

PERSONAL FINANCE & WEALTH BUILDING DIALOGUE

The Personal Finance and Wealth Building conversation is an outstanding way to introduce who you are and what you do for your clients. When you're ready to begin, you can either use the Personal Finance and Wealth Building booklet or launch the Personal Finance and Wealth Building online presentation and begin with the following:

The Personal Finance and Wealth Building material is what we use to help our clients better understand how we integrate and coordinate their financial decisions to build more wealth.

Give the prospect a copy of Personal Finance and Wealth Building booklet.

This is yours to keep and please feel free to take notes along the way.

Navigate to Wealth Building Challenges.

Wealth Building Challenges

Core Concept: We want things to work out the way we hope, but there are many obstacles that keep people from achieving their financial goals.

Begin by asking the prospect:

What are some of the challenges that prevent you from reaching your financial goals?

While everyone has different financial goals and definitions of financial success, all people face similar challenges, regardless of who they are. Since all people face these challenges, we are building a common bond with the prospect.

These problems should be obvious to the client yet remain problematic to them. For example, you could say:

There are many financial problems that we all face in the world today. The first is that the world is changing at a faster pace than ever before. Change is making financial decision making more and more complex. We live in a world of information, but that information when it comes to our personal finances is often confusing and conflicting.

Time:

Another challenge for most people is time. With so much to accomplish in the family, at work, at home etc. many people lack the time to get it all done, much less have time to research every aspect of every financial decision.

- *Do you feel that with all of your responsibilities in your life, you have properly researched all the financial decisions you have to make?*

Financial Institutions:

- *Wouldn't you agree that it's becoming more challenging to know what to do, where to do it, and with whom?*
- *Where do you get the information that you want and need to help you make your financial decisions?*
- *Do you feel overwhelmed by the numerous financial institutions flooding the marketplace with information about their products?*

Government:

Through taxes and tax laws, the government presents a challenge to our financial decision making. Then, just when we feel we understand the impact of taxes and the tax laws and make decisions around them, the government makes changes again.

- *Would you agree that the government makes it difficult for many Americans to plan properly today and for their future?*
- *What current and future plans do you have in place to deal with taxes, tax law changes and their uncertainty?*
- *Have you experienced any difficulty in planning due to tax law changes?*

Costs:

We have all seen prices rise for just about everything because of inflation. Even though we know the Consumer Price Index is supposed to give us an idea on the impact inflation is having on our purchasing power, it is hard to feel comfortable with an average number since everyone has their own individual inflation rate.

- *Do you have an idea what you and your family's personal inflation rate is?*
- *What are your current plans to prepare for the impact of inflation in retirement?*

Media:

Through phones, TV, computers, and the print media, we are bombarded every day with opinions and information telling us what to do and what not to do with our money. Often, the opinions and information are conflicting and confusing in regard to products and strategies that affect the financial decisions we make.

- *What sources of information do you use in your financial decision making?*

Technology:

The speed of information, new technology, and the Internet are making it necessary to make changes and to reorganize the way we make financial decisions.

- *How do you begin to make financial decisions when faced with today's fast paced, ever changing environment?*
- *What are the chances of having financial success if these problems continue in your life?*

Transition phrase to The Four Basic Rules of Financial Institutions:

As you think about the financial institutions that you have worked with and purchased products from, what have your experiences been like?

Do you feel that they are using your money to help them achieve their financial success or to help you to achieve yours?

Four Basic Rules of Financial Institutions

Core Concept: Financial institutions' natural business desire and goal is for them to achieve their financial success through the financial services and products they offer.

In order for them to achieve and maximize their financial success, financial institutions have four rules that they follow when developing products, training, marketing and advertising.

In order for you to best understand the four rules of the financial institutions, let's assume for a minute that you are the president or CEO of a major financial institution.

1. *What is the first thing you and your financial institution need to get started?*

Wait for prospect to respond.

Answer: *You need Money*

And how would you convince consumers to give you money?

Wait for prospect to respond.

Answer: *Products, Incentives, Free Gifts, Advertising, etc.*

2. *Would you want your clients to give you money just once or on a regular basis?*

Wait for prospect to respond.

Answer: *Systematically and on an ongoing basis.*

And how would you do that?

Wait for prospect to respond.

Answer: *Direct deposit, EFT*

3. *And how long would you like your clients to allow you to hold onto their money?*

Wait for prospect to respond.

Answer: *For as long as possible*

And how would you do that?

Wait for prospect to respond.

Answer: *Account minimums, penalty for early withdrawal, Miracle of Compound interest.*

4. *And finally, when your client wants to withdraw their money, would you want them to take it out all at once or over a long period of time?*

Wait for prospect to respond.

Answer: *As long as possible.*

And how would you do that?

Wait for prospect to respond.

Answer: *Save for retirement and live off interest*

Ask the prospect to compare each of the four basic rules that they came up with as president or CEO against their present financial products and decisions they have made.

Are you winning or are the financial institutions that you are working with winning with your money?

Once the prospect understands how the four basic rules of financial institutions apply to their own decision-making, they may be better enabled to improve their overall wealth building process.

Transition phrase to Financial Strategies and Products Promoted by Financial Institutions:

What has been your experience in your relationship with financial institutions?

Financial Strategies & Products Promoted by Institutions

Core Concept: Making sure that the prospect connects the four rules of the financial institutions with the financial strategies and products that they promote.

The bottom line is that a financial product and strategy promoted by a financial Institution might be best for them but not necessarily in the best interest of the consumer.

With the prospect, discuss the strategies and products promoted by financial institutions and provide examples how they may not always be in their best interest. This is your opportunity to reinforce the inherent reality of institutional bias.

Only through careful strategic evaluation will financial strategies and products promoted by financial institutions be proven to be effective or ineffective in the context of your client's unique financial situation.

It is your responsibility as a financial professional to learn and understand the concerns, risks, pros and cons of each of these institutionally promoted products/strategies and then know how to educate the prospect.

Transition phrase to Five Ways to Make Money Decisions:

So in today's marketplace, how do we make the best money decisions that are in our best interest (not the financial institution)?

Five Ways to Make Money Decisions

Core Concept: The pitfalls of each of the traditional planning options and how they each fall short when compared to planning using the Leap process and model.

Take time to highlight and address each of the planning methodologies that are available in the current marketplace for consumers. Then ask the prospect:

From No Planning to Financial Planning, which of these options best describes the way you have planned your finances up to now?

This is a great opportunity to demonstrate by example the pitfalls of traditional multiple needs financial planning. Whichever one they choose that best describes their current planning, compare it to the Leap planning option. Point out all of the differences and advantages of the Leap planning option.

No Planning:

The first way to make money decisions is to do “no planning” at all. No planning leaves people with little chance of achieving financial security or success. They are depending on luck or a miracle to get where they want to be in the future.

Occasional Planning:

The second way is occasional planning. This is better than no planning, but still provides little chance of achieving financial success. People may start to plan with the best of intentions, but for various reasons, maybe the complexity of their own lives, they get off course and never achieve their full financial potential.

Needs Planning:

The third way to make financial decisions is called “Needs Planning.” Needs planning is appealing because it establishes a course of action that is necessary to meet what appears as a predictable future event.

However, because a person’s future is uncertain, the need often changes or goes away entirely causing money and time to be wasted. You should ask yourself, if the need changes or goes away entirely, and would you still use this product or strategy? Often, the answer is no!

Financial Planning:

If you pile up and combine a whole bunch of needs you will come up with what is the most recognized process in our industry today which is, “Multiple Needs Financial Planning.” This type of planning has the same difficulties as needs-based planning, just in a larger amount since it depends on even more variables to be controlled.

A major problem with traditional financial planning is that it does not address life’s eroding factors/the uncertainty of inflation, taxes, tax laws, market volatility, technological change, planned obsolescence and propensity to consume as we make more money.

Trying to predict the future of your financial situation without having back-up systems and redundancy adds risk and increases the chances for disappointment and failure.

Lifetime Economic Acceleration Process:

The objective of our planning process is to help you reach your maximum financial potential/to create as much wealth as possible over a given time. An easy formula is:

$$\text{Maximum Financial Potential} = \text{Maximum Benefits} + \text{Maximum Money Supply}$$

The primary objectives of this planning process are to always seek to improve and never stop. This Leap process educates you how to best understand and select the financial strategies and products that will work under any set of financial circumstances. Because change is a reality, this process will educate you how to make the most efficient and effective money decisions today and for your future.

The Leap process uses a model that allows for complete coordination and integration of a client's financial resources. A unique cash flow system adds to the ability to enhance the wealth building and protection process.

Transition phrase to Comparison of Objectives:

Let's take a look at how Leap's process compares to all the other traditional financial planning approaches in the marketplace.

Comparison of Objectives

Core Concept: The advantages of the Leap process over other traditional approaches in the marketplace.

Here, we demonstrate by comparison the difference between the Leap planning objectives compared to all other processes available in the marketplace.

We begin to present to the prospect a possible solution by introducing the concept of velocity of money (flow of money) as an active underlying component within our process. We compare the benefits of our approach versus the marketplace and the advantages of the Leap process.

As you can see, the focus of our planning process is on achieving your maximum potential as compared with other traditional approaches in the marketplace.

Again, Maximum Potential = Maximum Benefits + Maximum Money Supply.

Transition phrase to Without a Financial Model:

Let's take a look at how LEAP's process compares to all the other traditional financial planning approaches in the marketplace.

Without a Financial Model

Core Concept: The financial situation you encounter with prospects resembles a junk drawer.

People often own a variety of financial products and have made a variety of financial decisions that were made at different times, with different people, for different reasons and under different circumstances. As a result of all of these “differences,” this person’s financial situation could best be described as a “financial junk drawer.”

How would you best describe your current financial situation?

If your current financial situation is like a “junk drawer” then:

- Your financial products are probably not coordinated or integrated with one other, causing you to lose benefits and money supply without even knowing it. Is this something you can relate to?*
- You struggle to know and remember what products you own and how they work?*
- You don’t know how to best assess, evaluate and measure each financial decision, therefore, the results are uncoordinated, not-integrated, etc.*

In my experience, many people make financial decisions without rules, measures or standards, which often leads to inefficient and unproductive results.

One of the benefits of us working together is getting your “financial junk drawer” organized. Then we can work together to make sure you are strategically proactive, not reactive, when it comes to making decisions involving your assets. If we could accomplish all of this, is that something you would want?

Transition phrase to The Importance of Using the Leap Model:

Let’s take a look at how LEAP’s process compares to all the other traditional financial planning approaches in the marketplace.

The Importance of Using the Leap Model

Core Concept: Our Leap Model is the key to getting you organized and to empower you to make clear and educated decisions.

This is where we show why our Leap Model and approach to making financial decisions is like no other. We verify that every financial decision a client makes in one area affects all other areas whether they realize it or not. Making a financial decision without a macroeconomic model like ours is like playing chess with only the pieces and no game board, yet most people are doing exactly that with their financial decisions.

Our Leap Model allows you to become the client's macro manager. The Leap Model provides an opportunity for you and your team of financial professionals to make all of their financial decisions with confidence and in a coordinated manner.

To introduce the Leap Model to the prospect, you can say:

In our initial work together, we will use our Leap Model to help you discover and understand your current financial problems, costs, and inefficiencies. We will then use our LEAP model to help you understand the strategic solutions available so that you can then implement the one you believe and understand to be the best.

Our Leap Model is comprised of 4 main components or "file cabinets" - Protection, Savings, Growth and Debt. Every financial decision you make and every financial product that you own, has its place in our model.

Let me take a moment and walk you through how the model is structured to provide you some context of how it is used.

The Protection Component

For example, in the protection component, the top three drawers are one dimensional and simply protect assets. The middle three drawers are all two dimensional and protect assets & income. The bottom three drawers are three dimensional and protect assets, income & economic life value.

The objectives when helping you best design the Protection component of your model are:

- 1. To make sure all of your assets are protected for their full value, and*
- 2. To make sure your premium payments for your protection are as cost-effective as possible.*

In the Savings Component

The first level of drawers in the Savings component are one dimensional and provide safety.

The second level of drawers are two dimensional drawers, they provide safety and yield.

The third level of drawers are three dimensional drawers, they provide safety, yield and tax benefits.

In the Growth Component

The top three drawers in the Growth component, are one-dimensional in nature providing income.

The middle three drawers are two-dimensional, providing income and growth. (Depending on the investment the emphasis of income and growth will vary).

The bottom three drawers are three dimensional which are investments that have some component of income, growth & tax benefits.

The objective of the Growth Component is to seek capital appreciation, while providing income, and obtaining some tax advantages, at the same time mitigating risk.

Transition phrase to How the Leap Model is Used:

Let's take a look at how the Leap model would be used using your specific financial information as of this moment in time.

How the Leap Model is Used

Core Concept: The Leap Model provides you a “tool” for education and verification of your current financial decisions that we call your Present Position Model.

In order to leverage the Leap Model effectively, there are three distinct steps you must perform using the financial data provided by the client.

By using your information that you provide via our Questionnaire, along with other corresponding documents and financial data, I'll begin to place your data into our model. When completed, we will have all of your financial products and decisions organized into your Present Position Model.

We will then review and analyze your Present Position Model in three important steps:

Step 1 - Internal Design

The first step is to improve the internal design of all the drawers. All drawers should perform at their best design function. We will open up each drawer to evaluate and correct any errors or omissions that may appear in any of your current holdings or financial documents.

Step 2 - Coordination

The second step provides for the integration of all the drawers. All drawers have to work together. Coordination is where the macro strategy begins. We will verify coverages with the corresponding assets and address corrective action as needed.

Step 3 - External Design

The third function in using the Leap Model is external design. This function looks at the flow of money in and out of the drawers. We will evaluate the efficiency of current money flows and begin to measure their effectiveness in the areas of accumulation, distribution and conservation.

In simple terms, how efficiently are you building wealth, how effectively can that wealth be spent and finally, how efficiently will the money be transferred if anything is left over?

Every financial decision you make should be working in the most efficient and effective way possible. We will utilize the power of economic modeling as a tool to make efficient financial decisions moving forward.

Transition phrase to The Following Objectives are Established for Each Client:

You may ask, “Is creating wealth our only objective with Leap?”

The Following Objectives are Established for Each of Our Clients

Core Concept: Our Leap Model provides the framework for helping each client achieve the following objectives.

As a Leap professional, you must understand its principles, process, and key concepts. Along with those fundamentals, you must also have the ability to communicate its objectives in such a way that draws people to you and makes them want to take action, regardless of their net worth.

Consequently, you could say:

There are four objectives within the work we will be doing together. I establish these objectives with each of my clients when going through the process.

1. Build Additional Wealth

Our first objective is to build additional wealth. This means additional wealth over and above what you would have done in the same time period. The definition of wealth is not just the amount of money you have; it's truly about the amount of money you're able to enjoy.

Under Build Additional Wealth, encourage the client to write:

More wealth to enjoy both while you're growing it and when you're spending it.

2. Risk

Our second objective together involves risk. As we know, another word for risk is loss. I want to make sure in the design work we do that we implement strategies that maintain the same level of risk that you currently have or reduce it.

Throughout our lives we've always heard the saying "high risk, high reward". It's a mantra used in the investment community and it could very well be true, but very rarely do we ever hear "high risk, no reward" or "negative reward". I want to ensure that we're developing strategies that are going to have lower risk, yet still produce high reward.

Would that be something you would be interested in?

We intend to accomplish this without any additional out of pocket outlay on your part. We will work with and provide benefit with what is currently going on in your existing financial plan.

Under Risk, encourage the client to write:

Maintain lower risk.

3. Protection

Our third objective deals with the protection of your financial life. None of us have a crystal ball, so we're unable to predict what will happen in the future. However, there is one guarantee about the future - it will change. Some of those changes may be very good and some of those changes may not be so good.

For example, your financial life must work in all of these future situations:

- When the tax laws and tax rates change again.*
- If you get sued from an accident that was your fault.*
- If the market crashes and never comes back.*
- If inflation goes to double digits.*
- If you become sick or injured and are unable to produce an income.*
- If you die, your financial life must work for your family.*

We need to protect anything that would impact your wealth under as many contingencies as possible.

Under Protection, encourage the client to write:

Protect against as many contingencies as possible.

Failure cannot be an option with our financial life. Protect assets and income!

4. Cost

Our final objective deals with cost. We want to do all of what I described with NO ADDITIONAL OUT OF POCKET OUTLAY.

What I mean is, in your life, there are three buckets that demand your money.

- 1. The first bucket is your lifestyle... going out to dinner, traveling and enjoying your life, etc. For us, that bucket is off limits. I don't want you to spend one more dime over and above what you're already spending.*
- 2. The second bucket that demands your dollars is the IRS, State tax, local municipalities, income taxes, inheritance taxes, Investment taxes, real estate taxes etc.*
- 3. The third bucket that demands your money is financial institutions. This includes mortgage costs, interest, fees, debt and cost of insurance.*

In the work that we will do together, we will develop strategies that are designed to lower taxes, and lower costs to financial institutions both today and in the future.

The money that we put back to work for you is money that you were already losing. Or, using some of the most effective cash flow tools in the industry, we can show you how to reposition cash flow in such a way that produces a more effective result.

And that's what I mean by "no additional out of pocket outlay."

Alternative Scenario: Prospect is a Young Professional with No Assets

In this case, they're mostly likely not losing anything, and even more likely, they're not building wealth either. Our ultimate objective in building more wealth with less risk and more protection is to work with no out of pocket outlay. Based on where they are at the time, we are going to work with the minimal cost possible in order to satisfy our objectives.

When we help you develop strategies, we will evaluate them over these four objectives.

For example:

- *Does this strategy help you build more wealth you can enjoy?*
- *Does this strategy maintain or reduce the amount of risk in your financial life?*
- *Does this strategy protect your wealth under multiple contingencies?*
- *Finally, are we achieving all of these objectives with no additional out of pocket outlay?*

If the answer is yes to all four objectives, then it's likely the strategy should be implemented, and we will help you facilitate the implementation of it.

Given the four objectives we reviewed today, would there be any reason why you would not want to move forward with our process?

Transition phrase to What is the Cost of Our Services?:

You may ask, "Is creating wealth our only objective with Leap?"

What is the Cost of Our Services?

Core Concept: In our initial phase of working together, the goal is for the client to not have to spend or save one additional dollar for our services.

In most cases, Leap practitioners are able to work with and help their clients at no additional outlay by utilizing the money the client is already allocating to their model. Leap practitioners get paid in the following three ways:

1. Fees

Explain to the client the financial arrangement under which you will provide the Leap evaluation.

- For example:
- Fee or no fee
- No obligation to buy any financial products
- No service contract

2. Licensed Financial Products (Commissions)

- Check those products that you are licensed to sell
- Explain your commission arrangement
- Remind the prospect that there is no obligation to purchase any financial products

3. Referrals

- Explain that you have a referral-based marketing system
- Our clients have a vested interest in assisting us in making the best use of our time and working with people that are engaged and want our services.
- We will only ask the client for an endorsement and referrals if they have affirmatively received value and benefit from the process and our services

When the prospect asks, “How do you make money? How do you get paid?” your response can be as follows:

I get paid in three ways:

- 1. For my time and expertise helping you to design your ideal model, I will not charge you anything, and there is no obligation to buy any financial products. Think of this work like an architect who is helping you complete a final blueprint of the exact ‘financial home or addition’ you want built.*
- 2. Once we agree on the blueprint of what you want built, it’s time to build it. At that time, I become your contractor. The companies and relationships we use to provide financial products and their expertise simply pay me a fee or commissions for getting them involved. Again, there is no obligation to buy any financial products.*

3. *When all of our initial phase of work is complete, if I have met or exceeded your expectations in our work together, I will simply ask you to introduce me to people that you know and, like you, fit my ideal client profile. We have a long way to go before we get to that point, but we just wanted to make you aware.*

Does this arrangement sound reasonable to you? What questions do you have?

Understand that any answer the prospect gives is valuable. So, how the prospect reacts to these “filtering” questions above (as well as other questions during your conversation) enables you to ultimately determine which of the three following paths the prospect will most likely take:

1. Not Now:

The prospect does not wish to proceed. If this is the case, move on to your next prospect. Do not try to fit a square peg into a round hole.

2. Specific Transaction or Strategy:

It's clear that the prospect is focused on engaging you for the purpose of completing a specific transaction (e.g., term conversion to some type of permanent coverage) or executing a single strategy (e.g., using life insurance to pay for some or all of college for a child). If this is the case and the prospect fits your ideal client profile, move forward with transitioning to scheduling the next meeting.

3. Full Financial Check-up:

The prospect is excited to get started and has expressed a commitment to a more holistic analysis of their financial situation. If this is the case and the prospect fits your ideal client profile, move forward with transitioning to scheduling the next meeting.

Transition phrase to Scheduling Next Meeting to Gather/Verify the Data:

If we can accomplish most, if not all of your goals, without any additional out of pocket outlay, without any additional risk, while increasing your benefits and protection, would you like to begin working with me?