



The One-Page Financial Plan

Module 2

LESSON 3 TRANSCRIPT

Introduction

Now that we've talked about the idea of the One-Page Financial Plan, I want to walk you through how to create one with your clients.

First off, relax. If you still want to produce a big, two-inch thick plan, you can. I almost never did because I broke planning into chunks and taught clients that planning was an iterative process. So, we'd make a guess, take a step forward, incorporate new information, and then repeat over and over.

Of course, even if you stick with one page, I realize that a big chunk of disclosures will go behind that one page. Most of the compliance folks that I've talked to feel like it's not a hindrance to compliance. You still have all the "important" disclosures, but think of the One-Page Financial Plan as an executive summary on top of all the other work that you're doing.

Discover What Values Matter Most

When I design One-Page Plans, I make it a point to focus on the things that we can control. For instance, using my plan as an example, I have listed as my primary value: "Time with family doing things we love and serving in my community!"

Now, your clients may have more or less on their plans, but these are the big, deep "whys" for our family. Remember: if we can help clients get to a

deep why, the bigger why, it can lead to bigger “yeses” that help them say “no” to all the other things.

Just as an example, I get asked all of the time if I want to invest in a start-up or a real estate deal or something similar. I used to spend a lot of time, even months, digging into the deal, meeting with people, checking it out, pursuing it, and now I just say, “Will this enhance my ability to spend time with my family and serve in my community?”

As soon as I ask that question, I can think, “Wait, I already have a plan for that. I don’t need this distraction. I can just say ‘no.’” That typically takes 30-45 seconds instead of months of wasted time, and it draws people back to the foundation and the values you’ve helped them identify.

Set & Prioritize Goals

Now, once you have a statement of value, and you can move on to the next section: goals. On my One-Page Plan, my listed goals include:

1. Fully fund all retirement accounts each year.
2. Fund kids’ education account each year.
3. Save for a house

You might say to a client, “Based on your stated values, let’s take a look at your goals.” I like to help clients prioritize them as we go based on the risk of failure. This order would put the goal with the biggest consequence of failure first because that’s the one we want to nail down.

For your client, it might be something like, “Save for retirement by age 62 with \$5,000 a month,” and maybe another goal is to, “Have enough life insurance to feel comfortable that my family would be okay.” Now, it’s time to prioritize.

If we look at those two goals, it's pretty easy to understand that the life insurance goal has a far greater consequence of failure. So, we'd write down first, "Address the need for life insurance." Then, second, we'd write, "Retirement, "and maybe the third is, "Fund the kids' education accounts."

After you've taken a stab at prioritizing, put the list in front of your clients and ask, "Did I get this right?" They may move them around for you a little bit, and you can have a conversation about that. They've probably got it right, but you want to make sure.

You can move to the next section of the One-Page Plan: recommended next steps. You might say, for example, "Based on your values and goals, here the recommended steps over the next 3-6 months." Going back to the earlier example of life insurance and retirement, you might start with:

"Let's get a clear understanding of your current life insurance situation and find appropriate life insurance. To deal with your retirement, the first thing we need to do is get all the assets moved to the right place and invested on purpose, based on your goals. Then, if we get all of that done in the first six months, congratulations. We'll move on to this next goal."

The One-Page Financial Plan is a living, breathing document that applies to a process. It's also a great tool for client retention because, from the beginning, you're helping them understand, "Hey, this is a relationship. This isn't a one-time event. I'm not here to sell you some product and

move on. It's a relationship." You're setting the stage for that expectation, and it's a powerful moment.

Clarify the Cost

The last thing, of course, is a statement of what you think it's going to cost. You might say, "Based on this plan, here's our upfront planning fee," or "Here's our engagement fee," however you might describe it. If you don't charge one, you can say, "Based on this plan, your annual fee will be between a range of X to Y." I don't think you have provide a set number at this point because you may not know the exact value of the account, but a range is helpful.

If you charge a percentage based on assets under management, then you should provide that number. Just make sure you provide a clear statement that there will be a cost. I know that area may be difficult for you, but, if you work carefully with your compliance department, I think you can provide some information, even something as simple as, "Your fee will be determined based on our regular fee schedule."

Simple, But Powerful

At this point, if you need to refer to other documents, you can. For instance:

"Hey, you know what? There's one area here that's really important that we review together to understand. I want to walk you through the details I have for the kids' education because I know it's important to you. Is that okay

with you?” “Oh, yeah, that’d be great.” You flip to page 52, and you walk them through those calculations.

“Did we get everything right? We got the kids’ ages right here? Did we get the schools they wanted to go to? Are you comfortable with these? I’m comfortable with these assumptions we made. Are you, O.K.?”

“Great. That’s number one on our list here of the things we’re going to work on this next 3-6 months. We’re going to get the 529 or the kids’ education accounts open and funded with X dollars a month, and we’ll get all that nailed down. Would that feel like progress to you?”

“Yeah, of course it would.”

That’s the nature of the One-Page Financial Plan: it’s a living, breathing document. Updates will matter. For example, one thing I do like is, once you’ve done a couple of things on plan, like dealing with life insurance or the kids’ education accounts, don’t remove those goals or tasks (e.g.,

open 529 account) from the list. You can strike them through with a line or check off each item, but you want the goals and tasks to stay visible in some way so clients can see the progress they've made.

I hope you've found this bonus lesson the One-Page Financial Plan helpful. I also hope you sense in my voice the importance of it. It's so valuable. I think this is where financial planning and advice needs to go, and I can see it happening, and it makes me super happy and excited about the future of our industry.



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Bonus Lesson

The One-Page Financial Plan is made up of 3 things. It's meant to be the executive summary. You can also keep the 50 page plan as a reference when detail or clarification of numbers are needed.

1. Restate Values
2. Prioritize Goals
3. Clarify Cost

See One Page Plan Examples [here](#).

"Based on your values and goals, here the recommended steps over the next 3-6 months."

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