

# DEBBIE AND JAMES — HNW COUPLE WITH NEW WEALTH REMEMBERS THE LEAN TIMES

*Do You See Them Among Clients and Prospects?*

**Debbie and James** are a fictional person based on consumer research conducted by the **Alliance for Lifetime Income (ALI)**. Study results recommend shifting the end-goal of client conversations away from retirement planning to **financial security**. Start with what clients really care about, their deeply-held **values and emotions**, before discussing the benefits and features of your solution. For more, see **The New Client Conversation Guide** on page two. Use this client profile when you meet similar types of people in your life.

## AMBITIOUS RISK TAKERS

## CAUTIOUS PREPARERS

## PURPOSEFUL PLANNERS

### Financial Status:

High Net Worth

**Age:** Debbie (55); James (64)

**Marital Status:** Second marriage for both; each has two adult children

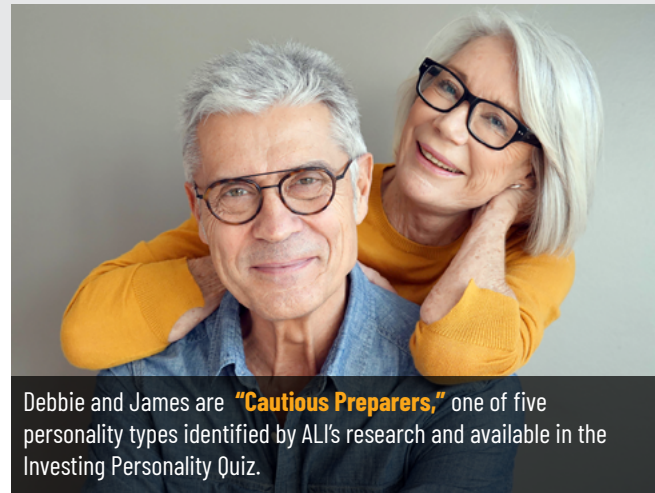
**Assets:** \$10 Million

- Diversified portfolio of equities, bonds, and cash.
- \$1 Million life insurance policy

### CAUTIOUS PREPARERS

#### Financial Planning Personality Overview

- Have an uncertain outlook on their future and not yet optimistic about retirement
- Have a good savings ethic and modest expectations
- Decision-making is guarded and quite risk averse
- Will seek professional guidance
- Would benefit from a clearer path to their goal and should be reassured their retirement dreams can be realized



Debbie and James are **“Cautious Preparers,”** one of five personality types identified by ALI’s research and available in the Investing Personality Quiz.

## THE DEBBIE AND JAMES STORY

*“With \$10 million in assets, can we afford to let our guard down?”*

Debbie and James characterize an entrepreneurial dream — building their own business, working hard, saving a little and finally selling the business for \$9.75 million. While satisfied with the sale, the couple reeled at the tax bill. Moving toward retirement, they want to be smart about handling their newfound wealth so they can focus on travel, golf and time with their family. They just want to be certain they can afford to relax and let their guard down.

James and Debbie lived modestly for years, and despite their new affluence, they remember the “lean” times and are very careful with investments. They’d like a roadmap for leveraging their wealth, including strategies for generating income, protecting what they’ve built and minimizing taxes. Other high net worth friends suggest swapping some of their bonds for annuities since they are tax deferred, allowing the couple to postpone taxes until withdrawn — presumably in retirement and at a lower bracket. James and Debbie like the idea of keeping the money they’d otherwise spend on taxes and putting it to work in other investments that may help fund the unexpected.

With parents now in their 90s, James and Debbie are concerned about family longevity and the potential financial burden ahead. And they never want to burden their children should long-term care needs arise. Although somewhat uncertain about the future, the couple is ready to put the time and energy into ensuring a secure and fulfilling retirement.

## Alliance for Lifetime Income Research

- 71% of study participants followed the same emotional pathway about achieving Financial Security.
- Industry jargon, unique personalities, and unspoken client values and emotions get in the way of good communication and decision-making.
- Messages tailored to clients’ unique personality types will result in more effective communication and deeper engagement.
- While we persuade through reason, **we motivate through emotion.**

# TALKING WITH DEBBIE AND JAMES [Cautious Preparer]

## Understanding Financial Security and the New Client Conversation Pathway

Don't be afraid to connect with clients on an emotional basis. Alliance research shows financial professionals can better engage with clients by showing them they understand where they're coming from — starting with what they value, tuning in to their emotions and then explaining what solutions best fit their needs.

<b>PERSONAL VALUES</b> What does Financial Security mean to you?	<b>EMOTIONS</b> How do you feel about Financial Security?	<b>BENEFITS</b> Results they achieve	<b>FEATURES</b> Solutions to help them gain Financial Security
<p><b>Consumers say:</b></p> <p>"We will be secure"</p> <p>"We will enjoy our life"</p> <p>"We will have peace of mind"</p> <p>"We will be independent"</p> <p>"We will be free to live as we choose"</p>	<p><b>Consumers feel:</b></p> <p>"In control of our finances"</p> <p>"Reassured about our future"</p> <p>"Proud of what we've been able to achieve"</p> <p>"Grateful we can maintain our lifestyle"</p>	<p><b>Consumers expect:</b></p> <p>"We will be able to maintain our retirement lifestyle even if we live longer than expected"</p> <p>"We will be better able to lead a decent lifestyle without incurring significant debt"</p> <p>"Our retirement lifestyle will be protected from adverse events"</p>	<p><b>Consumer solutions:</b></p> <p>Discuss tax-advantaged investments</p> <p>Show them products that offer principal protection, so they won't lose the original money invested</p> <p>Invest in financial products that offer a protected lifetime income stream</p>

### Meeting with Debbie and James

Consider structuring your meetings with Debbie and James by following the suggested Discovery Questions and Approach below.

<b>SAMPLE DISCOVERY QUESTIONS*</b>	<b>THE APPROACH</b>
<ol style="list-style-type: none"> <li>1. What's important about having financial security in retirement?</li> <li>2. What are your top one or two financial planning goals for retirement?</li> <li>3. What are your expectations for maintaining your current lifestyle in retirement?</li> <li>4. How much of your retirement income will be protected?</li> <li>5. What "special" things do you want to spend money on in retirement?</li> <li>6. What are your plans for funding long-term care toward the end of your lives?</li> </ol> <p><small>*Excerpted from the ALI Investing Personality Quiz</small></p>	<ul style="list-style-type: none"> <li>• Reassure them that they are on the right track.</li> <li>• Encourage them to be optimistic and proud of what they've achieved so far.</li> <li>• In conversations, strongly commit to the notion of being safe and secure in retirement.</li> <li>• Realize they are open to continued advice and guidance.</li> <li>• Know that they will acknowledge the need to take their plans further — a great opportunity to broaden guidance to include safe income and long-term care protection.</li> <li>• Understand they want to feel they are making smart and responsible financial decisions.</li> </ul>

### ALI Resources You Can Use Right Now

The **Financial Professional Resource Center** from the Alliance for Lifetime Income features FINRA-reviewed articles, presentations, tools and guides you can use today. Please check with your firm's compliance department before use.

- Over 40 FINRA-reviewed article reprints that can be customized for client use
- [ALI Investing Personality Quiz](#)
- Presentations and handouts:
  1. [The New Client Conversation: Financial Security and the Keys to Effective Decision-Making](#)
  2. [Three Keys to Income Planning and Answering, "What's next?"](#)
- Tools include: [Retirement Income Security Evaluation \(RISE\) Score®](#) and [Annuities Language Glossary for Consumers](#)

You can find these resources at:  
[resources.protectedincome.org](https://resources.protectedincome.org)