Sound Financial Bites 010 - Legacy Planning

Episode Transcription

"The financial things we deal with don't block the view of our real wealth."

Hello, this is Corey Shepherd, vice president of Sound Financial Group and I'm excited to welcome you to Sound Financial Bites, where we bring you bite-sized pieces of financial knowledge to help you design and build a good life.

So, during breakfast today, Paul and I were trying to figure out when and how in the heck we met each other. It's been a while. I've been to his office a couple of times but even more important, I've been to his events, his client events, and he's a wonderful speaker and motivator and teacher and he's just got great questions for life. But what I like is his events. There was one at Saint-Michel not that long ago. Really classy event and there was different wine pairings with this, that, and the other. There's pictures, there's celebration but he just speaks from the heart.He tells stories about people and planning and it's not about pushing a product; it's about life. Even today, he couldn't help but tell me about the RV that he bought and the family camping he's going to do and stuff like that, so I just want to welcome Paul Adams to the show. Paul, thank you for coming.

Yeah, thank you so much for having me. This has been kind of a fun journey but I must admit, the first question I have to ask you, I need that phone number again because I thought, "That should go on my Facebook page so that people could call in."

Oh, yeah. The number here. It's 1-800-955-8200.

955-8200?

Yeah, so in case they're driving, it's 1-800-955-8200.

Alright, so I got that posted to my Facebook, which is super exciting. I haven't been much of a Facebooker of late. I shared a little bit at that Christmas event about going on a Facebook fast.

What's that?

We, at our firm, talk about that money is -- wealth is much more than money and that what we need to do is design and build a good life. To design and build a good life, it's going to be making sure our money is handled enough that the financial things we deal with don't block the view of our real wealth. So, I just noticed --

Well, you better say that again.

Okay.

Say that one again.

So, if you want to design and build a good life, what you have to do --

And we all want a good life. We just get in our own way all of the time.

We get in our own way all the time and something else that's forgotten is a good life for a little while is probably not a good life. If it's not for the rest of your life, what's the likelihood it's going to feel like a good life? For instance, imagine living knowing you're going to live in great wealth with a lot of money and everything you'd want for five years, if you knew that the following five years, you'd be in abject poverty. It'd be pretty difficult to enjoy the first five years. So, having a good life means it's got to last for the rest of your life.

People, think about this. If someone knew that smoking was going to shrink their lungs or if the results of eating the hamburger or whatever was immediate, no one would do bad things.

Exactly right. Exactly right. But now, if we define wealth as Thoreau would put it, as the ability to fully engage life then what we need to do is -- it's more than money, more than the dollars; it's practices. So, one thing I noticed is that Facebook would be there and text messages would be there when I was with my family in the evening. I have a three-, four-, and five-year-old. All born in 30 months.

"You need to tell your money where to go, so you can stop asking your money where it went."

Busy man!

God bless my wife, Kristen, I love you. But I would walk in the house and it would periodically interrupt me. So I said, "I'm going to go 30 days with no Facebook at home and no work emails or text messages at home," and I got a burner phone -- you know, like the little prepaid phones? I got an extra phone. I give the phone number to very few people. We started off with a vacation down in California in Newport Coast, one whole week where my family could get ahold of me but nobody else had the number. I took the phone number, the seven digits, gave half of it to my vice president, the other half to my chief of staff, so that they had to agree for me to get a phone call on this vacation. Nobody else had the phone number, had a great time on the vacation. When I got home, I still had to use this mobile device that has all the information. Everybody could reach me at work, but I left it in the car every night. What I thought was going to happen is every day when I walked out to the car, I was going to be full of text messages, I was going to be full of people trying to reach me.

Here's what I found: there was almost nothing. By using this other phone where I text a few friends, but otherwise be more present with my family, what I found when I got back to the car is that I was the one causing everything to show up in my life like all these text messages in the evening, all that. When I stopped reaching out to people, they weren't pinging me in my personal time and that did a great deal to help us build wealth. Nothing to do with money, but a great deal having to do with wealth. So, what's fun about me now posting to Facebook about the show is the fact that I haven't been putting a lot on Facebook ever since that diet late last year in November.

That's a helpful thing. We all need to take breaks because if you never take a break, then there's no rest. No rest.

No rest and no ability to see -- if you take away anything in your life. Let's just say, how often you go out to eat, anything like that, you don't find out if it really contributes to your life or not.

So I was thinking about what you said, five years of the good life and then followed by the bad or scarcity, if we overspend or that sort of thing. So, my wife and I just finished a course at our church called the Financial Peace University with Dave Ramsey and one of the quotes is just like a mantra. He says, "I want you to live like no one else so later, you can live like no one else." He kept meaning, if you show some constraint and some discipline now, then you are able, down the road, to live comfortably and securely and so I like that quote: "Live like no one else so that you can live like no one else."

Well, one of my favorites, I'm a certified John Maxwell leadership coach. I did that training with him down in Florida last year and he said a quote that I've said I don't know how many times since, which is, "You need to tell your money where to go so you can stop asking your money where it went."

“People need to make sure when a life change happens; they change their documents.”

Oh, yeah. That's a good one. "Tell your money where to go so you can stop asking it where it went." Yeah, money. They talked about that. It's squirrely. If you don't have a plan for your money -- and I thought about this.

It's like having a three-year-old. They just go bananas without direction.

Yeah, and if you walk into a mall and every time you walk into a store, it's marketed for the -- no matter how tall you are, everything is like -- you know, kid's level is the things that appeal to them and if you walk in and you're in a swimsuit store, it's going to smell like Hawaii and lotion. People are after your money; that's for sure.

Well, and they're expert and the thing that we don't realize is that every time we make one of those purchasing decisions, whether it's of a financial product or it's of a consumable item like a car, what's always happening every single time is we're probably stepping into someone else's strategy. What stops people from being able to really build a disciplined financial picture, become a disciplined investor, or just be disciplined with their spending is that they don't have a strategy. So you're constantly being attracted to and seduced by other people's strategies.

One easy thing to do is -- looking back biblically, Paul talks about the idea of cultivating contentment, but if you cultivate contentment then that means you're building your strategy because you're saying, ahead of time, this is what will make me happy. If you say, ahead of time, this is what's going to make me happy, you then have the ability to produce that outcome, whereas otherwise, options are constantly coming at us and we just say, "Well, do we like that or not like that? Do we like that? Not like that?" and it's like all these switches, we can turn on or off without having thought, ahead of time, whether or not we want any of it. If you think about it ahead of time, you have your strategy.

See, everybody's measure right now is, "Can I afford it?" That's what people say to you. "Hey, Steve, we're all going to go to Hawaii. Why don't you and your wife come?" and you say, "I don't know…” They say, “You can afford it." Well, yes, I can afford it but the minute you ask, "Can I afford it?" or if somebody else says, "You can afford it," it means the problem went wrong somewhere ahead of that because what you need to be able to say is, "Man, I'd love to do that. Going to Hawaii does sound like a lot of fun but it would break strategy for me.” You see, because if it's the afford game, I'm on their ballfield by their rules. But if, instead, I say, "No, that would break strategy," what's the first question they have to ask? They have to ask, "What strategy?" and now they're on my field of play and I get to say how we play that game.

So, yeah, your statement there was when you step in somewhere, you're into their strategy. I try. I've kind of learned this over the years, probably through making some mistakes that my only goal and strategy during an initial consultation is to ask enough questions that I can understand what's important to my clients. I don't have an agenda to put people in a living trust or in a will. My goal is, tell me about your goals, tell me about your values, tell me about your assets, tell me about things. There's a lot of me asking questions. I'm the heart surgeon. I'm trying to figure out what do they need?

We all need estate planning of some fashion and then it's to roll out and provide the solutions that fit them. One of the things that led me to this is I was finishing my will notes for this particular couple years ago and, at the end, almost before we signed the fee agreement - you know, I've done all my drafting questions - they said, "How come Suze Orman says some people want a living trust?" and I said, "Well, some people are worried about this, privacy." "Well, we're worried about privacy," and I said, "Well, some people are worried about probate avoidance," and, "Well, we're worried about probate avoidance," and so after about seven questions in a row, I just kind of stopped and I said, "Would you guys like a living trust?" and they're like, "Yes." You know, as a retired pastor and his wife and I gave them a discount because, generally, a living trust costs more because you're retitling assets and avoiding court. The advisor actually, he was mad that they chose a living trust. He says they didn't need it and I'm like, first of all, he's not an estate planning attorney but, secondly, they wanted it and there are benefits.

So I thought that was just great. So, that's a little bit about my strategy. So, I've got, with me, today in the studio, Paul Adams, who is the president of Sound Financial Group. He's had that for about four and a half years. He's married, lives up in Mill Creek and he's written a couple of books and what I wanted to do was talk about his process. His process -- why don't you just tell me, Paul. Tell our listeners how do you engage with clients because the way you treat money and coaching, it just seems very different than what is out there with the stock jocks.

Yeah [laughs]. So, one of the biggest things we talk with people about is that we just want to teach suitable clients how to keep money they're currently forfeiting unnecessarily, either to the IRS, or to financial institutions, and we do that on an educational and coaching-based model rather than a sales-based model as most firms do. When we talk with people, all we ask is that they intellectually engage and learn, and we designed something called the Legacy of Significance process and the Legacy of Significance process is the idea that what we need to do when we work with a client is, one, make sure everybody is a good fit.

We start that with a 30-minute phone call. It's my preference but we always do it by phone. There's people that are five minutes away from our office and we encourage them to do it by phone simply because we don't want them to feel at all obligated and I don't want any of our advisors to feel obligated that they need to work with somebody just because they drove somewhere. That allows people to engage freely, to be really honest about whether or not our philosophy is a fit for them, and gives them a chance to know that we know we're a good fit from our perspective and they're going to get into a solid relationship with somebody.

We don't work with everybody. About half the people that have that initial conversation, we're not a fit. But, it's also opened us up because it's educational in coaching. We do 80% of our client meetings actually are GoToMeeting. We work with people via web from both here in a local area and across the country. Let me explain why this is so key and something that is a trap most people fall into that they don't realize they fall into. Let's just take an example of, in this case, I'll say the wife is the breadwinner, the dad stays home with the kids in Kirkland. Wife works in

Bellevue, makes a great income, and let's say their advisor is going to be just on the other side of Bellevue. Now let's first talk about her time commitment to go try and see the advisor. She's got to stop her schedule, go down the elevator from her building, get in her car, go across the other side of Bellevue, hopefully without too much traffic, and get to his office. Probably a 20 minute to 30 minute commitment. 30 minutes if she's actually always committed to being on time. Husband's got to get a sitter. He now has to go through at least that much trouble plus a longer drive time.

So, let's simply say that to try and have an hour meeting with that advisor is actually at least a two-hour commitment for both spouses - huge time suck and what will happen is the client, by the time they have their second meeting, even if the advisor wants to give them coaching instead of sales, it won't matter because by the end of the second meeting, clients are going to be tapping on the table saying, "Can we get something done?" and they, unknowingly, will put the advisor in the position to satisfy their client. They need to get it moving and sell them something so that the client feels like they took action.

Versus our process. Now, we love meeting people in person when it works for them and works for us. We don't usually leave the office for meetings unless it's like somebody's bringing together a bunch of their employees or a speaking engagement. But, now, if we work by GoToMeeting, she finishes her 11:30 meeting at 11:55, she logs into GoToMeeting, she turns on her camera. Dad maybe gets some childcare or has the kids dropped off at school and he sits down at his computer. They, with no commute time, no additional trouble, they get an hour with an advisor talking about the future and what they care about and that allows us to have anywhere from four to six sessions with a client before they implement anything so they fully understand what it is that they're doing and that we fully understand why they would want to be doing it. That allows that coaching and educational-based philosophy to take hold and it's really allowed us to have it not matter whether somebody's in Washington or, I think currently, we're licensed in - I could be off by a state or two - but 42 different states right now.

We do that because we worked with someone here who's a business owner entrepreneur and they send their friend the article where I was interviewed in Inc. Magazine recently or Huffington Post. They sent him a link to that and their friend reads this says, "I want to talk to that firm," and one of our advisors gets connected with them and they're in Indiana or wherever. It makes no difference anymore because we're able to coach, we're able to understand where people are coming from, and were able to do it in a way that doesn't make it difficult for the client, where the client feels like, "I got to get something done." Night and day different.

Yeah. Well, as you're describing the commute and the time it takes to come to an office, I was thinking about my office is in Bellevue. It's North Bellevue but 405 can be a mess and, of course, now I have lots of clients in the Seattle and they're traveling the bridge. I mean, traveling around is a challenge and I will, from time to time, meet with people. I've met with some clients in Chelan this last week because I was coming back from Sun Valley and my parents live on Blewett Pass and I figured, hey, when it comes to a signing, usually people have to come to my office because we have two witnesses, we have a notary, usually we want to have it scanned. What if there's any last minute changes? It's just so much better to be at my office but it's a commitment this day and age for people to hop in a car and drive and commute and make it somewhere.

Yeah, and I think that, for what we do, we need to be in a spot where we can accommodate people's questions, people's concerns, and really make sure people can understand. So, I'll give you an example of what that's like for us versus what it's like at most other firms on the inside. Our coaching educational base model, because we're saying to clients, "We want you to know what it is you're doing and be comfortable with what you're doing before you do it," has put us in a spot where when the market did what it did this summer and when it did what it did in December where we had some pretty significant dips and a lot of volatility and we had some down -- by the way, people don't mind volatility. Their only objection is the downside volatility. Everybody loves the upside volatility. But when the downside volatility happened, we got exactly zero phone calls. Now, we have 35 advisors and we have zero phone calls of people saying, "Gosh, I want to be out of the market," or, "I'm worried," or, "I'm scared." Why? Because we took enough time that people would understand what it is they were doing before they did it. So when the market does what the market does, which is inevitable, they didn't worry. They didn't concern, they didn't stress, they didn't lose sleep.

Yeah, I think a lot of people are -- we were talking about Facebook and taking a vacation. If someone's on vacation and they're watching their phone or the TV and Bloomberg or whatever, how are they going to have a relaxing trip, right? I mean, the Wall Street bullies are not out for your happiness. They want people to buy and sell based on fear and that's just not your approach, is it?

Well, no. Not at all, and on top of it, it's not just Wall Street. On top of Wall Street we have the media, whose primary objective is to keep us engaged. I think one of the biggest limitations people have when it comes to planning isn't the assets or investments they choose -- although, that's important for efficiency -- but it's bigger understanding their own human behavior in managing it.

So, I had a chance to -- I just happened to fly first class; I don't know what I did. Usually, I'll go up and just ask, "Okay, you got a first class seat I can pay for?" and that's usually the best time to do it. So, I ended up first class with a whole bunch of golfers and I was flying to Florida. So, there's all these Masters level pro golfers --

That would not be me, by the way. That would not be me.

It was right during the summer last year when the market had the first big dip -- I think it was June or July -- and I got to watch all these pro athletes, who had some money and they're all masters. So, they've been playing for years and watching them watch Bloomberg CNN displayed on the back of the seat in front of them and they can't do anything and then also watching Bloomberg and CNN do everything they could to keep everybody's eyeballs engaged and I think what's important when we think about anywhere we're getting information --

And they started ordering more rounds of wine, probably?

Yeah, yeah, yeah.

"Oh, no."

Yeah exactly, and now, we don't think about this always but let's just take any of the -- I'm going to say this lovingly to just create context but it's not meant to be mean. I'm going to call them financial entertainers. Now, your financial entertainers are Suze, Dave, Jim Cramer, any of the news networks that do that. Now, here's why. You know that they're entertainment very, very clearly when you realize that where they're making their money is through the advertising, right?

Right. Yeah.

So, they're making their money through the advertising not because they're terrible people but that's just the business model. So, their job is to keep people engaged and sort of like if you grew -- if you're an apple orchard owner in eastern Washington, you care about the apples sort of right up until you sell them to the wholesaler that hauls them off your property and he gives you a check. You do care about the apples but only until they're sold. Same thing with building an audience in some of those venues.

Now, what we need to think about is, "Well, what would happen?" Let's say, for instance, we went to a -- we were very unhappy with some piece of advice that came from a radio show which, by the way, including anybody hearing anything I have to say. I hope this would give you the ability to have some additional mindset shift, maybe even investigate and learn more or have a separate conversation with me or one of our advisors, but no one should be doing anything because like, "Wow, Paul said this about something with my money and I'm going to go execute." The same way that if somebody heard something from any of those financial entertainers, went to a court of law said, "You owe me some money because it didn't work." The judge is going to -- may giggle. It might be the equivalent of me suing the guy next to me in the gym because I injured my wrist when he showed me a different way to do squats. The judge would ask, "Well, was he a personal trainer?" "No." "Did he hold himself out to be a personal trainer?" "No." "So, this guy, who you didn't even know only saw you lifting weights for like 30 seconds, gave you some advice, you did it, and you hurt your wrist?" "Yes, your honor," and he'd be like, "Get out of here, you chucklehead. We don't give chuckleheads lawsuit money."

The same thing would happen and that could be a good measure whereas if you did something that was malpractice after knowing a client's situation, you're liable. Me and the people with my firm are liable after we have full client information. But when we buy a book from Amazon about money, Amazon doesn't check, "How much money you make a year? What's your risk tolerance? How's your net worth?" Everybody who reads that book, including my books, took the same advice, which is why they always steer somebody, and this is the advice I would give everybody here: not making any financial decision until you understand the math and scholarship of the decision. If you don't understand how the math works or how that is going to result in your financial life and you understand some third-party relevance on where that's coming from, that your advisor is teaching you or what you read in the book, then you shouldn't execute.

What happens when people make big bad mistakes? I think it has to do with some beneficiary designations, but anyway, Paul, why don't you tell our listeners about some of the things that you've seen when it's a blown-up plan somehow.

I think the hardest example I have, just hits me right in the chest, was a client that I worked with many years ago and as we started working together, he was very difficult to set meetings with. He was very difficult to keep meetings. It wasn't uncommon for him to leave any one of his team -- it could be people that worked for him too -- just waiting. So, as I worked with him, it took quite a bit of time and his net worth was nearly 9 figures, so almost $100 million. As we started doing the planning, one of the things that I'd discovered was, "Your trust is more than eight years old and who's this woman?" He says, "That's my ex-wife." I said, "You do realize that if you die, she not only inherits everything' but she's also the trustee of everything that owns this enormous company you've built, everything else, and I thought you already settled all that in the divorce." He said, "Oh yeah, I did." We also found out his retirement accounts, anything else was all still hers.

Now, the problem is, he grew this company tremendously. That's where he'd focused all his time. In fact, one thing I think is pretty true is people that are great at producing income as a high-income earning executive in the top 1% or somebody who's built wealth from a business, are typically people that are great at building wealth but not great at protecting it. So, one of the things I had done is there was some life insurance that needed to be acquired as a part of his estate plan investment planning and he was an underwriting for that. But I said, "This has got to get fixed right away," and there was in the city we lived in at the time, a well-known estate planning attorney I'd set him up with and the attorney went to his office twice and waited for over an hour and he did not sit with him. The attorney called me madder than a wet hen --

Probably. I can understand that one.

-- and I said to him, I said -- names changed to protect the innocent -- I said, "Joe, I don't want you to stop going there," I said, "Didn't his CFO cut you a check for $450 an hour to sit there in his lobby and answer your emails?" He said, "Yep." I said, "Go sit in his lobby again."

So, he did, finally got it done, got all the estate planning done, and then about a week later, I get a call from his CFO. We were talking about a couple things because we're doing some other business planning things and he said, "How is that life insurance going for an underwriting on the owner?" I said, "You know, we've had some really tough times." So, we do full-scale holistic planning, which includes insurance when appropriate, and that's still working. I said, "In fact, you could help me. They're one form away from us having an offer. One. I faxed it over to him about a month ago and I haven't got it back yet. "If you could help me have him get that back to us, it'd be great." He said, "I don't think I'm going to be able to do that." I said, "Why? Why would that be?" He says, "We found him dead in his house this morning."

Oh, boy.

Now, here's the key. One, it's unfortunate he didn't get all his planning done. He was too focused on building rather than protecting but you know what planning he did get done? He did get the estate planning switched where his sister and his parents could be in the driver's seat with the estate. Big, big difference where the ex-wife -- there was a very combative relationship with the ex-wife and the family at that time -- would have been a disaster for his family. All got solved two weeks prior because we had a competent attorney -- someone like yourself -- engaging him and making sure he got the planning done that he needed to get done and the team around him, which included me, making sure that it wasn't about who got their planning done first, but just the client got cared for. So, that's one.

Yeah, let me piggyback on that because it just reminds me how important not just the technical documents are, but the beneficiaries and the trustees and the successors. You know, legacy estate planning is about not just having good estate planning documents, the right kind of tools, but making sure that the beneficiary designations are done right. I mean, I've done great wills and trusts and then if there's no life insurance or if someone blows their own money, they do their own financial planning, there's nothing left and one of the things that I've seen in my practice -- and I do wills. I do last will and testaments. I've done thousands of them but, in general, one of the benefits of a living trust is that you actually look at what should be owned in the trust, what should be payable on death to the trust. Many attorneys are lazy and if they do a will-based plan -- in fact, I saw one this week in planning. I saw it and it had a whole bunch of -- there was some real property but there was so many joint tenant with right of survivor assets, we could not properly fund the trust when someone dies. So, wills are often -- people overlook the way you own and the way you have beneficiary designation and a will doesn't control everything.

It's less than optimal, for sure.

Yeah. So, anyway, I think that's one of the side benefits. If a trust is more work in cost upfront in general, not always, it's also more likely to work. People are going to look at dotting the I's and crossing the T's and things like that. So, you have a second story or what?

I do, and what I got to say for both of these is that I just gave this as -- it's kind of one of those stories the last one that is visceral because it's so much capital and there's transfer taxes involved but I don't know that that's much different for your regular household that's just trying to build net worth. I think people forget that if what you want to do is to, one day, have enough money that you can live off of your assets -- if that's your objective, have enough money to, one day, live off your assets. If you make $200,000 a year and you want to retire in a similar lifestyle, it's going to take 5 million dollars of capital thereabouts in investments outside your home to just be able to sweep off 4% a year and have enough money.

So you've got -- whether you like it or not -- you've got an estate plan that needs to be dealt with and it doesn't matter if you're 45 now. Why would you want to suddenly be new to the game of estate planning when you're 65, when you're just now a beginner in estate planning rather than making it a consistent practice? One other thing and this is a question for you, Steve, because I don't want to ever overstep my bounds and my professional relationships, but one thing that I talk about and my wife and I have held is true, is if we only do a will-based plan, we got to redo it because the first line of the will is "I revoke all my previous wills and codicils." Whereas with the trust plan, we get a chance to modify it and have this document that we can live with for years, which actually kind of becomes a bit of our legacy, like the trust originally established back in 2005 and when we die, hopefully, near 2090, if we're lucky, then it'll be our kids are going to open this document that's nearly historic in nature for our family and we're really looking forward to that.

That's a good point. Yeah, yeah. Boy, I could jump in many different areas there. We think a free review for our clients every three years makes sense.

That is great.

Because life changes. Beneficiaries change. People will get grandchildren. They want to provide for grandchildren. Unfortunately, children divorce. I mean, this happens. It implodes estate plans. I had someone in this week because they listed -- this gal listed a son-in-law as a successor trustee and even got the person after the divorce to sign a resignation but, unfortunately, they were laced in. They were power of attorney for finances. They were power of attorney for health. They're on the HIPAA authorization form and so we were able to change it because it's all amendable and revocable but life happens.

I figure it's my job to tell clients. I got a client appreciation event coming up in April and we're inviting people and it's my job to let them know the laws changed or here's these added new tools or we've even improved our language and things like that. It's their job to tell me if there's a new beneficiary or if the kids or the successor trustees have fallen in or out of favor. But, I think, as a rule of thumb, three years is kind of the good time for a checkup.

Well, in some things that I've seen when you said -- you put as most attorneys are lazy. One thing that I think I've seen a lot of is people just name their guardian trustee executor and especially in the guardian realm, one thing that happens a lot is they'll say, "I want Mary to be guardian of my children," but, really, we're only okay with Mary if she's still married to Tom. So, are we having them as a married couple and then do we have married couples lined up behind them because, truth be told, we never change our documents. This is just human behavior. We never change our documents when life changes. We get around to it eventually so I think it's -- that three-year review is just such a great service to your clients and to the community. So, let me give you my other bad example, by the way.

Sounds good. Yeah.

So, this is a story of a colleague of mine who sat down with a client, did their review, and we do, as a part of our planning philosophy, we actually review everything. We have one meeting that's just called the fiscal foundation and we'll even look at people's car and homeowner's insurance to see if is this stuff you got back in college and hasn't kept up with what you've built. We'll often send people back to their car and homeowner's insurance agent with recommendations that are now appropriate for the level of wealth and income they have.

But one of the things we also do is we look at their estate planning documents, and as a part of his regular review, he would say, "Hey, here's who you got as guardian. Is that still who you want?" So he had said something to the effect of, "So, I see that right now, it's Joey and Suzy are the guardian or trustee, Joey and Suzy Smith," and they said, "We have no idea who that is," and they got mad. They said, "You've got us mixed up with another client," and they really started to get upset with my colleague because he's like, "Why did you not do your research properly?" He says, "I did." So, we have a tool called the Living Balance Sheet, which gives our clients this full situational awareness through their finances. It will even go out with the client's permission and get their bank balances from Chase and it will get their mortgage --

I've seen this. I've kind of been introduced to the web screens and what a tool this is.

Oh, it's incredible. It gives our clients full situational awareness and an encrypted online vault. So, he went right to their encrypted online vault, pulled down their trust document, and showed them that, indeed, Joe and Suzy were, and they said, "We have no idea who that is." Literally, the attorney -- they chose not to use someone like yourself that is a member of the American Council of Estate Planning Attorneys and didn't educate themselves specifically in the estate planning domain. I think the person was primarily a real estate bankruptcy attorney and he had left, in the document, someone else's name.

The last will and form that he had listing a guardian, yeah.

Yeah, and now, fortunately, nothing happened. They immediately got it all redone but that's the kind of thing that gets ignored. I would almost encourage all of your listeners to just take a moment and ask, if you can't, right now, off the top of your head at least say -- you put, I guess, backups behind each one of these -- but if you can't immediately say, "Here's my backup parent or guardians. Here's my backup CFO, my trustee, and here is the executor right now in my estate plan." If you couldn't name those off the top of your head, it's probably time to sit down with either Steve or someone like Steve because you need to at least know who the first level of that is.

That's for sure and our trust portfolios are pretty long. We actually have a summary. It's very nice to be able to look in the front and say, "Here's our trustee, here's our power of attorney, here's our healthcare," because they shouldn't have to look through 300 pages to figure out that. Paul, what's your website and tell the listeners what they can find there.

So, we've got a few different channels we do. I mentioned earlier, we use an educational and coaching based model. So, for your listeners and the resources they can get their hands on, if they go to www.sfgwa.com, like Sound Financial Group, W-A like Washington, www.sfgwa.com, what they're going to see there is the ability to engage with us several different ways. We have a YouTube channel by the same name, Sound Financial Group, where you can see things where either I'm talking a little bit about some business practices or talking about business owners and what they face. On our website, you can get links to our Inc. Magazine, our interview that Inc. did with me or Huffpost. You can also request, for free, the first three chapters of my book. We'll email it to you via PDF.

That's a good thing for people to do.

Yeah, and, of course, you can get my, probably before this cast is over, you could go right on Amazon and download the Kindle version of Sound Financial Advice and I haven't had anybody that that takes more than three or four hours to read. It's meant to be an easy read that helps people better understand money without being intimidating. It's great stories and, really, very real situations I've actually run into in planning and helping people and people relate to it is the most often feedback I get.

Paul, I was reading here about something. You have a guide called "Stop Burning Your Money"?

Yeah, that was my first book, was "Stop Burning Your Money". It's out of print now. That was back -- give away my age. I'm 37 now. I wrote that when I was 26 or 27 was when it got published and that was the same year that I was chosen as one of the top four under 40 by Advisor Today Magazine primarily because these very different things that we're talking about today and different approaches to help people be effective.

Well, we kind of teased it and I promised that we'd talk about, why do people not plan? We can go back and forth on that. When I give seminars, I say, "The number one reason people don't plan is procrastination." You know, they simply put off until tomorrow and tomorrow never comes -- that's Les Mis. You know, we're all going to die at some point. I make people raise their hand and, "Who's not going to die," and then there's all these people thinking they won't die but I think lack of knowledge is a really big thing.

They don't know if they need living will, living trust. What's the difference? I kind of say this is the tip of the iceberg. They kind of know there's wills, there's trusts, there's probate, but below the tip is all these other things. Do you need a springing power of attorney or an immediate power? Should it be a general durable power of attorney? Shall it be -- so to deal with gifting or not. They don't even know what they don't know unless they're in the field of estate planning. So, I think that the educational seminars are great because I can give an overview of the law but that's what a consultation is, more private. I'm learning about their goals. Trusts are an estate planner's golf clubs -- different kinds for different purposes. Most people need a trust but it may be in a will, it may be a living trust, it may be for the retirement funds. They got to be really careful about those so they don't know and they don't know who to trust. I don't know. There are a lot of barriers.

Where I go when we talk about human performance... There's two places that I work primarily: one is working with clients, and the other is working with advisors, helping advisors be better able to let their own baggage go and be there just with the client, taking care of the client, with the client's concerns in mind.

I like that because we all have baggage. So, yeah, letting that go to be able to really focus on the person.

Yeah, so it all comes back to human performance. So, in the domain of human performance, what happens is it's our biology working against us. So, simply put, I think what happens -- you talked earlier about the hamburger or the cheeseburger or heavy drinking, all those have nearly immediate results. There's a white paper I wrote that we're going to republish here in the next month or so called "Why Americans Can't Build Wealth," and it's the same reason why Americans don't plan well. It's because the feedback loop is too long. Very simply, if you ate terribly today and you just stuffed yourself to the gills, you're probably going to have a little bit of a food hangover tomorrow. If you drank heavily tonight, you're going to have a hangover tomorrow. If you treat your spouse badly for a few days, maybe less, one evening, you're going to quickly get a feedback. So, there's all these poor behaviors we have --

Don't I know it?

Yeah. They have instant feedback loops and the feedback loops that are long and slow that we can't foresee are the areas of, generally, planning but that involves the financial side of your planning and the estate and document side of your planning but let's just lump that all together as planning.

The real problem is you have bad behavior right now in not getting your estate plan done, not getting your will done. The consequence may not show up for 30, 40, 50, 60 years and when the consequence shows up, the real problem is you can't do anything about it and so to get ourselves --

And the tidal wave affects families and generations and relationships and it is just really hard.

Yeah, and when we're procrastinating, what people think is they're not making a decision. They're absolutely making a decision. In fact, what you're doing, the decision is that's a tomorrow-Paul problem, not a today-Paul problem.

Hey, this is Corey again. I just wanted to say it's been great to have you here listening to this episode. You can find out more information about us on our website, www.sfgwa.com or you can find us on Facebook under Sound Financial Group. We'd love to hear any questions or comments from you there. Who knows? You may hear one on a future episode. For our full disclosure, you can go to the description of our podcast series, this episode's description, or our website.

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