

# Episode 73: RISA® in Action: Clarify the retirement income options available to your clients so they understand themselves better.

**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. What do Papa Shango, Brutus Beefcake and Larry Greenwald have in common? They hail from parts unknown.

**00:47**

Wade Pfau

Welcome to retire with style. I'm Wade and I'm joined with Alex and we're continuing our series today talking about the retirement income style awareness with financial advisors and financial professionals who have experience now using it as well. And we're very fortunate to welcome Larry Greenwald to the show today who's a financial advisor based out of the New York City area, westchester in particular, but with the home office there in New York City. And Larry, thank you so much for joining us on the show today.

**01:16**

Larry Greenwald

It's a pleasure guys. Thanks for having me.

**01:19**

Wade Pfau

Absolutely.

**01:20**

Alex Murguia

My pleasure is ours. And before we were asking Larry what titles were and the like, and in my head what I thought is the King of New York. How does that sound, Larry?

**01:32**

Larry Greenwald

I don't know if it's the king in New York, but I think it definitely is worth mentioning that the three of us do have a passion for retirement income planning. And one of the things that I think are important is that we also have something else in common. I know that Alex and I, we've gotten together and we talked about our love of cigars and a good cocktail, but I didn't know that or I didn't think that Wade and I had something in common, but we do. And as kids were both fans of professional wrestling and different generations of different stars back then. But I can remember as a kid sitting in the old New Haven Coliseum front row watching the old wrestling stars of the day as were sitting there and my grandfather was smoking a cigar. So we have something else.

**02:28**

Wade Pfau

So if you're New Haven, that's Bruno San Martino country, right?

**02:31**

Larry Greenwald

Bruno San Martino, gorilla Monsoon. Vince McMahon's father actually was running the company then, so that was their home base. And unfortunately the New Haven Coliseum is no longer there. But I still have fond memories of there being with my grandfather front row, watching what I now realize are very skilled. They're skilled entertainers.

**02:54**

Alex Murguia

This is old school. This is where I used to watch this with my grandfather on TV. But I don't know if it was like the same region we had like Billy Jack Haynes.

**03:01**

Larry Greenwald

Sure, yeah.

**03:03**

Wade Pfau

You grew up in Florida, wrestling from Florida. That's how familiar.

**03:07**

Alex Murguia

King Kong Bundy.

**03:08**

Larry Greenwald

King Kong Bundy. They moved around to the different federations. So they were in up New York area where the WWE is now. And then they went in, there was wrestles in the Midwest and the south. But I think they all work the.

**03:24**

Alex Murguia

Circuit who was there was like a samurai guy. Like, he would shoot stuff out of his mouth. It was like smoke and stuff like that.

**03:31**

Wade Pfau

You're probably thinking the great Kabuki.

**03:37**

Alex Murguia

For the win.

**03:40**

Larry Greenwald

I remember watching that. Goes to show you how long ago it was the Rock's Uncle. It was Peter Maya, Via, the whole group. The family was from Samoa, and that was the precursor to Dwayne Johnson getting into the wrestling business.

**04:02**

Alex Murguia

Leaping Lenny Pau. Wade, you got to add a chapter to your book. Is that a guy? He always lost a name like that. Wait, you got to add a chapter to your book.

**04:21**

Wade Pfau

Actually, the first show I was able to attend live, he wrestled in the first match and he signed autographs afterward. And this is Detroit, Michigan, where nobody it was kind of a secret that he was Randy Savage's brother, but I asked him and he said it was true.

**04:33**

Alex Murguia  
There you go.

**04:34**

Larry Greenwald

Well, I guess we'll get together, we'll have dinner, we'll go out, we'll find the next wrestling event. We'll all go to that.

**04:41**

Alex Murguia

Well, I think you guys are on another level. I'm like double A. You guys are like major leagues here.

**04:46**

Wade Pfau

We need to change the podcast to Wrestling with Style.

**04:49**

Alex Murguia

Exactly. Wrestling with style. There we go.

**04:54**

Larry Greenwald

That's great.

**04:55**

Alex Murguia

Love it. Larry, one of the things we mentioned in the last podcast is, look, a lot of folks are used to listening to talking heads speak about retirement income, et cetera. Weight is a subject matter expert. There's no doubt about it, et cetera. But we're not advisors. We're not out on the front lines. Sure, people call us in for meetings, but it's just not the same. And the little preamble was, listen, the folks that are on TV and all that, those aren't advisors. The real advisors that are doing the work are folks like you who, frankly don't have the time nor inclination to always do. The 80% of my week is just creating content, that kind of stuff, because you enjoy the smell of the Excel sheets. You enjoy just the client meetings and the like. And we thought, what a great way to really talk about The Risa by just coming up with real life stories and talking about it, as opposed to Wade and I talking about our research behind it and the like.

**05:56**

Alex Murguia

Wade right, yeah.

**05:59**

Wade Pfau

That's really the idea that we now have advisors who are out there using The Risa in practice and using it as a tool for those firms. And so it's a great chance to just connect with people and hear some of those stories about, in practice, how things get done and what sort of role The Risa can play for a financial advisor.

**06:18**

Alex Murguia

And Larry, if you have done this with any wrestlers, even better if you have done the Reef with any wrestlers, I mean, you get a lifetime subscription for free.

**06:28**

Larry Greenwald

Not yet, but to be honest with you, I think that's a market we'd like to penetrate because it would certainly be if nothing else, it would be entertaining.

**06:40**

Alex Murguia

Yes, indeed.

**06:42**

Wade Pfau

Although they don't always take good care of their money. Well, they may need back or their.

**06:48**

Larry Greenwald

Minds after a while. Probably get a little fried anyhow after some length of time.

**06:54**

Alex Murguia

Now I'm also thinking about the intro for you, it'd be the limousine ride in with the Rick Flair intro. Yeah.

**07:01**

Wade Pfau

You know yourself. Silent and profiling.

**07:04**

Alex Murguia

Yeah. There you go. So Larry, how would you describe the Reset to a buddy or to an advisor? If you're having drinks with somebody and you're comparing notes and someone says, hey, what are you doing now? How do you take it from there, man?

**07:18**

Larry Greenwald

If somebody asked me in a very succinct way to explain the Risa to a friend, I would basically say and expand upon this. Of course, it's a personality assessment tool that will greatly assist in the development implication of a plan to maximize your financial security and enjoyment in retirement. And I think that's critical. The reason, amongst others that we use the reason and I find it particularly useful is I think people forget that there's two aspects of financial planning and it becomes even more important during the retirement process. It's not only the actual numbers, everybody knows you've got to get a budget and expenses and how much money do you have available in your accounts, but it's understanding what the psychological nature of that particular client is. It is so important. You're not buying a product, you're buying a relationship. And people need to feel comfortable.

**08:22**

Larry Greenwald

In many cases, they don't understand exactly what to do. They need guidance and help. Everything is based on what's right for them. Something that's optimal for somebody is not optimal for somebody else. So for us, when we begin the planning process, it always begins with a discovery, the soft questions. What's important to you? What do you want to achieve? What are your goals, loves? What do you want to do in your life? And so that's where there's a particular fit. And the affinity for the risa is it really uncovers that. Because no matter what the numbers are, if you can't get to the root of what that person is looking for and their emotional being is, then you're never going to have that ultimate connection, and you're probably not going to be able to basically serve them in a way that maximizes what they'd like to achieve.

**09:21**

Alex Murguia

No, I think that's great weight. I think that's like website copy for us. Wow.

**09:26**

Wade Pfau

Yeah, that's wonderful. And for anyone who's just kind of tuning in, the Reset is an assessment tool that helps identify as a starting point between there's so many different retirement strategies out there and so much conflicting information. I think it's hard for the end user who's thinking about their retirement to know where to start sometimes. And so that was the genesis of the risa was having a framework or trying to create a framework to help people. Just think about that. Larry, thank you so much for describing it in

that way. And this is always a scary question to ask, but just the idea of first impressions. When you first heard of the Risa framework and good or bad, what was your initial reaction?

**10:12**

Larry Greenwald

Well, I'm going to take it one step further to tell you how why I had an AHA moment with it. A couple of years ago, I started going through the process by which I was looking down the road and said, Jesus, I'm close to going transitioning from the accumulation to the distribution process. And I had to look at my own situation as an advisor, but more as an individual. And I sat back and I knew all my financials, but I said, Listen, what do I want to achieve? What are my goals, my dreams? And I went through the process. I used a risk tolerance questionnaire, which we use, which we know has a use, but it's limited. And then I asked myself a lot of what I would call soft questions. I did a lot of self reflection, and then I put a plan in place.

**11:00**

Larry Greenwald

I didn't know really there was a style, but I put a plan in place and a strategy consistent with what I thought would serve me well in my retirement years. Lo and behold, I find the risa. And I think it was one of the challenges, to be honest with you. And I said, wow, this is perfect. Let me take the risa. So I took it. It took me 15 minutes. The questions were straightforward, they were insightful, it was easy. And lo and behold, my style and the resultant solutions that go with the style mirror exactly what I put in place. But it took me ten times longer to do. And so I had that AHA moment saying, look, it here's a tool that's not out there that does in a short period of time would it took me for a long time to put together, but I got the same results.

**11:55**

Larry Greenwald

So I said, this would be perfect for a client, but it also would be perfect as an advisor. And then when I looked at it that way and I saw exactly how it all planned out, that was my moment where to say, this is a tool, that there's nothing like this out there that would help us to help the client and would also would be an excellent tool as a prospecting tool.

**12:21**

Alex Murguia

And Wade, I never asked you what you thought once you took it, but it's funny, right? I think I share the similar AHA moment to you. And it's a funny sort of way. And wait, I never asked you what you thought once you took it, but it's funny, right? We came up with the questions, but you're still a little bit of a third party because you're doing it with your researcher head on. Coming up with the questions, validating it, editing them, et cetera, looking for reliability, clusters, whatnot? But then at a certain point, we just took it as a consumer, not as a scientist, trying to but let me see how I really feel. Even though you come up with questions, when you have to ask yourself the questions and do it sincerely, it was a different feeling. And I came out of it in a manner that I didn't fully expect.

**13:05**

Alex Murguia

But once I did it, I realized, oh, yeah, I can see why I'm like this, and I can see why I got to start looking into this. I mean, I turned 50 this year, and, yeah, it's coming into the forefront of, I got to start now, aligning my strategies. And I took it, and I'm realizing, yeah, okay, makes sense. I have kind of a path in the back of my head, too, now. But I think what you did as an advisor, I say this all the time, and, Wade, we can have a drinking game every time I say this, but we didn't discover anything. Right. I think good science is just surfacing up what was implicitly acknowledged or what was implicitly there, but doing it in a framework that makes it more systematized, and so I think that's why you saw that, oh, wow, it's so much more efficient, but it wasn't anything you didn't really know.

**13:54**

Alex Murguia

It was just we kind of laid it out maybe a little more elegant for you.

**13:58**

Larry Greenwald

Right, well, and I think that's the case. And it does two things. It makes it easier for us to work with the client because it's systematized. It's easy to take. It doesn't take a lot of time. The results go a long way in terms of the discovery process and beginning of the financial planning, and were able to have the conversation and start to build a deeper relationship. So it did a lot of things in terms of helping us ultimately build a relationship, get the client comfortable, and then take the planning process to the next level, which really was key. Efficiency is really very important. We're limited for time. We want to do it in the most efficient, productive manner. And I think that's what the Risa lends itself to.

**14:52**

Wade Pfau

Yeah. And in terms of efficiency, we're still kind of learning everything in terms of what's the most useful. So there are the different options about which questions to ask. Everyone gets asked the basic questions to determine the Risa profile. But one of the options in there, too, that I think can help tell the story, but I'd like to find out if it's useful in practice. Is the questions around the retirement concerns that help to assess? Are people worried about longevity outliving their money? Are they worried about lifestyle just maximizing today so that they get the best retirement experience? Are they worried about legacy? Are they worried about liquidity? Are those questions that you choose to use when developing an assessment. And so yeah. Do you find them helpful?

**15:37**

Larry Greenwald

Well, absolutely. I'm glad you asked that question because it all comes down to methodology and process. For us, the logical next step after the Risa is to frame the four L's. Now our clients mostly are concerned and

I think this is probably the universal. I'm making an educated guess there's the expenses, both essential expenses and discretionary and legacy and contingencies. Most people, regardless of the wealth, want to be concerned. They're concerned with, hey, look at am I going to have enough money to fund my expenses? And then legacy and contingencies come after that. But that's where they're most concerned. The process that we use is basically it's almost like a flowchart. They take the Risa, they come up with a style. We find out what their style is. Then the solutions from the solutions and solutions really solutions or product classes are really the same.

**16:43**

Larry Greenwald

The asset allocation and then the funding strategies. Now it's going to be different for anybody. Obviously it's different for somebody who's total return versus income protection. But the methodology is the same. And ultimately what we do is we get down to the point where there's going to be a funding strategy. But once you do their style and follow the process, then it's relatively easy to show them, hey, based on your style, this is the product, these are the asset classes and this is how we're going to fund it. And then they understand it. And I think if you follow that process it's easy and you can tailor it to wherever they whatever quadrant they fall in. So yes, the answer to your question is I think the Risa and the discovery process in the beginning lends itself to that methodology. And I think this methodology leads to greater adoption and implementation and that's critical and I think it streamlines the process and you get them to buy into it, which is really what you want them to do.

**17:57**

Alex Murguia

Now since we have a fair number of consumers listening in, I would say most of our listeners are consumers and there's still a large subset of advisors. How as a consumer taking it based on the reactions that you've got in? I think because we're sourcing this to the surface, one of the things you said is total return income protection. And so what Wade and I have noticed as we've gotten feedback from consumers is we're starting to lay the foundation for a language. Most consumers are individuals or however you want to call it, investors, what have you. There's this lack of realization that there's many ways to get this retirement income strat to solve your retirement income puzzle. There's many ways to do it once they take it. Do you notice that they themselves are having an AHA moment in the sense of, okay, there's this, but I'm like this, that kind of thing.

**18:53**

Alex Murguia

Do they learn, in fact, is there some sort of cathartic event that happens just by taking it as well?

**19:00**

Larry Greenwald

I want to take a step back because I really think it's important because it goes to that point that you just made, Alex, is that the RISA delves deeper in uncovering the psychological makeup of a respondent. And it

lends itself by taking it lends itself to having a conversation to educate them more so they're more educated on the whole process. And education is knowledge is power. I want to take a step back because I really think it's important because it goes to that point that you just made, Alex, is that Theresa delves deeper in uncovering the psychological makeup of a respondent. When they go through this, what we find is, and we get into that educational portion, the client can then at the very end of the process, understand and articulate why they bought a specific strategy. A lot of times we found in the past that a client you'll ask a client, well, why is this strategy in place?

**19:53**

Larry Greenwald

Or why did you put well, it seemed right, or my advisor said no. You want the client, like any product, to articulate why they purchased it. When they do that, there's two key things that happen. One is when they articulate it and they know what they purchase, they're more apt to stick to that strategy. In any plan, you want them to stick to it. You want them to basically feel comfortable even in times of market duress and volatility. The second thing is they can sleep at night. And so when you combine the ability to articulate and feel comfortable, why you own the product, why that style fits you and the resulting solutions make sense. With the ability to sleep well at night, what you get is financial security and emotional comfort. And what more do you want from a plan? Because that gives you an enjoyable retirement.

**20:53**

Larry Greenwald

It's not just the money that you hope you're going to have to take you through retirement. It's enjoying the retirement. And so the psychological aspects of understanding why they're doing something really comes out in the Risa and allows you to have that conversation and it gets the client more involved, more comfortable, and then it allows for a plan to put together that really is going to be very successful.

**21:21**

Wade Pfau

That's great. And maybe it's a good chance to have a brief commercial interlude there. We usually have Bob come in to do that. You can sign up [risaprofile.com/Advisors](https://risaprofile.com/Advisors) that's [risaprofile.com/Advisors](https://risaprofile.com/Advisors) online.

**21:47**

Bob French

You can sign up [@risaprofile.com](https://risaprofile.com). Advisors that's [risaprofile.com](https://risaprofile.com). Advisors online.

**21:54**

Wade Pfau

It'll be an opportunity to learn more about the research behind the Risa and also have the opportunity to learn how to incorporate the Risa into your practice. And you can find sign up for that. I should

say@risaprofile.com that's Risa profile.com advisor. And that's advisor with an O. If you're thinking with an E, this is Advisor with an O.

**22:20**

Alex Murguia

That's the compliance joke, inside joke and compliance. And Larry, we'll ask you again at the end, but how can someone find out a little bit more about you? Our website is [BlackDiamondwealthmanagement.com](http://BlackDiamondwealthmanagement.com). What would you recommend? We can obviously put a link at the end of the show.

**22:36**

Larry Greenwald

Our website is [BlackDiamondwealthmanagement.com](http://BlackDiamondwealthmanagement.com). They can find us. There's a couple of different Black Diamond wealth Managements that have different product and services. But we're registered investment advisors. We do have a website. Our firm is I like to call us a small boutique firm. And we basically are standard practices in the industry. We do investment management, customized financial planning. One of the reasons why, again, why we seem to align very well with the Risa product is we're agnostic advisors and we use both insurance and investment products in our solutions. So it aligns perfectly with our business model. And our belief is optimal solutions are constructed when all available tools can be considered. So we use them all. And that's why the Risa works for us, because we have a background and an expertise both investment related products and annuities and bonds.

**23:49**

Alex Murguia

Larry, I think what you said is true and we're realizing that we're attracting actually a movement of advisors. And the reality is those advisors that feel that there's many correct ways to get it right as opposed to there's one singular way. I think they're finding a home with what we're doing and for good reason. What happens when you have this is just a question that I sort of want to ask everyone in this series is obviously many times there's a couple involved, right?

**24:21**

Larry Greenwald

Right.

**24:22**

Alex Murguia

How do you deal with that? So the questions that the thought that I have in my head is do they both do it? Do they do it independently? Do you do it with them? How do you reconcile differences when there are differences, et cetera, that kind of thing.

**24:38**

Larry Greenwald

And it's a great question. Can I give you an example?

**24:41**

Alex Murguia

Yeah, absolutely.

**24:42**

Larry Greenwald

By the way, we have a client who we've had for a while and they are planning clients and they are in their early 60s have a successful business. The husband had a successful business and they came to us and said, look it, we're going through that transition phase. We're thinking about retiring soon and we realize we need a portfolio. I mean, a financial planning review and an update. And I said, Great, were planning an update almost immediately thereafter. They sold their business for a significant amount of money and now they came to us and said, look it, we're going to now accelerate the process from the accumulation to the distribution phase we've just accumulated. Right, exactly. Accumulation. It enhanced what they had. So they said, Listen, we want to accelerate the process. The husband was going to retire, the kids were out of the house.

**25:35**

Larry Greenwald

We already had all their numbers because we had done a plan for them. And the first thing that I did was say, okay, that's great, we have your numbers, take the Risa and we're going to have you each take the Risa, which they did. And lo and behold, the wife came out total return. All total return. The husband came out basically risk wrap.

**26:03**

Alex Murguia

You may want to just give a little way, can you give a little ten second on these beforehand for the people that are listening in, just in case?

**26:10**

Wade Pfau

Right. So the four retirement styles, the total return is you're comfortable relying on the market and you really value optionality as a key motivation. Risk wrap. You also are comfortable relying on market growth, but you also want to commit to a strategy. And also there's generally more a sense of you are worried about outliving your money. So you want some sort of guardrail. You don't want to be completely dependent on market growth. But that's interesting to have the two spouses both being comfortable with the market

growth, but then taking that different perspective on the optionality with the total returns versus the commitment and with the risk scrap.

**26:48**

Larry Greenwald

Right. And it made it easy because we started with the husband, we knew the pool of money that was available. They had different styles. First time they realized it because they hadn't taken the survey, nobody talked about it before. And so we started we had their fixed expenses. We knew what guaranteed income was coming in the future with Social Security. They had a pension, cash value, life insurance, and there was a delta, there was a difference between what guaranteed income they had coming in and what their expenses were. So we explained. Listen, the strategy should be let's take some money from this pool and let's put together some solutions to basically get you to a point where all your fixed expenses or your essential expenses are covered and then you'll still have underlying accounts and basically the products. The solutions would have been rylas and variable annuities with guaranteed living benefits.

**27:45**

Larry Greenwald

So he felt comfortable that now their essential expenses were covered and he still had room for growth with his sub accounts. She now felt comfortable because the rest of the portfolio could be put together and then in basically a stock and bond investment related portfolio.

**28:06**

Alex Murguia

So let me that's great. And I love the reconciliation of these two things. What would be your view if I would have given two risk questionnaires and she comes out at a risk tolerance questionnaire that, oh, this is good for 90, 1090 percent equity, 10% equity, I mean 10% fixed income. And he would have been 50, 50% equity, 50% fixed income. Would that have solved what you're talking about?

**28:36**

Larry Greenwald

Yeah, it could have. But in this case, I think it was based on the results, it was very easy to because risk.

**28:46**

Alex Murguia

But that's exactly my point. Like a risk tolerance questionnaire doesn't get at these retirement strategies.

**28:52**

Larry Greenwald

Well, the standard risk tolerance questionnaire doesn't deal with this all and that's the limitation. The risk

tolerance questionnaire is great during accumulation phase, but it may not be that may not be very good in the distribution phase. Remember, I think that there's a major difference between product allocation and asset allocation. You got to have product allocation first a solution and then the asset allocation follows.

**29:21**

Alex Murguia

I agree, there's a consumer listening out there that I don't want them to come away with at the end of this saying oh, the Reese is a risk tolerance questioner. Absolutely not. That kind of thing.

**29:34**

Larry Greenwald

It's not. You're absolutely right, it's not. And I think coming up with a certain style first and then the resultant solutions and then you come down into the asset allocation and then the funding and so forth and so on, did.

**29:51**

Alex Murguia

They both feel that they were making concessions or did they feel instead that it was a win?

**29:56**

Larry Greenwald

It was a win. And by the way, both of them felt that they were coming away with what they wanted but felt good that the spouse was getting what they wanted as well. And I think that was critical because by doing it this way they understood what their needs were and then you could craft solutions that would benefit both of them. However, it had the same result to the total plan. They were going to get to the same place in the end. It was giving them a little bit of what they both wanted to achieve that ultimate goal.

**30:32**

Alex Murguia

No, I think there's enough to reveal.

**30:34**

Wade Pfau

To here go on with. Yeah, a lot of times I think something you are a direction you're going with that risk. Hans questionnaire ideas. There's not a good way to develop any sort of compromise on the asset allocation, but with this there is because they both desire market growth, but one of them just wants some sort of guardrail around that. So, okay, you can put a guardrail in place and still focus on the market growth. It's not with risk tolerance questionnaires, it's like, okay, I have to reduce the stock allocation into bonds and that does take away the growth potential. But when you have product allocation, you do have that

better way to approach how can we still facilitate the market growth while having a guardrail in place. And that's what financial products can do that are on the insurance side of the spectrum and not just the traditional investment tools.

**31:26**

Wade Pfau

So that's a great example.

**31:28**

Larry Greenwald

I would take a step back one thing, Alex, that you had said that I think is really on a broader scale what you guys are doing with the Risa, and that is we're fortunate that we do have knowledge in all the products and all the solutions. We have insurance based and investment. Based products. This is what we've done. I think the movement that you've had and why it's going to gain greater acceptance is because there is no one style that's right for everyone. And I think it's going to force, in a good way, advisors to be more knowledgeable and agnostic about all the solutions that are available. As an individual and a potential client, you want the advisor to give you guidance on what's right for you. It's not putting a round peg in a square hole, right? If everything, all you have is a hammer, everything looks like a nail.

**32:26**

Larry Greenwald

And I think this is going to over time, it's going to force advisors to broaden their knowledge to their benefit and allow them to do a better job servicing their clients.

**32:41**

Alex Murguia

No, I agree. How would you feel? Because you really are a pro at this, and I mean as sincerely as I can, how have you felt having this tool in your hands has facilitated the rapport building in the discovery meeting?

**33:01**

Larry Greenwald

It's critical. As I mentioned earlier, the discovery phase is really critical. It's critical in building the rapport, starting the process, because if you don't build the rapport during that phase, then there's going to be a breakdown in a relationship.

**33:19**

Alex Murguia

And before you get into, because I know you're going, I also want you to address how should a consumer approach that discovery meeting with an advisor and why this helps cut to the chase a little easier. There's

two perspectives. I guess I'm asking you this question, the advisor. How has it helped you? But then why helping you is important for the consumer as well?

**33:41**

Larry Greenwald

I'll say this when I was looking at some of the things that were possibly going to discuss today. You talked about use of the Risa and the matrix and the implementation matrix. I'll give you a perfect example of that. You go through the implementation matrix and you're finding out both the client and yourself if this is potentially a fit. Does the client want an advisor? Does a client need an advisor? I think that both from the client perspective and from the advisor perspective, there's one thing that sometimes people forget is that the client is not only interviewing you're interviewing the client. It's got to be a mutually beneficial relationship. So I think ultimately, what the client will learn from that, both the client and advisor, is you may find a potential prospect who looks like they need an advisor. They absolutely need advisor. They fall on the matrix where they want an advisor.

**34:46**

Larry Greenwald

But maybe you're not the right advisor. Maybe you're not the right advisor for the client and the client is not. And as an advisor, the client is not right for you. So I think that during the discovery process, as you go through this, I hope that it facilitates a conversation not only about learning about the client and the client learning about you as an advisor. But whether there's a match there because ultimately it has to be mutually beneficial. One in one equals three if it works properly. If it doesn't, ultimately it shouldn't be a relationship that even starts off from the beginning. And I think that as you go through the research and we found this, I found this in doing this with some prospects, went through the process and we realized at the end that you needed advisory services but weren't the right advisor.

**35:42**

Larry Greenwald

There just wasn't a match. And to find that out is critically important.

**35:49**

Bob French

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**36:11**

Alex Murguia

I think you strike on something and this is good for consumers. If you're looking for advisors and that advisor is not really qualifying you as well, if all they're looking for is someone that can fog a mirror, that's

not a good advisor for you. Larry is 100% right because the top advisors, as much as they want to help, they also want it to be a lasting relationship because at the end of day if it's not, it's just not worth it from the whole rigmarole of things. An advisor wants to work with clients that they enjoy working with and this helps to that extent and there should be reciprocity with that enjoyment. If not, it just never works.

**37:00**

Larry Greenwald

Absolutely. And that should come out again, that should come out early in the dialogue between the advisor and the client. And if the questions are asked very quickly, you'll find out if the conversation should go to the next level or thank you, I've learned something. This is not a fit and that's good. There's nothing wrong with that.

**37:21**

Alex Murguia

Yeah. And what doesn't it go to the next level? What would be a thing where you take it and the implementation is this person somehow came to your office but he's a self directed person and you're like, it's not going to work out. Or they don't focus on a strategy. They really don't want a strategy that you may have expertise in.

**37:38**

Larry Greenwald

Well, I went deeper than that. A client who basically tells you he wants something, basically and he's told you in many ways maybe it came out in the Risa that it's clear that they should be doing something and they're adamant about not doing it. We don't want to put in a plan for somebody that, yes, we're listening to them but clearly it's not the right thing to do. And so our feeling is you probably should go elsewhere and have it implemented by someone else because if that's the case you've already have preconceived notions and there'll be a problem down the road. I think another good thing that's come out of them taking the survey is when they find out what their style is. We find that people either with little knowledge or preconceived notions about and I'm going to use annuities as an example because that tends to be where people really either don't have much knowledge or have preconceived notions, are inaccurate from the press.

**38:42**

Larry Greenwald

We can then have that conversation with them. They're more amenable because they told us what their style is. This is your style. So let's talk about some things that you may not understand or you may have some preconceived notions. And I will tell both of you that we've had clients that came in that in the beginning of the conversation had said to us from day one, yeah, I'd like to go through the process, but don't even talk to me about annuities. I don't want to hear about annuities. And at the end of the conversation, as we built the relationship and there was a relationship that ultimately was built, we put in plans that put in

things in the beginning that they were completely against and they realized that they didn't understand them and that it helped us do the right thing for them. And they appreciated that.

**39:27**

Alex Murguia

Yeah, I think from a marketing standpoint look, that's another phrase I say over and over. The folks that provide annuities right now, this day and age, are suffering from the sins of their fathers when these things were sold poorly. Right. And frankly, there's still probably a subset of folks that do it now. But that doesn't mean that what annuity solves is something that's bad. No, they're needed it's an insurance product. It's not an investment product. And when it's framed appropriately, it solves significant retirement income problems. Now, that being the case, the reset, it's very explicit in the questions that it asks, right? And so it's not like it's figuring out that you're left handed and you like to swim in a pool, so hence you like this product versus that strategy. It's really asking you things that strategy solve for. And you're over time consistently choosing those preferences.

**40:26**

Alex Murguia

And if you do that enough times at the end of the Risa, it really is what it is at face value. If you literally have said over and over again that you like solutions that solve for this problem and there's really only a certain strategy that can solve for that problem a certain way, then it's kind of obvious at that point. Right way.

**40:49**

Wade Pfau

Yeah. And that's a really interesting way to put it because I think maybe this is an area where the Risa can make this conversation go quicker. I think the annuity is the perfect example where before you have to try to get a sense of what the person is looking for and they may hint upon ideas related to protections, to commitment, to predictable income, to solving for the concern about outliving their money and so forth. But it's hard for them or to articulate now with the Risa. They're stating these things explicitly. And you see in the report here's the kinds of statements that you said you agree with. If you have such a negative, visceral reaction to the annuity because of things that you heard as you flip through the radio, your car radio and so forth, it's hard to proceed from there. But that's great to also hear, Larry, that you had the experiences where people were listening to the Am car radio too much came in with that preconceived notion, and you were able to help set them straight that, no, this is a financial product that's not appropriate for everyone.

**41:53**

Wade Pfau

But based on the kinds of preferences you've revealed, this is something you may want to think about. And so being able to then have them change their mind in that manner, that's wonderful to hear about.

**42:04**

Larry Greenwald

It's not that difficult, I think, when you do this, because it's educational. I think a good prospective client wants to hear it, and they've given you the opportunity. They've laid it out on the silver platter when they've done the Risa because they're telling you that, okay, this is my style. Now help me understand what makes sense. And I think that makes it much easier. In the end, they appreciate it. They're more educated, they understand, and they're not necessarily listening to the ad that says, we hate annuities. You should too.

**42:36**

Alex Murguia

I'll say something. I think they respect you for it. I think if you call towel to everything that prospect comes in with, you are the expert, and you really are. There's a respect that comes with it. You're not like authoritarian sort of forcing some sort of solution. You're taking into account their style, and you're using it to formulate a solution that solves for that style. If someone doesn't want to hear that next, I mean, there's nothing more you can say, but at the very least, they'll respect you for it because that's your job as a professional. And so I think it sets that up very nicely. I think it's maybe when you start, you want to take on any clients. But, Larry, at this stage in your career, I'm sure you could teach me a thing or two on the dynamics of looking at somebody across the table.

**43:29**

Larry Greenwald

Wade. But also, it's also helpful as a fiduciary when you're trying to put the right plan in place, and this allows them to tell you what you're looking for. So it really is marrying.

**43:46**

Alex Murguia

Wait. This reminds me of John Faustino. He said this thing and it stuck with me when we interviewed him. And John Faustino is one of the nicest people you'll meet. He's head of Fi 360, a fiduciary software platform that advisors use within defined contribution plans. And I always like the phrase.

**44:09**

Wade Pfau

You.

**44:09**

Alex Murguia

Can'T function with someone's best interest in mind if you never ask them what their best interests are. Right, right. And so Fiduciary right there it is. Right. But he also said there was another component to that, and it has to do with competence, where you have to be up to date with the literature on solutions from a

best practices standpoint. And the reality is, if you cut yourself from a retirement income perspective, you cut yourself off from any solution that has to do with insurance for retirement income. Well, I have Wade right here on this podcast, and in God We trust everyone else, bring data under that frame of mind, and Wade will have papers that will show you on. You can't argue it on the merits that annuities aren't a viable solution with retirement. And with annuities, we're using that word as a general thing, but there's many types.

**45:00**

Alex Murguia

It's like if I said mutual funds, there's many types. So I understand that. But there's a two pronged approach to this fiduciary piece, which is asking the clients what's in their best interest, literally via preferences, and then as an advisor, being competent enough to be able to curate that way.

**45:20**

Wade Pfau

Yeah. And Larry, something you said earlier that really resonates with me is I do think at the end of the day, advisors who are comfortable integrating both insurance and investments are best positioned to really lead forward and serve the most people. And that's where when you're not trying to convince everyone they need annuity only when it's relevant, you're just as comfortable providing an investment based solution. But if what they're revealing through their preferences is that they want more protections, the investment based solution may not be right for them. They may not understand their risk tolerance. They may abandon that strategy at the worst possible time because it's not their style. And so thank you for what you.

**45:58**

Larry Greenwald

Do in terms of well, you're very welcome. I don't know why an advisor would not want to have this tool in their toolkit. It makes their job easier, it facilitates a stronger conversation, and it allows them to put in place plans that are more closely aligned with what that client ultimately is telling you they want. And that's really what it's all about, to put in something that it's right for you. I don't know if there's anything that's perfect, but there's there are definitely things that are optimal, and optimal is going to vary from person to person. And this is a key tool to use to get to that level of knowledge, to be able to put together those solutions for that client.

**46:48**

Alex Murguia

No, Larry, I was going to ask you, where do you think this could go? But I think I'll leave it at that. I think you were spot on with that.

**46:58**

Larry Greenwald

I have one question for you guys.

**47:01**

Alex Murguia

We do the questions around it now. Yeah, I know.

**47:04**

Larry Greenwald

I'm going to shoot one. So when you're out there in the world talking to people, advisors, companies.

**47:12**

Alex Murguia

When.

**47:13**

Larry Greenwald

You get pushback or you get questions, what are they? Because it seems to me that there's nothing like this on the market. And then for people that do what we do, it's just a natural extension of the whole planning discovery process that makes things easy. But where are the challenges that you guys are facing in terms of expanding?

**47:37**

Alex Murguia

I'll start it, and then I'll leave it to Wade, because he's the closer I'll say this, we've gotten a lot of inbound, Larry. And so what I mean by that is they've self sold. People have called us. We don't have a sales team. It's just Wade and myself, Maggie and Trevor. That's it. That's the team. Right? And people come up to us as institutions have come up to us about this. And so that, to me, they've kind of self selected. They buy in. But when we do have someone that pushes back, because let's say you're in a meeting with five people, and there's always somebody, right? Someone has to add value, if you will. We have pushback. It has to be when somebody wants two reasons they think their strategy is the best. And you get this a lot with time segmentation bucketing. I would have thought it would have been the annuity people or the total return people, but you'd be surprised how many total return advisors are very amenable towards increasing their toolbox.

**48:38**

Alex Murguia

You'd be surprised. I thought they would give us the toughest. No, not at all.

**48:41**

Larry Greenwald

I thought that's where you would get the most pushback.

**48:44**

Alex Murguia

It's the time segmentation bucketing folks that think that's the only way, but there's that they give us trouble like that. The other piece is the person that says, I focus one thing for my firm. How can I get the Risa map to identify every strategy? How can I get placement? How can I get the entire real estate of the Risa map? Because there are certain quadrants. If you land in a certain quadrant, you start with a different style. Right? But they're like, regardless of what quadrant they land on, how can I kind of finagle my way to lead with my preferred approach? But that doesn't happen. That's the minority, the very sliver of the Marty. I think 95%, we're golden, which we know that we're good. Wade, what's your take?

**49:31**

Wade Pfau

Yeah, I do think the area where there can be pushback is the advisor who does feel there is one approach that's optimal for everyone. And when that happens, we usually will hear a brief comment about it, and then they move on. Now, there's plenty of advisors who are realizing they really need to expand when it comes to retirement income, what they're able to do. But no, there are advisors who are very strictly adherent to one particular approach. Now, they could still use the Risa to just figure out who are the best candidates to work with as a firm. But even then, they don't think it's necessary, because who cares what their style is? There's only one appropriate retirement income strategy. And even just an example of this was a comment made and where we had posted an article about this. The advisor said, the advisor's job is to convince their clients to be 100% stocks because stocks give the best growth potential over the long term.

**50:28**

Wade Pfau

That's an example of scary. Yes, absolutely. They don't need the Risa in that.

**50:33**

Larry Greenwald

Scenario because they're in the advisor either. To be honest with you.

**50:38**

Alex Murguia

I don't want them in my firm.

**50:43**

Larry Greenwald

By the way, if I may, I have to give a shout out to your recent team and its members and obviously Maggie and Trevor. Maggie and Trevor have done a great job. They've been receptive when I've had questions, and they also both are very receptive, especially my conversations with Maggie when I've had suggestions. You've got a great team behind you and keep it up.

**51:10**

Alex Murguia

No, thank you for that.

**51:11**

Wade Pfau

Thank you. Yeah, we'll definitely let them know.

**51:12**

Alex Murguia

Yeah, we'll definitely let them know.

**51:16**

Wade Pfau

Larry, could you let everyone know how they can find you? And also the geographic area, you did mention based out of the New York City area, but in terms of if anyone wants to reach out to you, should they be in that geographic region?

**51:30**

Larry Greenwald

No, we are universal. We do business, I don't know if all 50 states, but we have clients in probably 90% of the states. And again, between investment services, financial planning, we do group benefits. So we have a pretty nice little boutique firm. And we're at the point in time where it's nice that we like growing our firm, but we're content to bring on the right type of clients to build the right relationships. Because our view is our clients we develop a very deep bond with, and we do a lot of generational planning for that reason. So it's nice you want to like the people you do business with. It really is, as you both know, it's really critical. It's not just about doing business. It's build camaraderie a team and relationships. And that's what we think that especially a business like this, it's just so intimate.

**52:34**

Larry Greenwald

When you're dealing with something that's so important to people, their financial life, it's important.

**52:40**

Alex Murguia

No, Larry, it's like I said at the top of the program, in my view, the best advisors are the ones that you don't hear in. They don't have their own or they could have a podcast, but you know what I mean? They're not creating content. 80% of the time, their work week is actually working with clients because they just absolutely love it and they love the engagement and they love helping. And I think you personify that wholeheartedly. So thank you.

**53:08**

Larry Greenwald

And again, thanks for having me. It's been a pleasure. Hopefully we will have a chance to get together soon. Next time you're in New York, let me know. Alex, you and I went out. We'd love to have you join us. We could tell some stories that we can't tell on the air.

**53:27**

Alex Murguia

Not with the same rating on the podcast.

**53:30**

Larry Greenwald

I look forward to your future successes and continue to wish you guys the best. You're on to something and it's made our life easier and I think it's going to be very positive for the industry, both on the client side and of course, on the advisor side.

**53:47**

Alex Murguia

Thank you so much, Larry. And on the advisor side, don't forget, hit us up@risaprofile.com Advisor, where we're going to have our retirement income Masterclass. So you'll get two day Masterclass on the Risa and how you can incorporate that into your practice. What date are we doing that, Wade? I don't want to mess that up.

**54:10**

Wade Pfau

July 10 and 11th.

**54:11**

Alex Murguia

So sign up now. All right, thank you, Larry, I really appreciate it. And just hang on. I'm going to stop the recording, but just hang on, all right? All right, everyone. Bye.

**54:24**

Bob French

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