

Scott Brooks Video Transcripts

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SCOTT: What I want to do before I even look at that, what I'd like to do is I'd like to take a minute and get know you guys on a personal level. Remember in the class when I talked about how I work you in a fiduciary capacity? Do you remember what that means? Because a fiduciary, that means I work for you, right? So, if we choose to work together -- and I'm being presumptuous here -- but if we choose to work together, that means I work for and represent you guys, okay? So, when I write written retirement financial plans, as I said in the class, I write them customized for everybody. Believe it or not, whether you come from the class or whether one my clients refers you in, I treat everybody the same. I write written retirement financial plans that are customized specifically for you. So, one of the things that helps me when I write this plan is to know you on a personal level. So, I want to take a few minutes and talk to you guys to get to know you on a personal level, and I reason behind this is when I write this plan, I ask myself questions, like how can I put this in a language that Patty will understand? You know, does this fit Roy's personality? Different people have different personalities and different communication styles, so it helps me to really

get to know you. So, Patty I'm going to start with you. Take just a few minutes and just tell me about you as a person. I'm not talking about your money or your risk tolerance; we'll get to all that. Just help me understand who you are as a person.

PATTY: What, you mean like my personality?

SCOTT: Your personality, whatever you think, if you were describing yourself to someone.

PATTY: Well, I'd describe myself as a very kind, giving, and likable person. I do have a little comedy sometimes comes out of me, not a lot, but I can be funny.

SCOTT: Okay, very good. What else?

PATTY: I'm very particular about how my housework is done and how the dishwasher is done. We fight about that all the time, how I load the dishwasher, and he fusses about that; I don't do it right.

ROY: She hasn't learned the system yet.

SCOTT: Oh, okay.

PATTY: So, it's a personal preference.

SCOTT: Okay. And so you guys have a disagreement on how to load the dash washer.

PATTY: That's basically the argument.

SCOTT: That's funny.

ROY: That's just increased because we just had to replace our dishwasher with a new one, and it's smaller interior, much quieter, which she needed. She wanted it quieter you know so . .

SCOTT: So, quieter dishwasher. So how would your friends describe you?

PATTY: Well, I think they would describe me as a very likeable person, that I'm trustworthy, I'm loyal, and I'm easy to talk to, fun to be with.

SCOTT: Okay. What is she leaving out? What else do you think I need to know about her that she might be leaving out here?

ROY: She's a very giving person. She gives to a fault sometimes trying take care of other people, and she forgets about taking care of herself sometimes, and I have to bring that to her attention.

SCOTT: Very good. Interesting. Thanks for sharing that with me. Roy, how about you? Tell me about yourself. What do I need to know to really understand you as a person?

ROY: Probably, I'm a very humorous person. I enjoy the jokes, I enjoy having fun with people. I enjoy my life as it is. You know, we've decided we're going to become more healthier so we're going to the gym now and that's improving our health a little bit, plus my body's getting to look a little bit better too. But everybody kind of knows me as the kidder. They have really sit back and think when I'm telling them a story whether this is actually the story, or is there a punch line that's going to get them at the end.

SCOTT: Okay. How would your friends describe you? ROY: Pretty much the same way. Yeah, it's just a trait I've carried all my life, you know, from grade school all the way up. You know, if someone's going to make a joke, it's going to be me. If somebody's going to do something silly it's going to be me. You know, but they also know that if they need something I'm always there to help them out. You know, we've got that kind of relationship with all of our friends. If one person needs something, we're all there to help out. It's a close-knit group of friends.

SCOTT: So you've got a close group of friends you like to hang out with and stuff like that? What kind of things do you guys do when you get together?

PATTY: Where, we've got church in common for one. And then once a month we play dominoes. We take turns in each other's home, and wind up having little snacks, and just play dominoes once in a while.

SCOTT: Interesting.

PATTY: It's fun.

SCOTT: Oh, sure.

ROY: Once a month the guys get together for poker and that travels from house to house.

PATTY: And we have breakfast once a month.

ROY: And then we also have an older group of people we run around with. This is a young group, but the older people are like in their 80's.

PATTY: And 90's.

ROY: And 90's. Yeah, we do a luncheon. It used to be a dinner, but now people can't drive at night so we have to do a luncheon. We can play the cards during the day and leave by about 5-5:30 in the afternoon so everybody can get home when it's still light.

SCOTT: Before dark, huh? Probably in bed by 6:00 I'm guessing, right?

ROY: Some of them, I'm pretty sure. Pretty close to that.

SCOTT: That's funny, that's funny. Well, thanks; thanks for sharing with me.

Patty, is there anything you would add to that that I need to know?

PATTY: Yes. On a serious note, he is a . . . he's a caregiver. He takes very good care of me and he makes sure that I'm safe all the time in the house, in the car; anywhere I go. He's right there for me. He is a very good care giver.

SCOTT: Very nice. Thank you. All right, guys. Thank you very much. Do you mind if I take a look at your document here? All right, okay. So, as I'm looking at your financial planning analysis here you filled out -- thank you for doing that -- the first thing I notice on here; let's see here Roy; so you're a purchasing agent at BJC Health Systems?

ROY: Director of Purchasing Services, yes, uh-huh.

SCOTT: All right, very good. All right, Patty you say retired with a disability, right?

PATTY: Yes.

SCOTT: Is that a result of the muscular dystrophy?

PATTY: Yes, yes.

SCOTT: Okay. And you've been on disability for a couple of years or so?

How long . .

PATTY: Yes, umm . . it's, umm . . about four years.

SCOTT: Four years? Close to four years? Okay. Very good. Well, it's not very good you're on disability, but it is a very good answer. Thanks. The other thing I'm noticing here is that it looks to me like between your bank account and your money market accounts here, it looks it me like you have about \$110,000 dollars. Does that sound about right to you guys there? Remember in the class where I talked about how I'm a big believer in cash? Because, you know even though, you know your cash isn't earning you any returns right now, but it's giving you peace of mind, and I'm a big believer in cash.

ROY: It's our Social Security blanket.

SCOTT: Yeah. So, when look at the cash you have here, do I need to view this as cash that gives you good peace of mind, or is that cash that you're maybe not sure to do with? Some of it could be invested in an investment portfolio? I mean, how would you view that?

PATTY: A little of both, I would think.

ROY: Yeah, I think we could probably do, probably at least three quarters of that maybe in the investments and leave \$25-30,000 in the bank and money markets, as far as I was concerned.

SCOTT: So you'd like to leave that much in there?

PATTY: How much did you say?

ROY: 25-30,000.

PATTY: As opposed to the 110,000?

ROY: Yeah.

PATTY: I think we need to leave a little bit more in there.

SCOTT: What are you thinking patty?

PATTY: I'm thinking maybe 50.

SCOTT: You said maybe 50. Sounds like the number's higher than that.

PATTY: Well, okay . . . 60.

SCOTT: Sixty?

PATTY: I'd rather have about \$60,000 in there.

SCOTT: You think sixty?

PATTY: Yeah.

SCOTT: Are you sure? Does it need to be higher, or are you okay with that 60?

PATTY: No, I think I'm okay with that amount.

SCOTT: So, \$60,000. All right. So, what I'll do is as I look at the plan I'll make sure to try to build the plan to leave the \$60,000 in there to give . . . because we talk about compromising, you know, let's see if we can build and keep the compromise and have the \$60,000. Does that sound reasonable Patty? I'll make a note here; "keep 60,000 in cash." Okay, very good. All right. Oh, I see your house is paid off.

PATTY: It is. That was a big, big challenge.

SCOTT: Very nice. Does that give you good peace of mind?

PATTY: Oh, yeah.

ROY: The only problem is you never own your house, you pay the real estate taxes every year.

SCOTT: Well, yeah. I just got my assessment. It just went up 25 percent. What happened in the last year? Are you kidding me? Oh, so I see you brought

your document. May I take a look at what you brought with you? Well, thank you. Let's just take a look through here. All right. You have your Social Security statements, very good, guys. Okay, excellent . . . so it looks here, Patty it looks like you worked at the Science Center.

PATTY: Uh-huh.

SCOTT: All right, it looks like you're going to have pension through the Science Center. Very good. All right. Now, here's Roy's Social Security. Okay. All right. So, as I'm looking here, Roy your 401K . . . Patty, it looks like your 401K so . . . now, you're still there, though, so you haven't done anything with that it, it's still at the Science Center then? Okay, very good. All, right. I see you have some Edward Jones accounts here. All right. Okay, very good. All right, I see you have a, it looks like a John Hancock variable annuity does that sound familiar to you guys? Okay, very good. I see a Fidelity account here. I don't see a broker on the Fidelity account here. Roy, what is this Fidelity account here? Is this something you opened up? What are you doing with it?

ROY: Yeah, it's been a while. I don't even remember why we did open it up in the first place. I don't remember . . . what do we have in there right now?

SCOTT: It looks like you have some stock in there. Let me just take a look here . . . looks like you've got some stock in Microsoft.

ROY: Oh, wait a minute; yeah, I know what you're talking about. I like to fool around with that. I forgot about that. Yeah, I do a little bit of fooling around with the stocks, yeah.

SCOTT: It doesn't sound like much, though.

ROY: No, not enough that I . . . I couldn't take over your job.

SCOTT: So, this money here, this is about \$50,000, okay? As I look here at your portfolio, here at what you put down and what I see over here, not including cash, it looks like you guys have about \$1.5 million. Does that sound about right to you? About \$1.5 million, plus the cash?

ROY: Right, yeah.

SCOTT: This is about \$50,000. When I look at the \$50,000 here in this account, is that something that I need to look at as your trading, that's your fun account, leave it alone, or is that something that needs to be in the investment portfolio? How would you view that?

ROY: I think I'm acceptable to the fact that we could do something with that. Besides, I don't need to be trading that much. I mean we do want to do some traveling, and so that's one thing that I might just . .

SCOTT: So, that Fidelity account, I can make a note here, that we could do something with that. But you don't really do much trading, it's not an account where you say you'd like to trade it?

ROY: Right.

SCOTT: Okay, because if these are accounts you'd like to trade, that's fine, just let me know. I'll build the plan around the fact that that'll kind of be your "fun" account to trade and do things with.

ROY: Well, if you can give us two options; give me some options.

SCOTT: Well, why don't I try . . why don't I do this? Why don't I try to build your plan to where this \$50,000 is . . you can have fun with it? If I could build a plan to accomplish all your goals, let's say we make sure you have the money you want in cash.

PATTY: Okay.

SCOTT: Okay? And then maybe this account is something you can do some more trading on, and what not. And we can build a plan to accomplish your goals. Would that be reasonable?

PATTY: Sure.

SCOTT: Who don't I . . . I'm not saying I can do that, but I'm going to try to do that. Reasonable? So, Fidelity, leave for Roy to trade. Okay, very good; very good.