

# Episode 91: RISA® in Action: How advisors can supercharge their practice in our upcoming RISA® Masterclass for Advisors.

**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.

**00:44**

Alex Murguia

Everyone. Alex here with Wade and a very special guest, Megan Richter from Intentionally. Thank you for joining us on this LinkedIn Live. Everyone, you want to say your hellos? Hello.

**01:02**

Meghan Richter

Happy Thursday everyone.

**01:04**

Wade Pfau

Hi. Thanks for joining us this afternoon.

**01:07**

Alex Murguia

Sure. And what we wanted to do today is we've been promoting the RISA Masterclass for the last month and changed now and we're getting near the final stretch, so we ran out of album covers to promote and the like. And so what we wanted to do, since we've been getting some questions, is just really detail what to expect in the upcoming Master class because we think it's something that is actually a pretty cool thing to be offering to the industry and I think you'll get a lot out of it. So with that in mind, I'll start it off. It's a three day Master class now it's from twelve to 130 Eastern time. And so the thinking is that we're going to tackle a concept every day and then come up with something by the end of that day. Have you actually move the needle on that concept?

**02:12**

Alex Murguia

So there will be things to do as well. And on the first day it's really just going back to the basics and talking about the research behind the Risa and what it you know, some of the questions we'll discuss on the first day. And Wade maybe flesh this out, but we'll start off with why we did why we thought to embark on this research. Wade, do you want to maybe flesh that out a little bit, what that means for the people listening in, what they'll be hearing about that?

**02:45**

Wade Pfau

Yeah, it really touches upon in some sense the whole history of retirement income planning. But we'll talk about how there's been different approaches to building retirement strategies and often very strong disagreements about which of these approaches is optimal as part of the research I've done in retirement income, though, really coming to recognize that there are different viable approaches. And so why is it that some people choose to go with more of an investments based kind of 4% rule or related type approach? Why do some people value annuities? Why do other people think that annuities are terrible to consider? What about bucketing strategies? So there's so many different approaches and we'll talk a little bit about what those are. How do people choose from among them in the past? But then really the motivation for us is, could we build some sort of framework around this idea?

**03:37**

Wade Pfau

How do people actually think about choosing a retirement strategy? And more specifically, what sort of preferences or what sort of factors can be identified to help determine how people view the world or their personality for retirement and how do those personalities develop in terms of what sort of characteristics can we find? Can we build a tool around that to then help people identify as a starting point which of the many different retirement strategy options might resonate best for their own personal situations?

**04:11**

Alex Murguia

Yeah, and so like, you know, why we started, we'll go over why we started this and it was really to answer client questions that were getting in. And Michael, the orange shirt is representative of the Miami Dolphins getting ready for the football season. So thank you for that comment about the orange on the shirt. Now with that in know why we started this? What did we find in terms of the current environment? We're going to be talking about how the provisioning of advice is kind of given nowadays. And it's one of those things where everyone has kind of a team that they're affiliated with. And I think the current environment runs deep into what we're discussing is one of our main pillars with regards to the Risa. And that's this there are many credible strategies. And so within our take, we view our job as being how do we define those strategies, how do we identify those strategies resonate, which strategies resonate with individuals?

**05:21**

Alex Murguia

And so we're going to be doing a review on that and talking about maybe some things that are happening now which are leading folks to maybe mismatch strategies. Wade, do you want to maybe flesh out that comment a little bit? Yeah.

**05:36**

Wade Pfau

And so really, this first day is primarily educational content. We do have CE credits available with the CFP program for the first two days. And that's because much of it is educational content to CE credit hours if you attend both the first two. But yeah, like we noted, there are different retirement strategies and ultimately the Risa is something that will be appreciated by generally advisors who are open to the idea that there are multiple strategies. It's still the case with financial services that many people are still just wedded to one approach. And so that's what leads to the concern that for consumers who don't really know where to begin with retirement, there becomes this element of randomness of which of the strategies do they hear about first? Any advocate for a strategy obviously will make it sound good and then they end up with a strategy that may or may not be the right one for them.

**06:33**

Wade Pfau

And that's really the current environment in that regard. That's where, again, the Risa framework has this potential to be that first step to help get people who may not necessarily know that they have different options, to quickly sort through the different options and find the right starting point for them. And potentially, if they do it yourself, or if they are somebody who works with a financial professional or is thinking to work with an advisor. This becomes very important to make sure that they work with an advisor who's aligned and who's able to offer the style or strategy that person is most comfortable with.

**07:10**

Alex Murguia

So we've set up the table. We sort of said why we got into this is sort of it depends question that we wanted to answer with clients, the current environment and how that blends well. And then out of that came the Risa framework, which is effectively how we're able to actually assess these preferences among prospects and how that translates to strategies. Strategies being just a quick, maybe sneak peek, a total return strategy, a time segmentation strategy, an income protection strategy, a risk rep strategy. How can we identify individuals preferences that kind of point them to those strategies? And that's the research framework that we'll get into the nuts and bolts of it during the presentation. And then from there, once we lay it out, we'll show you what we found in the that to give us confidence that this is a credible, reliable and valid approach to identifying strategies.

**08:11**

Alex Murguia

Wade maybe you want to talk about just what kind of studies we know we can kind of do. A little teaser, if you will, of why we're very excited about the results. Yeah.

**08:24**

Wade Pfau

So we've done multiple studies at this point. Initially, it was with the retirement researcher community, which is many kind of sophisticated type consumers who are part of that community, who are really looking for deep dives into retirement income content. Did a study with them, but then since then as well, we've done multiple studies that have nationally representative populations. So it's not just personal finance hobbyists, but everyday Americans were able to understand and answer the questions in a manner that showed they really understood the questions because they were able to answer them in a manner that aligns and translates into the types of factors that we found. We have found that there's these two primary factors. Of course, we don't want to get too far into the weeds of this right now. Master class is for yeah, you'll learn about the probability based versus safety first factor.

**09:22**

Wade Pfau

How much is someone comfortable relying on market growth versus wanting contractual protections. And then the optionality versus commitment factor, which is how much does someone value pure flexibility for all their assets versus being comfortable committing some of their assets to something that they know can help solve for their lifetime problem and take it off their to do list so that they don't have to be as worried about it in the future? And consistently with different studies done at the, again, not just with a narrow subgroup of more sophisticated type consumers, but also with the nationally representative population, we do find consistent results that people understand the questions, they translate into styles, and we see the same sort of breakdowns in the population about how prevalent these styles are. And how they do translate into things. Like if you're a financial professional who tends to focus on insurance, we do see well, if you're talking to someone who has a total return style, they're very unlikely to be interested in the conversation around insurance.

**10:27**

Wade Pfau

But if you have someone who's got the income protection style, that resonates much better and they are much more likely to engage in that sort of conversation because it better resonates with the probability I'm sorry, the safety first and commitment orientation. That's what these studies were all designed to do. These two primary factors and then four secondary factors that we'll touch upon as well, but really are not necessary to get the story of the Risa.

**10:56**

Alex Murguia

And just real quick, we want to go through the trouble, not the trouble, because ultimately we're going to

talk about an offer, right? And so we want to make sure that there's this belief in the credibility behind it and the science behind it, which get your Ce credits while you're there. And then from there, we're going to talk about case studies, how the Risa is used, how you can use it within your practice to help you in the advice giving component of your practice and to help you frankly. There's a big push now towards really getting to know the client and the whole psychology behind relationship and the dynamic. And so we're going to be going over client stories, how the Risa helps facilitate that, because Risa is ultimately a blend of retirement income planning and psychology, specifically personality assessments, and how you can help your firm sort of manifest preferences that lead to strategies in a way that you're still developing rapport with the client.

**12:00**

Alex Murguia

So we're going to be doing that at the end of the first day. On the second day, we're going to.

**12:08**

Wade Pfau

The we are going through this in chronological order. So Megan is going to be very much a part of the third day. Yeah.

**12:19**

Alex Murguia

Megan's going to bring it home for us at the end here. The second day, it's another Ce credit day and we're going to be discussing a little bit of it's going to be more psychological in nature. And we're going to start off with what we call the implementation matrix. And as much as RISA helps identify your preferences of how you want to source retirement income, the person still needs to implement. And there's a lot being written more in the trade magazines, more than anything, about what your client persona is as it relates to collaborator, delegators, validators, do it yourselfers. And what we've done is we've created a scale around that helps us identify that. And we're going to be talking about what went into creating that, what were all the psychological factors that we took to creating that helps us then identify how someone likes to implement that, right?

**13:20**

Alex Murguia

And so we're going to do that. But then after that, we're going to go into interpreting the Risa. The idea is, after the first day too, for homework, you'll get a Risa to do like you'll do your own Risa. And so then on the second day, we'll talk about the interpretation of the scores and what that means. Wade, do you want to maybe give a little sneak peek about interpreting the Risa?

**13:47**

Wade Pfau

Yeah, well, so first with the financial implementation too, maybe just that's something that can be very important. And this wasn't something we were thinking about initially, but when working with prospects, you understand not just their retirement income style, how they want to build their retirement strategy. And that's what interpreting the Risa is all about. But you do also then know, are they somebody that's looking for an ongoing advisory relationship? Are they a collaborator or a delegator? Are they someone who's more of a do it yourself type person who's unlikely to want to work with a financial professional other than perhaps a one off financial transaction of some sort? Or are they a validator who may be looking more for help at particular inflection points, but not necessarily on an ongoing basis? Then with interpreting the Risa, this is where we start to get into the issue of, well, what do we do?

**14:40**

Wade Pfau

And so ultimately there's financial planning is part of the process, of course, as well, looking for whether individuals have an income gap and then understanding how they might like to fill that gap through the Risa. By translating the Risa, not just provides characteristics or shows the characteristics of individuals, but also really it can be used with financial products as well. So if somebody has a particular style, what sort of financial strategies or products or approaches tend to resonate best with that style? And we can start to map out different implementation methods, different ways to actually implement retirement strategies based on the Risa style. So whether it's more of a diversified investing approach, whether it uses bond ladders and time segmentation and bucketing, whether it looks to build a floor of protected lifetime income through commercial annuity products and so forth, you really start to be able to interpret someone's style into or translate that into a strategy and the financial products or approaches that also resonate with that particular style.

**15:50**

Wade Pfau

Yeah.

**15:51**

Alex Murguia

And something else that we're going to look at when we talk about implementation and the meeting and what cadence to have in the meeting. Based on the persona, we are going to go heavy into psychological constructs that many in our industry you start seeing thrown around. And we're going to talk about their effects on the relationship. The first one being loss aversion, the heuristics around that inertia numeracy, perceived numeracy, self efficacy and advice useless. We're really going to drill down and identify what personas need to be addressed within these factors a little bit more so than others, and then what messaging helps to really get the information across. So that's something we're also going to be focusing on as well in that second day. Okay. And then, Wade, from there, we're going to talk about just consumer reactions. We've given this to many advisors, are using this.

**16:53**

Alex Murguia

Many clients have taken this at this point. And this is something that this is a tool that we're going to have available for advisors. Because at the end of the second day, we have the Risa is a software tool. So we want to lay the groundwork before we make the offer, but before making an offer to look at the RISA, we're going to talk about how consumers have reacted to it, how advisors have reacted to it, what are they saying? Because we just think it's very important that if you put something in front whatever you put in front of a prospect or a client, it's a reflection of your own firm. And so we want to make sure that there's confidence behind that. And I can say that we're onto something here because the level of confidence or the level of language that folks are using to describe the Risa is really good.

**17:40**

Alex Murguia

It behooves me to say, that sounds weird, me saying that, right? But we know that we're onto something regardless of what the research shows and all of that, even though it's important from an academic standpoint, Wade and I look at each other sometimes. We're more astonished by the reactions from consumers than anything. Right, Wade? Wouldn't you say? And then Melanie in the background is telling me that we're at the 18 minutes mark, so let's move it along. And so we're going to talk about how to take the Risa to attract, nurture, qualify, and convert clients. Because at the end of the day, too, we feel the hardest thing for an advisor to do is actually do that. Attract, nurture, qualify, and convert clients. Now, I love Wade, but as much as we can talk about Excel sheets and things like that's figureoutable.

**18:35**

Wade Pfau

What's.

**18:36**

Alex Murguia

A little tough is really just how to use this for your practice. Hence, on the third day, we want to show you how to use this tool to improve your practice on an order of magnitude. And I'll introduce Megan. Now, Megan yeah.

**18:54**

Meghan Richter

Saving one of the best topics for, you know, the third day of the session is really perfect because it builds on the foundation of everything that Alex and we just gave you a preview of.

**19:04**

Alex Murguia

And Megan will be joining us on the third.

**19:06**

Meghan Richter

Yes, I will be there to dig in a little bit more in depth. And so, again, we're a firm believer in that. We want to make sure that you understand the psychology, the research, the expertise that goes into fueling the Risa assessment tool. But then we also want to make sure, in an extension of the practical application of this masterclass, you know, how to use it. So in that third day, we're really going to be breaking down the steps of how to go to market with ERISA. Once you have it in hand, how do you make the most of this tool to bring in either new business with potential investors who fit your ideal demographic or better engage your clients? And one of the most exciting things and why Intentionally loves joining the Risa team is we think that the Risa itself is a powerful lead generation tool.

**19:52**

Meghan Richter

And so once you have that tool in hand, it's very key to make sure that you're building an effective, what we call lead magnet strategy. So we'll go through a number of best practices and recommendations of how to best mobilize it as a lead generation tool and then also how to build follow up campaigns to keep the conversations open to best leverage the insights you've gained on these certain personas that have been built and the information that's been collected through the reset assessment itself. And then lastly, most importantly, once you get new leads in new engagement with your customers, we'll kind of dovetail it back with Alex to go through a little bit more of how to lead the discovery meeting to facilitate better conversations and really ultimately bring bigger connections. And that's, I think, a true powerhouse feature of the Risa. So, day three will all be marketing, communication, and leveraging the Risa as a really powerful business growth tool with a number of digital marketing tactics to help you get there.

**20:53**

Meghan Richter

So myself, members of the Intentionally team will be kind of leading some of our expertise on how to best mobilize that and what we've seen be most effective for some of the Risa firms that we've worked with.

**21:05**

Alex Murguia

Excellent. Like I said, and this is a day that we added. We didn't have this in our last launch, but the feedback from advisors was, how do we use this for our practice? How do we use this to grow our practice? And we work with Intentionally, which is the trophy marketing firm registered within the advisory space. And who better than to help us teach advisors about this than Intentionally? So here we are. So that alone is reason enough. Now, the third day is not Ce credits because that's a marketing one, it's not needed, but the first two are needed for Ce credits. And we think it's great. We're excited to do this and we just wanted to lay this out there in case anyone wants a reference for what this is about.

**21:59**

Meghan Richter

Yeah, and last thing, Alex, I will note for anyone following along in the chat, if you're interested in joining us and haven't already registered, we did drop in the link to the registration page. If you do pop in on the LinkedIn profile page for Risa as a whole, the registration link through the event page is there. So we'd love to see you, love to have you join, but if you're looking to actually make the commitment and sign up for this great free three day opportunity. You can take a look in the chat.

**22:23**

Alex Murguia

All right. Any parting comments?

**22:27**

Wade Pfau

Well, if there were any questions, it seems like a couple questions may have come in. I did see one from Dave asking about if people truly understand retirement risks, and if not, does that leave them unprepared for retirement? And I do think that's certainly an issue, that what really makes retirement income distinct in financial services is the new set of risks that make it much more difficult to use simple modern portfolio theory type approaches to understanding the retirement problem. So you have the longevity risk. People really don't have a good sense of how long they could potentially live and how to manage that risk. And you have the sequence of returns risk, which is just when you're taking distributions, market downturns can have a bigger impact on the long term longevity of the portfolio. And so there are a number of different approaches available to manage those risks.

**23:21**

Wade Pfau

For some people maintaining the same sort of modern portfolio theory, diversified portfolio will be what they're comfortable with, having a full understanding of those risks in mind. But we do find in these multiple national studies, about two thirds of the population may be looking for something else. And that's going to then help them feel comfortable with a strategy that can better manage those types of risks.

**23:46**

Alex Murguia

And the only thing I would add to that is within the Risa, we do have a section that assesses those new risk in retirement that could be used within the overall assessment. It's used quite a bit, but more to follow. Join the masterclass and find out more about how we measure them. All righty. All right, everyone, thank you so much.

**24:09**

Wade Pfau

Appreciate the time.

**24:11**

Alex Murguia

Thank you.

**24:12**

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 a risk, including risk of loss. Past performance does not guarantee future results.