The Virtual Advisor Formula

Virtual Advisor Formula - Module #3 transcript

Speaker 1: Welcome to week three of the Virtual Advisor Formula. I'd like to welcome everyone to today's webinar. We've got a lot to cover today. First of all thank you for all the feedback. We've been getting some great emails and some comments in the Facebook group page. Hopefully by now you all have your digital notepad. I think we had a couple of questions about how to use them. Hopefully those were addressed. If not, please let us know. We'll make sure to get you all set up, so that you know how to use them. Steve how's everything over there?

Steve: Hello good sir. What's happening over there? We're doing all right.

Speaker 1: Excellent. I know you sent down a video just yesterday, because some people were asking about how to use join.me and so forth. That was really good.

Steve: I sent out a video last night.. I posted it up on the Facebook page and it's also on the membership website. Just a quick, short little video. It's about three minutes long, showing you how to get join.me up and running on your end and then also what it looks like on the other end if somebody's joining you along for the meeting. I just posted that up. Yeah, I know that some of you guys have already seen it.

Speaker 1: Cool. I keep saying Ching because that's a program, that I use. Maybe I'll show the team during my session how to use Ching. Ching is really a way to share your screen and share five minute video clips and it's really good when you're sending out emails to people. Maybe some of you have seen me use it before. I've seen advisers use it, fortunately well with clients, if you're doing like a video, sending to clients ... a short video. Anyway, yeah let's jump into it today. Welcome aboard everyone. I know there's a few jumping on a little bit late here. This is module three. This program is obvious all about walking you through a step by step proven method to effortlessly close more business and have more freedom in your business and in your life. That's why we're here today. We're going to keep trucking.

Steve what's in it for the advisors on the webinar? Go over a little recap. I know that there's a number of folks that had some questions about the tablet and so forth. The floor is yours sir.

Steve: Thank you sir. What we are talking about today ... We're talking in module three. This is the third part of the process, also it would be what your third meeting is with your clients. Really the purpose of all of this ... and you know I said it to all of you and I'll say it again ... The purpose of all of this is to be able to close bigger cases. Not by manipulating the client, or not by you know saying anything that's unethical or shady. We don't want to do that kind of thing. We want to close bigger cases with the same people that we're already working with. I don't want to have to work with twice as many clients to double the size of my business. I'd like to just double the case sizes and work with the same number of people. If those numbers follow, then work with half as many and make the same amount of money. Have twice as much free time.

However, you want to work it out for yourself, but that's what we're here for. How do we go about closing bigger cases? Well, the only way we can go about closing bigger cases, is by solving bigger problems and creating more value for the people on the other end. That's what we're doing here today. We're talking about how are we going to take a very close look at someone's budget? How are we going to show them what inflation looks like throughout their retirement? How are we going to fix that problem for them? Like you said it's the people that can take the complicated subjects and make them simple are the ones that make the most money. In this case we're going to take a super complicated subject, like inflation.

We're going to simplify it by showing them what it's actually going to look like. Then we're going to fix it for them, by showing them how we're going to leverage these accounts that are really powerful at generating cash flow and be able to fix their retirement with as little money as possible. In the end that ends up creating bigger cases for us. That's what we're covering today. A little bit of a recap; module one we talked about having that very first meeting, that very first interaction with someone. Taking someone that is brand new to the subject of annuities and taking somebody that is just getting exposed to this idea or the subject and taking them through a process where you just simplify how it is that annuities work and what the benefits are for them. Now, keep in mind that not everyone is going to be brand new to the subject. You're going to have someone that have already been exposed to some kind of information about this.

You're going to have to so some reeducating, because they might have been pitched bonuses and all sorts of other things. What we're coming in to do is clarify those things, so that they know that we're a source for solid information and that we're just looking out for their best interest in getting them the best account possible, as opposed to just selling whatever the product is of the month or whatever it is. Instead of saying whatever it is that we're comfortable with selling, we're talking about a subject of evaluating what's out there in order to get the best end result. During meeting number two ... little bit of a recap on that. During meeting number two we were talking about going through and reviewing some illustrations with a client over the phone or in person, depending on how you're doing it.

But showing them that out of those fifteen or twenty pages that an insurance company's going to send over with their information, that what we're looking for is one number and we're looking to cut through all of that red tape and cut through all the nonsense and just find out what is it that we're really getting out of using this account. That was meeting number two, we reviewed some of the illustrations and the idea was to present this concept of generating cash flow and showing them that, depending on how it is that you latter these accounts, we might be generating eight, or eleven or ten percent cash flow from these accounts, which are spectacular numbers that can't be matched and can't be beat anywhere else. How to leverage those numbers is what we're doing here today. We're talking about okay let's take someone's real world budget and let's show them what inflation is going to look like throughout their retirement.

It's going to look pretty scary, because like we talked about with Bruce last week, we talked about a couple that was really frugal and did an great job saving. They're used to living off of forty five or fifty thousand dollars a year. Now you're showing them they're eventually going to be spending a hundred or a hundred and twenty thousand dollars a year, to live the exact same lifestyle, which might seem you know out of this world for someone. We have to also remind them that thirty years ago they were probably living off of thirty thousand dollars and now their living off of fifty, so that's going to keep going, not in our favor. Those numbers keep growing. We're going to show them not only inflation is a big problem and is the real enemy in retirement, but we're also going to fix that. That's what's in it for us as the advisor, solving different problems, making more money.

What's in it for the client is getting their solution to this big problem and having it laid out to where it just happens. They don't have to ride by the seat of their pants and hope that the stock market does good things in order to keep them up in inflation. We're going to make a plan based off of guarantees and we're going to know exactly when we're going to activate these raises for you, which is really powerful concept. We're saying we're going to give you raises during retirement. Probably more raising you had during your working years, so we're going to give you these raises that are going to keep you up with inflation. Let's go through it. Feel free by the way guys as we're going along to type in questions. We're going to have a couple of follow up calls on this calculator, because there's a lot to it and you guys have been asking a lot of questions.

We're going through the calculator today, we're working through the budget. Today we're doing in as the scenario of meeting with a client. We're also going to have another module, specifically on how to work this calculator, maybe modifying it to show or not to show certain things that we're looking for. I'm also going to record another video for you guys and go through this, because there's a lot of information here. It's powerful information but we have to know how to use it right. I'm going to go ahead and close this down right here and what I want to share with you guys a real world budget and I'll bring it on my screen here in just a little bit. Let's start going through this bad boy.

Speaker 1: Hey Steve we also want to mention that I know advisors are really anxious to learn some marketing strategies and so like part of this problem is how do we weave into our marketing strategies to attract the best most qualified prospect and so if we have time I think we were also going to show some real life examples of marketing that we have used to make success and we're also going to upload it to ... for folks to build a swipe file as needed. I just want to make sure that people stick around, because we're really excited to show you a copy that ties into today's session.

Steve: Yeah absolutely. I didn't mention it, but thanks Jovan for reminding me. Guys it's not only important to have real powerful concepts. It's important to have people to share them with. Unless we generate those leads and unless we get people highly interested with working with us, then all of this is for nothing. What I'm going to share with you guys today is, like Jovan said some of the copy that we've used before, to generate leads and what I want to stress ... I definitely wan to stress is we have to always be thinking about who the ideal client is, right? We know that there are certain people who these strategies are going to work for. There are certain people who just aren't attainable. They don't make sense for them, because they're too old or they're already retired. They don't have enough money or whatever it is. In order to close bigger cases, we need clients with more money.

We just have to be honest about it. We don't really want to talk to the people that don't have a good savings built up for themselves. We always have to keep in mind who the ideal client is. A lot of times we ... you know I've seen out there. We try to just make offers ... general offers that will be appealing to a wide group of people. Sometimes those things are successful. It's people that I coached with and mentored with that were either reviewing their radio show. We're reviewing marketing, copying, reviewing flyers for seminars. While we're reviewing all of those things. Usually the goal is to make it something that appeals to a wide group of people. I 'm going to question that and I'm going to say why do we really want to appeal to a wide group of people. Raise your hand and throw it in the comments.

How many people want to have a seminar, jam packed with a ton of people who just responded to something that just sounded good. How many of you would rather have a more intimate setting where you have a smaller group of people, but you know that every single person that's in there is there for the right reason, or that every person that responds to your emails or watches your video, or generates a lead for you is doing it for the right reason. I'm going to challenge that concept of making an offer that's so appealing to everyone. How about making an offer that's laser focused on appealing to the right kind of person. The copy that we're going to share with you guys today kind of goes in that direction, because we're saying okay we don't want to appeal to everyone. We just want to appeal to the right person.

In reality if I send out an email, if I produce a video, or I do whatever I do and five thousand people see it, we all know that we just need two or three people. In the end that its going to be two or three people that are going to be the people that come in. They're going to work with me, their going to meet with me and those are the people that are going to go through the process and they're going to be closed. That's all it really takes to make all of this work. Whether you have you know a thousand or ten thousand people see it, it's just that keep your eye on the prize, which is ... you know that small group of three to five people that are the people that really matter in this entire process. Imagine yourself ... whoever was the last client that you work with. Imagine if the next piece of marketing material that you send out. Imagine if you designed the entire thing to speak to him directly.

Just to push the buttons that are important to him. If you do that, it's way more powerful of a message than something that's just so general. I want to challenge you guys with wide appealing offers. Smart people have money. Don't be afraid to step up your game and to talk a little bit smarter for these people instead of trying to dumb it down, because really I don't want to talk to any dumb people. I don't think there's too many dumb people out there seating on a few million bucks. Usually the people that are sitting on a few million bucks is because they're smart and successful people, so I'm just going to talk right at them. Anyway that's enough about that we'll get back to it. I have some marketing stuff I wanted to show you guys today. Let's go over this guy's budget real quick and let's plug it into this calculator.

What I did ... I just went ahead and highlighted all of the expenses that we know are going to need to be adjusted for inflation. I went ahead and highlighted those and as you can see, it's most of them. Until you really sit down and take a look at it, you don't really notice these things, but most of the expenses that you're going to have are going to need to adjust for inflation. We're going to take a look at ... this is just a spreadsheet that Phil sent over with his budget and he was telling me where he was spending his money. He was nice enough to break it down for me week by week, by month and the total for the year. What I did was live right there on the screen with him, I kind of pre prepared this for you guys. What I did there live on the screen is I went ahead and I typed in okay this is your mortgage, this is what you're spending on it. Your car, your other car payment and line by line we just went through these expenses.

Like I told you guys before it's really powerful just to see these numbers add up. We're talking about a total monthly expense budget of seventy one hundred dollars, fifty seven hundred bucks of that needs to adjust for inflation. We've got Phil's income, James income and their pension income right here. We see that current age they're not down by a huge number. It's no big deal, so they're not feeling it right now. I'll point out this that all the fixed expenses are going to disappear. They're fifty nine right now, they're going to be sixty six at retirement, so all the fixed expenses are going to disappear. The car payments aren't going to be there, the mortgage isn't going to be there. That is this column here which we're going to show as all zeroes and the calculator is going to make an adjustment of those expenses at the age of fifty nine at what we dial in here at sixty six.

That's why you see the total expenses is seventy one hundred bucks right now and it turns into seventy six dollars here by the end of retirement. You'll see I dialed in four point one percent as the inflation number. In this case with Phil, I had probably like a thirty minute session where we just talked about inflation. We talked about how he felt about it and in what direction it was going to go. He told me about remembering when he could get twelve percent Cds. Those were years when inflation was through the roof and he remembers that kind of time, so what I told him is based off the research that I'd done ... you know I'd taken the information from the consumer price index for the last twenty nine or twenty eight years. That includes some periods of zero inflation. It includes periods of two percent, five percent inflation. It includes Carter error inflation. All of that is in here and what we arrived at that is four point one percent.

My personal theory is I'd rather be more aggressive with inflation than not enough. I'd rather someone be ten out years from now and have more income than they need rather than not enough. That's why we dialed in that number four point one. Then we're showing them that they're seventy one hundred dollar budget is now seventy six hundred dollars. Keep in mind, thirteen hundred dollars of the fixed expenses disappear and now we're showing that eventually if one of them reaches the age of ninety five, we're talking about a twenty four thousand dollar monthly budget. We have their total expenses, so in the social security areas, you'll see here that there is a calculation here at the top that says it's one point o two percent. That means that the social security number is going to have a COLA built into it in the calculator of two percent.

Same thing, you know I looked up and did some research and what I found is two percent is probably a good number to bank on for a COLA adjustment for social securities. We did that for both Phil and for Jane's income. The pension stays exactly the same the entire time. That's going to continue, no matter which one of them lives longer. The pension stays the same at twenty four hundred dollars. So what we're seeing here is right now you have about a two hundred and fifty dollar ... two hundred and ninety dollar budget deficient. By the time you get to retirement all things staying equal. We're going to now be down to eight hundred and twelve dollars. That's what we're going to need to make up for on a monthly basis, in order to make this budget work for you guys.

That turns into nine thousand dollars ... ninety eighth hundred dollars for the year ... twelve, fifteen, eighteen thousand dollars by the age of seventy and seventy one. We're talking about a deficient. This is where we start to have the conversation. Okay Phil, if you were sitting there, you were your own boss and you can just give yourself a raise for whatever an amount of money you think is appropriate, or whatever it is you want to make your budget work, how much raise would you give yourself every few years to help you keep up with inflation to help you live the good life?

Pretend you're your own boss and you get to make your own numbers. Let's start off with giving you fifteen thousand dollars of extra income every single year and see what that does. Now, I'm going to point you here. You have an annual budget surplus of five thousand and two thousand dollars these first couple of years. Now what that's going to do is it's going to help us build a piggy bank on the side. You can do two things, you can either spend that extra five thousand dollars or because you seem like a pretty smart level headed guy. You're probably going to save most of that or whatever you don't need. We're going to build up a budget surplus for you. It would get way too complicated if we were trying to give you an annual increase to your income. We're going to space it out and every three or four years or so. What we're going to do is we're going to see on an annual basis so we're short four hundred dollars in the year.

That's no big deal. Here it starts to get a little bit serious. Now we're short three hundred dollars for the year, so this would be a good time to maybe dial in another budget increase for us. This thirty three hundred dollars that you're short for the year, is going to be covered by the thirty eight hundred surplus of the year surplus that you build for yourself from the previous year. Actually it's a seventy one hundred dollar surplus that you've built up for yourself in the previous year. This thirty eight hundred dollars is going to be gone for the next year, so this might be a good time to dial in another raise for you. Is it going to be ... let's say twelve hundred and fifty dollars, or twenty five hundred dollars. Is that going to be enough raise? Probably not.

We're probably going to have to dial it up five thousand bucks. Let's kick it up to twenty thousand dollars and see what that does. As you can see twenty thousand dollars helped us that very first year, but it's not going to be enough to keep up the following year. We're actually going to need to dial it up a little bit more. You just have a back and forth conversation. You say okay, you know how much income do you think you need? You think you just want to follow the calculator? The goal is we play a little game. We try to keep as many of these columns green as possible. There we go, if we increase you from fifteen to thirty thousand dollars at the age of seventy. Now we're going to have an annual surplus and piggy bank here our total surplus is going to help us out so let's try to be the same pattern going. Let's up you by fifteen thousand dollars, every time that other column gets read.

It looks like forty five is not going to be enough. Let's try fifty right here. I know these seem like aggressive numbers, but so is inflation. That's kind of what we have to do. Fifty thousand there. Let's try sixty five here. This is how you guys asked me how do you go about deciding how much annuity you buy? This is the process that you go through. You know you are just kind of playing with the numbers. You're both sitting there. You're having a conversation about how this is going to work. We're talking about how much extra income they might need. Now, some of these numbers start to get out of hand, so we also have a conversation of, you know you're saying we have two cars here in your insurance, in your car repairs, car tires, car oil and all of these expenses. This is assuming that you have four cars. Are you still going to have four cars, you know twenty years from now? Do you think you guys are going to still have four cars?

You know you kind of start to have that conversation. Do we need to make adjustments in the expenses? Well, yeah okay we might drop a couple of cars off. By the time you're seventy five, you're not going to have four cars sitting there. Let's take away five hundred dollars here in the budget. Let's say that the budget's going to decrease here by five hundred bucks and we'll follow that on through. This is where you guys can make those changes to those numbers is you can make changes to the budget right here. This is what you'll do with your prospect. You're just kind of going through a friendly conversation of figuring out what's right for you and what do we think we need. I'm going to open it up for questions here, because I know you guys have been playing with this a little bit and I've had conversations with you guys one on one. I'll open it up for some questions for you guys, so we can work through this together.

Speaker 1: Hey Steve, while we're having some questions roll in. One thing that we've done that works really well in our marketing is we actually demonstrate this whole process in our videos.

Steve: Sorry go ahead. I can hear you now Jovan.

Speaker 1: I think I got stopped for just a minute. What we do is, you know from working prospective it's one thing to tell people, then to tell people what you do. It's another thing to like actually demonstrate, walk people through the process. What has worked really well for us is to literally have this process recorded, like you're seeing here. We actually put these on our [Inaudible 25:55] pages. We put these on our sales funnels.

The prospects get a really clear idea of what type of process they're going to walk themselves through. You actually show them a case study. This is one of the best ways to walk people through a case study in a marking perspective. I know I've seem some of the advisors ... I've seen some of their funnels use power point and things like that, which is perfectly fine. As you can see here there's some sizzle to this. There's some sex appeal. People like to see real numbers.

They like to see real compilation. The more we can kind of show under the hood, our prospects before they meet with us the more powerful the first conversation is when we have that first interaction. Just want to show people what you're walking them through is one of the main things we've done in our marketing. Maybe we'll go through that in just a little bit. Just wanted to add that.

Steve: Sure thing. I'll pull up the copy here. I'll show you the landing page copy and some email copy for that and kind of like how I had mentioned to you guys before, when I'm asking people to share with me their budget information I tell them why. I'm showing them I have another version of this and I say let me show you an example of why I'm asking for your budget information. If you guys are experienced with Excel what you can do is you can highlight a couple of cells here and you can hide them. You can hit the button that says hide. You can hide a couple of cells. Before you go into that you can hide a couple of cells and you can say this is why we're going to take a close look at your budget. I'll show you an example of someone else's and how it worked. This is what we're seeing from that stand point.

These people are living off of seven thousand dollars a month, but because of inflation we're seeing that they're eventually going to need two point two million dollars from their assets of income to cover what inflation is going to do with it. We have a couple of questions. Let me take a look at these. Yeah Brad you said one issue is to factor federal and state income taxes as part of the budget, which will change drastically the more income is taken. Yeah that's right. We had done some of that. I've done it with a couple of you on a couple of phone calls. We did some estimates based off of what your federal tax rate is right now, what your state tax rate is and we make adjustments to these numbers here. It does make a big difference. Sometimes a person might not have a big budget deficit at all, but they might not be factoring in taxes. There's a lot of different angles that you can play on this here.

Let's say that someone has a lot more conservative budget and they don't have much right at all. Have they had the conversation of factoring in taxes for that? That can make a big huge difference for that. Let's see. Renee says, I used the retirement analyzer and your software would help me process and planning. I like the plan on working with [Inaudible 29:21] assuming a three percent if I had growth rate. Yeah, absolutely yeah Renee send in that pace. I like taking free withdrawals, also. I've done some plans where we do no income rider at all and we do a free withdrawal strategy.

I've mentioned this before, but we think of the income rider just being that you know, one percent fee point nine, point nine five whatever it is fee. We have to keep in mind that as we defer these income riders longer, it's not one percent of the account balance. We all know it's one percent of the income account value.

If we have an account where the income account value has doubled, then we have a fee that's point nine five percent of a number that's twice as big so we really have a two percent fee on that account. We talk about how you know the variable annuities' the bad guy, because of the high fees. If we're real with ourselves, we can see that the fixed index annuity can have some pretty pricey fees too. I'm a big fan of the free withdrawal strategies, especially if we can calculate these or if we have an illustration where we can show taking free withdrawals for the next fifteen years, or whatever it might be. The things that I've noticed is that both the income can either be greater or the same. If we take a look at the account value, you know fifteen, twenty, twenty five years out, the account value is always going to be higher because we're not straddled with that fee.

The money that we're not paying in fee, we're keeping it in the account. Of course we're working to ear us interest. That's another angle that you can take, is that free withdrawal strategy and you can say, okay we can do one of two things Mr. Prospect. We can have the insurance company guarantee us a rate of cash flow of eighty point seven percent, which is a fantastic rate of cash flow, or we can do something different. We can say, I might not need that much income from my accounts, so instead what we could do is take a strategy where we determine every single year how much income it is that we want to take. Now, the two things that we have to keep in mind is that, the guaranteed strategy, what we know and what we have a safety net is that twenty years out ... twenty five ... however many years out.

If that account balance would ever get to zero, if you ever get to the point that you've lived that long and you've pulled out so many income and your account balance is zero the benefit for the guaranteed strategy that the insurance company will just continue to pay that income, no mater what. The benefit of the opposing strategy is that we get to tailor that income every single year. We chose how much we take. Yeah, definitely Renee send in that case and we can work on it one on one and if you want to share it with the group, than by all means go ahead. So let's see. Okay what size screen do I use? Sorry guys I just have this here so that you can see the entire thing, but we can zoom in here. I've got ... I think this is a four inch screen or something like that. It's not about the size of the screen. It's just zooming in here on excel. I just wanted you guys to be able to see the big picture.

You guys should be able to see that a whole lot better. It's a norm twenty four inch screen, I think it is. It's like a HD resolution or whatever, but it's the view function is what's keeping you from being able to see the numbers. Yeah okay. When the client triggers off their income in the future how it's taxed? It's going to be taxed as regular income. I don't know if you guys are aware of right now there's a rule ... at least it exists today. There's a rule that you can convert an IRA to a Roth inside an annuity. Let's say that we are, you know that we are still taking income for fifteen or twenty years. The account value is about to hit zero, because we've been taking income all of those years. At least currently, something that we can do is we can do a Roth conversion inside of that annuity. When the account balance is near zero and then we can have tax re-income from that day forward. That something that I hadn't shared with you guys.

I was planning on, but I guess we brought it up now. You can use an illustration to kind of show that point. If you have an illustration that ever shows where the account balance gets really low, what you can tell your client is we can do a couple of things. Not only are we going to give you actual raises in your income, but if we're able to decrease the amount of tax that you pay on that income, that's the same thing as getting a raise. We get to keep more of that income in our pocket. The way I would explain that to a prospect, I'd be walking through the illustrations and I would say okay let's take a look at here, year number eighteen or twenty whenever it is that happens. What's happening here is, we've taken so much income out of the account, because the cash flow is good. This is when the insurance company is projecting that the balance might run out. Now, of course we're not super happy about it.

We've got that balance down to zero, but that's why we're using an annuity, because the annuity is going to continue to pay the cash flow. No matter what, they're going to continue to pay that cash flow, even after the account balance gets to zero. What you can do is convert this annuity into a Roth if it's an IRA inside of that annuity. Pay taxes on that remaining account balance and have that income from that point forward be tax free. If they're in a fifteen percent tax bracket ... whatever tax bracket they're in. They instantly got a raise. You wouldn't want to do that too early on in the account, so we start off with a hundred thousand dollars. If the account value is ninety four thousand dollars, we probably wouldn't want to do a Roth conversion at that point. That would be really expensive.

Doing it some years out, when the account balance is a whole lot smaller, because we're only doing a conversion on that remaining, let's say ten thousand dollars of balance. We're doing a conversion on that amount and then from that point forward we would have tax re-income from the annuity. I'm going to let you guys ... brilliant light bulb ... cool, I'm glad you guys like that. I'll send you some other info on it, but the way I propose it is there's two ways to get a raise. We can give ourselves more money, or we can decrease the tax burden. Both of them end up doing exactly the same thing. You can even dial it in here. We're looking at year number whatever ... eighty five. We have say twenty five thousand dollars coming in from our annuity, but because we're going to have an increase or a decrease in the tax. It's actually going to feel like you know twenty nine thousand dollars, you know whatever that is.

You can even change your numbers and you can say okay, here we're getting twenty five thousand. This is where we're going to convert that IRA into a Roth. From this point forth all that annuity is going to be tax free. That's how you'd have that conversation there. I hope you guys put that into practice, because I mean it's super simple. Clients get it. They love the idea of tax free income. You can never lose with it. Jovan if you want to jump back in with me, what I'm going to do is I'm going to show these guys some examples of some emails, some landing pages, some subject lines of having this conversation of pay raises and increasing incomes and so on. Let me bring that up here and then if you guys want to chime in on this, go ahead. Let's see more questions it looks like.

Speaker 1: Mel Romel had a question.

Steve: All right, let me get back to that.

Speaker 1: Well, the question was how much are we depositing in annuity for this example?

Steve: Okay, so let's take a look here. Let's say our income goal for year one was fifteen thousand dollars. Let's use the same illustration that we were using last time. We were saying that we were getting eight point eight percent cash flow out of the annuity. What that was is eighty eight hundred dollars for every hundred thousand dollars of annuity that we buy. If we need fifteen thousand and we're getting eighty eight hundred dollars of income from that annuity, that tells us exactly how much annuity we need to buy in order to make year one income be fifteen thousand dollars. We need to buy one hundred seventy thousand, four hundred and fifty four dollars of annuity, to get fifteen thousand dollars that year. I'll put it right here. One seventy ... four fifty four. That's how much we need to buy in that first year to get us fifteen thousand dollars of income.

Fifteen thousand ... keep going with the fifteens and I think this is the year when we needed twenty five thousand hundred dollars. This year we need twenty five thousand dollars. What we need is ... We need a twenty five thousand dollar increase. Here ... and let me scroll over here. We need a ten thousand dollar increase, but an increase at their age of seventy one. Take a look at your illustration and look at what the cash slow rate is, at the age of seventy one ... I'm just going to make up a number here. Let's say the cash flow rate at the age of seventy one is eleven percent. I need ten thousand dollars of income and getting eleven thousand dollars from every hundred thousand dollars of annuity that I buy. Here to take us from fifteen thousand dollars of income to twenty thousand dollars of income.

I need ninety thousand nine hundred and nine dollars is how much annuity I need to buy in order to have an extra ten thousand dollars of income of this year here. I'll do one more of these, so we can see here. I hope this is making sense for you guys. Go ahead type it in the comments and tell me what you think. Here we're going to keep it up to thirty five thousand. You know what the hec let's make it forty. All right, so let's make it forty here. We need an additional fifteen thousand dollars of income to get from twenty five to forty we need to up the income by fifteen thousand dollars. These guys are fifty nine years old. We're talking about the age of seventy four. By seventy four man they should be getting some really high cash flow numbers. Let's just call it fourteen percent. We need fifteen hundred dollars of income. They're going to be getting fourteen percent cash flow or fourteen thousand dollars from every one hundred thousand.

That's how much we need to buy today, in order to get fifteen thousand dollars of income at this age. This is how you keep building your annuity plan. Now, this is a total of sixty eight thousand, seven hundred and eighty four dollars of annuity income. I've pin pointed exactly how much to the dollar how much annuity they need to buy, in order to keep up with inflation. Is it still making sense to everybody? Okay. Yeah. All right ... cool, thanks. We'll do more examples. I've done some of these one on one with you guys. Email info at advisorinternetmarketing.com with the cases that you're working on and then we'll go through it. Joshua you said, what kind of annuity are you using to get fifteen K? Ye,s pretty straight forward ... so what are these three products ... Right now I'm just making up these cash flow numbers, but we reviewed these in the last modules, security benefit, American Equity, Forethought, F&G.

It's whatever produces the cheapest cash flow at that age. If it's American Equity for leg one. That's what you use. If it's still American Equity for leg two, then that's what you use, but sometimes you'll notice that every now and again there'll be an account that doesn't pay as well on the front end and pays a whole lot better later on. Maybe it has a roll up of whatever, but the roll up is only good for six years, ten years or whatever it is. If that roll up runs out and then you have a different contract that lets the roll up go longer, or lets you renew it, then that's how you'd mix and match the annuity products to get that. Joshua says, it seems like high cash flow in the first year. Joshua, these guys are fifty nine. You're talking about taking income at sixty six. The cash flow is really high for a sixty six yer old, but the reason it ties is because they were fifty nine when they bought it.

We're talking about buying the annuity today and activating income at sixty six. This is why ... this kind of goes back to the marketing ... You know the marketing conversation is, where else would they be able to put their money in and say, I'm going to put a dollar in today and when I need it most during retirement, I'm going to get eight, nine, ten, eleven fourteen percent cash flow from that money. I know what you might be thinking is ... well that's not for another ten years. That's why you're getting eleven percent cash flow is because it's ten years from now. You have to wait ten years to do that. If you took a hundred thousand dollars and you grew it in the market. Let's say you doubled it every ten years. Would you be able to spend ... let's say if you doubled the account value in the market then you would only need to take the equivalent of five point five percent out of two hundred thousand dollars to get the same income.

I hope you guys are following me. What I'm saying is, even if you could hypothetically double the value of your account in the market. There's probably not too many advisors out there that are going to recommend that you take six percent withdrawals or five and a half percent withdrawals every single year from your accounts. You're going to have good years and you're going to have not so good years. In those not so good years they're going to recommend that you not take as much income from your accounts to let your accounts recover. What we're saying is, there's a place for every tool out there right? What we're doing is we're building an income plan here you know this is Phil and Jane's hypothetical scenario. In order to solve their scenario, it took about a half million dollars of annuities. Well, they had about one million two hundred dollars together.

The selling point here is that we're going to solve all of the money that you're ever going to need. We're going to solve all of the income that you're ever going to need. We're going to solve that with forty five percent of your savings. The other fifty five percent of your savings ... You can be as aggressive as you want with that money because its going to have the benefit of being able to go through the market without you having to take income from that money. That money can actually be grown aggressively because you'll never have to dip into it at a bad time. You're never going to have to take a five percent withdrawal just to pay for your bills after a negative five percent year, or whatever it might be. The other thing is there's so much cash flow coming out of these annuities. There's forty thousand dollars of cash flow coming out of three hundred some dollars of annuities as the age of seventy four.

You're going to be able to cover all of your RMDs, just with the income that's being produced out of the annuities. Not only will you be able to protect that money from taking withdrawals from it at bad times. You're also going to protect that money from taking withdrawals from it, because of the RMDs at bad times. The worse thing that you could possibly do is a not so good year. Let's just say your return this year was two percent. It wasn't a good year. Now Uncle Same comes around and he tells you that you've got to take a four percent withdrawal. You know, that's going to hurt and it's going to make it hard for you to grow that principal and the following year and every year thereafter. The two benefits here is, we're going to protect that money from having to take withdrawals from it at bad times. We're also going to protect that money from RMDs at bad times, because we're getting so much cash flow out of the annuities.

Three hundred and eighty thousand dollars of annuity is giving us forty thousand dollars in cash flow. These are hypothetical numbers, but not far off. They're not too far off from what you can actually what you can get out there today. What you're asking Brad is am I purchasing three different amenities to take these amounts that's correct. I'm purchasing three different annuities. We're just going to activate the income at different points of time in the future. Instead of just saying, hey how much do you want to put into an annuity, we have a mathematical calculation, that says we only need to buy one hundred and seventy thousand four hundred and fifty dollars of annuity to get the income that we need. No more, no less. Like I said, the reason we're trying to find the best cash flow is so that we can do all of this with the smallest deposits possible.

There's another company out there that would still give you the same fifteen thousand, but if they're asking for a hundred ninety dollar deposits, well that's not good business. You'd rather find the best cash flow so that we can do all of this with the smallest deposits possible. There's another company out there that would still give you the same fifteen thousand, but if they're asking for a hundred ninety thousand dollars deposit, well that's not the best business. We'd rather find the best paying annuity, so we can watch the deposits and still get the same level of income that we need.

Speaker 1: Fred had a question Steve about the spreadsheet. The spreadsheet's actually on our member's website, so if you're having trouble accessing that, let us know. Part of this program is we would like to see submit actual cases that you're working on. We'd be happy to address it at one of these future webinars. Put the numbers here and you know, we'll do the numbers together on the exact same spreadsheet. Steve one thing I've noticed from a marketing prospects really respond well to formulaic approaches. There's a scientific, mathematical way to actually determine how much went into these products, because you know I know a lot of folks that we dealt with, as I've worked at call centers and you know the thing is ... the concern they have when divulging their financial situation is they think that you're just advisors that just try to like get as much with their money in stock and into that annuity and so they kind of are withholding a little bit.

Prior to you started ... We used to see a lot of response based on people responding to reports. Reports are great okay, but if the report is just strictly a report about the ten mistakes with annuities, or annuities one on one or whatever. It doesn't really go into this type of process, positioning the annuities for cash flow and things like that. What happens is the people, they kind of come in conversation with their arms crossed versus people that are interested in learning more about this pay raise strategy. They're much more open to have the conversation and sharing with you their financial situation. Maybe just speak to that. I know that was a huge shift when we were working on shifting the marketing to this type of approach.

Steve: It was a huge shift because it was a battle that we all had to go through. When we had leads come in. It's a battle that your assistants, or your call center or whoever is working that lead to turn it into an appointment. That's the battle upfront that's qualifying them right? That's the number one job of whoever's sorting through those leads is to qualify them. That was the big problem is they know that we're calling to qualify them and they don't want to give us that kind of information, because they know that the more information they give to a sales person ... anything you say can and will be used against you in the sales process. That's kind of how it goes, so people are afraid to give up this information. This is why I always like during a second meeting.

I always like telling them the reason I'm asking you for your budget ... I'm asking you know all these details about how you spend your money to create something like this, to show them to say we are taking an approach to try to figure out how to solve this problem with as little money as possible. That's something that they're not going to hear from too many other places, because everybody wants to sell as much annuity as they can. We're going to solve the problem with as little money as possible. That's the kind of conversation that gets people to open up. It was a huge shift for us when we figured to start doing that and just start telling people is the goal is to put as little money as possible into an annuity and then having that resolved in a two or three hundred percent increase in case size was like super cool. You know I don't know if you remember Jovan when we were crunching the numbers, but we were like what the heck.

Like you know this is so cool that we're telling people we want less of their money. It results in them giving us more, so it's super coo.

Speaker 1: We actually have one more question come in from Mel. Question it was what companies or products do you use for the first leg of the structure, since they are key for initial income.

Steve: Yeah, sure. Kind of like we said is, we go through it on a case by case basis Mel and it's just whoever pays the most. On the front end what I'm looking for as guarantees. The hypothetical numbers, when we just have like four, five or six years to defer. The hypothetical numbers don't really speak to me, because it's a really short period of time to try to aim or to try to have the result match up with that hypothetical. On the front end, very much go with guarantees you know in the later years, then we can start to rely on those hypothetical numbers a little more. I actually do that with my with prospects, so I say okay the guarantee numbers that we're going to end up are that we're going to shot for are this fifteen, twenty five and forty. That's what we're going to get on a guarantee basis, if the market is down every single year and we never once earn interest, so one spreadsheet gives them the guarantee.

I'll have another spreadsheet that I prepare, that's exactly the same. Let's type in what some of these hypotheticals are from these insurance companies says that hypothetically we could stand to get as much as eighteen thousand dollars on that front leg and then thirty two thousand dollars would be the increase on that second leg see and now we see forty six thousand dollars and so on. It's okay to show the hypothetical numbers. Just show them with the guarantees also and say this is what we're shooting for. We're building a plan around a guarantee. I want that to me your safety net. You should also know that of course the idea or the goal is to end up with something better than the guarantee. We're going to pick an account that actually gives us a good chance of doing that. That's when you have a conversation about how the indexes works and caps and things like that. We're focusing on the guarantees.

Now you see if I dial each of these up just a little bit, these numbers are looking pretty sweet. This is somebody that's used to living off of, you know like eighty thousand dollars a year. I'm telling them that we're going to give them an extra forty six thousand dollars a year. They can either keep all of their expenses the same, or you know if they're driving half as many cars or whatever it is, then it's going to be some pretty good income for them. Let me go ahead and pull over this sheet. Jovan can you walk us through the theory ... the concept of these emails that we're sending out in these lining pages?

Speaker 1: Yeah, so what we're going to walk you through is an actual copy that really ties in. If I can direct your attention to the screen here. Really what we're trying to attract are people that are interested in learning what we're calling the income increase or pay raise strategy. Typically speaking when it comes to annuities in marketing what happens is, we're offering a lot of the same products that everybody else is offering. If you're licensed to sell annuities, then there's really only so many companies that are doing annuities out there. Most of the marketing that's being put out there is a lot of the same marketing that you see in the brochures. If you see it in a brochure for an insurance carrier, it's probably not the kind of marketing you want to use. For example, I think everyone has seen that annuities offer guarantees for life. That's just kind of obvious now it offers pension and benefits.

It's a secure alternative to the stock market. I've been marketing in that manner from the beginning. We've been trying to shift into a different way of positioning annuities. I think a lot of people have heard that message before. What is a different approach to annuities, is offering some form of a strategy. Okay so, instead of trying to promote a product and actual purchase of the product, what we're actually doing is we're combining multiple products together and we're creating very formulaic, proprietary people strategy, which we're referring here as the pay raise strategy. That provides a some little curiosity that's different to what other people are doing out there and people love pay raises. People like pay raises, people like the concept of cash flow. It also speaks to more affluent type investors. Steve why don't you pull up ... This is an example of the call out here. Are you between the ages of sixty and sixty five.

The people who are not necessarily retired yet that can allow the money to roll up for a period of five or ten years or so plus, which provides the incredible cash flow. As you can see there. That's the call out and see the very basic formula is the call out here, the top and you have the big headline and then we have a little bit of a teaser and then the call to action. Can we pull up the landing page copy Steve?

Steve: Yeah, I'm going to scroll down here to the landing page copy.

Speaker 1: Okay, so this is an example of some copy. This is a landing page. For some of you who don't know it's really a page, or lead capture page that really allows people to input their information in exchange for some type of content. We've seen a lot of reports. They've seen our video series, things like that. Initially we had done a test ... this campaign was on a case study video. This case study video was produced by Steve and it was very similar to what you saw today. We basically had a couple that started with six hundred monthly income and it grew to twenty two hundred monthly for twelve years. We kind of got a sense for how that works with the cash flow spreadsheet and here's the rest of the copies.

We're asking for name, phone number, email and so forth and then the whole process was to come in and the lead would come in ... we'd contact the lead and book them for a meeting, as well as we'd also have a self scheduling service, where they can actually request a meeting right there on the calendar. Then meet with Steve or any other advisor that would work with them at that time. As you can see here, we're really not pushing annuities per say. Now I'm not saying avoid annuities all together what I'm saying is that if you can figure out a way to really highlight the strategy. What is it that you do you do differently than other advisors. You know we also talk about a lot of our training is you know what is your value proposition. What is your USP and I think that sometimes it kind of gets thrown around a whole lot ... a lot of marketing and training and so forth. As you can see here this is a real world example. This is something different than what you would see elsewhere.

A lot of annuities ... type of is either pushing people into two camps. It's kind of like, let me educate you on annuities, how to guarantee how to secure your money things like that. The other camp is the annuity rates. This has the highest annuity rates ... this is has highest bonuses, this has the highest pull ups. There's a lot of noise out there. There's a lot of people that are pushing those type of approaches to marketing when it comes to annuities. This is something that's completely different as you can see. The type of people that we attracted was really good prospects in terms of the type of people that you want to speak to, the type that are highly congruent with the sales process. Our average case size with this campaign was between three to four hundred thousand dollars to explain a hand full of cases with this type of campaign.

It works really well so we'll upload this and you'll have access in your membership site. Feel free to swipe and I know also a number of people want to know what kind of presentations do we use ... consumer pacing stuff. Stay tuned because we're going to be getting to that later. Steve is there anything you can add to this that I may have missed?

Steve: Yeah sure. I'm going to bring it back here and you know what we're showing here is we're showing three hundred and sixty eight thousand dollars of annuity buying you forty thousand dollars of income. If that's what you can deliver, why not just say that upfront? Why not just have marketing that tells people exactly what you can deliver? In this case it was how this couple started with six hundred and sixty two dollars of monthly income. They increased it to twenty two hundred and thirty seven dollars of monthly income. This was a real case. I built a real case around a real couple and then I just showed everyone, that was going to this page. This is how this couple started off with six hundred and sixty two dollars of monthly income. Why six sixty two? That's what they needed. Why twenty two thirty seven? That's what they needed in order to make their budget work.

Again why not just show people exactly what you can deliver right on the front end? This is exactly why the email copy says, if you're age fifty five to sixty five with at least two hundred thousand dollars. That's what I was working with here. I was working with a couple that was in their late fifties and we're going to use about two hundred thousand dollars in annuities to get them these pay raises over time. What I would encourage you guys is why not have marketing that tells people exactly what you can deliver? That's the point of all of this is to bring people in for the right reasons, have them come in for the right reasons and when you propose a solution to them it'll be exactly in line with what it is that they thought and hoped to get right at the beginning. Is this going to be as much or as high as saying free report or free this or download that? Maybe not right? The people that do come through this funnel are going to come in for exactly the right reasons.

Speaker 1: Right and w really on his Facebook ad. We'll hold on to this in a later session. This is an example of what's called the media buy. A media buy is essentially where we identify a company that has a large data base of folks that fit our target market, our demographic. We'll show you exactly how we you do this. We do what's called an email drop, where we actually drop an email to a list of fifteen hundreds of thousands or in the billions and we drive traffic to the Atlanta page and if you could stroll that down Steve. Typically the way it works folks, like before you want to do media buys you want to test this out first on either Google, or our Facebook app. We had already knew what our conversion rates are, for those of you that don't know a conversion rate is really for every visitor that comes on your website, a percentage of them will convert to a lead.

In this particular case we were getting a nine percent conversion rate from Facebook as well as I think Google is actually a little bit lower than on our Facebook ... nine percent. Once you know what your conversion rate on your landing page, you can go out buy traffic. [Inaudible 01:04:43] who's expert at traffic generation. In his later session he'll walk you through exactly how this is done. Stay tuned if you want to know how we did that ... the mechanics of it. We'll reveal all of that to you, but I think really what we want to do impart to everyone on today's webinar is to start to think outside the box. How can you position what you offer in such a way that's different than everybody else? Years ago there was no such thing as hyper annuities online. It didn't exist.

It existed because we started to market it in such a big way. There was nobody even mentioning that online and because we were so abreast with the marketing now pretty much everyone knows you're selling annuities or hyper annuities, because we were marketing it as a term. The reason why we did that was because fixed income annuities with an income rider. It's not very sexy right? You got to come up with an approach that's revolutionary ... that's different and in a lot of ways is congruent with what you're trying to offer. As you'll notice our call to action here is a little bit different. We say find out if you qualify. We're putting the qualifier in there and that we're saying you know, this is not for everybody. We have to qualify and see if you can actually get this kind of cash flow, which is absolutely true. You're in your seventies and you don't have enough money or whatever or actually the cash flow's not going to be a subtractive. Hopefully that makes sense. Anything else you want to add to that Steve?

Steve: Yeah absolutely it's ... we're saying ... We're talking to our target audience you know Fisher investments says if you have at least five hundred thousands download this thing. You know so we should be doing exactly the same thing. If your market doesn't repel enough people as much as many people as it attracts. You're doing something wrong. You should absolutely be polarizing people. Some people should be saying that's absolutely not for me and some people say that's exactly what I need. If you're not polarizing people ... If there's not strong enough language and copy in there that some people are just saying I can tell that is not me. If I'm sitting there and I'm seventy two ... If I'm seventy two and I see this email that says are you between the ages of fifty and sixty five? Well then I'm probably not even going to finish reading the email right or I might. We have to know that we have to repel the wrong kind of people, just like we have to try to attract the right kind of people.

All right guys, well we've gone a little bit long. You guys are more than welcome to let them questions keep rolling in. We'll cover them online. What we're going to talk about in the next modules ... We're going to talk about how to murder variable annuities and it's super easy to do, once you have all the information lined up. You have a clear approach to how you're going to tackle that. We're going to talk about how to blow up variable annuities. I'm starting there because it seem like most of you guys are FIA people. I haven't had any conversations with anybody that selling variable annuities with income riders. We're going to talk about how to absolutely blow up variable annuities, because there's so many people that I talked to that think they're getting five percent guarantee and they have totally messed up views of what their account is going to do. Same thing it's going to work as talking to a client directly.

You can use this as marketing material, because you guys should know that variable annuities out sell fixed annuities by a ton. There's a ton of people buying variable annuities out there. That should be your key market, or your key target for who you're going to market to. These people are either in the process or previously purchased a variable annuity. The next session, we're going to talk about how to blow those up. Keep the cases coming. I know that I have some phone calls scheduled with some of you guys for later this week. Shot us an email. Let me know what you are working on and I'd be more than happy to jump on the phone with you and do some masterminding and work through some of these cases with you. Keep them coming. I'm happy to hear from you guys. I'm happy to hear that you guys are doing well. All the positive feedback sounds good. Keep it going and we will see you on the next session all right.

Steve: All right well have a good one and Tim had a question about the video. The one that we showed in the presentation in the strengths program. We'll actually share with you the presentation that you can use with your clients [Inaudible 01:09:24- 01:09:25] you'll have access to that. All right. Steve I think we're good. Everyone have a wonderful day. I look forward to connecting with on the next webinar next week. In the meantime, have a prosperous and wonderful week. Bye for now.