Volume 19 No 6 November-December 2018

the Register

Thomas W. Young, RFC®

Just Getting Started

IN THIS ISSUE

Official IARFC Publication
www.IARFC.org

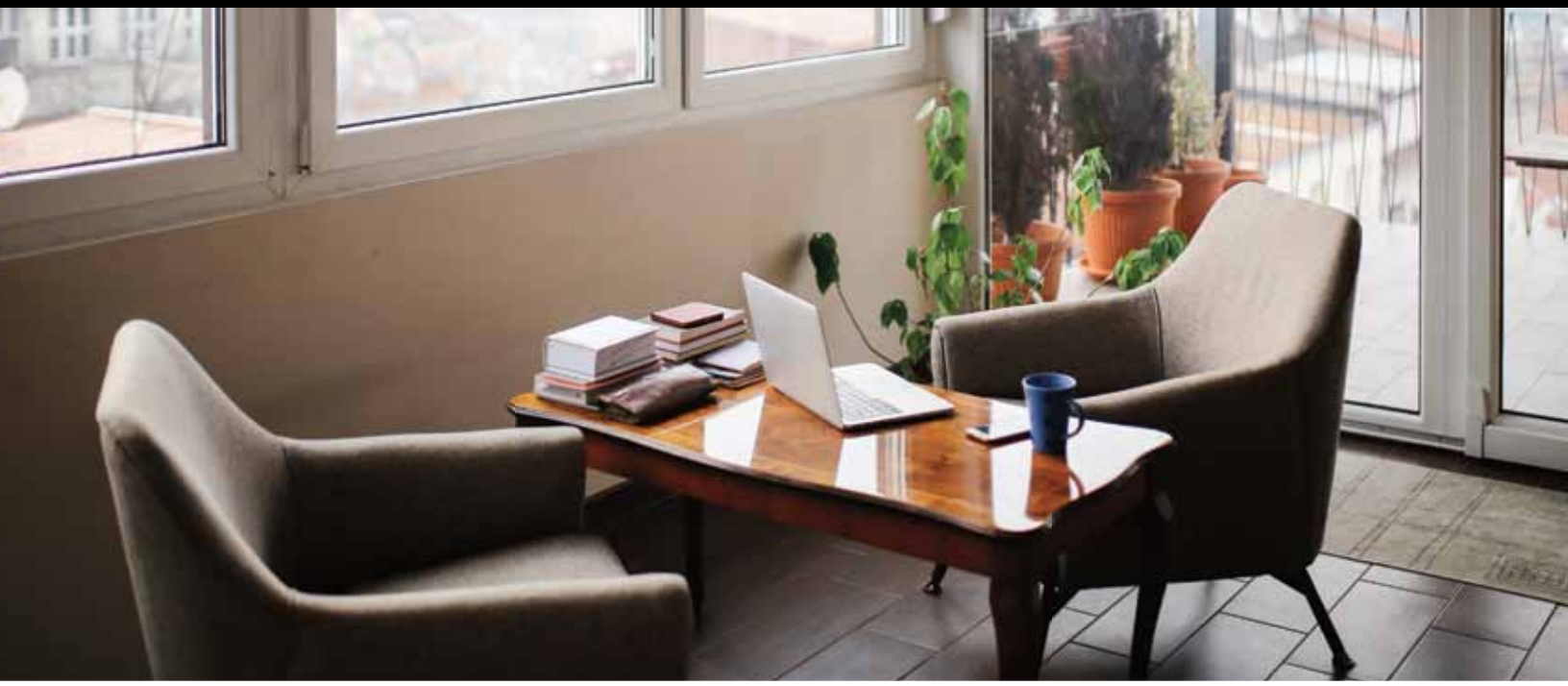
IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

BE THE CHANGE

2019 IARFC ANNUAL CONFERENCE & NATIONAL FINANCIAL PLAN COMPETITION

See back page for more information.

Don’t Let Your Business Die With You



When you die, do you have someone to sign checks? Do you have a licensed person to step in as Advisor and CCO?

Every day without someone in your role, bills can’t be paid, clients can’t be given advice and fees can’t be collected.

“Four out of five RIAs with revenue below $500,000 do not have a succession plan in place“
Financial Planning April 2018.

Traditional succession planning is flawed. Introducing **Oeconomus**, with its alternative approach to succession planning. We will be there when you can’t for both the benefit of your family and clients.

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MRFC

Master Registered Financial Consultant

MRFC Certification Application

Applicant Information *(please print or type)*

Please provide your name only on the line above as you want it to appear on your Certificate.

Business Information

Prefix First Name Middle Initial Last Name Suffix

Business Name Preferred Salutation

Street Address Ste#/Apt City State Zip

Business Phone Fax Cell Phone

Business Email Address Primary ☐ Yes ☐ No Website

Home Information

Street Address Ste#/Apt City State Zip

Home Phone Cell Phone

Home Email Address Birthdate MM/DD/YY

Please send all mail to my ☐ Business Address ☐ Home Address

Experience

Must have a minimum of four years of experience as a full-time practitioner in the field of financial planning or financial services: ☐ Full-time_____ ☐ Part time _____

Education (Education criteria requires an applicant to assert and document achievement in any one of the areas)

Education, Professional Designations or Licensing

Educational Background

School, City, State (Since High School)	Graduated		Major	Degree
	Yes	No		

(Evidence of license, diploma or documents may be requested. You need not submit evidence with the application.)

Professional Designations: ☐ AAMS ☐ CFA ☐ CFP ☐ ChFC ☐ CLU ☐ CPA ☐ EA ☐ LUTCF ☐ RFC ☐ Other _____

Licensing

Broker/Dealer _____ (Personal) FINRA CRD No._____

Securities Licenses: ☐ Series 6 and 63 ☐ Series 7 and 63 ☐ Series 6 and 66 ☐ Series 7 and 66 ☐ Series 65 ☐ Other _____

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

Primary Insurance Company (if any) _____

Affiliated with an SEC Registered Investment Advisor (RIA)? ☐ Yes ☐ No

Name of RIA _____

Code of Ethics (Applicants must subscribe and adhere to the IARFC Code of Ethics)

I will at all times put my client's interest above my own. I will maintain proficiency in my work through continuing education. When fee-based services are involved, I will charge a fair and reasonable fee based on the amount of time and skill required. I will abide by both the spirit and the letter of the laws and regulations applicable to financial planning services. I will give my clients the same service I would give myself in the same circumstances.

Exam

The Certification staff will review all candidate applications submitted to determine if the candidate is eligible to sit for the MRFC credential and for completeness and payment of fees.

Candidates will be notified of their eligibility to sit for the MRFC Exam. The candidate will have 90 days, after notice of application approval.

Fee Schedule *Choose one*

Non IARFC Member option

Nonrefundable Application Fee:	$100
Examination/Certification Fee:	$300
Total payment	_____
Commence on anniversary of passing MRFC Exam	
MRFC Annual Recertification Fee	$300

IARFC Member option

☐ IARFC Membership (join today optional)	$75
☐ Current IARFC Member	$0
Nonrefundable Application Fee:	$100
Examination/Certification Fee:	$300
Total payment	_____
Commence on anniversary of passing MRFC Exam	
MRFC Annual Recertification Fee	$200
IARFC Annual Membership Fee	$75

Payment Options

1. **Mail** Application with payment to:
   IARFC
   P.O. Box 506, Middletown, OH 45042
2. **Fax** Application to:
   513.345.9479 (credit card only)
3. **Email** Application to: info@iarfc.org

Check payable to: IARFC

Credit Card: Visa, MC, Amex, or Discover

Credit Card#

Ex. Date. Security Code

Signature

Questions relating to business and ethical conduct

(If you check "Yes" to any of the following questions please attach a written explanation)

	Yes	No
Have you ever been refused a surety bond or other form of employment security?	☐	☐
Have you ever been denied or enjoined from selling or dealing in securities or from functioning as an Investment Advisor?	☐	☐
Have you ever been arrested, indicted, or convicted for any felony or misdemeanor, except for minor traffic offenses?	☐	☐
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?	☐	☐
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.	☐	☐
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?	☐	☐
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?	☐	☐

Attestations (Applicants please read carefully)

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 the MRFC credential and in consideration of my application, I submit myself to the jurisdiction of the Association and hereby verify that I agree to abide by all the provisions of the By-Laws and regulations of the Association as they are and may be amended. I agree to comply with all such requirements, subject to right of appeal as provided by law. I agree that any decision as to the result of any exam(s) that I may be required to pass or annual Continuing Education (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 regulations.
4. 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.
5. 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 the MRFC credential and all its privileges, without refund of any dues or fees paid.
6. I understand that failure to disclose any regulatory event, including suspensions or revocations, may disqualify me from initially obtaining the MRFC credential or could result in revocation of the credential.
7. As an applicant for registration, I understand and agree that my MRFC credential will not become effective until I have met all the eligibility requirements and had have successfully passed the MRFC exam.
8. I understand that the MRFC credential remains the property of the Master Certification Board, (MCB) and must be destroyed or returned to the MCB should my right to display the credential be suspended or terminated.
9. I understand that the continuation of the MRFC credential requires the successful awarding of forty (40) hours of financial services focused CE credits — of which four (4) hours every two years must be related to Professional Ethics commencing the January of the year following initial acceptance.
10. I understand this application is valid for sixty (60) days from the date of receipt by MCB's home office and I have ninety (90) days upon application approval to schedule the MRFC exam.
11. 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.
12. I further agree that my contact information contained in this application be divulged to interested parties as part of the member profile on the IARFC website for the benefit of members and the public.
13. I understand that except for my certification status, written authorization by me is required to release my information.

I attest that I have read and understand the above, that the information I have provided complete and accurate to the best of my knowledge and belief, and I further understand that my MRFC certification may be revoked if I provided any false or incomplete information.

Signature of Applicant (required) **Date**

Recommend a colleague for the MRFC

Full Name

Address

City

State, Zip

Phone

Email

How did you learn about the MRFC?

☐ Advertisement ☐ Article ☐ Association
☐ Broker/Dealer _____
☐ Direct Mail ☐ Email ☐ Exhibit
☐ IARFC Website ☐ Insurance Co. ☐ Referral
☐ Other _____

Referred by (if applicable)

Full Name

City, State

International Association of
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W: iarfc.org

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Hong Kong — www.iarfc-hk.org

India — www.iarfcindia.org

Indonesia — www.iarfcindonesia.com

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the Register

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IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

2019 March 20-22 Conference

Nashville

Events Calendar

2018

November

Money Concepts

2018 Annual Planning Conference

November 25-28, 2018

Scottsdale, AZ

December

Board of Directors Phone Conference
December 11, 2018

2019

March

Board of Directors Meeting

March 19, 2019

Gaylord Opryland Resort & Convention Center, Nashville, TN

IARFC Annual Meeting & National Financial Plan Competition

March 20-22, 2019

Gaylord Opryland Resort & Convention Center, Nashville, TN

June

Board of Directors Phone Conference
June 11, 2019

September

Board of Directors Phone Conference
September 10, 2019

December

Board of Directors Phone Conference
December 10, 2019

New MRFCs, RFCs, RFAs, and General Members

MRFC

Clint S. Fish, MRFC, FL
James M. Herrington, MRFC, GA
Alan C. Kifer, MRFC, AZ
Raymond R. Noel, MRFC, NH
Nicholas A. Royer, MRFC, FL
Carol A. Schmidlin, MRFC, NJ
Kenneth Wayne Sisk, MRFC, IN
William A. Smith, MRFC, OH
Mark J. Snyder, MRFC, NY
Thomas K. Thorson, MRFC, CA

RFC®, RFA®, General Members

Lute S. Atieh, General Member, MO
Clay J. Brooks, RFC®, IN
Timothy J. Bunker, RFC®, AZ
Stephen E. Bush, RFC®, NC
James R. Carnaghi, RFC®, MI
Peter A. Cozzolino, RFC®, IN
Jason A. Cummings, RFC®, TN
Brandon Lee DeCastro, RFC®, OH
Gary A. Fusz, RFC®, IL
Eric A. Gersch, RFC®, FL
Michael A. Gilliss RFC®, FL
Anna E. Graves, RFC®, MN
Edward Kimmel, RFC®, FL
Michael J. Lemmen, RFC®, MI
Scott R. Marion, RFA®, TN
Daniel S. Marlow, General Member, MO
Vicki G. Meeks, RFC®, TX
David L. Messing, RFC®, TX
Ralph Mitchell, RFC®, MA
Derek K. Moore, RFC®, SC
Daniel J. Olofsson, RFC®, IL
Daniel P. Ostlund, General Member, WA
Ivan C. Roten, RFC®, NC
Paul E. Singer, RFC®, MI
Tracy T. Talbot, RFC®, MA
Vivian Toomaire, RFC®, IL
Lawrence Ventresca, General Member, IL
Christopher L. Westfall, RFC®,SC

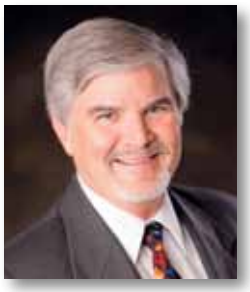
International

China	461
Taiwan	147

Members Who Recommended Members

Lute Atieh, General Member
James Carnaghi, RFC®
Terry Coapstick, RFC®
Jason Cummings, RFC®
James Kotagides, MRFC
Michael J. Markey, MRFC
Steve Meeks, RFC®
Paul Christopher Music, RFC®
Jeremy Nason, RFC®
John Urshan, RFC®

Member Referrer Recognition



Terry Coapstick, RFC®

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IARFC blog in f

In This ISSUE

Cover Story

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From the **EDITOR**

You've made it as an RFA®, RFC®, or MRFC, so you're obviously doing a lot of things right. But no matter where you are in your career, there's always something you can do better. Through my career here at the IARFC, I've found two strategies that keep me moving forward: making a list of daily projects and attending IARFC programs and conferences.

Our Annual Conference & National Financial Plan Competition – Be the Change | Guide, Counsel, Consult – is a chance for face-to-face interactions with industry leaders and other members. The whole concept of the IARFC is member sharing and the meeting is the perfect opportunity. Maybe you will learn an idea from a member or at a networking event, or pick up a strategy from one of the featured speakers: Jorge Villar, President & Founder RME360, presenting *Marketing Yourself to Success,* or Dean Zayed, CEO Brookstone Capital Management, presenting *Revolutionizing the Industry and Creating the Most Enhanced Profitability Practice*. The bottom line is you're bound to leave with a takeaway you can put into your practice.

Ask yourself, a simple question: Am I engaging enough with like-minded professionals to improve my success? If your answer is no, then commit to registering for the IARFC Annual Conference, March 20-22, 2019. We will meet and surpass your expectations.

Wendy M. Kennedy, *Editor-in-Chief*

the Register

Services and Products Readers Provide…

Annuities, all types	Disability Income	Loan Cancellation
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College Savings / 529 Plans	Investment Real Estate	Retirement Plan/401(k)
Critical Illness Insurance	Life Insurance, all types	Tangible Assets

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Office Operations Optimization —
Should I hire a coach?; Interviewing tactics; Marketing your firm and yourself; Building a practice from the start up; Should I take over an existing practice or start my own?; Best ways to acquire new clients and keep the old, Back office management.

The back, inside front, and inside back covers are available on a first-come, first-served basis. Other positions are also available. Practitioners, academicians and policy makers in financial services rely on the *Register* as a key source of information to grow and serve their client base.

The back cover is $750 and insertion prices decrease from there based on position, size and schedule frequency.

Please contact us with questions, for a media kit, or for assistance in developing your customized advertising, exhibit and sponsorship packages. We look forward to hearing from you.

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the Register

2019 Editorial Calendar

Issue	Theme	Possible Topics to be Covered
Volume 20, No 1 February	Office Operations Optimization	Should I hire a coach? Interviewing tactics Marketing your firm and yourself Building a practice from the start up Should I take over an existing practice or start my own? Best ways to acquire new clients and keep the old Back office management
Volume 20, No 2 May	Life in Retirement	Roth vs Traditional IRA Taxes in retirement Social Security and the future Maintaining the same lifestyle in retirement Planning for the unexpected Cash flow, both in and out
Volume 20, No 3 August	Women and Finance	Balancing work and home How women relate to their clients differently than men Women take control of the office Bringing more woman into the financial consulting arena How female leaders excel The gender gap Social Media marketing
Volume 20, No 4 November	Networking Designing	Putting together the dream team Interns Referrals, Referrals, Referrals Updating your image Showing value added Hire slow/fire fast Portfolio musts and must nots Marketing to your niche Social Media

Issue	Copy Deadline
Volume 20, No 1, February	December 1
Volume 20, No 2, May	January 1
Volume 20, No 3, August	April 1
Volume 20, No 4, November	June 1

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From the Chairman's Desk… H. Stephen Bailey

Communication Revisited

Recently we reviewed our communication expenses to find effective ways to educate our members and consumers. It all comes down to where to spend the $$$$s. From being a business owner, I can tell you this is constant evaluation and making changes. For the IARFC, some focuses will be reduced, others will be increased.

How we see improvement for 2019…

- **The *Register*** will be published 4 times a year. Reducing the number of issues allows us to expand in other areas. It will still represent enlightened articles written by members plus Association updates.

- An E-newsletter will be initiated. This communication contains more concise news about financial trends and stories happening now — delivered with consistency and convenience.

- **Public Service Announcements** are planned for distribution to radio stations to acquaint consumers with the benefits of engaging our RFAs, RFCs and MRFCs. This I feel is mandatory to make us visible to the public.

How we are staying the same…

- ***Journal of Personal Finance*** continues with researched articles from academic editors.
- **Media releases** blasted out every month.
- **Posts to LinkedIn, Facebook, Twitter** updated regularly.
- **Blogs** written on recent events.
- **Annual Conference** presented as a strong networking event. Look for registration information and plan to attend in Nashville next year.

This intricate web of IARFC news centers around a well thought out Editorial Calendar which defines our plan of action for 2019 along with the ability to address current events as they happen.

Speaking of Editorial Calendar, this month's theme addresses issues pertinent to your business owner clients who have special situations. They need you to provide realistic, achievable solutions. However, I prefer to speak directly to our members who own their own practices.

It is very important for those of us at our age to have someone who will inherit the clients we have so carefully and I will admit lovingly nurtured for many years, even decades. I am lucky, my child was raised in this business. She has witnessed the passion and results from helping people stay true to their financial goals. I rest easier knowing my daughter can continue on for my clients. Consequently, I can step back with pride knowing she has enhanced the practice on her own terms.

What does your legacy plan look like? Isn't that an inducement to clients to know they have continuity? I encourage you to make that a prime focus during the last two months of the year along with anticipating the communication changes that are slated for next year.

H. Stephen Bailey, CEBA, CEP®, MRFC

H. Stephen "Steve" Bailey, CEBA, CEP®, MRFC started HB Financial almost 30 years ago after already having a life insurance career. Steve is the Chair and CEO of the IARFC Board. He is also the 2010 recipient of the prestigious Loren Dunton Memorial Award. When not working with his clients, Steve is on a golf course, spending time with his grandson or traveling with his wife, Bobbi.

Contact: 704.563.6844
chairman@iarfc.org
www.iarfc.org

IARFC Ethics Approved Status

Ethics Approved Status means adherence to the IARFC Code of Ethics with a clear record for the past five years.

Members are biennially verified through FINRA, State licensing records and internet searches.

Brand Your Ethics Approved Status

Set yourself apart from other consultants

- Affix your Ethics Approved Seal to your framed RFA®, RFC® or MRFC Certificate
- Send an IARFC Ethics Approved media release to your contacts
- Order business cards with the Ethics Approved Seal
- Place digitized Seal on your website in a prominent position
- Mention this program in client newsletters
- Order additional Ethics Approved Seals as a visual reminder
- Display the IARFC Code of Ethics plaque in office
- Put a link to the IARFC Code of Ethics on your website

Visit the IARFC store for these valuable branding tools

www.iarfc.org or contact 800.532.9060, info@iarfc.org

IARFC

Thomas W. Young, RFC®

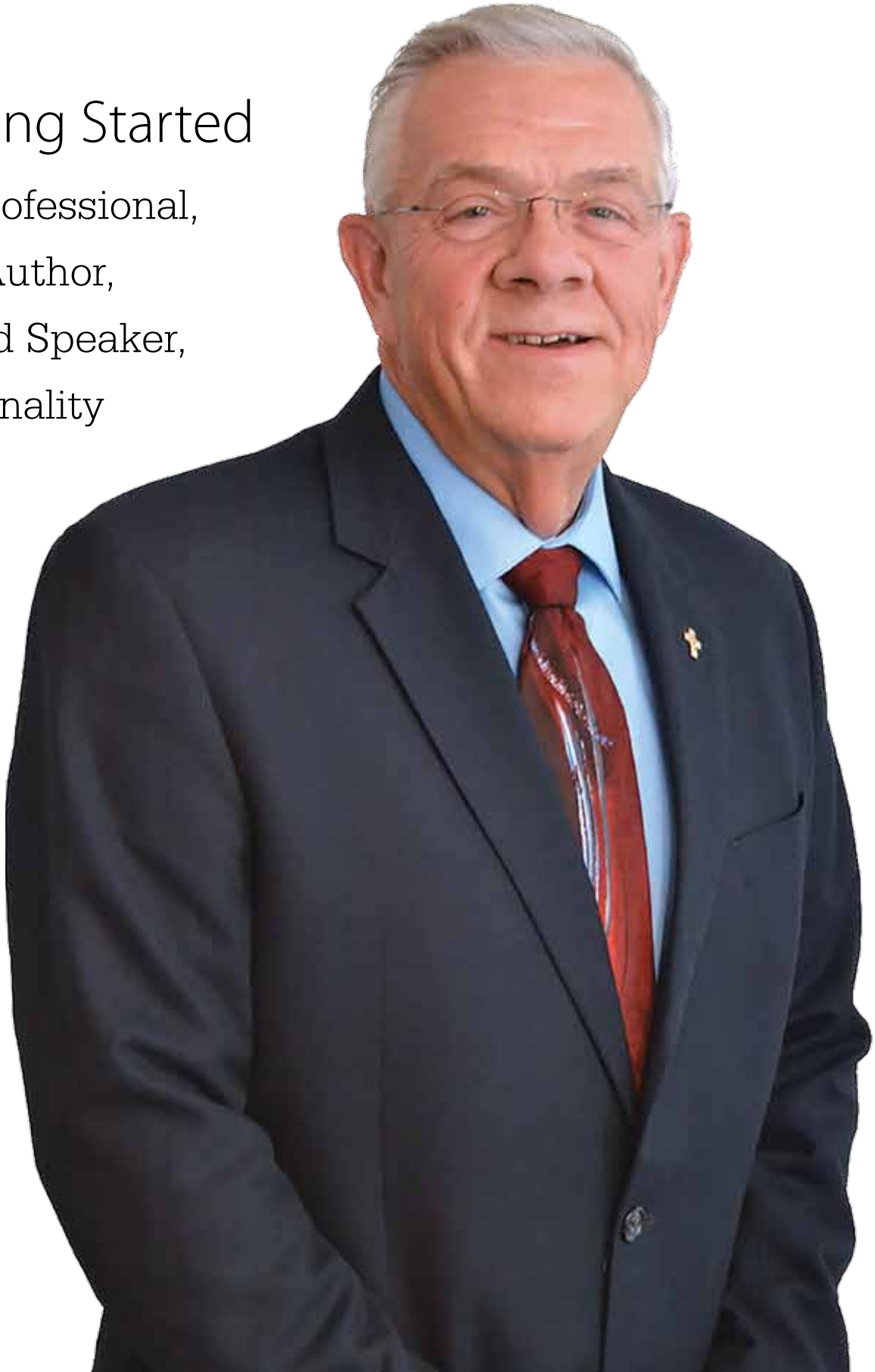
Just Getting Started

Financial Professional,

Published Author,

Experienced Speaker,

Radio Personality



Financial Professional, Published Author, Experienced Speaker, Radio Personality

All of these descriptions morph into a successful Financial Consultant who is dedicated to developing retirement strategies for clients and educating the consumer. As Founder and President of 1st Consultants, Inc., Thomas W. Young is also a professional speaker for Financial Curves, Inc. In this issue the Register investigates his philosophies and strengths that have influenced his journey for almost 50 years.

***Register:* Give us a sketch of your experience and education that brought you to the point of starting 1st Consultant's Inc. in 1976. What aspects have been the most challenging?**

Tom: My career started in 1976 selling life insurance door-to-door. Previously I worked as an automatic transmission repairman at a Ford garage. Before that I owned my business called Tom's auto body.

The opportunity to join the life insurance industry came from a fluke incident while attempting to straighten out a problem caused by an insurance agent. Through conversations with a company representative who reversed some bad decisions, I found a sales manager sitting in my kitchen convincing me that I would be good at this business. A further interview found me going to the manager's office for an appointment in my mechanic's blues smelling like oil and grease - it was lunch time and I worked under cars that dripped all kind of slop.

To me, it was a chance of a lifetime and I made a decision not to let it slip away. With no college, insurance knowledge, or real background other than being self-employed in my own business, I plowed forward in my first year to become office leader out of 65 agents. The company took notice and offered me a sales manager position. Subsequently year two ended with me taking a staff that ranked 88 out of 95 to 10th in the region thus qualifying us for an international conference.

What fueled my passion was a heart wrenching experience during my first four months. Try delivering a check to brand new clients who just purchased a family policy when their 6 month old passed away. My clients and I cried over the loss. From that experience grew the drive that I still maintain today in helping people. The seed was planted in handing over that meaningless $5000 check.

Year three ended with my production ranking of 86 out of 25,000 agents. With a high confidence level and a lot of determination, I resigned the position to start my own insurance agency. I felt the insurance company was pushing me to sell products that did not really help people the way I thought they needed to be helped — so I had no choice but to leave and start my own journey.

My first business was named TW Young Insurance Agency. A few years later I incorporated and became Thomas Young and Associates Inc. 1st Consultants, Inc. came about in the late 1990s when I wanted a company that did not sound like an insurance agency.

Down the road, an opportunity arose to start a radio show. I was already advertising on the radio station when the manager suggested I do a one hour monthly show which ended up lasting 10 years. During that time I honed my ability to communicate. Somehow I had this magical talent to regurgitate information distinctly. The number one complement I receive is that when I explain things, people just seem to understand.

***Register:* How did your development as a public speaker and radio personality evolve and how do you adjust to relating to a live audience?**

Tom: Over the years I have gained initials after my name simply because I needed CE credits and to fulfill my desire to be smarter, better, and the best that I could be at what I do. In addition to a college curriculum, I took courses in human behavior, personality studies and life coaching which allowed me to communicate with others very effectively, all for the purpose of benefitting my clients. Seminars brought more success. They weren't seminars just to sell somebody an annuity or an investment. I believe in holistic planning - the goal is to teach people how money really works.

***Register:* As a published author, where do you get your ideas for books?**

Tom: My first book published in 2008 "*Life Insurance — Will it pay when I die?*" was born from the problem of meeting so many people who had purchased universal life insurance that they did not understand. I am currently in the process of republishing this book to include new products on the scene since the original writing. My expected completion date is the first of the year or thereabouts.

My new book project (more than halfway complete) is titled "*The Family Money Farm, the CFO Project* ". My goal with this book is to provide an education and true understanding of how money works and how to create wealth versus just saving money and compounding interest.

Register: As a longtime member of the MDRT for many years, what is the importance of that milestone?

Tom: I've been a member of MDRT for 27 years although it really should be more than that. In my early days, I had a respected mentor who convince me that it wasn't important to be a member. I realize now that was a huge mistake. We need to continue to create a positive atmosphere for new people coming into our business and provide resources for them to access the correct information that isn't tainted by companies. A sharing of information by those who are actually using the information creates clarity for their clients and themselves.

***Register:* Addressing our editorial theme this issue of supporting business owners and their financial security, how do you help your business clients address their particular issues?**

Tom: I simply show business owners how to take control of their cash flow and turn lease and debt payments into future wealth creation. Imagine how much wealth you could accumulate at some future date if all of these payments could be redirected for your benefit. I have clients today who are capitalizing accounts — basically dividend-paying whole life insurance policies with the maximum paid-up addition riders that are still qualified life policies and not modified

endowment contracts. One client that I recently worked with was able to create an additional $10 million of wealth over a 27 year period of time.

Register: **In what ways do the IARFC membership and the RFC® designation fit into your practice?**

Tom: I believe they are very important. It gives me an outlet and a recognition that is not necessarily directly from the SEC or my broker-dealer. The RFC® is extremely important as it promotes continuing education and rewards consultants who reach levels of high success and who study what other folks are doing in our business. I always say I want to know the answer to the question before it's asked. You can only accomplish this through constant study, research, and betterment of yourself.

Register: **Financial Curves Inc. supports the Foundation of Young Entrepreneurs of Tomorrow. How does it work?**

Tom: www.FinancialCurvesInc.com is a website dream realized. It gives premier access to true and understandable explanations for educating the consumer. Other agents with similar philosophies can rent personalized access to use with their own clients. People referred to this information can become leads. It's not quite where I want it to be yet, but it's a work in progress.

Register: **With your accomplishments as a financial consultant who are/were your mentors as you progressed through your career?**

Tom: Over the years I have had several mentors who have provided life changing directions. Actually I've had dozens of mentors because I believe books are the real mentors in your life. One person in particular, Jody Victor has been a mentor of mine since the early 1990s. He taught me how to have a relationship with God and how to be a good Christian businessman. I met this gentleman by chance during a dark, painful period of my life. He made this profound statement to me "You are where you are because this is where you decided to be. You have made all the decisions in your life that bring you to this moment in time." Now I use this statement for other people in certain situations challenging their decisions and encouraging them to have a positive attitude, outlook and expectation for their future.

Register: **As a lifetime resident of Beaver County in Western PA, how do you think staying close to your roots has shaped your viewpoints on helping others?**

Tom: A book entitled "*Acres of Diamonds*" puts forth the belief that all the success necessary in our lives and business lies in our own backyard. Those individuals that I have met in "my own backyard" have helped me realize a very meaningful and lucrative career. They led me to other people across the country — networking with clients in more than 22 states at one point in time.

The North Carolina area was an inviting location due to the proximity of the ocean and because I love to fish. But, my wife had a large family in the Pittsburgh area and we did put down our own roots. I have no regrets whatsoever; I live in a great community with great people.

Register: **Lastly, what does Thomas Young do to stay "young" and enjoy life (hobbies, interests, passions)? What does your personal horizon look like?**

Tom: As I round out this article I refer to a small plaque on the table between the chairs in my office given to me by a friend. It basically says" I'm Just Getting Started" by Thomas W. Young.

In my early days at 38 years old I weighed 285 pounds. When my mother passed away with whom I was very close, I made a decision in my life that being healthy was extremely important. So throughout the years I did Tae Bo, kickboxing, P90X, yoga, and Tai Chi. My regimen is a minimum of 5 to 6 days a week. I get up early and work out from 30 minutes to an hour. Today at 68 soon to be 69, I am more physically fit than I've ever been in my life. I truly feel… I am just getting started.

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Seriously Ramsey

Smarter Education Planning

For over two years I wrote a column called "Seriously Dave?!" which highlighted the financial, investment, insurance, and tax inaccuracies promulgated by the massive Dave Ramsey marketing squad. And then, in a moment, it was abruptly done. I'm excited to be back. To be writing this piece again for you, for us. Dave Ramsey does not hold a single investment or insurance license. From what we were able to find, he hasn't had any for nearly three decades. That's a bit of a gap. He's well intentioned, maybe, but the biggest heart is not a substitute for factual ineptness.

Going forward, I will once again listen to more Dave Ramsey than anyone including his wife would ever want to, give you the financial consultants who go out everyday and work with individuals and families for years, not minutes, a contrary, published, citation to counter poorly supported facts such as 12% market returns, 8% "conservative" withdrawal rates, and overly aggressive equity allocations — to name a few.

Many of you probably read the previous column, but for the newbies, let's break you in slowly. Today we'll use just one example.

Our example comes from hour three of the Dave Ramsey Show on March 09, 2018 about 10 minutes in. Joyce from Greensboro, North Carolina asks for the best way to save for her grandchildren's college expenses. She's most worried about the restrictions in 529 plans if the named grandchild doesn't attend college.

Ramsey's first recommendation is an illustration of listeners' natural attraction to him. He recommends just brainwashing the kids into going to college, but admits as a grandparent, Its not as easy to brainwash. Interestingly, if one believes they can brainwash kids, then do they believe they can brainwash others? Subsequently, if they believe they can brainwash kids, after having kids grow into adults, then we could conclude they must have successfully brainwashed their own kids, and if they successfully brainwashed once, can they again? Too much? Too far…maybe. I'll stick with the facts.

The first Ramsey error is when he concludes the very best way to invest for college is "to fund a 529 since it's growth is tax free." This is my contention with Ramsey. How much does Ramsey know about this caller, her income, her assets, her children's income and assets, or the quantity and ages of her grandchildren? It's an easy answer…what's the female equivalent of a Priest? Nun. How much does Ramsey know about these things? None.

Would it be important to find out how much Joyce would like to put away for the grandchildren? Of course. Would a licensed financial consultant find out these details, absolutely. Why doesn't Ramsey? Because you don't know what you don't know.

There's nothing wrong with the 529 plan and there can be a small tax benefit for funding them. Like any tool, there's a right time to use it and a wrong time. The 529 plan would be most appropriate if Joyce wants to make larger contributions, but what if, like many clients I meet with, she just wants to invest a few thousand dollars per year? Is there a better alternative? What about Roth IRA contributions or conversions (if she doesn't have earned income)?

The latter is quite interesting. If Joyce doesn't have earned income, then we'd conclude she's living off Social Security, pensions (maybe), investment returns and some principal. It's quite possible that Joyce, or another listener like Joyce, has no taxable income. In this case, the state level tax deduction of the 529 plan contribution is mostly, if not entirely, eliminated. Minus 1 point for the 529 plan.

The Roth IRA would also give tax-free growth, but the restrictions Joyce was

concerned about would not apply. Joyce could gift to her grandchildren for housing, schooling, first home purchase, or a wedding. In reality, anything she desires, while still getting the "tax-free growth."

Now let's assume Joyce follows Ramsey's advice. She's in for a rude awakening and she won't be happy with Mister Ramsey. In a *Reuters* piece written by Amy Feldman, titled "Don't Let that 529 College Plan Hurt your Financial Aid," Feldman discusses the pitfalls of grandparent owned 529s versus parent owned 529s. If a parent owns the 529, then the amount in the account, Feldman used "$20,000," is multiplied by a maximum factor of 5.64%. This account reduces the financial aid by $1,100.

If grandma owns the 529, as is implied with Joyce, then using the same $20,000 example, the income withdrawn to pay for QHEE (qualified higher education expenses) must be reported on the following years financial aid forms as untaxed income to the student. This can reduce "the amount of aid by 50 percent," writes Feldman. Therefore, a $5,000 withdrawal from the 529 plan could reduce Joyce's grandchild's student aid by $2,500.

Simply, there may be no tax benefit of the 529 plan over the Roth IRA. Worse, the 529 plan causes harm. If Joyce contributes or converts $5,000 to a Roth IRA, she MIGHT pay income tax. You can have earned income without taxable income due to deductions. This is even more true given the new tax law. If she does have to pay, say 12% federal and 4% state, this is only $900 of cost versus $1,100 (parent owned 529) and $2,500 (grandparent owned 529).

One last point here. If Joyce gifts the money directly to her grandchild, then this is again untaxed income to the student. Easy fix, though. Joyce can pay the school directly, and for those school's that characterize this as untaxed income, she could gift it to her children who in-turn could gift (give) it to the grandchild. It's much easier than it sounds.

Example: Joyce wants to gift $5,000 to Billy, her grandchild. She therefore gifts Robert, Billy's Dad the money who in turn gifts (gives) it to Billy.

It gets better. What if Joyce has only contributed $18,000 to the $20,000 account. There's $2000 in tax free gains. However, there's now a $2,500 reduction in aid. The reduction in aid is greater than the gains. If we expressed this reduction as a stupid tax (you be the judge) it would be a 125% tax…kind of makes the 12% federal tax look pretty lucrative.

I haven't gotten to the best part yet. Here's one last blunder. Ramsey tells Joyce, that if her grandchild gets a scholarship, for say $5,000, then Joyce can pull $5,000 out of the 529 plan tax free. Hmm…that's close. That's almost right. It's right there on the cusp, but not quite — sorry.

If one of Joyce's grandchildren were to get a scholarship, then it is true she can make a non-qualified withdrawal, but this withdrawal is not tax free. It's simply not subject to the 10% non-qualified withdrawal penalty.

There's one more thing. Did you catch it? Billy can have about $6,000 of income before a reduction to financial aid occurs. First, Ramsey's advice is for kids to work through college, so if following Ramsey's plan, Billy will have already exhausted this allowance. Second, this was something I didn't realize until later. Always be a student. Read, study, learn, and then repeat. This is why Registered Financial Consultants have some of the highest continuing education requirements in the industry. Because we understand you don't know what you don't know, and the only way to know more, is to continually learn…to never stop. Cheers!

Michael Jay Markey, Jr., MRFC

Michael Jay Markey, Jr., MRFC, serves on the IARFC Board of Directors. He has a BA from Eastern Michigan University, and is the owner of Legacy Financial Network located in Kentwood, MI. He established the company on the belief that the client should come first and everything else will fall in line. Fueled by a narrow focus on only those in retirement and near retirement, he has carried on this belief through education, not only to their agents and staff, but also to their clients.

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Loren Dunton Memorial Award

Honoring the Recipient

The Loren Dunton Memorial Award is made, in honor of the founder of the financial planning profession, Loren Dunton, to a person who has made a substantial contribution to the financial services profession and/or the financial interests of the public.

Father of Financial Planning

Loren Dunton, generally regarded as the "Father of Financial Planning", organized financial professionals in the late sixties.

In 1969 he convened a group of financial professionals in Chicago and founded an industry of outstanding service and commitment. From this event and from Dunton's leadership and interactivity with many persons now in the IARFC would come an educational institution, the College for Financial Planning and the personal financial planning curricula now taught on over one hundred campuses.

As the first editor of *Financial Planning* magazine, Dunton helped to publicize an emerging profession, bringing various practitioners together for a common cause, sharing practice and marketing techniques and promoting ethical conduct. That respected magazine has continued contributing to the profession for thirty years.
Two associations came initially from this effort, the International Association for Financial Planning and after the first class of Certified Financial Planners graduated in 1973, the Institute of Certified Financial Planners. These organizations have since merged to become the Financial Planning Association. Using Dunton's model, more than forty countries have formed similar organizations.

Dunton continued to promote the value of the financial consultant as a professional whose quest for knowledge should never cease. He authored seven books that have helped to shape the careers and services of financial consultants. Dunton's commitment to these principles was evidenced in the Institute for Consumer Financial Education that he nurtured for many years, and which earned a Presidential Citation for public service.

What Dunton Recognized… Having been a successful businessman, although never a financial consultant, his comments were from the heart. He used his experiences to frankly explain back then, what we recognize now, that…

> Planning is not separate from the "sale" of insurance and investment products, but are different roots of the common tree.
>
> Products are necessary elements in the implementation of the financial plan.
>
> Salesmanship should be taught by the managers and trainers of the financial services industry.
>
> The ethical sale of financial products and the delivery of competent advice is a very noble calling.

Criteria for the Dunton Award

The Loren Dunton Memorial Award was established by the IARFC in 2000 and is awarded to the person who has made substantial contribution to the financial services profession and who embodies Loren's mission to "help persons wisely save, spend, invest, insure and plan for the future." A complete list of criteria can be found at: www.iarfc.org/events/awards

2019 Nomination Committee

H. Stephen Bailey, LUTCF, CEBA, CEP, CSA, MRFC — (2010 Recipient)

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Jon M. Rogers, Ph.D., CLU, ChFC, MRFC — (2015 Recipient)

Nominees for the

2019 Loren Dunton Memorial Award

Use this form to nominate a recipient for the Loren Dunton Memorial Award, presented annually to a person who has made significant contributions to the financial services profession and to the public. This form may be supplemented with additional information of your choosing. Nominations close on November 30, 2019.

Nominee

Name: _____ Nickname: _____

Address/City/State/Zip _____

Phone and email: _____

Professional designations: _____

Current position/title: _____

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How has this person benefited the general public? _____

_____

How has this person benefited the profession? _____

_____

Publishing credentials: _____

_____

Speaking and/or teaching credentials: _____

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Nominator

Name: _____ Nickname: _____

Address: _____

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Email: wendy@iarfc.org or;
Mail this form to:
IARFC Loren Dunton Award Committee
c/o staff liaison, Wendy Kennedy
International Association of Registered Financial Consultants
P.O. Box 506
Middletown, OH 45042

Discover Your Own Quest

My 20 year plus career as a financial consultant was disrupted a few years ago, taking me down an unknown path of life to say the least. I had seen the passing of multiple clients that year who had done everything right to save and enjoy their golden years only to succumb to severe illness and death at too early an age — thereby robbing them of their retirement vision.

I had been to about 35 countries at that time and took a vacation to 5 more over 20 days that year. While there I decided to make it my life's work going forward to see it ALL —195 countries as a way to honor those clients who had blessed me as a consultant, but who could not complete their own retirement journey and to inspire current clients and prospects that their retirement dream of travel CAN actually occur.

There are 195 "independent counties" that currently have a flag and are recognized by the rest of the world. At this reading I have been to 86. I developed a strategy based on an air force maneuver known as "touch and go". Traveling in December-January, May, and September, I find myself either planning for, or coming back from some of the most exotic, and controversial destinations worldwide.

Here is a synopsis of my travel log for late 2017-2018.

December 2017–January 2018 —
Understand Middle East
Christmas in Jerusalem, Petra in Jordan, Pyramids Egypt, Morocco

May 2018 —
Understand Socialism
Finland, Sweden, Norway, Denmark

September 2018 —
The Rising Dragon Tour
Vietnam, Cambodia, Laos, Myanmar, Thailand

As you read this piece I will spend Christmas at the South Pole then, burn my snow suit and head to Ecuador, Colombia (yellow fever shot required) and finish in Panama City, Central America.

Total 17 countries, then planning for the next trip in May 2019 and so on….

This QUEST, as I now refer to it as, has taken on a life of its own and allowed me to be more productive in my practice when I'm stateside. My clients and prospects will book a one hour meeting and I find them fascinated with the magic lanterns, KGB spy cameras, fez and exotic artifacts from the Middle East, Egyptian statuary. Yes, my office looks like the Smithsonian and I am the curator for my clients.

I fly at the front of the plane and I stay in historic 5 star properties while away which provides some semblance of security in the more volatile locales. It also helps to fly on a Canadian passport which is universally welcomed around the world to signify a friendly traveler. FYI, I have been living in the US for 25 years on a green card. Canadian business and tax restrictions on my business interests in that country restrict me from becoming a US citizen.

How many people lay claim to have stepped into EVERY country in the world?

According to The Traveler's Century Club (TCC) 28. That's 28 out of 7.2 BILLION…

Then you can expand your trip to 321 current and former territories but that would be something to look forward to if I plan to live as long as that life insurance underwriting template says we can.

Yes, travel is brutal on your body with jet lag from 18 hour flights, cobblestone streets, unfamiliar food and drink (watch out for the

water)! Then there is having to be always situationally aware for pickpockets and emergency situations. (I dress in a nondescript fashion for the most part to not draw undue attention to myself).

As a result when I am stateside I am in the gym every day and boxing 3 times a week to get leaner, faster, more mentally tough and build my immune system for the challenger of Ebola, dengue fever, dysentery and a host of other third world distractions that are just a plane ride away.

Who would want this life anyway? What is the payback? We all give lip service to the cliché "Knowledge is Power", especially in the advisory business. Books and travel guides and TV are one thing but there is no, nor will there EVER be, a substitute for ACTUALLY BEING THERE, wherever that may be.

Every breath you take, in fact everything that you see, hear, taste and touch and experience spiritually expands your mind to a point it will NEVER be the same. The experience leaves your whole being thirsting for another, different experience as well.

A welcome by-product of these trips is being able to share the artifacts and stories, and of course pictures and video. Bringing back gifts for friends and loved ones that are so special it sometimes brings them to tears. Definitely no re-gifting here!

How thorough are these trips anyway if I can do five countries in 18-20 days? Well, my secret is a private driver and a guide in each locale. These two meet me in the hotel lobby after I have slept from arriving in-country the night before. The guide, usually a female, speaks multiple languages and has an extensive local knowledge of the city and the country. We leave the hotel driving to multiple significant sites and many not so significant which always is special. If there is a large general tourist line-up, the guide will have a rear door access from which we leave or will flash special private guide identification to the venue operator and we go in, never wasting valuable time. Somebody is getting a tip here!

I have recently added a special stop to the city's local talk radio station, which always throws the guides for a loop and we arrive sometimes with a pre-booked appointment previously set by me from my device or just a cold call interview. Recent interviews on past trips have ranged from the Jerusalem transition in Israel, to healthcare — is it really that good in Scandinavia? How about the corruption in Kiev Ukraine? In each brief, interview I collect the radio host's card, take copious notes and often field questions on how to get his or her kids to Disney World! A 30 minute tax deduction and later, we three are back on the road sometimes stopping for lunch but more often than not powering on to museums, churches, and other attractions too numerous to mention. Back to the hotel by 4:30 pm in time to dine out and experience the local food or not, it's my choice always.

Next day is self discovery or to the airport to hop over to another country where another driver/guide team will repeat the process. On the flight there, I write emails to friends and have taken to sending letters written on exotic hotel stationary stuffed with post cards that will not arrive until I am already back in the states — but it's the thought that counts yes?

I have or have had all material possessions that this world can offer as one of the top annuity seminar producers in the world; but NOTHING compares to THE QUEST.

Thoreau said most of us are living lives of quiet desperation…set up YOUR OWN QUEST. Now, you will thank me years from now in an airport somewhere!

Patrick Munro, RFC®

Patrick Munro, RFC® is the founder of Northstar Financial Advisors. His affinity for investing and financial matters began more than 20 years ago with business education and service throughout the ranks of the banking, insurance, and brokerage industries. He is certified in financial planning and analysis, and holds life, health, and long-term care licenses in North Carolina and South Carolina. Patrick lives in Calabash, North Carolina, and enjoys fitness and traveling to new destinations around the world.

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IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

Member-Refer-A-Member

Enhance the Designation

"The only way that an Association grows is by attracting new members," confirms IARFC Chairman H. Stephen Bailey.

Encouraging your peers to join is the best recruiting effort an Association can utilize. We salute your pride in being a Registered Financial Consultant and are proud to have an award recognition program dedicated to members who have contributed to the growth of the Association. The Member's Award is presented annually in appreciation to top IARFC members who have sponsored the most qualified professional consultants that subsequently joined the ranks of the Association.

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For details go to:
https://www.iarfc.org/docs/content/Referralprogram.pdf

Succession Planning: If You Don't Do It, Your Clients Will

Your older clients are looking forward to retirement. It's been said no one's last words on their deathbed are: "I wish I spent more time in the office." Your clients assume you are looking forward to a carefree retirement too. They are concerned about continuity in the relationship when you decide to pack it in. This means you need to have a succession planning conversation with your client.

How Does United Bank of Switzerland (UBS) Feel About Retirement?
A few years ago, UBS put out a great piece on "The Three Phases of Modern Retirement." You can access the details on the Forbes website. [1] Here are those three phases with simplified definitions.

1. **Transition** – Retired, but still working. Maybe you are consulting.
2. **My Time** – Travel and other fun activities you've been putting off.
3. **The Last Waltz** – Slowing down, often because of health issues.

Your soon-to-retire client is probably entering the Transition Phase.

When Not Having a Succession Plan is a Disaster
Now we come to a serious problem, brought about in large part by asset based pricing, fee based income and managed money. The job of a financial consultant has changed from earning income through commissions (similar to pushing a rock up a hill) to collecting fees on assets under management. This changes the retirement picture for many consultants who plan to continue working, collecting fee based income until they are carried out feet first.

So here's the problem. There are some older, established consultants who have unofficially stepped into the Transition Phase without formally telling anyone. They certainly haven't told their clients. They joke with their friends they are semi-retired. They take long weekends and lots of vacations. Their plan is to work less and less while still collecting fee based income and trailers. They are adamant their accounts are still their own. Their service model is one of benign neglect. They expect their sales assistant to bridge the gap and interact with clients. They collect their messages and return calls. Clients wonder why their consultant is never there.

Like a storm, two elements are brewing in the background:

1. **Clients are being prospected by competitors.** The question is simple: When was the last time you heard from your consultant?

2. **Your sales assistant gets overwhelmed.** They are doing their own job along with holding down the fort for the consultant. They rationalize they aren't paid enough for this amount of grief. They quit.

Had enough yet? There's another problem on the horizon. Although the consultant may not have a succession plan, many clients do a friend in the background who is in the business. They are loyal to their current consultant, yet will consider themselves free agents if and when the consultant retires. Being a reassigned account in the office isn't their plan.

Six Sensible Succession Planning Strategies
Fortunately, you aren't the consultant described above. You have a plan. It might be one of these alternatives:

1. **When no plan is a plan.** You love what you do. You are in good health. OK, you

might take a few more vacations, but you come into the office every day. You love your firm. When recruiters call you hang up. Most important, you really like your clients and feel you are improving their lives. You feel a sense of responsibility towards them. Let clients know you are in good health and hope to be working for another 10 or 20 years. They are a client of the firm. If anything happened to you, their account would transition over to another consultant almost immediately.

Pros: Almost every client knows a business owner who is active in their 80s and loves the business. This should be enough for them to understand you aren't going anywhere.
Cons: Not many. Clients like the status quo. If they can see you in place for 5 or 10 more years, that should be fine.

2. **Someday, all this will be yours.** You bring one or more of your children into the practice. They don't get a free ride because they become agents or consultants and build up their own clientele, ideally in an affiliated office. A few years before you intend to retire, they are brought into the practice. The senior consultant gradually steps back with reduced hours. The next generation is introduced during portfolio reviews.

Pros: Clients get it. It's the next generation. They look and dress like you do. You are initially conducting portfolio reviews, then gradually stepping out of the picture over time.
Cons: This takes time. First you have children. Then your raise them…

3. **Elevate your assistant.** Suppose you don't have children or they have chosen a different career path. How about getting your assistant properly licensed, changing their title and bringing them into the practice as a junior partner? Over time they transition into full partner and eventually assume ownership of the practice. Together you hire a replacement assistant.

Pros: Your assistant probably knows the clients better than you do. Clients are relating to them as their first point of contact. You promoted from within. Clients are comfortable.
Cons: They've never prospected, which is part of keeping the business growing. This strategy is expensive because you are splitting revenues with your former assistant plus covering the salary of a new assistant.

4. **Sell the business.** It's been done before. You get your practice valued and quietly put it up for sale. Since a large amount of the business value is tied up in long term relationships continuing, you stay actively involved. Your name still appears on their statement, but another name is alongside. They have joined you in the practice. You meet with clients to transition them. You attend portfolio reviews, but let the other person do the talking.

Pros: You get paid for your practice.
Cons: You are probably being paid over time, because the value is contingent on clients sticking around. You've got to make this transition work. Personalities might be involved.

5. **Join a team within your firm.** Firms are wrestling with succession planning. In 2017 *Forbes* reported on a Cerulli Associates Study indicating the average age of financial consultants is 51 years old. Also, 38% expect to retire in the next 10 years. [(2)] Many firms have developed programs where a consultant can merge their practice into an existing team in the office and gradually step back over several years.

Pros: It's a way for the consultant to monetize their practice. Clients see the same name on the door. The consultant's name is on their statement (with the team name) during the transition period.
Cons: It's not as simple as selling the practice and getting a check, even if the payout might be over time. The consultants still has responsibilities within the team.

6. **Form your own team.** This is another advance planning strategy. The sole practitioner brings on newer consultants trains and cultivates them. Alternatively, the consultant finds another with a complementary business style. You can't put together two people who won't prospect. They should also have personalities that mesh. My clients become your clients and vice versa.

Pros: One consultant eventually buys the other out or they agree on a payout plan for one to eventually pass from semi-retirement into full retirement.
Cons: One morning you discover the bright young consultant you trained for years has jumped ship to another firm. They attempt to bring relationships you consider "your clients" with them. Many factors affect what happens next, including if your firm is still bound by the Protocol. [(3)]

The Unethical Succession Plan

There's one additional way, a less ethical approach to succession planning. The newer consultant in the earlier example jumped ship, joined a competitor and presumably got an up-front bonus. The established consultant tries the same strategy. They have lots of loyal clients. They have a steady fee based income. They let recruiters know they are open to offers. They shop themselves around. They leave for an up-front payout too.

This requires lots of work on the consultant's part. They need to work hard to bring their clients over to the new firm. Their compensation might not exactly be "up front". They may need to hit some targets to get paid. This move is clearly in the consultant's interest, not the clients. The Protocol status of the firm they are leaving will be a factor. Consultants in their former office will fight hard to keep reassigned relationships. Finally, it's highly likely a competitor intending to pay big bucks for a hire will figure out this consultant isn't committed for the long term.

Clients know no one wants to work forever. They certainly don't. They assume you want to retire too, yet they also want continuity in the relationship. Give it to them.

Bryce M. Sanders

Bryce Sanders is president of Perceptive Business Solutions Inc. He provides HNW client acquisition training for the financial services industry. His book "Captivating the Wealthy Investor" is available on Amazon.

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(1)https://www.forbes.com/sites/ubs/2016/12/20/the-three-phases-of-modern-retirement/#54031b4c6faf

(2)https://www.forbes.com/sites/halahtouryalai/2017/07/25/americas-next-gen-wealth-consultants-millennials-who-survived-2008-are-now-managing-billions/#181dd47c2d1a

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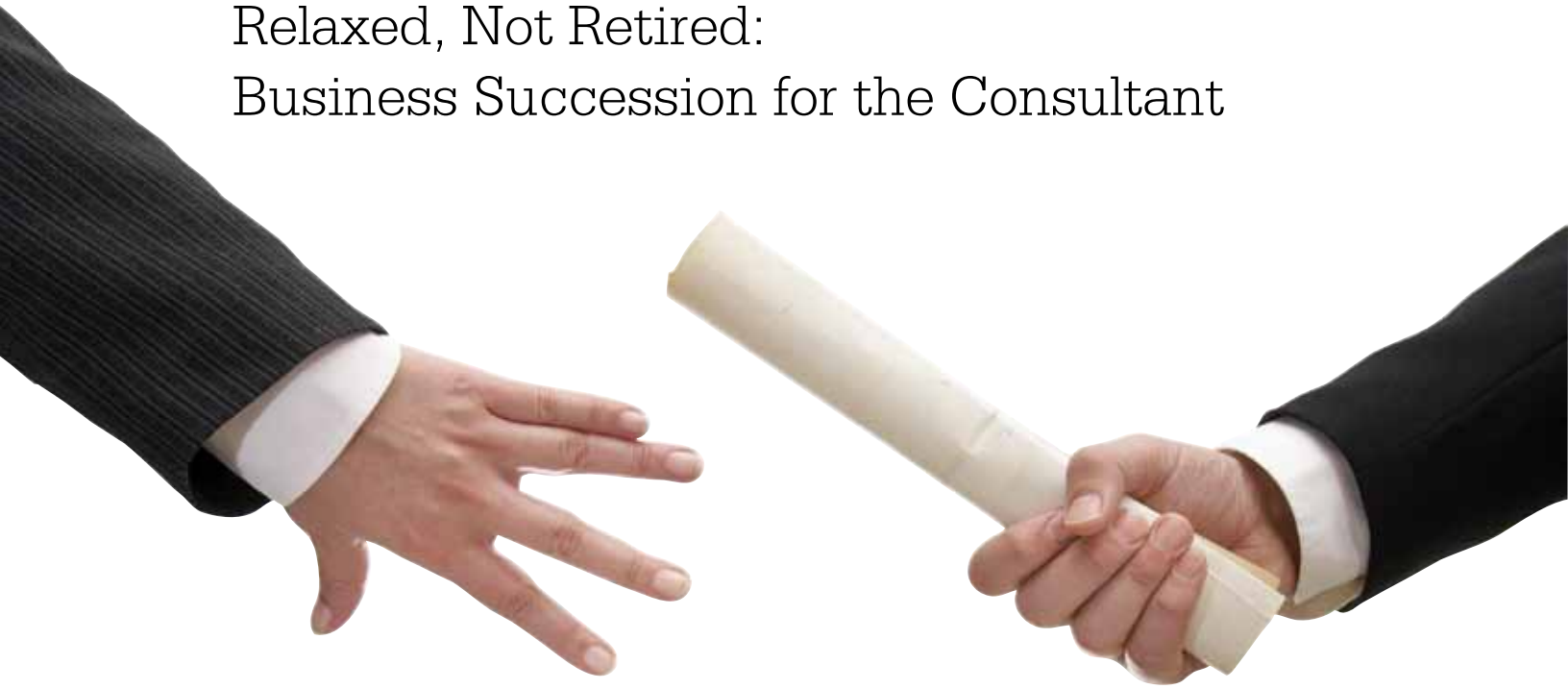
More Than Money

Relaxed, Not Retired: Business Succession for the Consultant



What a privilege it is to be in a business where we are rewarded for serving our clients. And having done precisely this for the past 48 years, I had grown a fairly large clientele. Those who were my friends became my clients and those were my clients became my friends. But there comes a time when you realize that this will not go on forever. However, you're still feeling "pretty good," and you still feel like you can contribute, so you decide to hang on for a while longer. **Beware: this is a BIG mistake.**

Here's the real issue: "Retirement" speaks of finality. It feels like we're coming to "the end of the line," or being put out to pasture. So, we procrastinate and avoid the inevitable. But there is another way to put success in succession planning. This is my personal journey from working with clients 24/7 (24 hours a day, 7 days a week) to working with families 24/7 (24 hours a week, 7 months a year.) My secret? To not retire, but to relax.

Succession planning for clients, as well as ourselves, is a critical component of "ending well." It takes strategic planning and an extended period of time to execute properly. Here are a few takeaways from my journey:

1. **Client Care:** Client care is of utmost importance. Hence, it is mission critical to onboard junior consultants who can carry the baton with excellence (and start ASAP.) Being the 4th generation in our business, I wanted continuity to perpetuate the legacy.

2. **Time Horizon:** Creating the criteria for a successful hand off takes time. In my case, I accomplished this over a 7-year time horizon. Do not rush into a quick exchange of power.

3. **Surrender:** This is the most difficult element of the transitioning, but trust me, once you "let go," the freedom you gain is exhilarating. It is also a key part of empowering the "next gen" consultants to lead. It's so much easier to micro-manage, but resist this temptation.

4. **What's Next:** If you still have some "fuel in the tank," it is critical to prepare for your new "relaxed" venture. You need a reason to get up each day and contribute well in advance of your handoff. For me, this was to build a new practice which utilized all of the skill sets that I had acquired throughout my career. I literally ceased dealing with individual clients and their money matters and consult with only multi-generational families and their "more than money" wealth. (To learn more about this kind of consulting, go to www.MoreThanMoneyVault.com.)

5. **The Deal:** Structuring "the deal" for each succession plan will vary, but in my situation here's what I did: We (my successor team of 3 consultants) came to a valuation based on the present value of my future stream of revenue over a 3-year period. We determined that this was "personal goodwill" and thus became the asset that was purchased. The advantage to this structure is that the payments I am currently receiving are taxed at capital gains rates, yet the payments made by my successors are fully tax deductible (over a 15 year period). All cash, money down with installment payments or 100% seller financed is up to you. Your own circumstances will point you in the correct direction.

6. **Business Ownership:** This element is a bit peculiar in my situation since 100% of our businesses (RIA, Broker Dealer, Trust Company, etc.) are owned by my South Dakota, Asset Protection, Dynasty Trust. Ownership has been eliminated and replaced with stewardship. Management of the companies will be the responsibility of the next generation (G-5) but we no longer need to concern ourselves with transferring shares at my death, estate taxes or estate settlement costs, potential divorces of future consultants diluting the shares, as well as asset protection from consultant's personal

creditors. Perhaps this is overkill for you, but let me suggest that this approach has a great deal of merit.

How's it going for me since February 2018? It's work to take off 5 months a year! It takes real planning or else these blocks of time get consumed by the day to day. As far as the 24 hour a week? This has caused me to be focused with my "on" days for maximum productivity. I honestly think I am getting more done, in less time, with less stress. So, when I'm asked if I am retired, I respond, "no, just relaxed."

I honestly feel that my best days are ahead, thanks to the proactive re-engineering of my career. For you senior consultants who have been at this a while, I urge you to begin passing the baton (by design), before you realize that you must (by default.)

PS – If you plan out your own multi-generational succession plan, you will be better prepared to help multi-generational families prepare their succession plans.

Looking forward to having many fellow senior RFCs join me in the "home stretch."

Monroe "Roey" Diefendorf, Jr.
CLU, ChFC, CFP®, CIMA, CAP, RFC®

Monroe "Roey" Diefendorf, Jr. CLU, ChFC, CFP®, CIMA, CAP, RFC® was a featured speaker at this year's IARFC's Biltmore Conference April 17 – 19th in Asheville, SC. Roey has been active since 1970, he is the 4th generation of his family in the business. He has authored over a dozen books, including "3 Dimensional Wealth: A Radically Sane Perspective On Wealth Management". Roey, in conjunction with Shawn Barberis, JD, has introduced "MoreThanMoneyVault.com" a technology tool to deliver "total" wealth management.

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International News

Ambassador Award

International Ambassador Award
The Award is bestowed on those members who have selflessly supported the IARFC mission through extraordinary efforts of time, service and dedication

Criteria includes:

- IARFC member for more than one year
- Currently ethically approved or in good standing
- A professional associate who has successfully supported the mission of the Association

Honoring the Past
2018 was the first presentation of the International Ambassador Award at the Awards Banquet during the IARFC Annual Conference in Asheville, NC. This first group of Internationals was selected by the US IARFC Chairman to recognize the outstanding efforts of individuals in their respective countries.

Commitment to the Future — 2019
Moving forward, the International Chapters will now be selecting their own "Ambassador". One individual from each country will be honored as deserving the recognition and be invited to attend the IARFC Annual Conference in Nashville, TN — March 20-22, 2019. Awards will be presented during the Conference Banquet.

From left to right: Ambassador Award Chairman, Jon M. Rogers, MRFC, presents IARFC China Development Center CEO, Kai Tu, RFC® with Taiwan Chapter Award. Kai Tu received Hong Kong and Macua Chapter Award for Chair Dr. Teresa So, RFC®, Executive Director, Allan Wan, RFC®, and Honorary Chairman Samuel Yung, RFC®.

From left to right: Ambassador Award Chairman, Jon M. Rogers, MRFC, presents Greater Asia Chairman, Dr. Jeffrey Chiew, RFC® with Malaysia Chapter Award. Jeffrey also received Awards on behalf of Philippines recipients Chairman, Ralph Liew, RFC®, and Ismael D.L Melendres, Jr. RFC®.

Ambassador Award Chairman, Jon M. Rogers, MRFC, presents Greater China Chapter Awards to: Chair Liang Tien Lung, RFC®, Special Assistant to Chair. Ben Liang, RFC®, and Special Assistant, JJ Liang, RFC® (JJ accepts awards on behalf of China Chapter)

China Chapter, Special Assistant JJ Liang, RFC®, presented the National Financial Plan Competition Winner, Victoria Albanese from Bryant University a special gift from China Chapter

2018 Ambassador Award Recipients:

China
Liang Tien Lung, RFC®
Ben Liang, RFC®
JJ, Liang, RFC®

Hong Kong, Macau
Teresa So, RFC®
Allan Wan, RFC®
Samuel W.K. Yung, RFC®

Malaysia
Jeffrey Chiew, RFC®

Philippines
Ralph Liew, RFC®
Ismael DL Melendres, Jr. RFC®

Taiwan
Kai Tu, RFC®

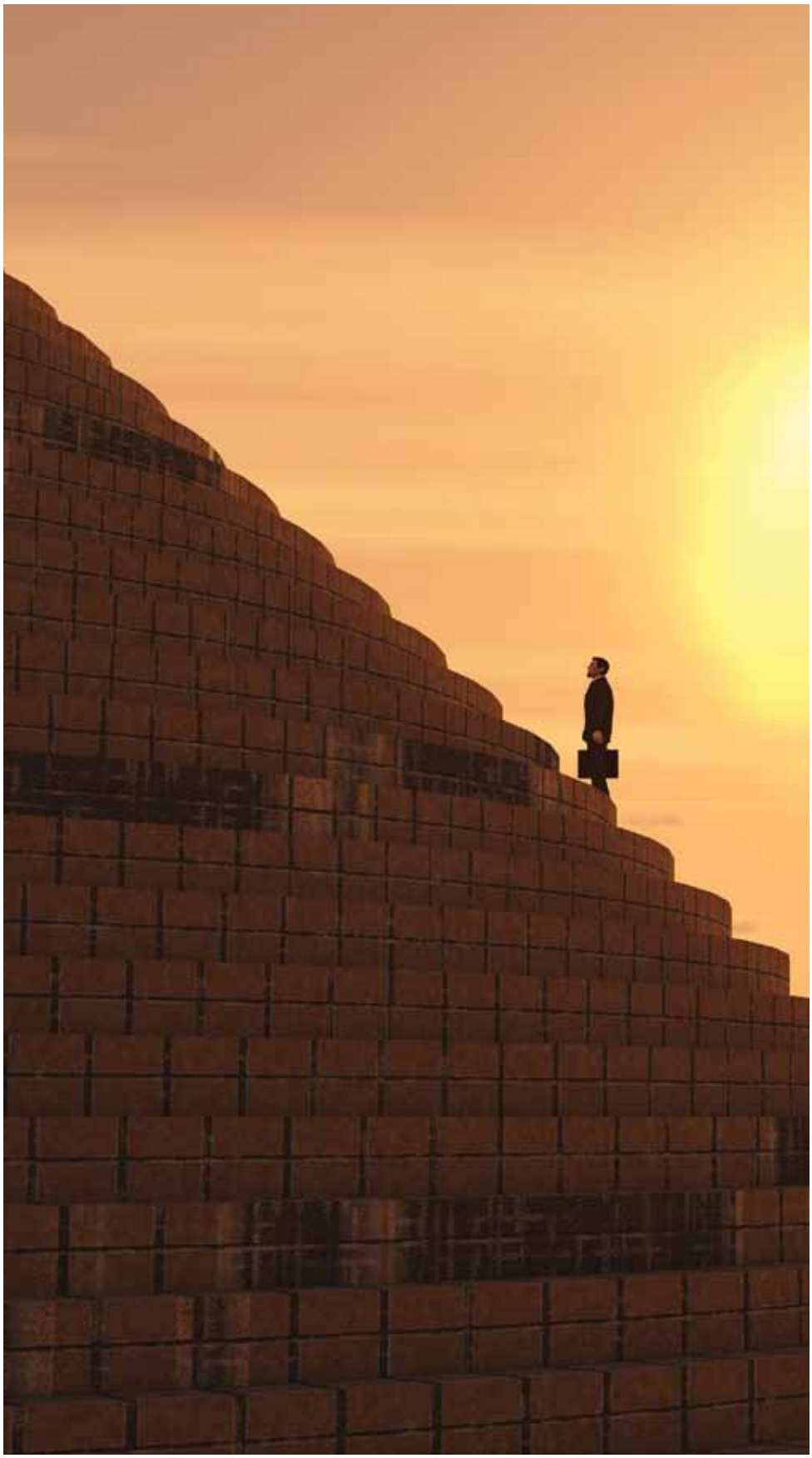
"Our International Ambassadors represent individuals who are dedicated in promoting the IARFC and its mission. To current ambassadors and future recipients, I salute your commitment in promoting excellence and education in the future of financial services."

US Chairman and CEO
H. Stephen Bailey, MRFC.

Greater Asia Chairman, Dr. Jeffrey Chiew, RFC® presented Financial Technology at the IARFC Biltmore Conference

IARFC China Development Center CEO, Kai Tu, RFC® presented Discover the IARFC International at the IARFC Biltmore Conference

Choose To Rise To The Top



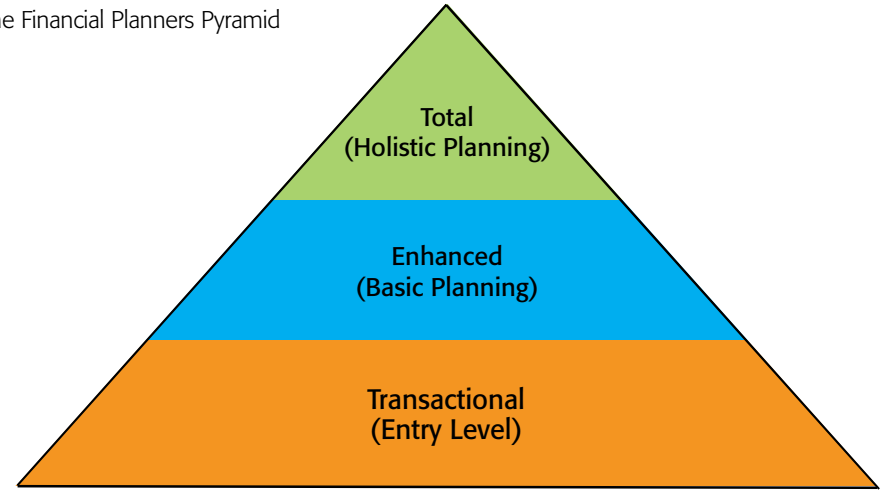
As you know, there are literally hundreds of thousands of people who call themselves financial planners across the country; however, the term financial planner is a very broad one. I've heard people who specialize in debt consolidation call themselves financial planners. I've heard people in the banking industry who only sell CDs, call themselves financial planners. I've heard people who only help you buy and sell stocks call themselves financial planners; when in fact, they are just salespeople. So it's tough for people to figure out exactly what kind of financial person with whom they are working, and more importantly, which one is right for them.

Here's a simple way to put this into perspective. Imagine a pyramid that's divided into three different sections with the biggest section at the bottom, the middle section smaller than the bottom section, and the top of the pyramid being the smallest. The first section of this pyramid (at the bottom) is the most common type of financial planner. You could call this the entry level financial person who generally helps carry out transactions. An example may be a bank employee selling you a CD or a salesperson or stockbroker who helps you buy and sell mutual funds or other types of investments. They generally are not doing any real planning or advising because they are focused on helping you buy certain investments that they offer.

As we move up the pyramid to the middle, there are fewer financial planners in this section. We call this the enhanced section because the planner that fits in this category does more than just carry out transactions. They may do some basic types of planning around the area of the license they have. For example, let's say someone just has an insurance license. They may go further than the transactional salesperson who only sells a product. What they may do is actually create a written income plan for how those assets will be invested, and then find the best product from what they are able to use to implement that plan. However, because they only have an insurance license, they may be limited to only the types of investments their license allows them to use.

Another type of planner that fits in this middle section are those that are fee-only planners. This means they put together a plan that you will take home and will have to implement on your own. It's not exactly

The Financial Planners Pyramid



like doing it yourself, but it's more like doing it with a little help.

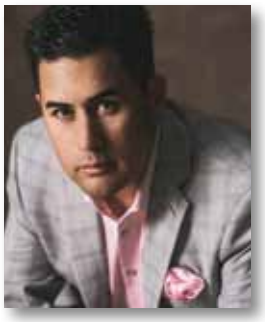
So we've talked about the entry level of The Financial Planners Pyramid which is the transactional planner. We have also talked about the middle section. These are the planners who take it a step further and do some basic planning on top of the products they sell such as simple income planning or retirement planning. The top part of this pyramid is where the fewest number of financial consultants reside. This is what I call the total holistic consultant who is completely engaged in the financial planning process.

The people who fit in this category are like financial coaches as they seek to find the red flags that could derail your finances, and then they put together a plan to fix those problems. They are more like problem solvers and are usually dually licensed. This means they may have a securities license and an insurance license which allows them to have access to a much broader range of investment options than if they were limited to only one type.

Here's another thing to consider. If you've ever been a homeowner, you know that the work doesn't stop as soon as the house is built. You have to constantly keep the house maintained. Sometimes you only have to do something small like tighten a screw. Other times it could be more major like replacing a broken A/C unit. The same thing goes for financial planning. A total holistic financial coach will help you consistently monitor your plan to make sure it stays relevant throughout your financial life no matter what life throws at you.

Another reason why there are fewer people in the top of the pyramid is because they usually focus on multiple areas of the financial spectrum including Investment Planning, Retirement Planning, Income Planning, Healthcare and Long-Term Care Planning, Tax Planning, and Estate Planning.

The Master Registered Financial Consultant (MRFC) credential was really developed to help differentiate elite financial consultants from others who may call themselves planners, but not have the experience or expertise to actually qualify as a person at the top of the pyramid. The number of people who need financial advice and help is skyrocketing each day. However, the number of financial planners with the necessary level of expertise to help them is dwindling at an alarming rate. This is why financial planners should work to become complete Total Holistic Consultants so they can rise to the call and help make a transformational difference in the lives of the people who rely on them.



Nicholas A. Royer, MRFC

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How to Double Your Seminar Appointments and Income

Do you use seminars to get new prospects?

Are you booking less than 85% of attendees into appointments?

Then read on. This article will make you big money.

If you're like most producers, you are lucky to get 20% to 25% of household units at seminars willing to book an appointment. But here's the real problem. By the time you follow up 3 to 5 days later, the attendee has lost all interest. Worse yet, they often can't remember even attending the seminar.

It is difficult to get anyone to come to a seminar, even with a free dinner. The problem is that 25% are totally unqualified, 50% only came to get the free meal, leaving you 25% that have a real interest in solving a financial problem. Worse yet, attendees will forget 70% of what they hear one day after the seminar, 90% after three days, and lose any emotional motivation to keep an appointment they might have booked at the meeting. If you offer dinner at a seminar, you will pay $683 per booked appointment. If you hold a seminar at a library, even without supplying dinner, the cost will be near $200 including the venue and marketing expense. Even if you do a client event, and are smart enough to incentivize them to bring guests, the cost per appointment could be $300-400. Would you like to maximize the attendee response and gain appointments from any seminar you do?

The Answer: The Five-Step Evaluation

There are three ways most producers like you use in booking seminar appointments.

1. Call attendees a few days after the seminar. Often a producer will ask for business cards, or pass around an appointment sign-up sheet. A staff member might follow up with the attendees a few days later. This has about a 25% appointment closing rate and a lower rate of keeping the appointment.

2. Pre-sign up attendees before the seminar. Some enterprising producers will pre-book an appointment and put the confirmation in the attendee handout packet. This obviously will book appointments, but irritate those who never intended to meet or show up in the first place.

3. Walk around the room and sign people up as they are eating. While embarrassing to your staff person, and distracting to the attendees, the response often is "I don't have my schedule yet, I will call you later." If you press them, they will simply cancel later.

The best way to book appointments is to create a need and let them self-evaluate why they should book an appointment with you.

There are five concerns every current and pre-retiree have.

1. They are scared of running out of money during retirement.
2. They fear volatility.
3. They are nervous about inflation.
4. They believe taxes will lower their standard of living.
5. They want to build a family legacy and/or protect themselves against catastrophic illness cost.

Since these are seniors' greatest concerns, why not get attendees to self-rate their needs?

1. Running out of money during retirement
(No Concern) 1-2-3-4-5 (Very Concerned)
2. Volatility
(No Concern) 1-2-3-4-5 (Very Concerned)
3. Inflation
(No Concern) 1-2-3-4-5 (Very Concerned)
4. Taxes
(No Concern) 1-2-3-4-5 (Very Concerned)
5. Legacy and/or catastrophic illness cost
(No Concern) 1-2-3-4-5 (Very Concerned)

Rate Your Retirement Needs

Please fill out your contact information

Name: _____

Address: _____

Phone: _____ Email: _____

1. Is running out of money during retirement a concern?
   (No Concern) 1 - 2 - 3 - 4 - 5 (Very Concerned)

2. Is market volatility a concern?
   (No Concern) 1 - 2 - 3 - 4 - 5 (Very Concerned)

3. Is inflation a concern?
   (No Concern) 1 - 2 - 3 - 4 - 5 (Very Concerned)

4. Do you believe taxes will lower your standard of living?
   (No Concern) 1 - 2 - 3 - 4 - 5 (Very Concerned)

5. Are you concerned about your family legacy and/or catastrophic illness cost
   (No Concern) 1 - 2 - 3 - 4 - 5 (Very Concerned)

Request an Appointment: ❑

Appointment times:
Wednesday, December 5, 2018, 10:00am
Thursday, December 6, 2018, 1:00pm

Here's How It Works
Ask the attendees to fill out the contact information at the top of the evaluation sheet. Next ask the group to rate 1-5 how concerned they are about each area. For example, "Running out of money is one of the scariest things during retirement. In fact 83% of you will run out of money during retirement and be dependent on Social Security; perhaps even become dependent on your children. Please raise your hands if this is a concern for you? On a 1 to 5 scale, 1 being no concern and 5 being very concerned, what number best represents how you feel about running out of money?"

You will do this for each of the 5 questions. It is really important to get the group to physically raise their hands during each question. Participation drives engagement. When your attendees become engaged, they book more appointments.

After the last question about family legacy, ask the group again to raise their hands if they scored any question 3 or higher. For those that raise their hands, ask them to mark the box requesting an appointment with you. At the bottom of the sheet are possible times and days you can meet with attendees. Ask the group to mark 1 for their first choice, and 2 for their second choice of appointments.

Many of my coaching clients ask how to get these evaluation sheets back from attendees. Offer to raffle off a free dinner for two or anything else you think might be valuable to get the sheets turned in. One my clients even gave away a free iPad thinking that these sheets were like gold (which they are).

There are many benefits to booking appointments this way. First, 85% of the household units will book appointments since they self-rated their concerns and booked appointments based on their own ratings. Second, as you call to confirm the appointments, you can ask about their concerns using the rating sheet as a guide. Any score of 3 or higher is a concern they will want to solve.

So now you know how to book appointments with 85% of attendees. You learned how to keep appointments from canceling, and even how to use the evaluation sheet to engage the client on the first appointment. If you want more information, or even examples of current evaluation sheets my own clients use, please call 714.368.3650. We will spend a few minutes on the phone to help double your seminar appointments and your business.

Kerry Johnson, MBA, Ph.D.

Kerry Johnson, MBA, Ph.D. is a best-selling author and frequent speaker at financial planning and insurance conferences around the world. *Peak Performance Coaching* (his one on one coaching program) promises to increase your business by 80% in 8 weeks. To see if you are a candidate for this fast track system, visit www.KerryJohnson.com/coaching and take a free evaluation test. You will learn about your strengths and what is holding you back.

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Consumer Focus

The Retirement Transition

It's been said that financial planning includes any and all things money in one's life from each and every buying decision to college planning, even starting a business, while retirement planning is a more targeted plan specific to the steps and techniques one undergoes to provide income all the way through retirement. Unfortunately, many people these days fail in developing a true retirement plan.

It's been said that financial planning includes any and all things money in one's life from each and every buying decision to college planning, even starting a business, while retirement planning is a more targeted plan specific to the steps and techniques one undergoes to provide income all the way through retirement. Unfortunately, many people these days fail in developing a true retirement plan.

Let's look at three important points that need to be considered when developing a true retirement plan.

1. How long will the money last? A good retirement plan always begins with the end in mind. If set up properly, one should have income for the rest of their life in retirement. The minimum amount of income one will receive should be certain and it should show up each year without a doubt. I call this "Retirement Autopilot".

One needs to maximize their Social Security benefits as well as explore any company pension options that may exist. Becoming familiar with the technique known as "pension maximization" as it relates to company pensions is important too. Rolling 401(k), 403(b), TSP and other pre-tax savings accounts into vehicles that could supply a yearly retirement check should also be considered. Exploring a bracketing or bucketing approach should be considered too. Having certain amounts of money in "risk" buckets and other amounts in places not so risky is a highlight of the bucketing approach towards planning. This enables one to keep some money at risk and, in theory, have a better chance of higher returns in up markets but at the same time, having some money that is always available (emergency accounts) as well as other money bracketed away for the future in time capsule-type accounts.

An important question that must be asked is "How much should be kept in risk accounts versus non-risk accounts?" Everyone has a different opinion on this and it all comes

down to being truly honest with oneself and looking at the emotional effect of losing money and the emotional impact a big loss would have on that person and family. If structured properly there should never be a worry of truly running out of money in retirement and one should have comfort knowing that not only is their income secure, but some of their accounts earmarked for retirement have growth potential to help combat future inflation and cost increases.

2. How much will be needed yearly in retirement? While no one has a crystal ball to see what their true retirement expenses will be, one can always start by looking at what is being spent now, what will be needed in the future and run some forward-looking numbers. If one has not addressed the possibility of long-term care, there must be some money earmarked for that. Looking at wants versus needs comes into play here as well. To fully enjoy retirement, accomplishing lots of the wants in additional to the needs is imperative. Some will be happy just visiting with grandchildren and attending civic and church events while others may want to travel the world, sky dive, and charter private jets to exotic places. Everyone is different. Plans will need to be custom built according to a person's individual preferences. Some goals (wants) may be too far out of reach based on current savings and the best time to hear that it may remain a dream instead of reality is now.

After analyzing how much will be needed in retirement based on what is being spent now and what will be needed later, a simple question must be answered, "Is my current plan sustainable?" If not, changes must be made. Again, it is better to know sooner than later if a plan has too much spending and/or not enough income.

3. A popular way to address income needs in retirement is to shift some of the burden of planning to an insurance company in the form of a future income annuity, otherwise known as a "pension annuity". Many insurance companies offer these as income planning tools. While there are a vast array of different choices, there are also many bad choices. When exploring this option, look at the strength of the insurance company. The insurance company should be around when the money is needed. Keep in mind annuities with an income account (income rider) have two different account values in the same annuity. The income rider account value is called an "income account value". This account has a guaranteed return percentage for a certain number of years. Understanding this value, how it grows, and when and what amounts of income will be available in the future is paramount.

It is important to look at the fine print and be sure the growth rate is understood as well as the length of time the money will grow. Some insurance companies offer a simple interest growth rate on the income account value while others offer a compounded rate. Many times the simple interest rate is higher but over the years will still return less than what a smaller compound interest rate would be.

The annuity companies also pay an income based on a percentage in the income account in the future. This percentage is based on age and whether it is a joint or single payout. Knowing these numbers ahead of time can help ease the stress of retirement.

Taking the proper planning steps can help take some of the worry out of planning and living in retirement. Knowing what will be wanted and needed in retirement is the biggest step in the transition between having a financial plan and a true retirement plan. Setting up the income streams makes the dream a reality.

Peter J. "Coach Pete" D'Arruda, RICP, MRFC

Peter J. "Coach Pete" D'Arruda, RICP, MRFC is a Financial and Tax Coach. He is host of the nationally syndicated weekly radio show, *The Financial Safari*, as well as the author of four books, including "Fine Print Fiasco", "Financial Safari, 7 Financial Baby Steps" and "Have you been talking to Financial Aliens?" Themes of these easy readers include helping others avoid being taken advantage of and translating financial jargon for any layperson.

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IARFC Viewpoint

The Register taps into the experience and viewpoints of the IARFC Board. They come together from different backgrounds, with different goals and expressing different opinions. The constant is the respect and dedication given to their commitment to the IARFC.

Three Key Considerations Before Taking Out A Student Loan

According to the National Center of Education Statistics, about 70% of students will enroll in college in the fall immediately following completion of high school. Whether or not to attend college is one of the most important financial decisions a student will make in their lives.

There are many programs to help students finance their college educations, but there aren't a lot of programs to tell them how to pay those loans back. The key is to make sure all options are considered now while going through the decision making process so students can make informed decisions. Students need to ask themselves if they can pay back the loan with their chosen path of education. While it's good to dream big, take a step back and consider this one important question before proceeding.

The Number One Question To Ask
Many college students borrow to finance their education, yet they often do so without fully understanding how much debt is appropriate for their education. They also fail to consider the connection between their area of study and the income level that they can realistically expect upon graduation.

1. **Consider Future Employability.** Students need to consider what kind of job prospects they will have with their degree. Will they be able to find a job? How hard will it be to find a job? Will they have to move to where the jobs are, or are there jobs everywhere? How much can they get paid?

Will the desired degree offer sufficient income necessary to pay back their student loans and allow them enough discretionary income to fund their post-college lifestyle?

2. **Consider Less Costly Learning Options.** For students who are undecided on a major, they should consider going to a community college. This option is much less costly than going to a four year institution and allows students to take core classes at a reduced cost. Just verify that all 100 and 200 level courses are transferable to a four-year institution.

For students who want to specialize in a specific vocation, a trade school may be the answer. This allows students to focus on skill-based learning which takes less time to complete than traditional degrees and has a lower cost tuition.

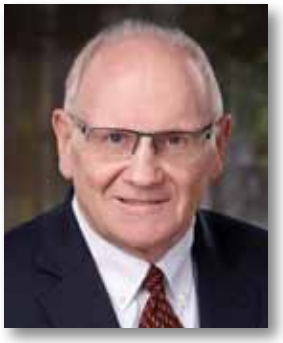
3. **Consider The Budget.** Students need to estimate the cost of their college degree. They can do this by going to the admissions/financial office. Once they have established the costs of their education they can determine the need for and cost of the loans that will be needed to get through school. This is the debt that will need to be repaid after graduation.

Once they graduate, students will need to determine their post-college budget. Using the post-college budget (including loan repayment), subtract this amount from the graduate's salary. If the number is positive, the graduate is on the right path to financial success. If the number is negative, it's time to reconsider the cost of the college experience in relation to the graduate's career choice.

Remember this key fact when budgeting, employers will pay a salary consistent with the industry standard. They don't offer to pay premiums because the applicant has student loans to pay off. That is why it's important to be proactive with decisions regarding the appropriate level of debt to accumulate to get a degree.

Be Proactive Not Reactive
There is no denying that a college education today is costly. Most of the reports and articles focus on how to pay off student debt after it is incurred but most students don't realize the true cost of their education until after they graduate. Unfortunately, what they find out is that the degree they have earned won't provide a career in line with what they need for daily living expenses balanced with paying off their student loan.

Be proactive, do the research necessary to determine the cost and income potential of the desired degree. Focusing on these three key considerations will help students become financially successful after graduation.



Frederick C. Ostermeyer, AIF, MRFC

Fred Ostermeyer, AIF, MRFC, serves on the IARFC on the IARFC Board of Directors, he has a BS from the U. of Idaho, and is a principal of Managed Resources, LLC. Located in Post Falls ID. and is financial advisor with KMS Financial Services, Inc..

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Impact Your Career

IARFC Increases Your Bottom Line

The Value of IARFC Membership

As an IARFC member, your average annual investment is $225. What you will get back will be worth many times the small investment in your practice. In return for your membership, the IARFC provides you with a variety of exclusive and free member benefits and savings: industry-related product discounts, professional development opportunities, practice management tools and resources. Your membership and investment in the IARFC quickly pays for itself — if you take advantage of it. Along these lines your membership dues are a drop in the bucket compared to the potential impact of being a member will have on your career. Not only will you recoup your annual membership dues, but you significantly increase your bottom line.

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Continuing Education	*IARFC Annual Conference*	✓
Publications — academic and practice management	*Journal of Personal Finance* *Register*	✓
Programs	Ethics Approved Status	✓
	Group Life/ADD/LTD, Aflac	✓
	Career Center, BombBomb, Business Source, BuyingPower, MoneyGuidePro, Smarsh Archiving, Copytalk, Social Security Timing, Tax Clarity, RME360 Virtual Assitant	✓
Visibility	IARFC.org Member Listing, Media Releases Social Media: Facebook, LinkedIn, Twitter, Blog *Register* opportunities: Article submission, New Member listing, Members in the News	✓
Professional Branding	Logos, Binders, Brochures, Certificates, Code of Ethics Plaque, Insignia Items	✓
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Awards	Loren Dunton Memorial Award, Founders Award, Ambassadors Award, Membership Award	✓

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