

the Registrar

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International Members

Indonesia: 12

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M.A. Owens, RFC®
Chris Roberts, RFC®
Tom Stark, RFC®

Referrer of the Month Recognition

Tom Stark, RFC®



IARFC Board

IARFC Annual Board Meeting 2015

Pictured Top L-R
Mayo Woodward, Steve Bailey,
Nick Royer, Pete D'Arruda, Jon Rogers,
Ed Morrow, Rosilyn Overton,
Angie Trandai and Michelle Blair

IARFC Calendar

2015

August

CE@SEA™ British Isles Cruise

August 9-17, 2015
Princess Cruise Line's —
Ocean Princess

2016

March

Semi Finals

National Financial Plan Competition

March 3, 2016
Middletown, OH

IARFC Annual Board Meeting

March 4, 2016
Middletown, OH

April

Finals

National Financial Plan Competition

April 21, 2016
Location TBD

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the Register

In the News

Members In the News. Keep us informed on your recent accomplishments. Have you added staff, certifications, seminars, celebrated an anniversary in the business? Send a brief description and a print-quality photo when available to editor@iarfc.org.

Stephanie Bailey, RFC®, Charlotte, NC



Stephanie Bailey, is the honored host and presenter at National Financial Plan Competition 2015. Having a previous occupation as an elementary school teacher, Stephanie Bailey is no stranger to committing herself to helping the community. While teaching, she spent her summers working with her father at HB Financial Resources, learning the ropes of the financial industry. The more she worked with her father, the more her passion for the industry grew.

Eventually, she decided to pursue a career as an advisor at HB Financial Resources, while maintaining her desire to help others as her top priority. With a background in education, Stephanie has a thirst for information and is constantly looking for new ways to grow her business.

"I have been in the industry for over 17 years, and I still continue to strive to learn each facet of the financial business," said Stephanie. "I enjoy passing along the wealth of knowledge I have acquired over the years to my clients, who I call friends."

"It is so rewarding to hear our clients say thank you for the significance we place in earning and maintaining their trust," said Stephanie. "We eliminate the feelings of worry that often come along with financial planning by always putting our clients and their needs first. Whether they are seeking out retirement or putting together a financial plan for the first time, we can help them reach their monetary goals in an environment that feels like a second home."

Another strategy HB Financial Resources uses to enhance relationships is their online presence. Being a former educator, Stephanie is always looking for ways to distribute information in a convenient manner to both her current and potential clientele. Stephanie manages HB Financial Resources' website and social media platforms to make it easy for individuals to find out information about the company as well as the services offered.

Stephanie insists that building an online presence is another valuable way to build credibility and trust. She is aware that trust is at the heart of each of her client relationships. They have to believe in her ability and allow her the opportunity to manage the life savings they have worked so hard to acquire.

"Love what you do and be selective with the clients you advise," said Stephanie. "Let them know that they are part of a special group, and that you will work diligently to help them reach their financial objectives."

Michelle Blair, RFC®, Farmingville, NY



Diversified Financial Solutions of Medford, NY is proud to welcome Michelle Blair, RFC® to the firm. Michelle's role as Executive Planning Assistant will allow her to use the knowledge she gained from the IARFC's curriculum, the Financial Planning Process Course, as well as apply her Life, Accident and Health Broker license. She will work directly with the President, Denise Nostrom, ChFC, CLU, as well as assisting clients.

Leonard N. Katz, RFC®, Great Neck, NY



Leonard was one of three other investment professionals who participated, along with Maury Harris, Managing Director and Chief Economist for UBS investment banks, in a Regional Financial Forum. The focus was on where the economy is going in 2015 and what to do with your investments.

Shane P. Snively, RFC®, Charlotte, NC



Since joining IARFC, our Firm has grown leaps and bounds. We have added 4 locations and 6 reps over the last 3 years and I think it is a testimony to growing a business as our ministry. One of largest focus is assisting widows. We do not care if they have a dollar to their name. We have been called to take care of the widows and orphans.

We most recently assisted a company in doing an ESOP, the amazing thing about the deal itself was we incorporated a Donor Advised Charitable Christian Foundation. It took 6 months to put together from start to finish, but seeing 15 people become an owner of a small business at one time was beyond one of the most rewarding things I have ever done.



IARFC Blog: <http://iarfc.org/iarfc-blog>

Contact susan@IARFC.org for assistance with IARFC Blog

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COACHES

ROSTER

The IARFC is pleased to provide contact information on persons who offer coaching, mentoring or tutoring services.

Some extend free time or a discount to IARFC members. This listing is not an endorsement or guarantee — as RFCs are qualified to judge who can help them in the areas where services are most important. This roster is alphabetical by last name.

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the Register

Round Up

IARFC Members and Financial Industry Experts were asked for their insight and advice on issues facing consultants in today's economy.

Note: Responses are printed in no particular order.



Q: Why Is Accreditation Important to the IARFC?

A: When financial designations were first introduced, accreditation was not an issue since the earliest ones preceded the organizations that managed this process. The American College had become a recognized educational institution, now offering a Masters and Ph.D. degrees, so its specialty designations (CLU and ChFC) were automatically accredited. The College for Financial Planning began granting the CFP® designation — but that process was altered when the CFP Board was formed. That left many designations without any special approval which was not a significant shortcoming. The IARFC was formed in 1984 and granted the RFC® designation at a time when there was no “approval” process. However some designations that were being granted were either “very light” or were misrepresented by their holders, and this generated negative publicity. Meanwhile several organizations developed procedures for accreditation of designations or courses — as a measure designed to protect the public. Only one state, Nebraska, developed a designation review process, and they have recognized the RFC® as “among those qualified” based on the admission and granting provisions of the RFC® designation.

However a number of securities dealers and insurance companies wanted to have on record some basis for the approval and use of designations, and they were looking for some other body to process the approval. This stimulated the development of the National Commission for Certifying Agencies (NCCA) and their review of programs supporting financial services professional. The process for approval of a program like RFC ranges from 3 to 5 years, and their attention to detail is extensive. All of this will uplift the profession and better serve the consumers.

This approval procedure represents a major allocation of time. We have to strengthen the operational policies of the Association, and the registration process. A major requirement is to develop a very objective examination process — with tests to be given on a proctored basis and designed in accordance with academic procedures. When the accreditation is awarded, it will clear the way for broker/dealers and insurance companies that have not wanted to perform an internal accreditation/review to rely on the NCCA approval.

All persons holding the RFC® designation can continue its use, but most will complete the process for the “Master Registered Financial Consultant” which will require an exam. This will be a fine opportunity for some favorable media relations and local recognition. When a member can announce to their clientele of receiving the MRFC they will elevate their respect level, and hopefully receive media attention and referrals.

Meanwhile, if you have associates and friends who have not yet applied for the RFC® designation, now might be the ideal time for them to apply for the RFC® designation.

Ed Morrow, RFC®
Middletown, OH

A: As financial services professionals, we can never stop learning, growing, and adding value to the services we offer our clients and their families. This necessary growth can come from a variety of sources such as reading books, attending events, continuing education — and most importantly, adding more certifications, designations, and accreditations.

When I graduated college, a Bachelor of Science Degree significantly increased the likelihood of landing a solid career opportunity. However, today most of the top career opportunities are being filled by college graduates who have taken the time to gain a higher level of knowledge and experience by seeking post-graduate degrees.

Similar to our industry, seeking and obtaining lots of certifications, designations, and accreditations can only enhance your likelihood of “getting hired” by prospects who are seeking qualified and credible financial services professionals. A valuable lesson I learned in the early stages of my career from an industry veteran was; “If you want to know what John Smith buys, you have to see the world through John Smith’s eyes”. So think about it this way; if John Smith had to choose between two financial services professionals, which one is likely to gain the most credible first impression: Jack Johnson — or — Jack Johnson, MBA, CFP®, MRFC®, CLU, ChFC?

Christopher Hill, RFC®
Roanoke, VA



Our next issue will ask this question

What is the importance of the National Plan Competition?

What we are looking for are several sentences, although more are welcome. This may entice you to submit a short article on the current proposed *Register* Round Up question. These questions are sent out via email, contact us to join the list: editor@iarfc.org



On The Path to Accreditation

Ready, Set

Are you smarter than a fifth grader? Do people refer to you as “smarty-pants” or something similar? Are smarties your favorite candy? If so, or if not, then we have something for you. We have been working extra hard to put together an impressive group of questions that you can tackle to show the world just how much you know. Now is your chance to shine and to impress those around you by taking the new MRFC exam. Are you up for the challenge?

You’ve read about all of the work that has been going into preparing for the accreditation of the new MRFC designation. Now you have a chance to get one step closer to being able to put this new designation to work for you. It only takes a few hours of your time and a little bit of studying. Even less than that if you are as smart as you say you are.

To make this even easier for you, I am going to give you many of the answers to the test right here in this article. I know this sounds too good to be true, but I think that as a loyal member of the IARFC you deserve some special consideration. You’ll get even more consideration by your clients and your peers when you are able to put the MRFC designation on your business cards and show the world just how smart you are.

The test will be offered to all of our current RFCs and is your chance to get in on the ground floor of the accreditation process. By taking the test early in the game you will be one up on your brethren in the industry and will once again have shown just how smart and financial services savvy you truly are. You’ll move yourself to the front of the

class, and who doesn’t like that? By being an early test taker, you get the advantage of a reduced cost for the test and the honor of knowing you were an integral part of our accreditation process. Something that you can definitely brag about to your friends and colleagues.

Those of you who are smart enough to take the test early will also be the first to receive your MRFC designation when the accreditation has been approved. This puts you in a class by yourself and gives you something more to share with your clients and prospects. Again I ask, who wouldn’t want to have something of value that no one else in your market has? This sets you apart from the crowd and that is a basic tenet of marketing that will prove exceptionally valuable to your practice. The MRFC will be an accredited designation that will give you a marketing advantage never before available to our members.

Well, I promised you the answers to some of the questions on the exam. True to my word, and as a way of enticing you to jump on the opportunity to prove your mental abilities, here they are. I ensure you that these are in fact the answers to the items you will encounter as you sit for the MRFC examination. But, please don’t share this with others. Let’s make it our little secret and know that because you were smart enough to be one of the first to sit for the exam you get this added bonus. The answer to at least one of the questions on the exam is “A”. Several of the questions have “B” as the proper answer and still others will be marked as correct if you select “C” or “D”.

Now that you have all of the answers for the test don’t you feel smarter about your decision to sign up for the test as an early test taker? You really should because you’ve proven to the rest of the IARFC just why people think of you as this generation’s Einstein or Hawking. Sitting for the exam for the MRFC designation is one of the smartest things you can do for yourself and for the IARFC. I look forward to having you as one of our premier MRFCs in the very near future. 📧



Jim Lifter, MBA, RFC®

Jim Lifter, MBA, RFC®, IARFC Education Director, has an undergraduate degree from Ohio State University in Marketing and an MBA from the University of Dayton. Jim is responsible for coordinating the development and distribution of the IARFC educational courses.

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From the Chairman's Desk...

H. Stephen Bailey

Annual Board Meeting

It is always a quandary when you are starting to write a column as the "new" person. Ed Morrow has written so many articles for the *Register* as Chairman that I am sure it will look out of place to see my name in the byline – it even looks unusual to me.

Nevertheless, I am determined to forge ahead – bringing news of what is going on in the association and what is important to you, our members.

Board Meeting

Regarding our Annual Board Meeting in March, I was pleased to see the demographics of the Board sitting around the table. We were nine members – with a new Director, Mayo Woodward attending his first meeting. While most of us have been in the business for 40+ years, it was good to have a number of younger Board members in attendance and hear their take on products and services. We now have a new slate of officers. Nick Royer was elected as Vice Chair, Pete D'Arruda as President, Jon Rogers reelected as Treasurer and Michelle Blair as Secretary. Visit the www.iarfc.org/boardofdirectors.asp for a complete listing of your IARFC Board.

The Directors worked diligently reviewing the operations of the IARFC for the past year and giving direction for the next. Increasing membership is of high priority to any organization, ours included. Reaching out to Broker/Dealers and establishing the IARFC as a viable practice oriented association is key to bringing in new members. If anyone can help us identify the correct persons to contact in these organizations, I would like to hear from you.

It was brought to our attention that the MRFC Certification Board, (that oversees the Accreditation process) will need to elect another Director. If anyone in the membership has experience working through an accreditation process and would

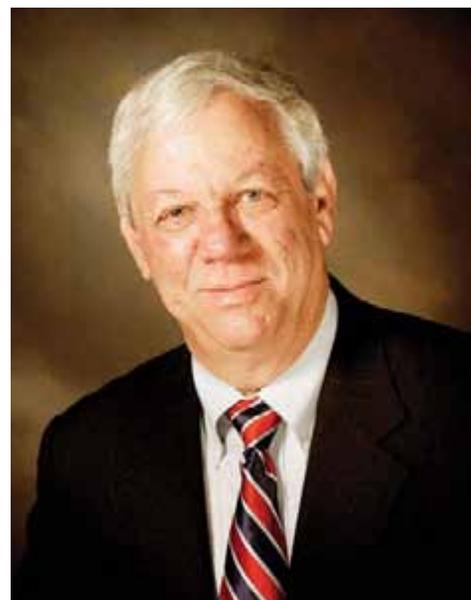
be willing to be part of that Board, please contact Amy Primeau.

Accreditation is Moving Along

It is evident that the MRFC exam is going to be starting soon – within the next month or two. This is an important time for the IARFC. We need the support of all the members to schedule and take this exam. As explained in previous articles by the Accreditation Team, even though you take it now, the MRFC designation will not become accredited until at least a year later. To incentivize those who may drag their feet – the IARFC will be offering the exam at a discount price to the first 500. The sooner we can reach that goal, the sooner we can send in our application. I want to encourage all members to get on the bandwagon and help move the organization forward.

2015 National Financial Plan Competition

Board members spent the previous day, May 12th judging the Semi-Finals of the National Financial Plan Competition. They selected three winning teams from Bryant University in Smithfield, RI and Winthrop University in Rock Hill, SC that went on to compete in the Finals held in Charlotte, NC at the Charlotte Motor Speedway on April 30th. This activity by the Board supports the IARFC commitment to recognizing future financial professionals and their potential in the realm of financial services. By this time, the National Financial Plan Competition winner has been decided. I wish to extend my congratulations to the winner and would like to thank our corporate sponsors this year: The Builder Suite, Cetera Advisors, LLC, Royal Alliance and The Virtual Assistant and the individual members who donated to this worthwhile competition on various sponsorship levels. Any responsible association supports the future professionals that are working toward a career in its chosen field. The IARFC is proud to be part of this educational endeavor. 



H. Stephen Bailey, "Steve" Bailey, CEBA, LUTCF, CEP, RFC®

Steve started HB Financial almost 30 years ago after already having a life insurance career. Many got to hear and "know" Steve through a radio show he had co-hosted weekly on a local station for over 4 years. He has written a regular column entitled Money Matters in *Senior Directions* for several years and is the author of "DollarSense, A Book for Matured Adults".

Steve is an elected member of the IARFC Board. He has taken is the Committee Chair for the Loren Dunton Memorial Award and holds the office of IARFC Chairman.

He is also the 2010 recipient of the prestigious Loren Dunton Memorial Award presented to people who have made significant contributions to the financial services profession and to the public. The award is presented annually in honor of Loren Dunton, the founder of the financial planning profession, who organized financial professionals in the late sixties.

When not working with his clients you will find Steve on a golf course, spending time with his grandson or traveling with his wife, Bobbi.

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2015 Annual Board Meeting



IARFC Board : L-R Mayo M. Woodward, Angie D. Trandai, Michelle K. Blair, Rosilyn H. Overton, Peter J. D'Arruda, Edwin P. Morrow, H. Stephen Bailey, Nicholas A. Royer and Jon M. Rogers. *Not pictured:* Isabel Cooper

The IARFC Board is committed to supporting all efforts towards the accreditation goal and feels this will raise the bar for its members – setting them apart from their peers. IARFC Board Director, Pete D'Arruda put it succinctly – “Credibility Builds Credibility.” Collectively, accreditation is viewed as a major step in increasing consultant status and a recognition of the MRFC designation as a “gold standard.”



Board focused on the importance of the 3rd party NCCA accreditation: L-R Michelle Blair, Pete D'Arruda, Rosilyn Overton, Ed Morrow, Steve Bailey, Nick Royer, Angie Trandai



**“Credibility Builds Credibility”
IARFC Board Director newly elected President, Peter J. D'Arruda**



Day filled with reviewing financials, committee reports and the introduction of projects slated for the upcoming year: L-R Michelle Blair, Steve Bailey, Jon Rogers, Mayo Woodward, Nick Royer

Profile Interview

Mayo M. Woodward, CRPC, RFC®

IARFC Board Director



Mayo M. Woodward, CRPC, RFC® was born in Tallahassee, FL and raised in Quincy, FL. He attended Maclay School in Tallahassee, Oxford College and finished at Emory University in Atlanta in 1992. He then worked for the Coca-Cola Company until 1996 as a Guest Relations Representative at the World of Coca-Cola.

Returning to Tallahassee, he served as a Financial Advisor at Morgan Stanley for 8 years. In 2004, he was offered a position in leadership and served as the Regional Vice President for Morgan Stanley covering North Florida, Alabama and Mississippi. At that time, he moved to Birmingham, AL where he still resides today. In 2006 he was offered a position with Merrill Lynch covering LA, MS, GA, North FL and AL as Regional Sales Manager. He served in that role until November 2008 when he moved to serve as the Branch Manager for Ameriprise Financial in Birmingham, AL. While in that role, he was able to lead a group of 25 Financial Advisors and 6 staff in the Birmingham, AL market. He recently moved to BB&T Scott & Stringfellow to build out the Alabama and North Florida markets. Mayo holds the Series 24, 7, 63, 65, 31, 9, 10 and life and health licenses.

Mayo has 3 children, Mayo Malone Woodward Jr., Reid Garrett Woodward, and Katherine Maelvey Woodward. They presently live in Birmingham, AL.

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www.bbtscottstringfellow.com

2015 IARFC Board Directors Middletown, OH



Attending the Annual Board Meeting of the IARFC for the first time is newly-elected Director, Mayo Woodward. A native of Tallahassee FL, Mayo today calls Birmingham, AL his home where he serves as a Managing Director/Complex Manager at BB&T Scott & Stringfellow. The *Register* staff asked him to share his thoughts of the recent Board Meeting and becoming an IARFC Director...

"As part of the IARFC Board, I look forward to working with other Directors to show the excellence of sound financial advice. I want to share insights from an advisor and a manager — who has worked at both a Wirehouse and a Regional firm.

Because of my experience working on a national and regional level, I felt I could offer a truly different perspective on financial advising and planning. I can share insights that others can't.

I feel that the IARFC needs to continue to focus on the betterment of the financial planning process. This can be accomplished through showing and sharing how a good financial plan is put together, no matter if it is an investment financial plan or an insurance financial plan.

My first Board Meeting was a great experience. I enjoyed participating in the Semi-Finals of the National Financial Plan Competition the day before. This competitive event allows us to expand not only the name of the IARFC but also helps students get the recognition they deserve.

With moving ahead on third party Accreditation, the IARFC will be more visible to the advisor force and the public. Being accredited will, and does stand for, sound financial advice from consultants who truly do the right thing for the client.

I am honored to be part of the IARFC and the Board of Directors." 

BB&T Scott & Stringfellow is a division of BB&T Securities, LLC, member FINRA/SIPC located in Richmond, VA.

2015 IARFC Annual Board meeting attendees top L-R: President, Peter J. D'Arruda, RFC®, Vice Chairman, Nicholas A. Royer, RFC®, Director, Mayo M. Woodward, CRPC®, RFC®, Chairman, H. Stephen Bailey, LUTCF, CEBA, CEP, CSA, RFC®, Treasurer, Jon M. Rogers, Ph.D., CLU, ChFC, RFC®, CEO, Edwin P. Morrow, CLU, ChFC, RFC®, Vice President, Rosilyn H. Overton, MS, Ph.D., CFP®, RFC®, Director, Angie D. Trandai, RFC®, Secretary, Michelle Blair, RFC® (not present: Director, Isabel J. Cooper, MBA, RFC®)

Further, many people transition from other professions to financial planning, and they lack tenure. I am not suggesting this is a bad thing – people transition from one career path to another all the time. However, it does demonstrate a great need for academic training to lay the foundation and a commitment to continuing education to build a strong track record as a qualified financial planning professional.

Every profession evolves, and all professionals should engage in continuing education to keep their skills sharp. However, it is easy to let work, life or budget get in the way of professional development. I value the RFC® designation because the IARFC is committed to advancing our profession through relevant continuing education, advocacy, and a strong code of ethics. One of the highest values provided by the IARFC is the requirement of 40 hours of continuing education every year. Having a minimum continuing education requirement ensures our members stay ahead of the knowledge curve and employ contemporary best-practice thinking in their daily work.

In addition to continuing education programs offered through organizations like IARFC, I believe a strong academic foundation is a key to overall professional success. Our firm relies heavily on academic programs of quality through the American College of Financial Services for training of our staff. One of our lead wealth advisors just completed the Chartered Financial Consultant (ChFC) program and two other staff members are currently pursuing it. In addition, two of our junior staff members recently completed the Paraplanner Development Certificate through this organization.

I am also an advocate of higher college education. I chose to pursue a Master of Business Administration degree with a specific concentration in financial planning through the University of Dallas. I would not be the person I am today without the education I received. That is a very positive thing – I believe it has not only provided a great deal of value to me personally and to the management of my business, but it has also provided value to my family, my staff and my clients.

I firmly believe the strongest financial advisory organizations are those lead by a professional with advanced training and certifications who creates a culture that encourages education and growth. A good leader is one who takes the responsibility for creating an environment where everyone can succeed.

As a smaller firm, our approach to hiring has been to attract people who have a desire to grow. Unless someone comes to us with the right training, tenure and track record of client service and skill in financial planning and wealth management, he or she will join our firm in a support role before being allowed to work directly with clients. This provides our new staff members the opportunity to understand the level of service we provide our clients and to grow up in our culture. It also allows them the opportunity to assess their own skills and create a development plan.

Providing a supportive culture does not mean the leader is responsible for everyone's success, however. In my firm, we expect each member of our team – even our entry-level staff – to pursue additional education and certification in the field. We provide financial and coaching support to staff members who pursue such education, but each person is responsible for putting his or her foot on the path to achieving it.

Training, tenure, track record: these are words to live by that will never steer you or your staff wrong as you grow your business to the highest benefit – both to yourselves and to your clients. ☐



Lloyd Lowe Sr., MBA, RFC®

Spanning over 20+ successful years in financial planning, **Lloyd Lowe Sr., MBA, RFC®** partners with his clients to fulfill their dreams. He has a strong foundation in business that provides him a practical understanding of the balance that must be maintained to achieve investment results and long-term financial wealth for his clients. He has helped thousands of clients meet their financial goals and retire. Lloyd is the co-author of *Life's Bridges: Building Your Bridge to Financial Wealth*.

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lloyd@ldloweplan.com
www.ldloweplan.com

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The value of your RFC® designation continues to grow by increasing members of highly qualified consultants using and displaying the designation. You can leverage this growth. Referring colleagues is a win-win with the Member-Refer-A-Member program.

When you nominate professionals and they join the association, the IARFC will **credit you \$50!** That's it. You do the easy part – provide us with all the contact information. We follow through with them to show the benefits and advantages provided by the IARFC association. There is no limit to the number of individuals you may nominate. You could easily be credited far beyond your membership dues.

Please nominate professionals who may be interested in the honor and benefit of acquiring the RFC® or RFA® designation. By providing prospective member names, you are granting your permission to mention your name as our source, and you will be eligible for the reward.

Details go to:
www.IARFC.org/ReferMember

IARFC
Attn: Membership Services
P.O. Box 506
Middletown, OH 45042 USA
P: 800 532 9060 – Ask for Amy
E: info@IARFC.org
W: www.IARFC.org

Fax to: 513.424.5752
Email to: info@IARFC.org

Mama Knows Best



Why do you insist on doing things the hard way?

I agree that experience can be a great teacher, but why reinvent the wheel? You can learn from the experience of those who have traveled this same road before you... with a whole lot less pain.

Learning to succeed in this business would most certainly be faster, if you could extract all of the knowledge you need from someone who has been there. Someone who has done what you're trying to do. It would enable you to catch up quickly, and then build upon that knowledge even further. Who knows how far you could go with help like that.

So why do you continue to try to do it by yourself? If learning on your own is such a good idea, why did your mama send you to school all those years ago? Somehow it made sense to learn from the knowledge and discoveries of others when you were young, so why do you think you have to do it all by yourself now? If everyone looked at things that way, we would make no progress as a species!

Don't tell me it's because you already know everything you need. We both know better than that. Have you looked at your numbers lately?

Don't tell me it takes too long. A wise man once taught me "slow is smooth and smooth is fast". In other words: slow down, pay attention, do things right the first time and in the end you'll get to the Promised Land much faster.

Don't tell me it costs too much. First, there are many ways to learn from others that won't cost you a dime. Second, there are ways to learn from the best in the business that may require a modest investment in yourself, but the return on that investment will be well worth it.

If you really want to build that business you have always dreamed of, climb up onto the shoulders of those who came before you.

- **Read** — Start by making time to read something industry-related every day. Even if it's just 15 minutes. There is an unlimited supply of really good information available from trade magazines, social media, Amazon, maybe even your IMO.
- **Listen to audio programs** — Take the advice of the great Zig Ziglar and attend Automobile University. That is, make good use of your travel time by listening to good smart content while you're in the car. It will change your life.
- **Watch videos** — If you haven't already, check out YouTube, Vimeo, and other video sharing sites. The companies you represent probably have some great videos too.
- **Find a mentor** — Whether you pay for a coach or find a mentor that will provide you with guidance for free, find someone to consult with. Just be careful. Sometimes, you get what you pay for. Make sure your mentor brings real world experience and a successful track record.
- **Join a professional group** — This can be a true trade association like the IARFC, or

an online group like those you can find on LinkedIn. Just remember with any such association, you typically get out of it what you put in in terms of effort.

- **Pay for training** — The cost of training programs can vary widely, but so can the value. It's the results of the training that matter most. The effect of the cost lasts a few days. The effect of the value of a good program will last a lifetime. Choose a program created by someone who has won at your game, and has proven they can replicate that success in others.

Successful people are always trying to find ways to improve. They observe what other successful people are doing. They act on the best ideas, and pitch the rest. They use other people's successes as the foundation for even higher levels of achievement of their own.

If you're serious about taking that next step in the development of your career and your practice, learn from the experience of others. Get out of your own way. Take a couple of these suggestions, and commit to them for the next year. You'll be amazed at the results.

Mama knew what she was doing. 



Paul Mallett, RFA®

Paul Mallett, RFA®, is Senior Vice-President and Chief Operating Officer of Postema Marketing Group, a nationally-recognized independent marketing organization providing product support and business consulting services for independent advisors. Paul is a regular blogger and contributor to a variety of industry publications and social media platforms.

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Fax: 513 424 5752
Phone: 800 532 9060
Website: www.IARFC.org
E-mail: info@IARFC.org

Application for IARFC Membership

Annual Membership Dues:	\$200
Nonrefundable Application Fee (one time):	\$50
Total First Year:	\$250

Please Print

Your Name _____
 (Exactly as you want it to appear on your full-sized 16" x 20" RFC Membership Certificate, excluding degrees or other designations)

Mr. Mrs. Ms. Other _____ Your Preferred Salutation/Nickname (i.e., "Bill") _____

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Check Enclosed \$ _____ or **Credit Card** No. _____ Expires _____

Name of Business _____

Business Address _____ Ste # _____ City _____ State _____ Zip _____

Phone _____ Fax _____ Business E-Mail _____

Business Website URL _____

Residence Address _____ City _____ State _____ Zip _____

Phone _____ Birthdate _____ IARFC Sponsor, if any _____

Your Educational Background (Since High School)

Name and Address of Institution	Location	From Mo/Yr	To Mo/Yr	Course or Major	Graduate?	Degree

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Insurance Licenses: Life Health Variable Contracts Prop. & Casualty Other _____

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Affiliated with an SEC Registered Investment Advisor (RIA)? Yes No Name of RIA _____

Designations: AAMS AEP CFA CFP ChFC CIMA CLU CPA CPA/PFS CRSA EA FSS JD/LLB LLM LUTCF MBA MS MSFS MSFM Ph.D. RFP Other _____

Financial Services Education course(s): _____

Financial Services Experience: Number of years as a practitioner in the field of financial planning: Full time _____ Part time _____

Current Practice Mode (check those which apply): Charge Plan Fees Hourly or Modular Plan Fees Portfolio Management Fees
 Insurance Products Securities Mutual Funds Trust Services Other _____

Other Qualifications _____

Please see the questions and signature requirements on the reverse side.

Questions relating to business and ethical conduct

- Have you ever been refused a surety bond or other form of employment security? Yes No
- Have you ever been denied or enjoined from selling or dealing in securities or from functioning as an Investment Advisor? ... Yes No
- Have you ever been arrested, indicted, or convicted for any felony or misdemeanor, except for minor traffic offenses? Yes No
- Have you ever been known personally by any other name, or have you ever conducted financial activities, conducted business or carried brokerage or bank accounts in any other name? Yes No
- Have you ever become insolvent, failed in business or compromised with creditors?
If "Yes" – please provide the date name and location of court, disposition, liabilities, and assets..... Yes No
- Have you ever had a license, permit, certificate, registration or membership denied, suspended, revoked or restricted, or have you had an application of such type ever withdrawn for cause? Yes No
- Have you ever been the subject of any order, judgement, decree or other sanction of a foreign court, foreign exchange, or have you ever been the subject of any action by a foreign or domestic governmental or regulatory agency? Yes No

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES" PLEASE ATTACH A WRITTEN EXPLANATION

The following should be read carefully by the applicant:

1. I hereby certify that I have read and understand the foregoing statements and that my responses are true and complete to the best of my knowledge.
2. I hereby apply for IARFC registration and, in consideration of my application, I submit myself to the jurisdiction of the organization and hereby verify that I agree to abide by all the provisions of the bylaws and regulations of the organization as they are and may be amended; and I agree to comply with all such requirements, subject to right of appeal as provided by law, and I agree that any decision as to the result of any examination(s) that I may be required to pass or annual CE requirements will be accepted by me as final.
3. I further agree that neither the association nor its officers or employees shall be liable to me for action taken or omitted in official capacity or in the scope of employment, except as otherwise provided in the statutes, bylaws, or the association's rules and regulations.
4. I authorize the organization to make available to any federal, state or municipal agency, or any securities or commodities industry self-regulatory organization, any information they may have concerning me or to request confirmation of my status, and I release those organizations, employees and agents, from any and all liability of whatever nature by reason of furnishing such information.
5. I further agree that any part of the information contained in this application and any subsequent documents in my IARFC registration file may be divulged to interested parties as part of the referral system for the benefit of members and the public.
6. I hereby certify that I have a sound record of business integrity with no suspension or revocation of any professional licenses, and I hereby subscribe to the IARFC Code of Ethics, a copy of which I have read and understand.
7. It is agreed and understood that any material misrepresentation of facts or information given in this or subsequent application or renewal may be cause for immediate revocation of membership and all its privileges, without refund of any dues or fees paid.
8. I understand that failure to disclose any regulatory event, including suspensions or revocations, may disqualify me.
9. I agree to maintain proficiency in my work by completing continuing education in the field of financial planning and counseling — which can include subjects relating to practice management, delivery of professional services, portfolio management or financial product application and service.
10. As an applicant for registration, I understand and agree that my RFC designation with the IARFC will not become effective until submission of all required documentation in proper order and upon written acceptance by the IARFC.
11. I understand that all IARFC Certificates of Registration remain the property of the Association and must be destroyed or returned to the Association should my membership or the right to display the designation certificate be suspended or terminated.
12. I understand that continuation of the RFC designation requires 40 hours of CE per year, which commences January of the year following acceptance.

SIGNATURE OF THE APPLICANT *(required)*

DATE

SIGNATURE OF A WITNESS *(required)*

- How did you learn about the RFC?** Advertisement Article Association _____ Broker/Dealer _____
- Direct Mail E-mail Exhibit Insurance Co. _____ Partnership
- Presentation by _____ Referral by _____ IARFC website RFC class
- Other _____

Please recommend associates or colleagues for the RFC designation — or the Financial Planning Process™ course:

Name _____	Name _____
Firm _____	Firm _____
Address _____	Address _____
City/State/Zip _____	City/State/Zip _____
Phone _____ Email _____	Phone _____ Email _____

IMPORTANT: Evidence of license, diploma or similar documents may be requested. **However, you need not submit evidence with the application.** The Association is compensation neutral regarding plan or portfolio fees, insurance, securities or real estate commissions, salary or bonus. The application fee is nonrefundable.

Please Mail this Application — or Fax to: 513 424 5752

Roadblocks for Elderly

VA Wants to Make Elderly Vets their Victims Again

I'm passionate about helping elderly Vets and their spouses when their health changes. Unfortunately, the VA has now created a stealth move aimed at denying the Veteran and his/her family a key benefit to help pay for their long term care needs. On March 24th, some new rules will go into effect that will affect all Veterans over the age of 65, the World War II, Korean, and Vietnam Veterans especially.

Last year a bill was introduced in Congress (H.R. 2189) and although the House overwhelmingly passed it, the bill was defeated in the Senate. That bill was aimed at creating more roadblocks for elderly Vets to be able to access a **little-known benefit called the special Aid & Attendance pension for non-service connected health needs**. This benefit helps Vets and their spouses to pay for home care services, assisted living costs, and nursing home expenses. It's a benefit that's been around for several decades, but over all of these years, the VA has not even sent out a postcard about it to our wartime Veterans. The Veteran has to hear about this benefit almost by accident. It's a real shame. Very few VA employees learn about it. Even worse, it's not unusual for a Vet once they hear about it, to ask a VA employee about what's required to get it, and then be told, "You don't qualify".

The VA's Notice of Proposed Rulemaking can be found at <https://federalregister.gov/a/2015-00297>. Public comments on this proposal were accepted until March 24th, yet it's been kept pretty much a secret by the VA. Until now. We won't know the final details on the voting until July but if and when these changes are passed, elderly Vets could be locked out of a financial benefit for many years just because they have some savings and are not almost penniless when they need long term care services.

Currently, the special Aid & Attendance pension can pay up to just over \$2000 a month tax-free to a married war-time Veteran to help pay for their long term care needs.

This monthly benefit's not meant to pay for everything, but getting \$2000 a month



The VA's proposal is just not fair or the right thing to do to these defenseless elderly Veterans who now need help paying for their care.

to help pay for care means that the Vet or his/her spouse can have choices about what type of care they need and where to have it. A single Vet can receive up to just over \$1700 per month, and a surviving spouse is eligible to receive just over \$1100 per month. Sound good? You bet.

There's some key qualifications: a Vet had to serve in the military during a declared time of war, (but did not have to be in the Theatre), just have served anywhere in the world during that time; The Vet or his/her spouse must need the daily assistance of another individual for their activities of daily living (or have dementia) when they apply, and they must have paid for at least 30 days of care when the application is submitted; and lastly, they must have the financial need for the benefit.

What a godsend this benefit can be to a family now faced with the costly and very necessary care of an aging Veteran or their spouse! Unfortunately, over the years there's also been some abuse of the program by a small percentage of attorneys and advisors nationwide which the VA absolutely wants to correct. The changes in their proposal may look harmless, but those changes may affect thousands of Veteran lives.

The proposed rules won't change the dollar benefits that a Veteran can receive but, with the proposed financial qualification limitations, a married Veteran will have to spend down to state Medicaid levels to financially qualify for the benefit. Once they spend-down (and there's a proposed 3-year look-back now on that spend-down) the



Veteran might as well go on Medicaid to pay for their care, since Medicaid will pay for ALL of their care, not just a portion of it like the VA would. **It's a pretty amazing proposal that will affect every State in the U.S.!** These new proposed rules will result in a flood of new long term care Medicaid applicants for the States to pay for. And effectively, the VA won't have to be paying out this benefit very much to those sick and now elderly Vets who were willing to give their lives while they served in the U.S. military. It this fair? I don't think so.

So what's the solution to avert this injustice to our elderly Veterans who deserve this benefit?

1. Speak up and let the VA know that their Proposed Rulemaking is punitive.
2. Contact your local media and let them know how the VA is changing the rules and how financially devastating these changes will be to Veteran families.
3. Tell the attorneys and advisors that they can still work with a Veteran family to prepare the application package for the benefit, but now they'll need to submit the application packages directly to their local Veteran Service Officers for review and submission to the VA computer. It will effectively STOP the abuse that the VA is so worried about.
4. Tell the attorneys and advisors who work with elderly Veterans and their families what the actual rules for qualification for this important benefit really ARE. The VA doesn't need to make a Veteran family guess what will or will not be approved, and then have their application for benefits denied.
5. The VA needs to remember that they were created to SERVE the Veterans and

their families, and not impose punitive damages that can hurt them.

The VA has real contempt for those few attorneys and advisors who have abused the system over the years, who charged Vets to help them access this benefit, and who willfully withheld key information on the applications. But, even though the newly proposed rules may initially seem harmless, if they go into effect this summer because no one spoke up, we'll be faced with unnecessary financial harm to Veterans and their families. ☐



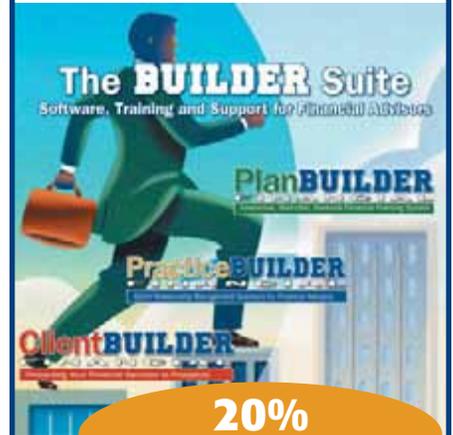
Wilma G. Anderson, RFC®

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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Managing risk is as important today as it has always been. For example, when it comes to our biggest asset, our home, we're protected with homeowners insurance. When it comes to our cars and the risk of liability in the event of an accident, our autos are insured. And of course, when it comes to our health and the enormous potential cost of doctors and hospitals if we were to become ill, we have protected ourselves with health insurance. Because health risks are so high, the government actually requires by law that they are insured.

There is even a way to mitigate the risk of having our loved ones exposed to economic hardship in the event of an untimely death with life insurance. But what about stock market and inflation risk? Surprisingly few have protected themselves from the inevitable dips and downturns in the market that exposes their hard-earned life savings to definite peril.

One of the largest groups of investors are people saving for retirement. According to a survey conducted by Legg Mason, the primary goal of retirement investing is for people to maintain their current lifestyle in their later life; however the survey also found there are three primary issues people fear which can prevent them from living the lifestyle they want later in life: 1) having a catastrophic health event that could use up their retirement funds; 2) living longer than their retirement funds would last (otherwise known as Longevity Risk; and 3) their income won't keep up with inflation (Purchasing Power Risk).

These are all valid concerns, and they all point to the underlying issue: risk of market returns. Where do retirees put their assets today? Most people, not wanting to risk all their money in the volatile stock market, let their money sit idly by in what they perceive as safe investments. These traditional parking places are savings accounts, money markets, bank CDs and Treasury bonds. They hope that through these vehicles, they can earn a modest income stream. The problem is that the returns on these particular vehicles are actually very low. Right now, the average rate available on money market and savings accounts is about .50%.



The one year bank CD rate is around 1% and you might get 1.5% for a five year Treasury bond and 2% for a ten year Treasury, if you're lucky. That means that you have locked your money up for a decade, and it's earning you less than 55 cents per day. That does not provide enough to cover the modest income stream most hope for.

Let's move to the opposite end of the investment spectrum and look at equities. Right now the current P/E ratio for the S&P 500 stands at about 25.7% (based on a report by Crestmont Research). This is just shy of its 20 year average of 26.8%. That is exciting, but if we go back to the technology bubble in 1999, the ratio stood at an extreme 44.2%. Twenty-six percent is high. It's worrisome. Retirees need to be cautious. In fact according to Yale professor, Robert J. Shiller, this is a terribly fearful place for retirees to be because a normal long-term PE ratio should 15% based on trailing earnings.

In the higher-risk environment in which we find ourselves today, the goal is to not only invest, but to feel safe and secure. Retirees need to be less emotional about their money and be taught how to position their savings to take advantage of opportunities. The Great Recession taught us we cannot continually endure the dramatic ups and downs of the market. Right now we are in

the seventh year of the most recent bull market. It's one of the longest bull markets in US history. We don't know when a market correction will come, but we can all agree it is coming, probably sooner than later. We also need to remember that brilliant research does not equate to beating the stock market. The stock market has out-smarted Nobel Prize winning laureates and Professors at Harvard Business School and MIT. Many a guru have claimed to have figured out the market, but no matter how compelling their logic, advisors need to use common sense and good judgement in their client's investment decisions.

If we look at the current economic status both in the US and the global environment, one fact stands out. We face a real crisis, but this time, equities will not be the cause of major consumer loss when the collapse occurs. The losses are going to happen in the bond market. Bonds get overlooked because the mainstream financial media knows that stocks get papers read, the news watched, and radios listened to. Stock market stories are usually much more dramatic than bonds or currencies. That may soon change.

Most do now know that we have a formidable 100 trillion bond bubble. For the last 30 years, Western currencies have been covering over the decline and living

standards by issuing debt. In the simplest terms, sovereign nations spend more than they collect in taxes. Our Federal Reserve likes to spend a lot of money, much of it on social programs. While they spend, they don't increase taxes as much as they should to cover the costs. Instead, they issue fiat money as well as new debt to fund these various programs. The US is not alone in this; most Western nations are completely bankrupt due to excessive social spending. All of the spending has been fueled by the issuing of new bonds.

As I just noted, the global bond market is well over 100 trillion dollars and is growing rapidly. Indeed US corporations issued over 1.5 trillion in new debt in 2014 alone. This is an all-time record, but it gets worse. It is actually the third consecutive all-time record for corporate debt issuance, which means that the bond bubble is more than \$100 trillion because it is growing on a month-to-month basis. Adding to that, consider that 81% of all derivative trades are based upon interest rates which equate to bonds. Globally, the interest rate derivative market is an unbelievable 555 trillion in size.

Right now in this current environment, successful individuals and families are in a hungry state for trusted guidance that helps them achieve their most important financial goals and dreams. As advisors, we need to be proactive, truthful, and earn our client's respect as their trusted fiduciary by working in their best interests and help them achieve what they desire.

If our clients are worried about their money being safe while earning a decent return, there is an answer. There are vehicles that offer safety as well as being guaranteed tax-free or tax efficient. They are insurance instruments that can insure against losses in the stock market. These particular vehicles transfer stock market risk to another entity, an insurance institution, so that no matter what happens in the market, there's never a loss. Keep in mind, these retirement protection vehicles can also provide tax-advantaged or tax-free income for life, and since they never lose money, the purchase power of retirement income can last the needed 25 to 30 years or more.

CPA extraordinaire, Ed Slot, says the greatest gift in the tax code is life insurance. Today's life insurance is not your grandparents' old life insurance, locking up money until the insured passes away. There have been significant changes over the years, and the current array of vehicles include dividend-paying whole life, index life insurance and guaranteed universal life insurance products.

These life insurance vehicles can help you and your clients achieve a competitive, guaranteed, predictable growth that is higher over the long term compared to what the conventional, safe-money vehicles are paying. Some even have a market-like return with the use of an index of S&P 500 or other alternative indexes if the market drops. And to appease investors' worries over long-term or catastrophic illnesses, most life insurance vehicles can provide living benefits for health care crisis protection from a stroke, heart attack, and disability or nursing home costs. They are backed by the legal reserve system, and they not only provide tax-free income for life, but a tax-free, probate-free death benefit that pays to your beneficiaries in the event of death.

When it comes to educating clients, we like to use the faucet and bucket theory. During our working years, roughly ages 18 to around 64 years old, we are pouring funds into our retirement bucket. This is the accumulation stage, with money coming in from our work, our 401(k)s and IRAs, and through other investments. Stockbrokers and money managers deal with this first phase, as their main focus is on growing the money. At some point, we hope the bucket is full enough so that we can retire and begin the distribution phase. At this point, the bucket has some rusted holes in it, the first of which is long-term care. This particular hole can turn into a hemorrhage, with long-term care costing \$6000 – \$8000 a month. That is a hole that definitely needs to be plugged. We also need to seal off the "inflation" hole. Inflation is going to ramp up and reduce the purchase power.

However, one of the largest rusty spots we have to be aware of is taxation. The government is interested in the distribution phase because much of the investment money we put in our bucket came in the form of 401(k)s and IRAs, and the government would like to get paid its share on that money. This is why people 70 ½ and older are required, by law, to take money out. When qualified plans were first conceived, tax-deferment seemed like a good idea. However, right now, we are at an 18 trillion dollar deficit. The only way we can earn our way out of this is to increase taxes. Did you know if you averaged the tax rate since 1926, it would sit at a whopping high 60%? Today's highest tax rate is 39.6%. With the real possibility of 78 million baby boomers dropping out of tax-paying rolls and into entitlement rolls of Medicare and Social Security, taxes will surely increase. This leaves money in tax-deferred vehicles exposed to more risk

than advisors would like to believe. Unfortunately, I think people in their retirement years are going to be in for a rude awakening; they may be planning on getting, say, a \$5,000 a month income, but with higher taxes, they may only get \$3,800 or less of that money. Taxes, in short, can be a rusty hole turned volcanic explosion if it is not managed well.

We need a savings vehicle that keeps our money safe. Life insurance in the forms I mentioned above works well at sealing all of the holes in the bucket.

Through the use of life insurance, our clients can still maintain tax-deferred growth and be linked to stock market-like returns with indexed life insurance products. Keep in mind, IUL products can provide long term care protection and offer guaranteed death benefits for our clients' families. Two things in life are certain: death and taxes.

As a CFEd®, RFC® and Business Development Advisor with BCA Marketing, I strongly believe it's a necessity to embrace and implement tax-advantaged and tax-free income planning strategies in order to take care of our clients. That way, if our clients live another thirty years, they can leave a tax-free legacy to their children and grandchildren, while providing true protection from longevity risk. ☐



Joseph Clark, CFEd®, RFC®

Joseph Clark, CFEd®, RFC®, has extensive knowledge in preservation and distribution of wealth, retirement planning, reduction of financial risk, tax efficiency and protecting assets from catastrophic illness. He is an experienced teacher, consultant and advisor with Brokers Choice of America. Joseph also works with personal clients through his agency, Clark Advisory Group.

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What is the Financial Planning Process?

An in depth look at the process and the consultant leading it



The Process

The planning process itself becomes a specialized competence that the financial consultant offers to serve the needs of clients.

Who leads the process?

The process is led by the financial consultant. Whether originally coming from the field of accounting, law, insurance, investments, or banking, this individual adopts the financial planning process as a new professional practice. They assume a new professional identity – offering expanded knowledge and increased competence to clients.

The financial planning process includes a comprehensive implementation for clients instead of merely selling financial products, or offering a single service such as preparing legal documents or rendering tax return advice.

Financial services professionals who become comprehensive financial consultants must employ a systematic method for accomplishing client-determined objectives. This helps manage their financial resources in a manner consistent with the way they wish to live their economic lives.

Since financial planning is a process that must be oriented toward meeting client

needs, the process must be followed in an orderly manner. It is the responsibility of the financial consultant to ensure that it does.

Fact Finding. Every financial consultant should have a comprehensive data form such as the *American College Fact Finder*. This fact finder is the classic amongst data gathering forms and the model against which other fact finders should be judged. The key to successful financial planning is the data-gathering interview. This generally requires 30% of the time in the financial planning process for one-on-one data gathering interviews with clients. In a more practical sense, a consultant may use a fact finder designed for their financial planning software. It makes it easier to coordinate the fact finding with computer data entry. Nevertheless, the *American College Fact Finder* contains valuable checklists and asks for other pieces of information that are critical in adequately assessing a client's current position. Often, these important components are not found in other fact finding forms.

Every consultant must know that data gathering is the point at which trust is established. Trust plays a critical role in the financial planning process. The person who actually becomes the financial consultant must establish trust. Proper and effective

data gathering covers everything. If there is something that is not uncovered in the data gathering process, it will haunt the results later. Does the individual have spendthrift children? Did the client make loans to them which are not being paid back? Are there other non-financial problems that will impact the process?

Prior to the *Data Gathering* the consultant typically gives clients a packet that includes a list of the documents that they should assemble. It should also include the fact finding form. They can use this form to begin collecting some of the information that will be necessary to complete their plan.

The checklist and fact finding form increases efficiency and makes the process flow more smoothly. Nevertheless, the consultant must review every line during the data gathering meeting because many of the items will be entered incorrectly. One tactic in the data gathering process that will help is to asterisk, or make notes of hot spots for further analysis. Also note potential recommendations in the margins of the fact finding form.

It is important to not make recommendations to clients during the Data Gathering session. Doing so prostitutes the financial planning process and off-the-cuff recommendations

may not be appropriate for the client. There are three components of each great financial consultant.

1. A great financial consultant is a highly effective data gatherer.
2. A great financial consultant understands what is encompassed in the data gathering process.
3. A great financial consultant knows that data gathering is the heart of financial planning. It is where clients develop their trust, and rapport is first established.

Five-Step Planning Process.

Comprehensive financial planning requires a process that includes five steps:

1. **Initial Meeting.** During the *Initial Meeting*, the consultant explains the nature of financial planning (including these five steps) and the services offered. At the end of this meeting, clients will understand the process, what their written plan will include, and their fee structure. If they are ready to move forward, an appointment is scheduled for the next step.

2. **Data Gathering.** During the *Data Gathering* session, the consultant reviews documents and preliminary information provided, checks for completeness, inconsistencies, problem areas, accuracy of numbers, areas for confirmation, and further questioning.

This often takes place at the client's home with both spouses present. Consultants do this because clients are routinely getting up to retrieve documents or statements from their filing cabinet. At the office, that information would not be available. Meeting in the home also puts the planning process on a more personal level. Subsequent meetings are generally held in the office.

During this *data gathering* session, the consultant reviews the client's personal, financial and tax position, assesses their risk tolerance levels, helps the client determine realistic financial objectives in relation to resources, sets priorities needed to achieve objectives and obtains other information as indicated in the fact finding forms.

3. **Plan Presentation.** This is often completed over two separate meetings. The actual written document (80 -100 pages) is presented to the client. The consultant will proceed through the document almost on a page-by-page basis.

Moving Forward

If a consultant is considering transitioning their business to fee-based financial planning, this article provides a job description, roles defined, and necessary functions to perform. The consultant can visualize managing this planning process to complete a successful transition.

4. **Implementation.** After explaining and educating the client and reviewing the assumptions that went into the plan, the consultant will ask for client approval and acceptance of the plan. An implementation schedule will be created, after which the implementation process begins.

5. **Ongoing maintenance.** Of course, during the implementation process, the plan must be administered and continually monitored through periodic (annually) reviews to measure performance and to update per the current situation.

Moving Forward

If a consultant is considering transitioning their business to fee-based financial planning, this article provides a job description, roles defined, and necessary functions to perform. The consultant can visualize managing this planning process to complete a successful transition.

The Consultant

What is a financial consultant? A professional who manages a comprehensive financial planning process that is client oriented and results in a financial plan tailored for each client.

This process is what distinguishes the professional financial consultant from those offering one-size-or-one-product-fits-all solutions. The comprehensive financial consultant approaches each client with a problem-solving methodology, similar to the process used by CPA firms conducting audits.

To best serve clients, this process should be directed by a consultant who has a generalist knowledge of what the client's needs are, where the clients are now, where they want to be, and what methods, strategies, techniques, and specific financial products and services are best suited to helping them get there. The professional consultant will help clients choose appropriate strategies for achieving their goals and objectives.

Roles of the Financial Consultant

The financial consultant must play many roles in the planning process.

Fiduciary. The financial consultant's unique position of trust in client relationships directly raises the issue of *fiduciary* responsibility. The term fiduciary refers to a relationship in which one person has a responsibility of care for the assets of another person. A financial consultant, therefore, has a fiduciary responsibility, or duty, to care for and act in the best interests of the client at all times.

A financial consultant is not permitted to use the fiduciary relationship to benefit their own personal interest unless the other person is capable of consent and knowingly does so. This is why it is necessary to clearly disclose any conflicts of interests in an agreement.

Historically, this fiduciary relationship is a key factor that has distinguished fee-based financial consultants from pure product salespeople. More recently, there have been efforts to classify all as fiduciaries. Regardless, the financial consultant has, and will continue to, operate as a fiduciary.

A higher level of responsibility exists with the financial consultant. Thus, a different classification of malpractice insurance must be obtained and conflicts of interest must be disclosed. It is not merely voluntary, but a legal liability which pushes the consultant to a higher level of professionalism.

Generalist. The distinguishing competence as a financial consultant is through practice of the financial planning process. As a result, the financial consultant's knowledge must span the whole spectrum of personal financial management and services. Although financial consultants will usually have specific areas of expertise, they are not experts in all areas of the financial planning process. A consultant should be a generalist capable of delineating the client's current situation — analyzing and diagnosing the strengths and weaknesses

of that position in relation to the client's needs — and formulating the appropriate general strategies.

Practitioner. The financial consultant exercises two specialized roles in the financial planning process. First, a traditional professional service, plus a second specialization in the financial planning process (methodology) itself.

This additional specialization in the financial planning process is what distinguishes a comprehensive financial consultant from others in the industry. Thus, the insurance agent or securities salesperson — whose whole intent is merely to sell a product — should not be called a financial consultant.

Coordinator. The forte of the consultant should be the role of coordinating the financial planning process. As coordinator, the consultant oversees and manages the professional team that has been called upon for their expertise in evaluating the client's current position, or in helping to formulate the financial plan.

Data Gatherer. Collecting and logically organizing complete personal and financial information on the client is a required and necessary part of financial planning. With a systematic data gathering process, combined with a full range of psychological insights and communication skills to help the client assess needs and goals, the financial consultant can organize the client's financial objectives and correlate them with available resources.

Counselor. A fundamental and critical function of the financial consultant is that of counseling closely with the client. By using professional counseling skills, the consultant is able to help clients achieve their objectives.

Diagnostician. Once all personal and financial data has been gathered, the financial consultant must analyze the client's financial condition and diagnose strengths and weaknesses. These diagnostic skills are critical in uncovering possibilities for restructuring assets, deficiencies of resources relative to goals, problems of client priorities in saving and spending, debt mismanagement, lack of planning, unprotected risk exposures, and pressing family considerations.

Teacher. Counseling closely with clients throughout the financial planning process creates mutual understandings of their positions and what means are available for achieving realistic objectives. Educating

clients increases trust and helps them more effectively achieve their goals.

Interpreter. To serve a client's perceived needs, the financial consultant must be able to interpret those needs and translate them into implementation steps for satisfying them. Clients will not accept, and certainly they will not follow, financial plans based on a misinterpretation of their conditions, needs and goals.

Implementer. A consultant will rarely be able to implement all aspects of a financial plan alone. Any effort to do so stretches the consultant beyond their level of competence. The consultant who also specializes in a specific area (e.g., accounting, insurance) will probably implement those parts of a client's plan that falls within their areas of competence. For example, an attorney will implement legal recommendations and the insurance agent will implement the insurance.

The financial consultant is the coordinator of other professionals for specialized knowledge and expertise. They will rely upon these experts to implement those parts of the client's plan for which they are more competent, or for which they are designated by law or license as the appropriate expert. Few financial plans can be fully implemented without the coordination of efforts by several specialists. The management of this effort is typically the responsibility of the comprehensive financial consultant.

Administrator. The financial consultant monitors the performance of client plans according to performance criteria established in the planning process. Adequate records must be kept for each part of a client's comprehensive plan so that performance can be measured periodically to evaluate how well the plan is achieving client objectives. As administrator, the consultant must schedule periodic reviews with clients to ensure that objectives are being met.

The Team Approach

Comprehensive financial planning is a process that integrates and coordinates the expertise of a team of professionals, each with their own area of expertise. The desirability of the team approach to a client's financial condition and planning can be demonstrated in this hypothetical situation:

Assume a client engages a financial consultant to counsel him closely. The consultant might see that the client needs:

1. Significant and in-depth analysis and planning in a stock portfolio and other investments;
2. An analysis of how the client can use a business interest to best serve personal financial planning objectives;
3. A program for funding of college educations;
4. New wills for the client and his wife;
5. The structuring of two different trusts for the benefit of members of the client's family;
6. Business advisory services concerning business valuation and ultimately transfer of the client's business to the oldest son;
7. Tax reduction strategies;
8. Life and disability income protection for the client and possibly life insurance funding of transfer plans for the business.

It would be a rare breed of registered securities representative, attorney, CPA, or insurance agent who could pretend to evaluate every aspect of a client's total position, determine needs, help set goals, and implement appropriate plans and strategies. In order to oversee the client's total position, it is recommended that a team approach be utilized. 



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Marketing Unplugged

Implementing New Strategies When You Are Busy Already

We've all done it. You read about a great strategy to transform your practice. You buy the book/disk/download. You read the literature on the train. You resolve to reinvent your practice. Two months later, nothing happens. Why not? What can you do to bring about positive change?

History

In the early days when upscale gyms were a new concept, their business model was simple. Get them to join, pay the initiation fee along with the upfront annual membership, and then hope most people never use the gym. After all, if everyone actually worked out, the gym would get too crowded. They sold the "Take the first step" concept and made their money when you joined. You bought the book.

They understood inertia is a powerful force. Consider New Year's Resolutions. According to Forbes, 40% of Americans make them and 8% stick to them. This was also addressed by the University Of Scranton Journal Of Clinical Psychology: 39% of people in their 20's achieve their resolution and only 19% of people over 50 succeed. 29% of well-intentioned resolvers relapse after two weeks.

It's All About Time Management

For the financial advisor, failure to implement a new strategy is all about time management. After you walk into the office your sales assistant says: "Thank goodness you're here! Mr. Difficult Client called and needs you to call him back immediately." Often sales support personnel who cover several advisors are better at assigning tasks to advisors then advisors are of delegating tasks to them. They can be very good at time management.

There are no new ideas in time management. To succeed in implementing a new strategy to transform your business,



you need to clear out a large block of time. Once you have secured this valuable commodity you can start putting your new plan into action.

Key Rules of Time Management

Here's how you can create time you didn't know you had:

1. **Early to Rise** — Get into the office early. Between 7:00 AM and 8:00 AM is ideal. Use this time to read the newspapers and catch up on news websites. A disciplined advisor I met in San Francisco would bring the papers into the conference room and digest the news. This way he wasn't disturbed. Now that's out of the way.
2. **I'm Thinking About You** — The news stories align with certain clients. The release of earnings from a widely held company will be of interest to those shareholders. Call them as early as you dare. Assume they have already seen the article but restate the key points. They will realize the day is still young and you've been at work for how

long? Ask them to do something or let them know they should sit tight.

3. **Prospect Everyday** — Your business needs to grow. We might tell ourselves with "I build my business through referrals" but you can't control the flow. Every day, set aside some time to find new clients. It might be "Who do you know..." conversations with current clients. You might call homeowners associations looking for speaking engagements. Maybe you cold call business owners. Do something.
4. **Tough Jobs First** — Lets suppose you commit to prospecting an hour or two a day. Make that job #1. Start at 9:00 AM. Get it out of the way. If you have difficult client calls to make, do those early too. If not, this activity will be pushed into the afternoon and eventually the next day.
5. **Do Your Business in the AM** — Remember the Law of Diminishing Returns? You start each day with a plan, the people you want to call and the business you hope to get. In the world of managed money and

fee-based accounts, this might be securing appointments, conducting portfolio reviews or asking for more money for additional investments. Make those calls in the morning when you are fresh.

6. **Out to Lunch** — When Frederick Winslow Taylor invented scientific (time) management in the 1880's he realized people were more productive taking breaks vs. working constantly. Leave the office for an hour. Ideally have lunch someplace with a cast of regulars where business owners and professionals gather. If you are surrounded with potential clients, why not mingle with them?

In six short steps you have made an amazing amount of progress! Let's assume the advisor's job description is headed by open new accounts, gather new assets and do business (along with provide excellent customer service.) You have achieved those top three items by 1:00 PM in the afternoon! You have now found 4+ hours for implementing that new strategy to transform your business.

That Isn't The Real World!

Advisors reading this far will say: "Life is never like that! What about incoming calls? I've got to go, my sales assistant is trying to get my attention..."

When you think your day is nonstop interruptions, incoming calls and demands, think about the **flat tire scenario**. Let's assume you usually arrive at 9:00 AM. (You have to change that!) Today you had a serious blowout during your commute. The axle bent. Traffic was solid. It took time for the state trooper to find you and more time for the tow truck to arrive. It was noon by the time you arrived at the office. Wow! You missed three hours of incoming calls and interruptions. How did they survive without you? Just fine. Those "emergencies" weren't that important after all. Incoming calls with orders were handled by a registered assistant. The morale of the story is you can focus on what needs to get done and push the other stuff into the future.

Tracking your progress is important. Your firm has metrics galore, but they don't give you a sense of accomplishment at the end of the day. I personally keep a daily business journal with categories such as "Good Things That Happened Today" and "Other (Bad) Things That Happened Today". This is followed by other headings like "What Did I Do to Drive Business?" Each day I look over outgoing e-mails and my

client contact system to populate the list. It's a great way to keep track of ongoing cultivation efforts. You will often find the "Good Things" list is pretty long!

Appointments and Portfolio Reviews consume lots of time. Those might fit into the afternoon or blow a hole in your morning schedule. That's no problem so long as the time is used productively. Enter each meeting with an expectation about your own takeaway. Is it opening a new account? Portfolio rebalancing? Asking for more money? Introducing nontraditional products that meet another client need? Your client has expectations walking into the meeting. You should too.

Paperwork looms large in your mind. It's necessary but it consumes time. Look at everything you do over a couple of weeks. As you consider each task ask: "Must this be done by me or could it be done by someone else?" Most client facing activities — like asking for orders and reviewing portfolios, are your domain. Paperwork can often be completed by someone else. Hire someone part time or secure the services of an intern to help.

Conclusion

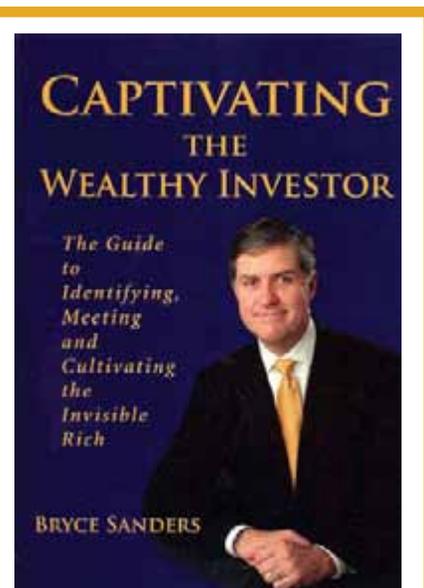
You want to implement a new business strategy. The major component you need is time. By implementing some time management techniques you have freed up a few hours every afternoon. Defend your turf. Most important, be aware of inertia, specifically letting the flow of the day control you and sticking with old habits. ☐



Bryce M. Sanders

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Why Won't My Friends Do Business?

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Tech Tips

Cyber Security

You've Been Hacked!

Maybe you think that because your financial services firm is a LOT smaller than Anthem Insurance or Target stores, you are not susceptible to cyber-crime. You're not as big as those firms (or many government agencies) so aggressive hackers are not likely to be in that vacant office in your building, sucking data from all the tenants.

You are a Good Target

As a small practice you think you are exempt. Suppose you have just 100 clients, each worth a million or more. You're a \$100 million target!

Did you know that one out of five cyber-attacks hits a business or professional practice with 250 or fewer employees? As the giant firms tighten their cyber-security, the hackers will be looking for small, but valuable, firms — like yours.

We all watch the nightly news, and many of us think, "No one would target me or my business for a cyber-attack; it isn't worth their time!" However, that simply isn't the case. Considering that roughly 60 percent of small businesses close within six months of a cyber-crime, everyone needs to be aware and concerned. Not only your firm, but you personally, since you have decision-making authority.

What Are Hackers Seeking?

Registered Financial Consultants, CPAs, attorneys, and brokers are among the prime targets for cyber criminals. Obtaining your clients' tax returns, Social Security numbers, employer ID numbers, financial statements, and other sensitive data is like hitting the lottery for a hacker. Your records reveal where they have accounts, the account numbers and entry passwords, and the family data that might reveal password clues, like "Mother's Maiden Name."

It is not likely that this data will lead to a personal threat, kidnapping or home invasion — but that possibility does exist and



will cause extreme discomfort to your clients who thought their data was secure.

Who Are These Hackers?

Unfortunately, these breaches aren't limited to people gaining access to your network from another location. Stolen or misplaced laptops, a rogue employee with access to client information, mail containing confidential information opened by someone it is not intended for — these are all examples that fall under a privacy breach. It might even be a competitor of yours who realizes that negative publicity might drive your customers to him.

Your threat is not from the government of North Korea. But as you probably know, some of the Middle East Terrorist groups have already been threatening cyber-attack. Any attempt that makes Americans nervous

or frightened supports their cause. We have already seen how disgruntled government employees can steal a substantial amount of top secret and classified information. A former employee of a U.S. government agency may have been trained by our own government on how to electronically enter homes and offices.

Fraudulent Tax Returns

Tax — related fraud is a major concern. The IRS received a 75% increase in identity theft court sentencing from 2013 to 2014, conducting more than 1,000 identity major theft investigations in 2014. As technology advances, thieves find new ways to make money from others. Thieves, often operate for U.S. investors from offshore, developing new avenues. Just because a financial consultant does not file tax returns doesn't mean there's no exposure. Where will the

identity thieves get the data to complete fraudulent returns? One place would be the files and plans produced by financial consultants. Credit score monitoring doesn't just help track consumer health, it is often the first clue that personal information has been compromised.

Your Cyber Obligations

When a breach does happen, you have certain responsibilities, some of which are even required by law. They include:

- Hiring forensic experts to identify the cause of the breach and the individuals affected. What records were accessed? Has the data already been sold?
- Notifying all affected individuals and entities that there has been a breach.
- Securing credit monitoring for affected clients and their employees.
- Responding to any negative publicity that may come from a data breach.
- Working with regulators to comply with privacy laws.
- Working with your primary vendors, who are also damaged.
- Reimbursing clients and non-clients for any network damage caused to them by the breach at your firm.

There is a lot of work to be done if your firm experiences a network or privacy breach. It also can be quite expensive. The average cost for a privacy breach is \$188 per compromised record, but since your clients have more financial information in their file, your cost might be in the hundreds of thousands – per client.

Have you made a conscientious effort to protect all the data of your clients? If not, you could be held accountable for what you didn't do! You might write-off the expenses (minus a deductible), but there is no deduction for your damaged reputation and negative publicity.

Is your firm prepared and insured if (when) this happens to you?

Years ago, before cyber-crimes and privacy breaches became a hot topic, larger accounting and financial firms created a product to address this, based on meetings and research with damaged offices. Cyber-crime riders have been written and insurance companies have been trying to assess the growing monetary risk.

Is Your Coverage Complete?

These protective elements have been enhanced and might include the following

coverage for firms that purchase a cyber-crime endorsement with complementary features added to their Professional Liability policies:

- Notification costs and credit monitoring fees for all affected parties.
- Public relations assistance to help minimize harm to your reputation.
- Legal expenses to negotiate with regulators to comply with privacy laws.
- Forensic services to identify the cause of the breach and to "seal" the breach.
- Damage caused by rogue employees or a disgruntled spouse.
- Privacy event coverage for owners, partners and employees of the firm, to protect their own personal data.

While many professional liability policies cover claims from clients for a cyber-event, the coverage may or may not extend this to claims from non-clients and third parties. This might include merchants, contractors, service providers, and others – anyone whose computer system and information may have been damaged by unauthorized use of your computer network or your passwords to access their system.

Loss of New Business

When you've been breached you will be focusing on client service and retention. You may have visits from local, state or federal agents. You can expect to receive a lengthy visit from your compliance officer – who will be gauging that firm's exposure, and whether you should be terminated. But your prospecting will stop dead. No new seminars, no mailings, no emails. You'll just be trying to keep every damaged client placated. Does your P&C policy cover a provision for loss of revenue from business interruption?

Staff Vulnerability

Do you or your employees ever take work home? Does your cell phone contain some private information on clients? Does your cell phone link to your office system? Does your laptop at home connect with your office using something like Microsoft Remote Access?

One firm was really pleased to have installed encryption and boxes to keep out hackers. They ignored the worker on a pole near their office. He got in, and got the data. One of the principals had scanned the text in all his client's plans. The original source of the numbers was encrypted, but not the scanned files – that contained most of the data. The news got out. The firm's

reputation was damaged. The loss of some customers was significant. The principal was "retired."

Hardware or Software?

Have you installed and regularly tested a physical firewall box to add a level of security aimed at emails coming into your office – hunting for data, or simply to "mess with you?" According to the latest spy movies and security firm ads hackers can even detect the keystrokes and send your messages to several unintended parties.

We are thinking that this hacker, who might be living and working in Eastern Europe, will access your information through the Internet, and then have to translate the data in order to use or sell it. Just backing up your desktop units, laptops and your file server will not stop the criminal who enters your office on a Sunday evening and removes the hard drives. If you have a data back-up on the Cloud and on a system at your home, you will be in pretty good shape if your hard drives suddenly go missing.

You need to be testing your back-up files to be absolutely certain that they are complete and ready for download. One financial consultant laughed, "We are so backed up, we almost need a thunderstorm to check it out." Soon a tornado warning occurred, so he said, "Let's test our restore procedure."

He pulled the plug on the power back-up which was supposed to keep the critical units working for several hours. But it shut off, and everything wasn't on the RAID drive. The office copy worked, but was one month old! Some important programs on the RAID drive weren't renewed often. It all depended on the copy he took home the preceding afternoon. Fortunately it worked – but they were not back on line until late afternoon of the next day!

The Impact of Hacking

One mid-western financial consultant was just hacked. The intruder inserted one or more viruses in their system, penetrating the storage of client data and their accounting system. It could not be determined if data was stolen, but it was certainly corrupted. It is likely that the hacker would be selling the data. But not necessarily. Even several days later they were not sure how deep the damage went – but they felt it necessary to notify all clients and vendors. Embarrassing and time wasting. They had to buy new hard drives and a hardware firewall, install new software, and check all files to be sure the viruses were permanently removed.

A Quick Quiz: **Are all your installation DVDs and loading Instructions filed carefully?**

- Are you using an encrypted back-up service?
- Are you adequately insured for cyber-loss and business interruption?
- Does each desktop and laptop have an anti-virus routine?
- Have you secured the Password and Login Name for each program – officials?
- Do you test your back-ups once a month?

Are you really sure the above steps are done flawlessly?

Are You Safe on the Cloud?

Serious Cloud users know the vendor story: multiple data centers, geographical distribution; advanced erasure coding; multiple version retention; checksums to ensure data integrity; and synchronization across devices. Sounds impressive...what could possibly go wrong?

Cloud computing refers to outsourcing data once stored on privately owned computers plus operational programs. If you have an email account or are on a social networking site you are using a Cloud platform from the start. Your data is stored on servers operated by someone else, which means it is subsequently accessible from anywhere there is an Internet connection.

Data Corruption. It is all too common, because the Cloud will carefully preserve and spread corrupted data. Garbage in, garbage out. If you crash during an upload the data may be inconsistent – but the Cloud doesn't know that – or the Cloud may fail to properly sync changed files. Some vendors try to test the reliability of the back-up transmission for your added protection.

Linked databases. On your system you may have mixed files – say, between client data CRM, plan analysis, investment management and commission accounting. This could be corrupted due to piecemeal up-loads of changes at different times. Loose coupling between local and cloud files leaves data less protected. Cloud errors are usually fixable, if recognized early. As more data is passed through the cloud the greater the chance for interference problems – like mixing a Victoria's Secret catalogue with a bond portfolio – caused by a hacker trying to get in and "have fun."

Social Media Mix-up. When you are on Facebook, Twitter, LinkedIn or even Amazon,



a hacker might pick up enough information to access your system and through that avenue reach confidential data files. Every day there are new social media programs introduced. All run on the cloud. Most are innocent, but most fail. If you or an employee had visited them – just out of curiosity – your entry might leave a door unlocked on your data, also on the same cloud, unbeknown to you.

Why the Cloud is Popular. On an enterprise level, this allows companies to cut costs by reducing the hardware and software they need to purchase. For individuals, photos, messages, news-sharing or documents uploaded to the Cloud are accessible from home, cyber cafes, or mobile devices. But even clicking on a vitamin ad can route your identity to a hacker. Most businesses have no idea who is managing the computers with their information, no idea where their data is physically located, and no idea what protections are in place to assure information is not stolen, disclosed or has vanished.

Hackers can capture a lot of customer information in Clouds. When you put more eggs in one basket, the prize is much bigger. For example, your active files might be accessible, whereas your encrypted backup versions might not. Companies have physical firewalls and anti-virus software to protect data stored on the premises. When computing is outsourced to the Cloud, the control of security measures is also relinquished.

Can Cloud Servers Fail? When remote servers are compromised, your data, ranging from research, documents, photos,

performance reports to client financial records could simply vanish into thin air, forever. Servers often allow data from multiple companies to be stored on the same server or processor. These virtual machines cut costs and save energy, but they are susceptible to data leakage. A customer might never find out files have been breached, according to the Cloud Security Alliance, a non-profit advocate for cloud security.

You May Be an Accidental Target. High concentrations of information create the perfect storm for hackers who now have the ability to capture a lot of customer information. When you put more eggs in one basket, the prize is much bigger. The bad guys also have the ability to infect Clouds with spyware, botnets and other malicious programs. Google reluctantly announced its web-based Gmail system had been compromised by a malware attack originating in China. Google announced it would stop censoring its Google.cn search engine and possibly end business operations in the country. There will be a new generation of malware to extract data stored on the cloud storage providers.

Privacy Issues. In the United States, where many Cloud companies are based, legal standards make it much easier for law enforcement to obtain data for criminal or other investigations. Data stored in the Cloud by others is substantially easier for the government to obtain than the data stored yourself because of lower legal standards.

However, it is easy for government agencies and hackers to do it secretly. This is a serious security concern, and the laws need

to be updated. Privacy of email messages is what prompted former Secretary of State Hillary Clinton to install a private file server, rather than trust having her messages reside on the cloud and be accessible by government officials or political foes.

When Will Hacking Stop? The U.S. federal government needs to prosecute and punish hackers. Unfortunately they often let them off in exchange for telling how they made the illegal entry. And some are even hired to work for a government or military agency, if they are particularly bright, devious and unprincipled.

Despite what seems to be a deluge of fears surrounding computing-in-the-sky, Cloud providers say they are working hard to make sure their Cloud services are safe. However, universal standards and legislation are still not close to being adequate.

More or Less Security? When companies are having a hard enough time keeping your personal information safe from hackers and data breaches, what happens when they put the data out on the Cloud, potentially available to hackers across the globe?

The basic idea of Cloud computing is that your information is stored out there on the internet “somewhere”, available for you to access it whenever you want, from any computer. It’s a neat idea that appeals to companies looking for a way to reduce costs. Online data storage seems like a reasonable alternative to buying expensive servers for storage, keeping a person on hand to manage it, plus all the extra money you’d have to put in for security police.

Where the Cloud Works. The Cloud is fine for your pictures and music. But when you start thinking about all the personal information a business keeps on clients, the stakes go way up. For one thing, you don’t really know where the data is being stored, so you don’t know what data security is now present. If it’s a corporate “server farm”, security may be pretty good.

The biggest concern for military agencies isn’t the servers; it’s the people who have access to them as part of their job. Closer scrutiny of the data handlers is essential, and that also applies to business owned servers. Identity theft, financial records and medical information theft is especially attractive to the hacker community.

Who’s to Blame? Who can consumers hold accountable for the security of their personal information? Current laws provide guidelines for companies that maintain

personal information — specifically how it must be protected, how it is used, and how it is destroyed when it is no longer required to fulfill the company’s services. What are the penalties for failure to protect that information?

By storing personal information on the Cloud, it will be virtually impossible for a consumer to know who actually compromised their personal information, since no one will know where that information was even stored. In other words, everyone involved in a data breach will be able to shrug their shoulders and say “It’s not our fault.” As business owners, we can hope these issues will be addressed. How will your clients react if your data storage is penetrated and their investment account is now zero and their bank balance overdrawn?

Hackers are now penetrating government, large holding companies, banks, insurers, and store chain computers. We know you are at risk for your own systems. Hackers could steal your data and then wipe your system or corrupt the data. Then you are dependent on your back-up and restore process — and that’s on the Cloud!

This is a legitimate concern. Online backup services are as safe as anything else in this dangerous cyber workplace — provided you can take the proper precautions. Your data isn’t 100-percent safe on your hard drive or your local backup, either.

Encryption Helps. Major Cloud-based back-up firms encrypt the files on your PC before uploading them via a secure socket layer (SSL) Internet connection. These files remain encrypted on the Cloud until you need them. But many personal back-ups are not encrypted, encouraging hackers.

Encryption algorithms are effectively bullet-proof. Without the correct passwords, the files are inaccessible. However, some very well-protected servers have been hacked. As long as it’s possible for someone at your online service to access your files, there’s danger that someone with criminal intent will do so. Guess what? Their first target is your file containing passwords.

Don’t Lose Your Passwords. Should you lose or forget your password, your backup is effectively toast! There will be no way for you to access it. Other features might also be unavailable. Your files don’t have to be online to be stolen. Both your computer and your local backup media are susceptible to physical theft and burglary.

Nearly all services give you the option to use your own key (passwords) rather than theirs. Since the service doesn’t have access to this key (remember, the encryption and decryption happen on your computer), no one but you can read your files without cracking your password.

Where to Backup? There are new Cloud backup companies coming out every month — so which ones should you trust with your data? You might use a free open-source program. But beware, the popular True Crypt program suddenly disappeared. Better to pay for good backup. The biggest cost is in the operation of the backup and testing (your time or that of your technology manager) — not the program and storage cost.

Combine Back-up with Protection. A Canadian based firm, NPC Dataguard, offers specially configured Hewlett Packard laptops with auto encrypted back-up. If your laptop is stolen, lost or destroyed, they can instantly erase the data and de-activate the machine. Because you were auto-backed they can replace all your software, programs, photos, data files, including all the purchased software, such as Microsoft Office. You can have the new system in your hands within 24 hours. www.npcdataguard.com

A Motto for the Cloud: Go carefully into the Cloud — and back-up religiously. ☑



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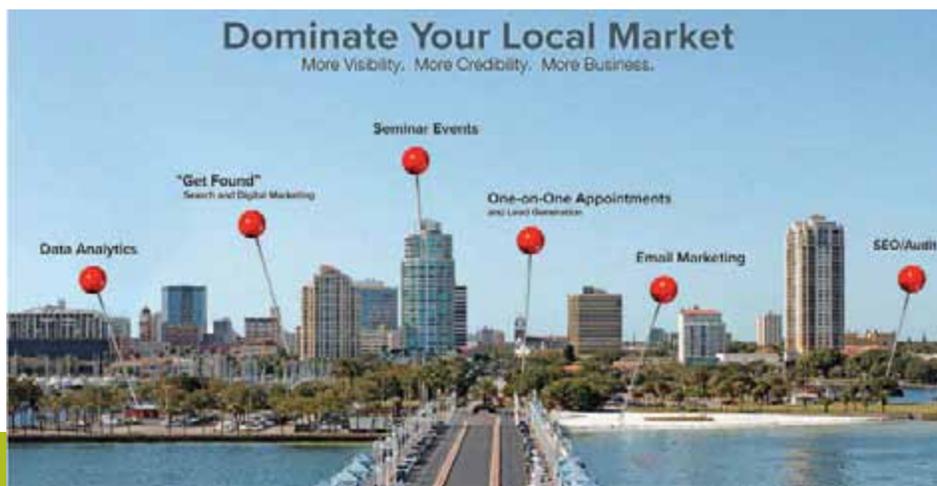


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People Skills

Are you born with them or can they be taught?

We have all heard the sayings “A leopard never changes his spots” or “I am who I am – take it or leave it”. These statements can make or break a relationship and when you are meeting a new prospect or client; it can actually kill the deal before it starts. We also know that it can be very harmful, in general, to be oblivious to the way people perceive you. For that reason each and every one of us must make an attempt to learn what we aren’t born with so that we can be successful in both business and life. There are many excuses, such as, **I am too old to learn to change, I think that I am pretty good the way I am,** or the best one is **why would I want to be something that I am not?**

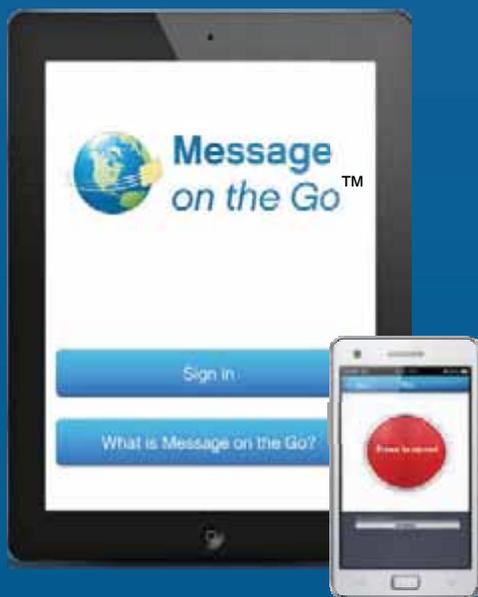
The answer to all these questions is simple...Relating to people is the name of the game. Being accepted as a professional and an intelligent person is only the tip of the iceberg. It is how people feel when they walk away from you that can be the glue to a relationship – or it can be the end before it begins.

1. When you walk into a room to meet a new prospect, strategic partner, or center of influence, it is critical that you make a great first impression. This is not only the way you act, walk, dress, or speak, but how you carry the conversation. Is it me, me, me or them, them, them? Your people skills in greeting someone will be

remembered long after the purpose of the conversation fades.

2. I believe that, while we are born with a certain amount of natural people skills, what we don’t genetically have **CAN** be taught. Why else would etiquette schools exist, coaching programs be the biggest rage all over the country, or webinars by the dozens pop up inviting us to learn the ways to grow our businesses? Everyone is interested in gaining a following, whether it is for personal or professional growth. We are surrounded by opportunities to learn and further educate ourselves as skilled and trained authorities in each of our respective specialties. Expanding our interpersonal skills

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should be an important aspect of the growth process.

3. **Stop—Look—and Listen** is what they say to do before you cross the street. This is exactly how you should think about a first meeting. Gaining someone's trust and confidence is easier if you **stop** talking about yourself, **look** them in the eye and **listen** to what they have to say. Make it all about them and not about you. This simple idea will relax people and make them feel like they can open up to you. Most people immediately change their demeanor when talking about themselves — a topic they know well — rather than being drilled with questions or hearing a speech all about you.

4. Put yourself in the other person's shoes. For a minute, step back and be on the receiving end of your meeting. How would you feel? Happy to be there? Interested in going further? Wanting to get into a deeper conversation? Or maybe wanting to run for the hills? Our people skills go further than a handshake and a casual greeting. It delves into how you are thought about after the fact. Did you present yourself professionally? Did you smile and make people feel "at home" in the conversation? Did you leave them wanting more? Are they interested in broadening and continuing with the relationship? The answer to all these questions must be "YES" or it is the end of what could have been a great business or personal relationship.

5. Like the TV show said, everyone wants to go "where they know your name". Do people recognize you and gravitate towards you at the second meeting? Is your name on the tip of their tongue? Making a great first impression will allow you to continue to build a long lasting and more permanent connection. Attending networking events, educational sessions, and participating in other group opportunities, will open the door for a deeper and more bonding relationship. Your attempt to foster a multi-layered and meaningful professional association starts with the first impression.

6. Our people skills extend further than personal interactions with others. The way we write a letter, answer a phone or send an email, shows how we deal with people and can set the tone for the relationship. Just imagine how a friendly and professionally written letter or email could steer the beginnings of a new client relationship. It would put the possibility of a further meeting in a

positive gear. People automatically react defensively to what they perceive as demanding, pushy or insensitive language. Surely, this would not be your intention. Think of how others will interpret your message. The use of a telephone, letter or email does not allow for others to see your body language, so it is **all** in the words and the tone they reflect.

7. With all the technological and non personal ways we communicate today, it is important to remember that the human touch never goes out of style. NEVER let the personal and old fashioned phone call be forgotten. The way you handle a conversation allows people to hear the sincerity in your voice, as well as get a feel for your professionalism.

8. Be polite...Smile...Have confidence... and others will relate to you as the knowledgeable business professional that you are. If you find it difficult to do these 3 things...then take a training class. It may change your business in a way you could only have hoped for.

Since the financial services industry is based on relationships and trust — the "Golden Rule" that our parents taught us still applies. Always treat others as you would like to be treated. ☺



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Consumer Focus

What Is Holistic Financial Planning?



One sign I have never seen in the window of a shoe store is, "One Size Fits All." The reason is simple. Feet come in all different sizes. When it comes to income planning for retirement, however, some professionals treat all cases with the same formulaic approach. It is insensitive and inefficient at best, and hazardous to one's wealth at worst, which is why I recommend Holistic Financial Planning instead.

Holistic derives from the Greek word, *holos*, which means "whole." As the sound of the word suggests, holism is treating or attending to the "whole" of a thing, as opposed to its isolated parts. A holistic approach to anything recognizes that all its parts are connected and interrelated. As a philosophy, holism is becoming a popular approach in education, medicine and the sciences. In medicine, for example, the concept calls for examining all aspects of the patient's needs, psychological, physical and social, and taking them all into account before any treatment is undertaken. Practically, it is recognizing that stress can cause hypertension. A pill may lower blood pressure, but it is a temporary fix. To get at the real problem, find what's causing the stress and try to eliminate that.

Holistic financial planning recognizes that money is only green wrinkled paper and numbers on a page until it is translated into what you want the money to do for you and those you love. Holistic financial planning recognizes that you can't get the most out of your money without first knowing what purpose the money is to serve. A holistic financial planner will spend time, especially during the first interview with a client, listening to the client's desires, dreams, goals, objectives and passions so the planner's recommendations are on target with those things. A holistic financial planner will often use a team of professionals, ranging from certified public accountants to estate attorneys, to get the job done.

Every case is different because every client is different. It may be the passion of one client to leave a legacy for his children and grandchildren, whereas another client wants to spend as much as possible, living the good life in his sunset years. The holistic financial planner will know that before recommending any course of action that involves the client's assets. Holistic financial planning is becoming more and more popular – not because it is easy for the

planner. The fact is, holistic financial planning requires more effort and thought on the part of the planner. Holistic planning is becoming more popular because the baby boom generation, which is more insistent on good service from its professionals in many other fields, seems to insist on it.

Knowing What You Want

A good doctor will examine a patient more with questions than a they will a stethoscope. A good doctor will listen and analyze the answers in the light of information gathered about the patient. Then, finally, once the information has painted a clear and complete picture of the patient's health, a treatment or a remedy can be recommended – a well thought out strategy aimed at overall healing and well-being, not just a feel-good pill. For any of that to happen, however, the patient needs to first answer the doctor's questions.

When it comes to financial planning, the client must help the financial advisor understand the condition of his wealth by supplying the appropriate financial documents that will acquaint the advisor with the client's current financial position. In short, after knowing the client's goals and aspirations regarding his wealth, the holistic financial planner needs to know specifically how much money the client has and how it is positioned before the advisor can help. Clarifying today's asset picture helps establish our starting place.

There are choices to be made, too. What do I want my money to do for me? In detail, what lifestyle do I plan to have once I retire? Am I interested in leaving a legacy to my loved ones? If so, who are they, and what form will it take?

One of my favorite Yogi Berra quotations goes like this – "You've got to be very careful if you don't know where you're going, because you might not get there." Financial goals have to be meaningful specifics and not wandering generalities. It is imperative to nail down what your income needs will be for the rest of your life in retirement, making sure to account for inflation and contingencies. Be as specific as you possibly can. A holistic financial planner will be able to work backwards from that number and remove the guesswork from the equation. He or she will begin with fact-finding and end with solutions that fit your unique situation – not try to find a convenient cookie-cutter formula that requires the least effort on the advisor's part.

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*“Never go to a doctor whose office plants
have died.” – Erma Bombeck*

Holistic Planning is Tailored To You

Morey Amsterdam, famous co-star of the Dick Van Dyke Show, popular in the 1960s, was famous for his dry wit. He told the joke about a man who goes into a rip-off clothing store to buy a suit. He tries the suit on, but it's a terrible fit. The coat is too big, and the pants are way too long. The crafty salesman, eager to move the merchandise, tells him to hike up the trousers with his right hand. He does.

“But the coat is too big,” says the man.
“Take your left hand and pull it tighter,” says the salesman.
“Now the collar doesn't fit,” complains the shopper.
“Hold it down with your chin,” says the salesman. “Now it fits perfectly!”

The man walks out of the store, wearing the ill-fitting suit he has just purchased, his body contorted to hold it in place. Two doctors pass him by on the sidewalk. “What do you think is wrong with that poor guy?” the first one asks. “I don't know,” says the other, “but doesn't his suit fit nicely?”

The point is that if the financial plan we have does not fit our needs for the present and our goals for the future, let's face the facts and get a second opinion. For example, let's say the proposed financial plan reads like this – “At this **projected** rate of growth you can **probably** expect a **projected** income of **approximately** \$60,000 per year for **approximately** 20 years.” Sorry, but that suit just doesn't fit. There are too many uncertainties. Programs do exist in today's financial marketplace that take the “probably” and “projected” off the page and replace it with words like “guaranteed” and “unlimited.” A holistic financial planner will know where to find those financial instruments and determine if they are a good fit for you and your unique circumstances.

Plan With Longevity in View

No one knows how many heartbeats he or she is given in this life. There is no computer program that can predict how much sand is in one's hourglass. Statistically, we are living longer, and we should plan with that in mind. At this

writing, the average American's lifespan is 84. More and more Americans are making it into their 90s and beyond. Any financial plan that has you running out of money prematurely is forcing upon you the idea of forfeiting your independence, and becoming either a ward of the state or a burden upon your family. For most, those alternatives are just not acceptable.

Like the man buying the suit, some do not know that they have many choices available to them when it comes to income planning for retirement. Getting a second opinion from a retirement income specialist usually costs nothing but a little time. It may be time well spent, however, if in the process, you discover a retirement plan that has built in safe money returns that cannot expire. 



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