, especially men, think they'll just live forever or die peacefully in their sleep. You have to overcome their denial.

The health interview is crucial. In a gentle, sensitive way, ask questions about their health and the medications they take. **Now ask, "What are your plans when your health changes?"** This is when you create the need. Do not go any further until you can establish the need for LTC protection in the client's mind. But don't use scare tactics. The facts will speak for themselves.

When it dawns on them that without insurance, long-term care would be financially devastating, you've cleared the first big hurdle, creating the need, but you're not home yet. You'll probably have to overcome some objections before nailing the sale.

The first objection is the myth that Medicare or a private Medicare supplement will cover long-term care. You must clearly explain the limits of your prospect's existing coverage and the amount of financial risk they're



exposed to. Once people understand this, they're much more likely to buy the product.

Overcoming the denial of reality is crucial. Most people — especially men — like to think that "it won't happen to me" despite the statistics. They'll say things like, "Everyone in my family just drops dead." And, "Call me when I'm closer to 70."

Another objection is, "I have plenty of money to cover any costs I might have." You can make an analogy to homeowners and auto insurance. Point out that most people have enough money to fix up their home or car in case it's damaged — and they still have insurance. We all want to transfer the risk of paying a huge bill, like a $7,000 per month for the cost of care, back to the insurance company and our long term care policy.

Making the Annuity Sale When the Prospect Doesn't Health-Qualify

Often, when you interview the older prospect or client, you'll quickly learn that he or she has a major health problem that definitely precludes their obtaining LTCI coverage. Can you still make a sale? Yes! But it's a challenge you need to master — especially when you're talking to a couple, and one partner qualifies and the other doesn't.

Here's the approach that I use very successfully. I say, "Unfortunately, it's a little too late for you to apply for long term care insurance, but here's what I would suggest: Let's set aside a portion of your resources just to pay for care when you need it. Your money can sit there, grow, work harder for you, and when your health changes, you will have some funds set aside just to pay for the care you'll need. Doesn't that make good sense to you? And, since you can't health-qualify for long term care insurance, it becomes even more important for your husband (or wife) to be covered with a Plan."

Once you've gently given the client the bad news, you can discuss how an annuity can act like a self-insurance fund for long-term care, pointing out the advantages of the tax deferral and greater liquidity than CDs.

Annuities also help overcome another big objection to buying LTCI, namely: "I can't afford it." However, with an annuity, the client can make regular, penalty-free withdrawals to pay for LTC premiums while the rest of the money grows tax-deferred. Pointing this out gives you the opportunity to make two sales and serve the client even better.

LTCI and annuities—a natural winning sales combo!

Wilma G. Anderson, RFC®

Wilma G. Anderson, RFC® the LTC Coach, is America's leading LTCI sales trainer and a practicing producer who has personally sold over 7,000 long-term-care policies. She offers personalized coaching sessions, workshops, and routinely gives speeches about long term care, critical illness, the VA Aid & Attendance pension, and how to survive retirement pitfalls. Let Wilma show you how to sell more LTCI, critical illness insurance, annuities, and investments to the senior market with less effort!

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Network with Funeral Directors

After dealing with clients who lost a loved one, and facing the many difficult End of Life and funeral planning challenges, I began building an online Resource Center: www.FuneralResources.com.

However, after I lost my mother in 2008, everything has a new perspective. I experienced this difficult process from "the other side of the table".

What I realized was that the financial planning profession has almost zero training or education with regards to End of Life Planning.

After spending the past five years learning and working with the "Death Care Industry", I would like to share a great opportunity that currently exists - working with Funeral Directors to help build your financial practice and better serve your clients and their loved ones.

Important Facts

In a recent study by the National Funeral Directors Association (NFDA.org), families were asked the following question:

"When is the most appropriate time to begin pre-planning and…pre-funding a funeral?"

The top three answers should be eye-opening:

1. 80% — When afflicted with a serious illness
2. 71% — When planning with their Trusted Advisor (YOU)
3. 61% — When planning their Retirement (YOU)

- 90% of families believe that pre-funding a funeral is a good idea (yet less than 12% have actually done so)
- Average cost of a funeral today is $10,000, according to AARP.
- Over 70% of Americans today die without leaving behind a will.
- Over 85% of Americans today die without any funeral preferences or final plans.

Common Concerns:

The two most common questions families ask after experiencing a loss are:

1. How are we going to pay for this funeral?
2. What kind of *service would they have wanted?*

Nobody Wants to Talk About Dying, Right?

By far, the most important role of a financial advisor is protecting your clients against "life events" that can cause serious financial and emotional damages.

Not only is death a guaranteed **"life event"**, but it will also undoubtedly be accompanied by significant financial and emotional challenges. However, financial advisors and insurance agents all say: *"Nobody wants to talk about death or dying."*

Keep in mind, the role of a financial professional is not **solely** to help clients *grow* their money. Rather, an equally important part of your job is to educate families about the importance of being protected from some of life's most difficult and unexpected events.

These "life events" include complicated strategies and products such as estate planning, choosing a will or trusts, estate and income taxes, life insurance, long-term care, choosing a beneficiary, and much more. Well guess what "life event" justifies and triggers these financial products and strategies? You got it, *death or dying*!

Step 1: Do Some Research
Search your local community and identify some of the largest, most widely-recognized, and commonly chosen Funeral Homes in your area. Also talk to your family, friends, co-workers, and even your clients about which Funeral Homes they know about and would choose for their funeral arrangements.

Step 2: Meet and Greet

Set up a brief meeting with each of those local Funeral Directors. When you contact them, let them know there are two reasons why you would like to spend a few minutes with them:

1. You are adding End of Life Planning to your practice, and would like to speak with them about any ideas and help they can provide.
2. You want to get to know each other.

Note: This meeting must be *family-focused* and truly have your clients and the Funeral Directors best interests at heart. End of Life Planning should **never** be viewed — nor used — as a "sales strategy".

End of Life Planning is obviously an important and sensitive topic. However, the wonderful part about this unique opportunity is that a very special and mutually-beneficial relationship can be developed. In turn, this relationship benefits you, your practice, the Funeral Director, his/her business, and all the families you serve.

Nearly every day a Funeral Director is faced with a fantastic opportunity to help the families they are serving…yet very few take advantage of this opportunity.

In the large majority of cases when someone dies, families and their loved ones are usually forced to deal with some of the most difficult and complex financial matters, in a timely manner. All of this planning

needs to occur, almost immediately, during a time of grief and loss. Some of the most common issues families are forced to deal with include:

- ✓ Estate planning
- ✓ Insurance policy details and claims
- ✓ Investment help and advice
- ✓ Income and estate tax issues
- ✓ Real estate inheritance or home sales
- ✓ Mortgage options, changes, retitling, etc.
- ✓ Gathering and organizing financial details and documents
- ✓ How to pay for the funeral/memorial/burial/cremation costs

Step 3: Discuss *What's In It For You*:

If you really think about it, every Funeral Director can create a huge win-win scenario by offering their families a short and professional information package which contains the background, qualifications, experience, and contact information of some qualified and seasoned financial professionals in their local area. **In other words, YOU!**

Funeral Directors should warmly embrace the opportunity to help their families connect with some of the most seasoned, quality, and credible financial professionals… **You!**

This should be especially true if Funeral Directors have met you, understand who you are, the services you provide, the ways you can help their families, and most **importantly**, they are confident and comfortable with the fact that you are End of Life trained and educated.

Five Things a Funeral Director Can Share:

After a Funeral Director has met you and feels comfortable recommending you, it is very important to make sure they tell each of their families five key details:

1. These financial professionals are just recommendations. So if their families have existing professionals to turn to, they can use their existing professionals… or maybe even meet with each to see which one fits best.

2. The Funeral Director lets their families know that they have personally met with each of these financial professionals, and therefore, they feel comfortable with their recommendation.

3. When a Funeral Director recommends a financial professional, each must be available for any phone calls, questions, emails, and initial meetings at no cost or obligation to the family. This ensures their families know there is no pressure or expectations.

4. The Funeral Director tells each family that, should they choose to work with any of these financial professionals, they are required to fully explain their services and disclose any costs or fees associated with their services… in advance.

5. The Funeral Director should clearly state that they are not compensated — in any way — from any of these recommendations.

Emotional Reciprocity

Powerful emotional reciprocity takes place when someone does something nice, out of the ordinary, or above and beyond the call of duty. When such an act of generosity occurs, most people tend to feel compelled to reciprocate.

End of Life Planning provides every financial professional an incentive to work together with local Funeral Directors and your existing clients, prospective clients, as well generate new clients and opportunities together.

End of Life Planning offers financial professionals yet another tool, resource, value-add, and unique advantage. And guess who helps you create this End of Life Plan? You got it, your local Funeral Directors.

10 Major End of Life Planning Benefits

1) Clients perceive even value from the services you provide.
2) You can be viewed as "go-to expert" at a time of great need.
3) Create a new opportunity to add to all of existing and prospective clients.
4) Identify and generate many new referral opportunities.
5) Increase likelihood that your clients work with you for generations to come.
6) Allows your clients to sleep better at night, knowing their family is prepared and will be comforted at a time of great need.
7) Assist with immediate and future duties of local Funeral Directors.
8) Helps you become more educated and empowered for your family's sake
9) Opens new doors of opportunity that never existed.
10) Build stronger relationships with Funeral Directors, Estate Attorneys, and CPAs.

A Win-Win Results

Every financial professional and their clients can derive multiple benefits by adding End of Life Planning to their financial or retirement planning practices. Likewise, almost every Funeral Director can better serve their families with many important aspects of financial support and guidance.

Regardless of the outcome, every family will be grateful, appreciative, and impressed that their Financial Professional and Funeral Director care enough to take the time and offer such a valuable level of service.

This can only help building your all-important relationship with each family you serve by having their best interests at heart.

Sure, this is not an easy task. At first it might seem a bit unusual, or feel a bit out of your "comfort zone". But this is a fantastic opportunity that very few Financial Professionals and Funeral Directors are taking advantage of. Which in my opinion, makes perfect sense. Since after all, nothing good comes easy, right?

Christopher Hill, RFC®

Christopher P. Hill, RFC®, is the President and CEO of a Wealth Management firm, with offices located in Reston and Woodstock, Virginia. Chris started his career in financial services in 1986 as a college intern assisting a veteran stockbroker. He then established a sales office for a national wealth management firm, where he assisted in portfolio management and was also Vice President of Marketing and Sales. In 2001, Mr. Hill formed his own company and he has built an experienced team specializing in retirement, tax, and legacy planning. Securities offered through The Investment Center, Inc. Member FINRA/SIPC

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Bite The Hand That Fed You

Once upon a time there was an Italian immigrant named Amadeo Giannini, whose name might make you think he was an opera star. His father was shot trying to collect a $10 debt, but Amadeo believed in the principles of ethical lending. In 1904 he founded a bank in San Francisco catering to his fellow immigrants, called the Bank of Italy. When the earthquake shook the city in 1906, destroying many commercial buildings, he scavenged all of the deposits in his bank, and started lending money for the rebuilding. Operating from a few planks spread over two barrels; he made loans to any business owner who was willing to rebuild.

Years later he took great pride that despite the slow rebuilding of the city, and subsequent upheavals in the economy — all of those loans were repaid. He believed in the business owners, and they returned that respect by faultless debt repayment.

In 1928, he merged his Bank of Italy with other institutions, consolidated with additional holdings, and renamed it as Bank of America. He expanded into insurance, founding Transamerica, but the federal government forced the separation of the entities under the Clayton Antitrust Act. The government struck again by forcing Amadeo to divest his holdings outside of California, which became a major part of Wells Fargo.

The institution, built on the extension of credit to business owners and farmers, continued to acquire other banks to increase capacity, and the list of affiliated institutions is staggering. In 1958 the firm instituted the BankAmericard which changed its name to Visa. In 1998, the bank merged into NationsBank, and the name Bank of America survived.

Probably no lender in the U.S. has been more closely identified with extending credit to energetic business owners. The bank and its customers prosper – supporting one another in a symbiosis of credit extended for expansion and reliable repayment achieved through growth.

Since the institution has acquired Countrywide for $ 4.1 billion, it has become the leading mortgage originator and servicer, controlling 20-25% of the home loan market. Following that it acquired the failing Merrill Lynch and became a target of the regulators for the huge bonuses paid to Merrill reps and executives.

In 2008 and 2009, Bank of America (BofA) accepted $45 billion from the federal bailout program, known as TARP, plus another $5 billion channeled through AIG. It has repaid TARP and is now embroiled in a $10 billion lawsuit with AIG and $57 billion lawsuit for mortgage-backed securities sold to Fannie Mae and Freddie Mac.

Bank of America has had a long running relationship with federal regulators. Sometimes they work together, and often they are opponents. At times the bank acts more like a retail bank, at times like a brokerage firm and at other times almost like a government. But the roots of the institution go deep into the financial fabric of the country. In 2009, it concluded the year with revenue of $134 billion and total assets of $2.2 trillion, and it finished 2010 with $2.8 trillion.

In 2011, BofA posted $4 billion in net revenue in the last quarter and restructuring of cost savings and a 10% reduction in its 284,635 workers. The bank is aiming for a quarterly profit of $10 billion — which would stimulate economic growth nationwide. But what market impact will this belt-tightening achieve?

There is a strong correlation between Bank of America and the growth of the country in the past century. It is not just a bank, not just a collection of tall buildings — it serves the local financial needs of a major part of the country, the most important of which are small to medium-sized business owners.

Where Growth is Needed

The current recession is measurable primarily by the number of unemployment claims. The expansion of employment in the recent 30 years has been public sector government employees and private sector employees of modest-sized firms-not from giant manufacturers.

A small company can swiftly grow from 20 to 30 employees — perhaps with just a new tool, new products or a dynamic website. That's a 50% increase in employment. While it is possible to see that kind of growth in a large company, the likelihood is that growth in the USA will come from smaller firms — not major enterprises.

Furthermore, the businesses with less than 50 employees are not outsourcing to China or India – they hire local people and purchase their supplies and raw materials regionally. While they might export products, they don't export profits.

Biting the Hand

Now the Bank of America is calling in many loans on credit lines granted to local businesses that the bank claims no longer fit its revised standards. Many small business owners are facing demands from Bank of America that they pay off their credit lines immediately. When BofA alters the credit terms, many once suitable loans are now outside the parameters — and despite flawless payment history, they are being cancelled. When a loan is not repaid, it goes into "default" and that is an ominous sound to the entire banking community!

A Burbank messenger service was directed to repay its $96,000 balance within a month.

California's largest bank offered multiple repayment options that the business owner deemed unaffordable, such as paying off the debt at 12 percent over two years. The $4,500 monthly payment would be almost 10 times his current interest-only payment.

According to the Los Angeles Times, the owner said he told the bank, "I was like, 'Dude, you're calling a guy who's barely surviving!' My final word was that I could double my payment, but not triple or quadruple it. I told them if they apply too much pressure, they're going to push me into bankruptcy." Gee, how does that sound coming from an institution that made billions packaging "mortgage backed securities" and selling them to agencies of the U.S. Government?

One BofA representative referred to the called loans as affecting a "very small percentage" of small business customers. That is never comforting, given the huge customer base at the nation's largest bank. The bank declined to give exact figures but said affected businesses are not in the hundreds of thousands.

BofA made more than $13 billion in small business loans during the first three quarters of 2011, with more than $2 billion of that money flowing into the hands of small business owners in California and $11 billion across the country.

According to a spokesperson, Bank of America has 4 million small business customers. The largest Bank in the US now ranks near the bottom (6,128 out of 6,800) of U.S. banks lending to small businesses. Its outstanding small business loans decreased to $411 million in the third quarter of 2011. Despite having enormous resources and a history of support with smaller firms, BofA lends only 2.5 percent of its deposits to smaller firms — which is one third of the national average.

As the biggest player in the market, the practices of BofA are contagious to other lenders — further tightening the ability of companies to expand their operations and their payroll. Large institutions intimidate sole proprietors and closely held business.

During the historic credit bubble, Bank of America was among the most aggressive small business lenders, offering at one point loans of up to $100,000 on the basis of a brief application, the business owner's favorable credit score and a signature. That product came to an abrupt end when such loans went bad at a higher-than-expected rate. Surprise!

Bank of America's decision to demand immediate repayment of even a tiny portion of its small business loans is a reminder that the health of Main Street businesses depend on the strength of the nation's banks.

Trickle-Down Lending Impact

Unfortunately, some small business customers are finding themselves in a vicious cycle in which their bank reduces a credit line, hurting the company's creditworthiness. That prompts the business owner to cut costs and lay off staff, as access to credit becomes more difficult, often hurting business and causing further deterioration in creditworthiness.

Last month, CBS News featured entrepreneur Lisa Whiting who built a graphic arts business. The entrepreneur found that banks were no longer willing to lend to her because her credit score dropped despite an on-time payment record with several credit cards.

"Whiting had been charging $15,000 a month on a Bank of America credit card with a $15,000 credit limit. During the financial crisis, without warning, that $15,000 limit dropped to $12,000 — a red flag that caused her credit score to drop. That triggered BofA to lower her credit limit further to $8,000, which then caused her credit score to drop to 544."

"I worked all my life to build a credit rating of 809," Whiting told CBS. "The fact is that they messed with my credit score when I did nothing wrong. I'm absolutely enraged by that."

Bank of America explained: "We continually monitor accounts for risk and may adjust customers' lines up or down as appropriate based on their risk profile." Some might say, "That's just gobble-de-gook!"

Whiting says, "They didn't look at me as a job creator. They looked at me as a potential risk, the computer kicked out a warning that wasn't even really there."

Whiting's story had a happy ending. CBS reports that she got ultimately got financing from a local community bank.

"We can work around credit scores, we can work around other previous issues as long as there's an action plan," said Tom Spitz, CEO of Settlers Bank, which lent to Whiting.

Eventually, the news reports prompted Bank of America to restore Whiting's credit cards and establish a separate $10,000 business line of credit. Sure, they would have done that without the publicity wouldn't they?

We can only hope that Bank of America will remember the small San Francisco businesses that rewarded Giannini with full repayment — and increase, rather than reduce their extension of credit to small businesses. They might even consider the third word in their corporate title and start aggressively helping the core of the American economy — the small business owner.

How Can You Help?

Financial consultants need to recognize that the next rebuilding of America will come from modest sized firms who are also the lifeblood of the major banking institutions that serve them — not the corporate giants with overseas factories and suppliers. Smaller firms are busy running their enterprise and desperately need financial guidance. Most smaller businesses have:

- No written business plan
- No written marketing plan
- No informal or formal retirement
- No succession / transition plan
- No business loan cancellation

How can the financial consultant serve this community? The mechanism is a Business Financial Planning Process, not unlike that used for helping families achieve their financial objectives:

- Prospect
- Introduction of service
- Gather information
- Analyze problems and find solutions
- Develop a written plan
- Implementation and monitoring
- Obtain referrals

The financial consultant needs special training and tools to serve the business financial market. This starts with the PowerPoint presentation to business owners. The data collection is a system of forms and document repository. Analysis is performed using calculation spreadsheets, the report text and formatting. The process is supported by correspondence elements and a professional drip marketing system to request and cultivate referrals. The International Association of Registered Financial Consultants offers this type of training. The IARFC delivers an intensive one-day workshop consisting of a 200 page manual plus a CD ROM with over 65 files

and 300 pages of adaptable Word, Excel and PowerPoint files. Financial consultants need to be professionally educated and equipped to address this lucrative market.

Commercial bank loans under $5 million are notorious for failure when the founder, owner or CEO dies or becomes disabled. This is because there is no **documented** succession arrangement and no bank loan cancellation plan. The solution is a plan and a package of life and disability insurance that stimulates the lender to extend the amortization. The resultant cash flow savings will fund the coverage and accumulate additional collateral to strengthen the loan.

The Business Owner Consulting Workshop (BOCW) has been presented to over 400 financial advisors in seven countries. Graduates report significant results — especially in helping business owners expand and insure their bank loans. Spreadsheets illustrate the financial obstacles and how the problems can be solved using carefully arranged permanent life insurance.

For further information visit www.iarfc.org and go to the BOCW link or call Amy Primeau at 800 532 9060 ext. 34

Ed Morrow, CLU, ChFC, CFP®, RFC®

Ed Morrow is the chairman and chief executive of the IARFC and has been a practicing financial advisor for forty years. His advice and systems are used by thousands of financial advisors in the U.S. and across the world. As the CEO of the IARFC he is one of the developers of the Financial Planning Process course materials and a frequent instructor, both nationally and in many countries.

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Workshop News:

Some Will, Some Won't, So What? Just Keep on Sowing

James L. Flanagan, RFC®

Recently I had the distinct pleasure of attending the Business Owners Consulting Workshop at the RFC home office in Middletown, OH.

Having been in the insurance and securities industry for almost 25 years, I have learned from many great professionals. Within a few moments of listening to Edwin Morrow this time around, I knew I was in the presence of a seasoned pro.

More than anything else, what struck me about Ed's teaching was his reminder that our success hinges largely on doing those simple things that are so often overlooked.

Too often, we allow the issues of our day to take control of our time and resources. In the face of those seemingly pressing concerns, Ed emphasized the importance of simple things such as:

- Writing personal notes and sending them by mail
- Returning important calls quickly
- Using a system to generate referrals
- Asking for the order
- Being proud of the services you provide and charging accordingly for them
- Creating a professional image
- Creating a one-page biography sheet

Above all else, my biggest take-away from Ed's talk could be boiled down as "not everybody does, but some people do."

As we discussed different marketing systems, Ed spoke of an advisor who was disappointed with $45,000 in commissions on a marketing investment of less than $1,000. Rather than focus on the positive ROI, he was upset that more people had not responded to his compelling offer.

For some time, I have been empowered by this simple fact of life: not everybody wants what we are offering—but some people do. Acknowledging it sooner rather than later will allow you to laugh off the rejection you sometimes face. If you are not facing rejection on a regular basis then you're simply not asking for the order enough and you will likely never become your firm's top salesperson.

Not everyone needs a _____ , but some people do!

You can fill in the blank based on the product or service you sell—and it especially rings true for everyone in financial services. I am encouraged by this statement because it means that when some people say no, it's OK. Not everyone is in the market for your product or service precisely at the time of your offer. Advisors can become discouraged easily when people do not respond in the positive way that we expect. However, if you press on you will find that there are always some who will respond.

When I find the "ones that do" it's like pouring gasoline on a fire — I have again experienced this perspective moving from theory to practice. People do want and need what we are offering, and that's a big reason why selling is so exciting.

Cold Calling Works — But Will You?

At my core, I am a salesman. I truly believe in what I present to prospective clients, so the knowledge that people will benefit from my work gives me hope.

It's not only viewing the glass as half full, but increasing the size of the glass. To achieve our desired results, we just need to ask more directly and more frequently.

Some undeniable facts:

- People use direct mail because it works.
- Email and fax blasts, done legally, work.
- Cold calling and telemarketing work.

Even the recorded robo calls work—otherwise they wouldn't continue, right? So while I can't understand who would actually listen to a recorded message and then take some direct action, some people obviously do every day.

Over the years I have had the pleasure of mentoring and developing young advisors. The concept of "not everybody does, but some people do" has been critical to their long-term success. This is a business marked by discouragement, as well as projection and objection lurking at seemingly every turn.

To combat those downers, are you communicating with everyone you meet all the different products and services you offer? We often slip into the flawed thinking that our clients know about everything we can do for them, but we need to remind them.

In tough economic times, we must return to the basics. For starters, have you bought into the truth that prospecting is a process? Are you already doing all the simple activities outlined at the outset? So often we get caught up in the master plan that we forget to master the basics—like channeling your energy toward adding one new client a week.

Many people truly need and want what we are offering. The challenge has been and always will be finding them. Some will, some won't — and your job is to keep on sowing.

My suggestion for the next step in your marketing plan: attend the Business Owners Consulting Workshop offered by the IARFC.

James L. Flanagan, MBA, CEA, CEP, RFC® is the founder and owner of Bentron Financial Group, Inc. in Naperville, IL. Mr. Flanagan works exclusively with people at or near retirement with estate planning and investments. Jim has over 20 years of experience in insurance and securities, and frequently addresses senior groups and private organizations on retirement planning issues.

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PowerPoint presentation, fact finder, letters, agendas, checklists, forms, motivating articles, plan text and easy-to-use calculation spreadsheet that motivates business owners to immediate action. Approach local businesses using tested letters, articles, sample plans, certificates, agreements and a proven professional system fully scripted. Also: Why and how to insure all business debts.

Close the Sale

Maximize this workshop experience. Practice the initial presentation, business evaluation and funding analysis — so you can immediately see revenue results.

What attendees are saying….

I thought I knew the corporate market, but this workshop taught me I still need to make positive changes. The workshop equipped me with all the tools.
— H. Stephen Bailey, RFC®

The most valuable day I have experienced in years. Great information and how to add new cllients to my practice.
— Warren L. Hahn, RFC®

This event took me by surprise and opened me to a whole new avenue for helping business people with real solutions. The workshop equipped me with the knowledge and hands on materials that I took and implemented immediately.
— Nicholas A. Royer, RFC®

Instructor

Ed Morrow, CLU, ChFC, CFP®, RFC®
Chairman & CEO of IARFC

As a financial advisor Ed used these concepts to acquire long term clients, charge Non-RIA fees and sell millions of life insurance.

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Venue Locations: 9am to 5pm

❑ Middletown, OH (IARFC Offices) - April 19

❑ St. George, UT - Private Session - April 4

For a complete list of dates visit the IARFC Calendar at:
www.IARFC.org or call Amy at 800.532.9060 ext. 34

REGISTER NOW 7 IARFC approved CE credits for workshop attendance; 15 additional with post workshop study and exam completion.

Please print or type information below.

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Associate First Name Last Name

Workshop Tuition: Non-Member $595

1-Day Special Workshop, including all the tools:

❑ Special — IARFC Member	$395
❑ Cost for Each Associate	$195

Total: _____

Payment Information:

❑ Credit Card ❑ Check made payable to IARFC

Credit Card # (Discover, MasterCard, Visa, AmEx) Exp. date

Signature

Registration Deadline and Cancellation Policy:
Workshop attendees may register or cancel up to 3 business days prior to the event date. Cancellations will receive a full refund, less a $20 processing fee.

PLEASE MAIL OR FAX THIS COMPLETED FORM TO IARFC

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Business Mirrors Life

Trade Mission Derails Over Ireland

Hesh Reinfeld

I had never been to Krakow, Poland. And it looked like I wasn't going to make it. We were stuck in the Shannon, Ireland airport waiting for a winter storm to clear over Europe.

Let me back track. Our governor had asked me to participate in an export trade mission to Eastern Europe. I was hesitant. As a business humor columnist I didn't think I was the right person. I told the Governor's press secretary that I don't write the typical rah-rah business story he wanted, you've seen the headline… 'Local tool and die manufacture expanding into Eastern European markets.…" and it has a photo of the Governor at the local plant wearing a hard hat. But I was wrong. He said, "Be yourself. We really want your discerning viewpoint."

We were a group of 30, half in manufacturing and the other half representatives of just about every economic development agency in the state. We had the directors of Grow Pennsylvania, Move Foreword Butler County, and my hometown favorite -Pittsburgh No Longer Steel We're Biotech (Maybe).

I was impressed with the staff work. We were all given CD-ROMs with histories of the businesses we were to connect with in Warsaw and Krakow. Guys were popping them into their laptops before we even took off. Me, I slept. We had a direct flight to Frankfurt and then we were to switch to a Polish Air puddle jumper to Warsaw. I figured I had eight hours of sleep ahead of me. But after five hours I was awakened by the steward telling me to straighten my seat back. We were landing in Shannon Ireland because of bad weather over Europe.

I was peeved and I wasn't alone. The airport was overwhelmed with east bound flights that had been forced to land. The storm also required flights originating in Europe to stop in Shannon to refuel before heading west.

The airport was packed with businessmen anxious about losing precious time and therefore business opportunities. However, with the increased flow of the Irish brew people began mingling effortlessly. I hit it off with a woman from Krakow, (of course I gravitated to the opposite sex). She spoke just enough English for us to communicate. She was on her way to Missouri to purchase new combines for her family's farm. I introduced her to a representative from our Department of Agriculture and they started talking about bioengineered corn and its nutritional value, I think it was the kind of story the Governor would have loved to have seen me write.

However, I was more interested in the cacophony of people in the airport. It seemed that every state was represented. I even met a small delegation from Hawaii that was heading to the Baltic to sell scuba equipment to the resorts that catered to Russian capitalists. And it was no different for the Eastern Europeans. I kept on bumping into truck axle manufacturers from Budapest and drip irrigation experts from Turkey.

What a great opportunity to do business. I started collecting business cards and matching people up by industry. I set it up like those single dating services. Each person had seven minutes with his counterpart and then they moved to another table. I was the Oprah Winfrey of international trade. I could tell that similar discussions were happening in the other wings of the airport. And this was fortunate because the two hour delay became two days as both continents faced unpredicted winter storms.

The weather cleared. We already had lost two of our four day mission. Schedules were totally screwed up. Then some guys realized that they already had met their quota for new business and they didn't need to continue on to Krakow and Budapest, or to Springfield and Kansas City.

However, how could they tell the people back home that they had never got past Ireland? As the only independent newsman present, I was asked to meet with the UN trade commission representative. "Hesh, these guys want to play a round of golf tomorrow," he told me. "Do you think you can keep the real story quiet?"

This was big news. I had learned from the experienced trade reps that this was not a fluke of nature. The trade missions were always scheduled for the worst weather days. For years the guys were meeting in Shannon, doing business, exchanging gifts, playing a round of golf and going home.

The pressure was on me to be a team player. The Governor called asking me to do a light whimsical article and stay away from the true story ("Hesh it could set international trade back 20 years.") I refused. I wasn't going to buckle from the pressure being put on me by the governor I was going to report the real story. I called my editor. "Listen, I have a real news story from Shannon Ireland that I am going to e-mail you. It is not a puff piece. I need you to put it on page one."

The editor laughed, "Sure Hesh, page one it's all yours." He said sarcastically.

"No I am not joking this time." I pleaded. "I have a story that will make congressional junkets to Curacao irrelevant."

"Of course, no problem," I got that smug response that comes from an editor who thinks columnists can't write real news stories.

So please, you, my readers, if this story ends up in the humor section of your paper or magazine, please, it's serious stuff, I deserve a Pulitzer, or at least an interview on 60 Minutes. I'm not joking around.

Hesh Reinfeld, an experienced journalist, passionately believes that a properly crafted bio or marketing profile will cause a prospective client to be sufficiently attracted to read it, and to feel, "I'd like to meet this person." Perhaps you would like Hesh to help you prepare a similar biography for you, or to assist you with writing assignments that will help you in your market.

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