

Tom Mullooly : This is the episode a lot of financial planners don't want you to watch. Welcome to the Mullooly Asset Show, I'm your host Tom Mullooly and this is episode number 21, the Duda. We also want to give a nod to Cleon Jones who played in left field on the '69 Mets, in center field was number 20, Tommie Agee. A lot of good players have worn 21. Welcome to the Mullooly Asset Show, as I mentioned in the opening, this is the episode that I think a lot of other financial planners may not want you to watch. The format for these episodes is really very simple. We get topics from you, from our subscribers, from our clients, from people who are in touch with us, that are thinking about doing business with us, and people that just want to know about managing money and investing and financial planning. Bring us your questions, get in touch with us either through email, phone, social media. The format is, Casey culls through all the questions, comes up with something good, and I try my best to answer it. Casey, lay it on for today.

Casey : How complicated does financial planning have to be?

Tom Mullooly : The answer is, it doesn't need to be overly complicated. In fact, it can be super-simple. I think there's a lot of people in our line of work that want to make it complicated. The first red flag should be when they use a lot of jargon. Doesn't need to be that way and I'm going to give you the answer in this video, but we saw an absolutely fantastic infographic that I hope Casey is going to put up a little picture of right here or a cut to it showing a basic pyramid of adviser value. It's all centered on financial planning. At the tippy-top of the pyramid was investment selection, security selection, like do we buy Coke or Pepsi, or do we buy this ETF or this mutual fund or that ETF, or what do we do. Going down the pyramid meeting more value more of a base value that you provide, that an adviser provides for their client are things like portfolio rebalancing and fees.

As we get down to the mid of the pyramid, in the middle, probably one of the most important areas that I think a lot of advisers across the United States lack and it's managing expectations. We all have expectations or a lot of people have expectations, that we're going to participate when the market is going up and we're going to be beating all the indices and we're not going to lose anything on the way down. It just doesn't work that way. I know I'm sounding like a broken record because I've mentioned that on other videos. At this point, I want to drop right to the base, to the bottom of the pyramid because this is so, so important when we're talking about financial planning and planning for the future. It's encouraging, consistent, and increased savings. More than anything else, it's getting in that habit of putting money away. I'm going to boil down all financial planning to three simple words. You're ready? I'll wait for you to get a pen so you can write them down.

It's just three words, it's the secret to financial planning, save more money. Save more money, that's what financial planning is all about. Unfortunately, we live in a society where we need to get a new car every two-and-a-half years or we need to keep up with the Joneses or whatever. Even if you're not trying to keep up with the

Joneses, just trying to put your kids through college will break your back. It's outrageous the type of money that we have to spend just to provide our families with what we think is normally customary. It's just different now, so we have to be in that mode of saving more money.

Not only do we need to save more money, but we have to watch where the expenses go. That's one of the reasons why I get laughed at by some wholesalers in our industry. When they see our fee schedule, they're like dude, you're way too low, you could double your fees and still be low. That's not a commercial for Mullooly Asset, I'm just telling you. We believe that investors need a chance to make money, so it's important that you have that discussion about fees, and where your expenses are going. You can't save money if your expenses are outsizing your income on a monthly basis, it just doesn't work that way. That's a quick way to the poor house.

The save more money thing can be as simple as you want it to be, or it can be super-complicated. There's a lot of people in my line of work that want to sell you some sophisticated financial planning scheme or some insurance scheme that is going to save money in taxes and help you prepare for retirement. You know what, you know how to do that. If you have a pen or a pencil, you can do this, it's really pretty simple. We're going to post this pyramid of value because I think it's fantastic in terms of what an adviser should really do. It's important things like encouraging you to save on a consistent basis. I think everybody and their uncle has heard about dollar-cost averaging. It really does work if you let it work.

The problem is, we have clients that put money in and they do it on a consistent basis and then the market starts to go down, and guess what, Mr. Client is calling saying can we stop doing the dollar-cost averaging because I feel like I'm throwing good money after bad. Dude, you've just ripped up the whole script what we've been working on. Please don't do that, it's a mistake. If you're deciding that you want a dollar-cost averaging to different investments, do it. We're going to help you do that, we're going to help you stay consistent. I think that's really more of the value that an adviser brings to the table. He's going to stop you from making an emotionally bad decision or something that's driven on emotion.

That's what we've got wrapped up for you today, we appreciate your watching. Don't forget if you're watching on You Tube, hit that red subscribe button down here, and make sure to share it on ... Casey, where are we sharing the stuff today? We're sharing it on LinkedIn, we're on Twitter, Facebook page now we have, so make sure you're telling your friends about it too.

Thanks for watching, episode 22, sure to be a great one. See you then.