

# Episode 69: RISA® in Action: How do our advisors use the RISA® to navigate personalized retirement income plans.

**00:00**

Bob French

The purpose of Retire With Style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to [Risaprofile.com/Style](https://Risaprofile.com/Style) and sign up to take the industry's first financial personality tool for retirement planning. I guess they don't believe in less is more. Well, here goes. Welcome to our Friday release. Welcome to retire with style.

**00:59**

Alex Murguia

Hey, everyone. Welcome to retire with style. I'm Alex and I'm here with Wade. We had that bonus episode as well with Jason Fichtner talking about the alliance for Lifetime Income Summit last week and hope you had a chance to catch that.

**01:10**

Wade Pfau

Sure, Wade, we have two special guests, but before introducing them, let me just give a little bit of context about the new arc we finished with Social Security. We had that bonus episode as well with Jason Fickner talking about the alliance for Lifetime Income Summit last week and hope you had a chance to catch that. It wasn't on the normal date. Now we are moving into an arc about talking with financial advisors using the Retirement Income Style awareness we're getting set for in July, having a master class about the Retirement Income Style Awareness or the Risa for financial advisors. And to get that all started today, we're excited to welcome two of the great advisors at McLean Asset Management, Jason Rizkallah and Stephen Pomanti, who have worked with and if anyone had joined the Retirement Income challenge that we had last week already, maybe starting to get familiar with these gentlemen.

**01:48**

Wade Pfau

And so talking about the experiences of different financial advisors, some with our sister firm, McLean Asset Management, some with other advisors who've been really active in using the Risa and their practices as well. And to get that all started today, we're excited to welcome two of the great advisors at McClain

Asset Management, Jason Riskala and Stephen Pomanti, who have worked with and if anyone had joined the Retirement Income challenge that we had last week already, maybe starting to get familiar with these gentlemen. I got to know Stephen first as a student at the American College of Financial Services in our advanced Retirement planning class for the Master's program. It was still the MSFS, I believe, when you were there, Stephen. I got to know Stephen first as a student at the American College of Financial Services in our advanced Retirement planning class for the Master's program.

**02:42**

Wade Pfau

It was still the MSFS, I believe, when you were there, They did change the name at some point. But very happy to welcome you both onto the show and thank you for joining us today.

**02:54**

Jason Rizhallah

Thank you for having us. We're excited to be here.

**02:57**

Stephen Pomanti

It's our pleasure. Thank you very much.

**03:00**

Alex Murguia

Stephen and Jason can. And Wade, since we're getting into the Risa, do you want to level set just for new folks that are new to the podcast? We give a lot of attention to Theresa at the start of our podcast series, episodes one through, I don't know, 15 maybe. But perhaps we can do a little Cliff Notes version since it's going to be something that we're going to refer to in this arc just to make sure everyone gets the language now and then. Steven and Jason can.

**03:32**

Wade Pfau

Be a reoccurring theme. So the title of the podcast, Retire With Style, is a playoff of the retirement Income style Awareness, which is an assessment tool. As people approach retirement and they start to think about, okay, I've been climbing up the mountain, I've been accumulating assets for retirement. What do I need to do to make that transition? Where I'm going to shift from adding savings to taking distributions, how do I want to source my retirement income? And I've been involved with the retirement planning world now for more than 13 years. And during that time, as soon as I got started with all this, just seeing this big debate where no one could agree on the quote unquote best retirement income strategy. A lot of the research I've done is ultimately just pointing to the idea that there are different strategies out there that are all viable if they're used by the right individual.

**04:24**

Wade Pfau

But how does somebody find a strategy to start with and to build their retirement around? And though Alex, with his background in psychology research, with his PhD in psychology, and with my background on retirement income more specifically, we started to look at, well, what sort of factors might describe someone's personality for retirement? We came down to these two primary factors. You've got the probability based safety first factor, which is probability based emphasis on I'm comfortable relying on the market and growth through the market to fund my retirement safety first. I still may believe in the markets, but I want some sort of contractual protection to help protect my core spending in retirement. And then you have the optionality commitment factor. If you're optionality oriented, you really value the flexibility of making changes with your assets. You don't want to lock anything in. But if you have a commitment orientation, actually there is more of a sense and this came up with our most recent episode, we had the consumer panel at the alliance for Lifetime Income where two of the individuals wanted a set it or forget it approach.

**05:31**

Wade Pfau

And that's really a reflection of the commitment orientation. It's this idea that if I can find something that will solve for my lifetime need I'd rather take care of that, check it off my to do list, commit to that strategy and not have to worry about it. In the future and know that things are taken care of, especially with cognitive decline potential and so forth, that I've gotten this taken care of. And so with these two factors, you get four quadrants. That was so cool to see how that translated into the different retirement strategies out there. The total return investing approach where you just take a distribution from your investment portfolio. The time segmentation or bucketing approach where you just invest differently based on the time horizon. The income protection approach where you build a floor of protected lifetime income to cover your basic spending and then invest on top of that.

**06:22**

Wade Pfau

Or the risk wrap approach which could also use a protected lifetime income floor but can also involve a sense of just you're more comfortable with the markets but you want to build some guardrails around your strategy. Any of these are viable strategies. It's really then just a matter of finding the appropriate strategy for each individual. And that's the whole idea behind the Risa as an assessment tool. As a first step in thinking about retirement income planning, how would you actually like to choose from the menu of options in framing that conversation around how do I want to build my retirement strategy. So I hope that'll serve as a good clip notes for the discussion.

**07:04**

Alex Murguia

No I think that's great. Again it was to level set because we're going to be asking everyone, we're going to

have a series where we're bringing in advisors that are actually utilizing the Risa and asking how they use it in real life events and what the benefit is. The reason is we have two sets of listeners, we have advisors and we have individuals. And so for individuals I think it'd be great for them to hear how advisors are using it and something that's come up actually Wade, just yesterday we got a note from Kevin, right? Individuals are taking this and they're asking us hey I want to give this to my advisor. They want to give them their research results to their advisors and then the advisor is like Wade, what's this? That kind of thing. We want to give some practical application in this podcast as opposed to just talking in theory about the RISA.

**08:00**

Alex Murguia

Now with that being said, Stephen and Jason are advisors of McLean Asset Management, are our sister firm and we're going to be talking to advisors from many different firms. But Jason and Stephen were nearby and they've been using this. But that's the reasoning. We want to give some practical application in this podcast as opposed to just talking in theory about the RISA. Before we get into the questions though, Jason and Stephen do you mind giving a little descriptor about yourselves just so people can put into context who it is that's saying such brilliant things? But Jason and Stephen were nearby and they've been using this. They were part of when were even in the process of creating it. So I think it's great to have them. Before we get into the questions though, Jason and Stephen do you mind giving a little descriptor about yourselves just so people can put into context who it is that's saying such brilliant things?

**09:12**

Jason Rizhallah

Absolutely no, happy to. So I have actually been in the personal advising and retirement planning space for this will be going on 17 years now and have worked at a few different firms across the industry. So have a good experience of dealing with many different solutions to helping folks reach their retirement goals at the end of the day. I am a certified financial planner as well as an RICP recipient. Sorry, Stephen. I think that's an important aspect of it that the Risa really helps with. So all the one time planning engagements that happen through McLean, we're working on together and something we both have in common.

**10:02**

Wade Pfau

Perfect.

**10:02**

Alex Murguia

Sorry, Stephen.

**10:04**

Stephen Pomanti

Jason and I are planning partners. So all the one time planning engagements that happen through McClain,

we're working on together and something we both have in common. We've both been AUM advisors, we've both been managing assets, conducting financial planning together. Personally, I've also worked in the insurance industry, working directly for an insurer, so dealing with retirement income products, long term care products, exposure to life insurance. Married, live in Pennsylvania with my wife and daughter and looking forward to kind of digging in on more of what Wade said as well about the graduate school and pre-RISA what things were like. Stephen, if Jason's wife, although it's probably not a high probability, listens to this, she's going to wonder. Stephen, Jason, can we talk?

**10:51**

Alex Murguia

Stephen spoke about his family in the intro and you did not mention that in the slide.

**10:51**

Stephen Pomanti

Married, live in Pennsylvania with my wife and daughter and looking forward to kind of digging in on more of what Wade said as well about the graduate school and presa what things were like.

**11:03**

Alex Murguia

Stephen, if Jason's wife, although it's probably not a high probability, listens to this, she's going to wonder. Stephen, Jason, can we talk? No, Stephen.

**11:19**

Jason Rizhallah

I'll say this, whenever Stephen gets an opportunity to do an intro, he always talks about his wife and his daughter being the beacons of his life.

**11:22**

Alex Murguia

Something I should know, is that what's going to happen later by chance?

**11:27**

Jason Rizhallah

I said, thanks, Steve, way to put me out there.

**11:34**

Alex Murguia

No, Stephen. I'll say this, whenever Stephen gets an opportunity to do an intro, he always talks about his

wife and his daughter being the beacons of his life. He's done that on a couple of occasions and what do we get from Jason? Is that what you want?

**11:57**

Stephen Pomanti

I've got to back up my buddy here. We're always talking about together what his son is up to. He's always picking him up at school, new sports activities, the whole thing.

**12:09**

Jason Rizhallah

I thought about it right when he said that, I said.

**12:15**

Alex Murguia

No, that's cool. The first question I'm curious is when you first came to McLean, I think this was still bubbling up. I don't think it was in its finished form. It's fine. You know, our style, we're fine. If you thought man, we thought you were crazy, that's fine. What was your initial reaction on the task? That were working on and how were going around solving it and whether that was even feasible.

**12:48**

Jason Rizhallah

When I joined McLean, this was really at the beginning stages of it.

**12:49**

Alex Murguia

Let's start with Jason.

**12:50**

Jason Rizhallah

Sure. And we'll work it around. When I joined McClain, this was really at the beginning stages of it. Like, the concepts were down and everything of that. But I remember you, Alex, pulling me into your office and telling me, hey, what do you think about this? But I think what I like to think is that the reason why you asked for my opinion was because I was new to McLean.

**13:05**

Alex Murguia

You were just hired.

**13:07**

Jason Rizhallah

I was like, this is fantastic.

**13:10**

Alex Murguia

And I came from an outside perspective, from a rather different kind of background than the deep financial planning that McLean offers.

**13:14**

Jason Rizhallah

But I think what I like to think is that the reason why you asked for my opinion was because I was new to McClain. I wasn't. Yeah. And I came from an outside perspective, from a rather different kind of background than the deep financial planning that McClain offers. So there was some value to that opinion. And when I first thought about it, the first thing that popped in my head, my mind was like, behavioral finance. Right. It's like, how do you act in certain situations? And things like this. And me personally, I've always liked that field of study. Right. I never dive too deep into it like this has or this does for you, but I've always had an interest in that, understanding why people act a certain way in certain situations around certain thoughts. And it was definitely a growing field of study, and still is even till today.

**14:01**

Jason Rizhallah

So to see a tool that kind of touches on that and helps to narrow down what people feel about things to a degree, I thought was a great tool. I had not seen something like that before, and I had worked at a few different large firms prior to coming here to McLean, but they didn't have any tools like this or weren't even thinking on this capacity. It was strictly numbers driven. Numbers driven? Numbers driven. And before I go to Stephen and Wade chime in here something I would say is there's AAA sword. So to see a tool that potentially in its infant stages, though, grow to look outside of that, I think I was excited about it. I thought it was a great idea for that.

**14:40**

Alex Murguia

Yeah. And before I go to Stephen and Wade Chime in here something I would say is there's AAA sword. Right? Because you're right. Behavioral finance is this huge sort of movement within our industry, and at some point we got to consider doing an arc on it, I assume. But I really don't even consider this behavioral finance. I consider this straight up psychology, personality psychology driven. To me, behavioral finance is a term that the economists used and are trying to not call themselves psychologists and use that instead. So I'm sticking to my educational grounding. To me, this is more, if anything, it's positive or personality psychology, if you really want to get down to it. But that being the case, I still think people that get into this

a lot sometimes lack certain depth from a planning perspective because ultimately you still need to have confidence on how to convert a Roth or whatever, have you, right?

**15:44**

Alex Murguia

And so I think sometimes it's a little too lightweight and I really feel with it's almost symbiotic. I think it technically is symbiotic if you really think about it. The combination of Wade and myself who are very different, personality style and everything like that, and even background, we come together and I add the Psych component to it. But I think Wade sort of injected this sort of retirement income best practices into it, and just the magic sort of happened. Wade, do you disagree or agree with.

**16:21**

Wade Pfau

Behavioral finance in economics? The old, like Paul Samuelson assumption, people are utility maximizers, so they maximize their utility subject to their budget constraint. They're these rational supercomputers who can do all these complex calculations in their head. And behavioral finance just really brings in the idea that no, that people don't really act that way. They need to tether themselves to simplify their life in some manner, whether it's different heuristics and things. And so behavioral finance is about trying to nudge people in the right direction by helping to change the choice architecture around the options they have and so forth. The Reese is more of an assessment tool, just like the personality test of retirement, but it gets into yeah, exactly. Yeah, you could solve the mathematic. Well, the issue is there's uncertainty about what's going to happen in the future and how do you deal with that uncertainty.

**17:21**

Wade Pfau

And so I think really it's just people resonate differently with how to manage that uncertainty. And that's really the avenue of how you can start thinking about the Risa is just helping define what approach resonates with how people deal with uncertainty, given that they're not supercomputers that can somehow calculate the optional choice, given the range of distributions of potential outcomes. But I'll move on to Stephen with the same question.

**17:52**

Alex Murguia

And Wade, I would say you're right. I mean, look, I said psychology. There are aspects of behavioral finance, and we did create a framework matrix to make your decision making somewhat easier, et cetera. But I'll move on to Stephen with the same question. What was your take coming from where you came from? And here it is. This is what we're using. Any advisor goes to a new firm. There's an integration of their quote unquote philosophy, if you will. And I would say probably on average, you probably go with 80% of everything of a new firm, but that final mile may be the toughest, et cetera. What were your thoughts when were presented?

**18:31**

Stephen Pomanti

It's one of the main reasons that it was an attractive thing for me to work here at McLean. And the reason for that is because of the exposure that I had previously. So kind of take you back a little bit. I was working at an insurance company. I saw how insurance products can be used for retirement income strategy, and then I had transitioned to an AUM and where the case was just probability based, there was really no, and if there was any, it was very limited inclusion of strategies outside of a total return probability based approach.

**19:04**

Alex Murguia

And by AUM, just for our listening audience, you mean assets under management. So you went from an insurance driven firm to one that's just charging a.

**19:11**

Wade Pfau

Percentage of assets under management because it's like you're building an investment strategy for the assets you manage your assets to manage.

**19:21**

Stephen Pomanti

Exactly. So I had that background that I'm trying to figure out what makes sense here? How do you go about planning? And this comes back to the graduate school conversation where I'd first met Wade. And one of the goals in our class there was to kind of put a presentation together on best practices. And the topic that I chose was really incorporating client decisions in the retirement planning process. Is it the advisor's choice? And this was pre-RISA. And of course, in my opinion, I think the client's choice is absolutely instrumental to the whole process. Right. They're the ones who are going to have to live with the plan in retirement and be comfortable. And this was presa. If you're looking for more personal advice, please note that our show is sponsored by McLean Asset Management. Learn more at [mcleanam.com](http://mcleanam.com). Develops a common framework for communication between the advisor and the client so that they can have a better conversation.

**20:31**

Stephen Pomanti

McLean Asset Management is a wealth management firm where we help you design and implement the right retirement plan for you now.

**20:51**

Bob French

If you're looking for more personal advice, please note that our show is sponsored by McClain Asset Management. Learn more@mcclainam.com. That's Mcleanam.com. Wade and Jason and Stephen, thank you, but there could have been another line of answer.

**21:13**

Alex Murguia

Thank you for that. Wade. That conversation, I don't know. Wade and Jason and Stephen, thank you, but there could have been another line of answer. And in my back of my head, I was thinking not you were going to say, but I thought, imagine if you said this, how would Wade react? And Wade, I came up with a reason. Stephen was describing the whole idea that let the individual guide their way with their preferences rather than having the advisor force that upon them. And now all of a sudden, here it is. Yeah, the client driven.

**21:41**

Jason Rizhallah

Here it is.

**21:42**

Wade Pfau

Stephen was describing the whole idea that let the individual guide their way with their preferences rather than having the advisor force that upon them. So I don't know. We have to go back and find what you submitted.

**21:54**

Alex Murguia

No, well, the idea was.

**22:02**

Stephen Pomanti

An important topic that was just being discussed throughout the graduate program at that time. But it's really the creation of an assessment tool, right? That's what matters here. The creation of an assessment tool to really add stability to that whole process, right? Put academic rigor to it, make sure that it's something that can be done efficiently, educating the client, creating that common framework for communication up front. So it's one thing to factor in preferences, and advisors have been doing that for quite a while, some of them. But the assessment tool component of it is really the important part.

**22:45**

Alex Murguia

No, I think you're right. And it's no coincidence actually that you thought of this. I mean, any advisor that

wants the best for their clients from that standpoint really is trying to think of solutions that match their underlying style, because if they don't implement, what's the point, right? And so I think something Wade and I have said all along is all we did was really surface up something that was being done in a clumsy way, in a cumbersome kind of way, simply because there was no framework around it. That really is the prestige around what we've done, which that in itself is fine. I think I've told Wade many times and we've had this conversation, I think I've said in the podcast to me, I think good science really just makes explicit what is to some extent universally implicit and it just puts a construct around it structure.

**23:40**

Alex Murguia

Yeah, that's my thinking around that. And that's kind of the echoes of what I've heard with what you are saying. But that being the case, in terms of moving along, I had another question where how would you describe it to an advisor? But I think we've covered that. I mean, it's effectively what you guys have said, especially with what Wade said at the beginning. But we're coming off because a question we get from advisors. Wade and I just had a study group where we had an advisor ask us how do I use this in my practice? I get it. I get what it does, right? When do I use it, how do I use it? What role does it play? Because as an advisor, you're thinking I have a technology stack, I have a financial plan, I have a risk questionnaire, I have heck, I even have a CRM that I have to get data from.

**24:28**

Alex Murguia

There's a whole host of technology things as a consumer, just understand that your advisor is trying to make these how do I make my practice efficient? And where does something like this fit in, right? And so we get asked this a lot. Where does this fit in with our practice? Wade has said many times, this is the first step really of the thing. And we're coming off of Wade and myself and Bob, but it really is, it's Bob's show and Bob and Wade show. And frankly, Jason, you may be doing a little more than me at this point. We're coming off our retirement income challenge for consumers. Do you want to talk about that workflow and how we use the Risa in terms of where does it fit in crystallizing a plan for somebody?

**25:13**

Jason Rizhallah

Absolutely. It's really kind of on what Wade said. It's at the initial steps of working with an individual on either a getting to know each other basis, otherwise like a prospecting basis, if you want to call it that, or if somebody is within an active engagement working with us and creating a financial plan. It's at the very beginning that we introduced this. And the reason why is it sets a foundation to what we're going to be discussing with you, how we're going to be looking at your situation, the ideas that we're starting to formulate about how we can help you and what avenue we're going to go down. And it's important to have that from the very beginning rather than go through some or even all of the planning process and then realize at that point this other strategy would have been better or more fitting or more comfortable with the individual and then have to backtrack and do the planning over again.

**26:09**

Jason Rizhallah

Right. So having that done on the initial steps of either an active engagement or even getting to know somebody can really help to make sure that relationship starts off on the right foot and is built on the correct foundation.

**26:24**

Stephen Pomanti

Yeah.

**26:25**

Alex Murguia

And so what do we do in the challenge? What did we do last week? Just to be a little more prescriptive here, it's a four day challenge. Right. And so just to give a sense of from an order of operations standpoint, what do we do?

**26:40**

Jason Rizhallah

Well, some of the asks that happen within it are other tools that are being used for retirement research, like the funded ratio, as an example is one. And again, a building block. Right. It establishes a foundation. It doesn't give you the financial plan of what to do, but it establishes a baseline to work off of. But we're teaching folks essentially how to look at their finances, how are you approaching your retirement strategies, your income strategies, and then using the tools that are available to build the plan together. The plan isn't just done in an instant. It's a building process that happens first. And so the first day, we give everyone the RISA, everyone takes the Risa.

**27:23**

Alex Murguia

So, if I'm hearing you correctly, so the Retirement Income Challenge is something we offer through Retirement Researcher, which is our membership site, if you will. And we had more than 300, less than 700 people attend for whatever reason. They do the RISA at home. They come back on Tuesday, we discuss the RISA, and then that sets their starting point. We talk about the framework. They get homework. They do the RISA at home. They come back on Tuesday, we discuss the RISA, and then that sets their starting point. And then to your point, Jason. We give them a funded ratio to do, and that's their homework for the night. They do a funded ratio. We have a program that we've created and they take it. And we've had episodes on the funded ratio previously. Wade, myself, I think even Blanchett was.

**28:10**

Wade Pfau  
Part of funded ratios.

**28:13**

Alex Murguia

Yeah. And that's effectively a present value balance sheet of where you're at. And that gives you a sense if what you want as a starting point from the Risa is economically feasible. And then on the third day, we talk about the interpretations of the funded ratio and how you can take your Risa starting points and start going down that path. And on the fourth day, we do the softer side of retirement.

**28:41**

Wade Pfau

The money is just non financial.

**28:43**

Alex Murguia

Right. But you have that backdrop of the RISA that allows you to sort of see what avenues to go down. Yeah. There you go. And so from there, though, you have a starter plan, but then we're able to offer out of that whoever wants to, a full fledged plan. But you have that backdrop of the RISA that allows you to sort of see what avenues to go down. Is that a correct assumption on my end?

**29:10**

Jason Rizhallah

And Stephen, do you want to maybe take so we've done a lot of high level stuff. Yeah. Those are the foundation blocks that are being laid leading up to you putting together a plan at the end of the day.

**29:20**

Wade Pfau

Okay.

**29:21**

Alex Murguia

And Stephen, do you want to maybe take so we've done a lot of high level stuff. Is there a case study that we can talk about where advisors can see it, but as importantly, a consumer can learn something about a specific financial planning strategy that started with the Risa and ended with the application of a tactic?

**29:38**

Stephen Pomanti

Absolutely. Jason and I were just talking about this a moment ago. Jason, did you want to relay sure. We had a case were just discussing. Yeah, go for it.

**29:46**

Jason Rizhallah

This is a more recent case, actually, where at the beginning of this individual signed up or couple signed up for a financial planning engagement. So were creating a financial plan for them from the ground up. They had never had one created before. They were entering into retirement very soon. They needed to make some important decisions on how they're going to continue their income strategy throughout retirement with what they have available to them. So they begin the engagement with us, and the first thing we do is we have them take the Risa during our kind of information gathering time of the engagement. The Risa is given and provided at that point, again, at the onset of an engagement beginning and going into the engagement, they had expressed to us a very strong comfort and just familiarity with probability base. Right. It's just what they've done their entire life.

**30:39**

Jason Rizhallah

So they were familiar with it, they were comfortable with it, and they did not know if other types of strategies would make sense for them add value or they would be comfortable with they just didn't know. They didn't know what they. Didn't know about what was available out there. So imagine starting off a relationship like that where we don't know which direction we're kind of going in or we can go in any direction here. So we're not going to come and prepare ten financial plans that can go in any direction, right. To show them we want to narrow it down and make their choices.

**31:10**

Alex Murguia

Nor do you want to impose your.

**31:12**

Jason Rizhallah

Worldview exactly our biases.

**31:16**

Alex Murguia

That's the unriden sort of sin, if you will, that happens in our industry quite a bit where we just jam a lot of prospects and clients with how the advisor would do his or her own plan.

**31:28**

Jason Rizhallah

But that is absolutely correct. Yes. The Risa played an important role and again laying down that foundation of where do we start the planning from, right? Like what are we working towards here and with what solutions are going to be a good fit for this individual. As Steve and I are looking at what solutions are available, we look at the open market, but any way we can narrow it down makes it a much more efficient and understandable and ultimately more comfortable plan to be implemented. Which is the key to any financial plan is the implementation of it. So the Risa came back where guess what? They were leaning towards safety first. They weren't entirely but safety first.

**32:09**

Alex Murguia

But not just safety first, but up or down.

**32:11**

Jason Rizhallah

Commitment. Commitment. Safety first.

**32:12**

Wade Pfau

Income protection. Yes.

**32:13**

Alex Murguia

Okay.

**32:15**

Jason Rizhallah

Income protection. Yes. Income protection as it's officially labeled and different than the probability based. Right. I mean, that's a different strategy.

**32:24**

Alex Murguia

Diametrically exactly.

**32:26**

Jason Rizhallah

You can't get much more opposite than that. So that was interesting, right? I mean, they had been comfortable with probability based. They were expecting a plan in their own minds going into this engagement on a probability based structure. But we came back and said, it.

**32:41**

Alex Murguia

Appears that I would say, because I'm going to be very picky, you said they were comfortable with probability based, with a probability based optionality component, which is total return. I would kick back and say, you know what, maybe they weren't comfortable. Maybe they just acquiesced to that approach.

**32:59**

Wade Pfau

Because it's way individuals were income protection or was one income protection and the other was total return and the one who was total return, one individual kind.

**33:10**

Jason Rizhallah

Of followed the other one's lead for the most part, whether or not that individual it was never expressed to us. They took the reset together as a couple. Yes. And it came up with this with the strategy because it was a couple. But yes, it came back with an opposite type of route to go down and explore with them. And that's the way I purposely chose that word, explore. Because again, before presenting to them and putting together the plan, we don't know. Right. At that point at that point we've just identified, hey, another strategy is worth looking into and is worth further planning around to see what the results end up being. At the end of the engagement, we ended up drafting two plans for them. One on their probability based approach that they expressed their again, comfort with, if you will, and another leaning towards the safety first side.

**34:08**

Jason Rizhallah

Right. The commitment and income protected side, essentially. And lo and behold, the plan that incorporated more income protected strategies that fit what the Risa was saying actually came out with a higher probability of success. End of life preserved the assets more end of life value and provided them a more smoother road throughout retirement versus the probability base side. And this otherwise would not have been a strategy that maybe was even explored with them if it wasn't identified that might be an option that they're interested in through the Risa. So going back and doing that on the initial steps helped us to identify an area to further explore with them. Did so and actually at the end of the day, produced a better result. And was the actual plan that they implemented.

**35:02**

Alex Murguia

Because I didn't know the answer. Do I dare disturb the universe?

**35:09**

Jason Rizhallah  
Yeah.

**35:09**

Stephen Pomanti  
No.

**35:10**

Jason Rizhallah

It was ultimately implemented. The approach that was brought to our attention and having the Risa there as again an unbiased tool to help lead us to that made that presentation of those other solutions a lot easier for the advisor, for us, and a lot easier for the clients to be able to accept. Because as Alex said, we didn't come into it with our own perceptions of what the best route is and saying, oh no, okay, we're going to go this route because that's what I know and that's what I'm no, it opened up the door and allowed for a better end result for the client.

**35:46**

Stephen Pomanti

And I'd say also with that's what I meant by the educational process of going through the reset. Yes, it's gauging preferences. Yes, it's giving us as planners answer as to what that client prefers. But when they go through it, they're seeing not only their result, but what else is out there, what are those other parts of the quadrant? Right? And asking questions, what does that entail? What is that approach like? And sometimes if there's curiosity, we may just to confirm that their preferences are accurate and we may end up building multiple plans just to demonstrate those approaches to the other clients.

**36:22**

Alex Murguia

But people don't Gary their lives actively thinking about the trade offs of everything. This kind of puts it to the forefront. When were creating the questionnaires, we started asking them for feedback. We started asking people that were taking it, hey, give us some feedback, just open into questions. And we got back a number of times, hey, just taking it was cathartic and a learning experience. So to your point, just taking it and forcing you to answer these questions really causes you to just take a moment and think through things in a manner that you may not be able to do otherwise.

**36:58**

Stephen Pomanti

Absolutely. And that dynamic that Jason described with that particular client, they were also a client who they had built up their assets through kind of total return approach.

**37:09**

Jason Rizhallah  
Right.

**37:09**

Stephen Pomanti

They had equity from a prior employer. They had saved in that capacity. That's what they were used to. That's what they knew. Going through the process opened their eyes a little bit to what other options are there around retirement income. And that's a transition that they want to be comfortable with in retirement.

**37:26**

Alex Murguia

Perfect. Before we go more, how could someone find out more about because I would imagine there's folks listening in and they're thinking, all right, fine, let's take this. All the information is on McLean's website. McLeanam.com, which is M-C-L-E-A-N-A as in apple. How can someone find out more about you and the team?

**37:43**

Jason Rizhallah

Absolutely. All the information is on McClain's website. Mcclainam.com, which is M-C-L-E-A-N-A as in apple. M as in Mary.com. If you go to our website, you can read more about, one, what Steve and I do on the planning side, and two, find a link to the retail to be able to take so that you can take yourselves, see what it's about and see if it fits kind of what you're thinking.

**38:12**

Alex Murguia

Yeah, I think it's a get started.

**38:13**

Jason Rizhallah  
Right.

**38:14**

Alex Murguia

But it's on the Mcleanam.com website.

**38:15**

Jason Rizhallah

Good point. Stephen, anything to add to that? You have to hit get started first and then it'll be sent to you as a link. But it's on the Mcclainam.com website.

**38:25**

Alex Murguia

Okay. Stephen, anything to add to that?

**38:29**

Stephen Pomanti

No, we always enjoy again, that's our first part of our conversation. It's going through the discovery process with clients is really digging into the research results, understanding client preferences, talking about various concerns they may have, and how we can address that through plan design. I think this benefits both audiences because McLean is a going concern. Once more. That's Risaprofile.com advisors.

**39:08**

Alex Murguia

You said something interesting. I think this benefits both audiences because McClain is a going concern. Right. And so we look at how things are coming along and there is a clear difference for prospects for clients. We're going to have Jess and her team on, and we'll talk about how it's used with existing clients when they transition into retirement income planning into a retirement income plan. But for new clients, let's call them prospects. Effectively, there's a clear difference of those that start with the Risa than those that didn't on many levels. I think part of that is it's not the magic of the Risa per se, but I think it's in the rapport that's created when you start drilling down in terms of the questions, because beyond the Risa itself, the Risa is just twelve questions. You can add a section where you're asking them about their retirement concerns, longevity, liquidity, legacy, lifestyle.

**40:13**

Alex Murguia

And you can see how that sort of interacts with their resale profile. Can you talk about a little bit about that? Does it or does it not help with the Rapport building? And you know what? There's one more section, and I don't know if you use it consistently or not, but there's a section of the Risa which actually creates we call it the implementation matrix, which it asks the consumers a series of questions whether how effective, how cost effective they think an advisor is. Right? You can make the case, okay, an advisor is effective, but they're not worth the cost. That's fine. I'm not here to argue it or whatever. I almost don't even care. It's almost like I just want to know where you're coming from this perspective. And so there's how cost effective you think an advisor is, and then how self efficacious are you in terms of solving your retirement income challenge?

**41:02**

Alex Murguia

How good do you think of a job you can do at this? Right? And so that helps us create personas. The collaborator, the delegator, the do it yourselfer and the validator. The collaborator is somebody that high self efficacy but thinks an advisor's value and wants to be part of the team, right? The delegator, they don't want to do this. So their self efficacy is low. Not necessarily always competence, they just don't want to do it right. And they think an advisor adds value above and beyond. So they want to delegate it off. A validator maybe just wants a one time financial plan or a one time annuity transaction, something like that, to get them going until the next inflection point and then a do it yourself or they think the advisor is useless and they think they're great. So it's good luck, right? So we have the RISA, we have the retirement concerns, and we have this implementation matrix where we identify personas because I think it's important for that person to know what cadence of relationship or information they should want as they implement.

**41:49**

Alex Murguia

And that's fine. It's almost like, I just want to know how they want to implement so we can send them in the right direction. Right? So we have the RISA, we have the retirement concerns, and we have this implementation matrix where we identify personas because I think it's important for that person to know what cadence of relationship or information they should want as they implement. Do you do that in the do you give those to you folks? And then how does that help in the whole Rapport building and expectations of the relationship?

**42:20**

Stephen Pomanti

Definitely covering all those topics in our engagements. And I think it helps in the Rapport building because what generally works as a planner, in my mind experience here is we want to make sure the client knows they're understood, that they've relayed all their concerns they're heard. And we're considering those concerns in plan design, and we're addressing those concerns in plan design. So as you mentioned, the different concerns, longevity, that's something that if it's a high concern, we can discuss the ways to address that. That's one example right. It's not the only way it can be addressed, but life annuity in addressing longevity concerns is one approach that can add value from a planning perspective. If legacy is a concern, okay, who is it? Who in particular is that you would like to leave a legacy to? Is there a certain amount when you know, what are the details of that situation and that dynamic so that we can craft that into our plans design?

**43:19**

Stephen Pomanti

And in terms of matrix implementation, it's funny because we'll get results sometimes that say maybe an advisor doesn't add value in that case, but we're working with them anyway. It's always interesting, but I guess it's more about.

**43:37**

Alex Murguia

You think I'm useless? Why do you get even presented?

**43:42**

Stephen Pomanti

I think it's like this dynamic of like is it a one time engagement where they just want to make sure they're off on the right foot. Right. And that's something that they're comfortable with and they're okay, validators.

**43:53**

Wade Pfau

They don't want an ongoing relationship, but they also don't feel comfortable doing everything on their own. So more of a one time planning engagement may resonate better.

**44:03**

Jason Rizhallah

Sure. Well, also the beauty behind the one time plan engagement is that you get to see what needs to be done for your plan to work out and then at that time determine, do I want to do this or can I do it myself? Or should I employ professionals to do this for me? Or maybe parts of it and some of it you do yourself. You get to see what needs to be done before you make that kind of decision or commitment to actually go full forward working with somebody in perpetuity.

**44:32**

Alex Murguia

And have you seen anyone have a change of heart? Everyone's appreciative once you do the plan. I have to think because it's a heck of a deliverable. It really is like hats off to the team. But if someone is a validator and they want to implement themselves regardless right. Obviously, I think sometimes you get by with a little help from your friends. But what's your reaction? Is there a change of heart or are they just no, thank you.

**45:02**

Jason Rizhallah

Go ahead, Steve.

**45:04**

Stephen Pomanti

I'd say once we identify the path forward, we can kind of set expectations with the client and say, here's what you're going to have to do to implement this and manage it on your own. Is that something that you're comfortable with? And from there that they can make the decision truly, is it worth it or not? Depending on what they would otherwise have to do if someone's not working with them, doing these things for them? So

that's what we found. But the starting point for all of that is the Risa identifying preferences and building plan. From there, with those preferences accounted for.

**45:37**

Jason Rizhallah

We have folks that do reach out to us for one time engagements that do work with an advisor actually more times than you may think, yeah, I mean, it happens pretty often, actually. I have an advisor, but they don't do planning. Right. They do AUM and that's what they do and that's fine. Our asset under management type of they just manage the investments, they don't do the in depth planning. I like what I've heard.

**46:03**

Alex Murguia

Is that management passive or active?

**46:05**

Jason Rizhallah

Active. Active management, yeah. And they're collecting a decent size fee for that.

**46:12**

Alex Murguia

Do you point them to the podcast that Wade, Bob and I did on active versus passive? I don't know. The four or five of these, we.

**46:22**

Jason Rizhallah

Have pointed them in the direction of these. If they're saying, how do I find out? Well, you might want to check this out and take a look there, but yes, sorry, no, we do have clients that do come to us with already existing relationships with advisors for the financial plan. Right. And then take our plan back to their advisor and say, help me implement. We've had folks do that and that's fine. What we're here to deliver is the plan. Right. Yeah, that's it.

**46:50**

Alex Murguia

At the end of the day, we're fine with that. I'm just curious, do they absorb the irony of that? I don't know.

**47:00**

Jason Rizhallah

They don't express it to us if.

**47:01**

Alex Murguia

It is or isn't.

**47:02**

Jason Rizhallah

It's usually just thank you, I understand, and go along their way. But we've had some folks that otherwise were self directed for the majority of their life, or at least what they've expressed to us in their investing career, and decide that they needed a professional manager to help them in retirement. Right. Because there is no redo's, there's no time that you have to make up for issues. So we've had that happen.

**47:29**

Alex Murguia

No, I think that's great.

**47:31**

Wade Pfau

Yeah. Wade, well, this may be a good time to segue into talking about what's coming up, but yeah, no, that's very interesting, Jason. I think the clock is ticking on that sort of active investment manager where all they're doing is managing the investment portfolio. People are especially in retirement, people are looking for guidance and planning and if all you do is manage an investment portfolio, the clock is ticking on that being viable as a way to run a practice. But yeah, let's just mention so were talking about the consumer challenge that we did recently. Well, coming up next would be the advisor version of that. So Alex and I will have the retirement master class coming July 10 and 11th from twelve to two Eastern time, and it will be an opportunity for advisors to learn more about the Risa and the research behind it, how they can potentially use that as part of their firms as well.

**48:27**

Wade Pfau

The educational components of that are eligible for Ce credit. We're excited to have that. There'll be an opportunity to sign up in the link in the show notes that's coming up for the financial advisors in July. And always again, because we have this split audience, it can get confusing. So that what I just described July 10 and 11th is for financial advisors in the audience, but for the consumers or individual household investors, retirees who are listening as well. Stephen and Jason, could you review again about how those individuals could get in touch with your team? And if they just are seeking out more guidance, maybe you are thinking about what are the different options available? Is it an ongoing wealth management relationship? Just go to the McLean Asset Management website, which is McLeanam.com M-C-L-E-A-N-A-M as in Mary.com. Stephen and Jason, could you review again about how those individuals could get in touch with your team?

**49:21**

Jason Rizhallah

Absolutely, yes. It's very simple. Just go to the McClain Asset Management website, which is [Mcclainam.com](http://Mcclainam.com) M-C-L-E-A-N-A-M as in [Mary.com](http://Mary.com). And then go to the Get Started button. It'll just ask you for some quick information like, what are you interested in speaking about? So, yeah, the and then am always yeah, it's Mclean Asset Management.

**49:45**

Wade Pfau

So it's McLean.

**49:53**

Alex Murguia

Like McLean. [Virginia McLeanam.com](http://VirginiaMcLeanam.com). So, yeah, the and then am always yeah, it's McClain Asset Management. So it's McClain.

**50:07**

Wade Pfau

Like McClain.

**50:07**

Alex Murguia

[Virginia Mcclainam.com](http://VirginiaMcclainam.com). And then for advisors, it's [Risoprofile.com](http://Risoprofile.com) there. There's an advisor section and you can just join the waitlist now if you're interested in the master class coming up, anything that we missed, again, we really want to make it. And thank you for sharing your experiences, Jason and Stephen, and also for sharing that case study. Wade, anything we may have missed. Since this is the first one of these that we're kicking off the art.

**50:35**

Wade Pfau

I think that was a really good overview. And thank you for sharing your experiences, Jason and Stephen, and also for sharing that case study. I'm glad to hear they did end up going with the plan that they might not have just based on their past experiences initially gravitated towards. So that's wonderful to hear. Thank you for sharing and being part of the episode today.

**50:56**

Jason Rizhallah

Our pleasure. No, thanks for having us.

**50:57**

Stephen Pomanti  
Thank you for having us.

**50:58**

Jason Rizhallah  
All right.

**50:59**

Stephen Pomanti  
Wade and Alex are both principals of McLean Asset Management and Retirement Researcher.

**51:00**

Wade Pfau  
Thanks for listening.

**51:01**

Alex Murguia  
Thanks, everyone. All right, until next week on Retiree with Styles thank you for listening.

**51:09**

Bob French  
Wade and Alex are both principals of McLean Asset Management and retirement researcher. Both are SEC registered investment advisors located in Tysons, Virginia. The opinions expressed in this program are for general informational and educational purposes only and are not intended to provide specific advice or recommendations for any individual or on any specific securities. To determine which investments may be appropriate for you, consult your financial advisor. All investing comes with risk, including risk of loss. Past performance does not guarantee future results.