

FUNDAMENTALS OF FINANCIAL PLANNING

Guests: Brian Luce - Triangle Financial Group

Wil 0:00

In this episode of the Making Money Personal podcast we will be speaking with Brian Luce, Financial Planner for Triangle Financial Group. No matter where you are in your financial journey, financial planning should be top of mind. If you want to know why you should be working with a financial planner then this episode is for you. Stay tuned.

Introduction 0:24

You're listening to Triangle's Making Money Personal podcast, where we engage in real talk about financial matters that affect our community. Today's episode is sponsored by Triangle Credit Union, recently voted Best Credit union in New Hampshire.

Terri 0:40

Thanks for joining us, everyone. I'm Terri Connolly here with Will Infante and today we're excited to have Brian Luce from Triangle Financial Group with us in the studio. So welcome, Brian.

Brian 0:52

Thank you for having me.

Terri 0:53

We're very glad that you're here today. So we have a few questions on what kind of services that you provide to our members through Triangle Financial Group. So let's start off by first like, you know, maybe you could describe your role a little bit.

Brian 1:10

Sure. So Triangle Financial Group is an extension of Triangle Credit Union, and what we do is we provide all the services, the non-credit union type services. Our culture is characterized around teamwork, cooperation and collaboration. So we pretty much handle everything beyond the normal checking, savings, CDs, money market type services that Triangle offers. We have sort of a holistic approach to helping members. So when the credit union does their job, they're done. Typically, people come over to us and we work with them beyond just the normal credit union services.

Wil 1:54

So what kind of services do you offer, at Triangle Financial Group?

Brian 1:57

So it's kind of a tiered approach that we use, because you know not everybody has the same, you know needs. You know the different demographics, right. So I have younger members that are going to have very much different needs than some of the older members. A lot of the younger members are just starting out. So if we think of the services we offer they're tiered services. So, you know, our tier one service are really foundational strategies for people that are just starting out. Tier One services can include, you know, somebody who might want insurance, let's say they just got married or just bought a house and they're looking for an insurance solution. And it all goes all the way up to the

investment services. They're not really looking to engage in an ongoing financial situation, but they're just looking to satisfy some sort of need that they have. It could be an insurance needs analysis, "Do I have enough?" It could be investments, it could be portfolio analysis or looking for just a second opinion on their portfolio. Typically with those types of members we meet once a year. So that's really sort of the foundational strategies. That's, just when somebody who's just starting out. And then a Tier Two service is somebody who is interested in engaging in a sort of ongoing financial planning relationship. So they are looking to maybe look at cash flow analysis, want to know what their net worth is. They're looking for some sort of protection inventory analysis. So it's just a higher level of service. Now we start getting into estate planning. That's sort of a foundational part of most good financial plans is having the proper estate plan in place. So we talked about that. Education is important because usually Tier Two services people have kids. They're starting families are thinking about their kids college. So it's just a higher level of service and it's more of an ongoing relationship. So that's Tier Two and then Tier Three services, it's really ongoing financial planning, and it's a higher complexity. So this could be somebody who has had a couple of careers, maybe they're, you know, going through a life change whether it's like a marriage or you know, divorce or something like that. So, it's more complex and they oftentimes require multiple professions. It's not just a financial advisor that they need to talk to but they also need to talk to a CPA, they should have an attorney involved. So it's, it's multiple professionals working to help that member so it's, it's the highest level of service that we offer. The services include advanced planning, executive benefit planning, could be business financial planning, Tier Three services are good for a lot of business owner members that we work with so typically, it's just a higher level of service that we offer.

Wil 4:57

Perfect.

Terri 4:58

So as you're going through the Brian, it reminds me a little bit like, right now a buzzword that I keep hearing is about like a customer journey. Right? So it's like a service that you typically provide or that, you know, whether you're a financial insurance or financial company or insurance company or you know, maybe your retail shop, right. It's like, what's the what's the journey for your customer? So it's kind of sounds like that's what you're perpetuating here. Like in terms of like, you know, trying to meet the need, right?

Brian 5:27

Absolutely. And I always, a lot of people ask me, how often should I meet? And, you know, I always say we don't do one 30 year plan. If we have an ongoing financial planning relationship. It's really 30 one year plans. So we're meeting on a regular basis to make sure that you're staying on track to hitting your goals. So, you know, the tier the higher tiered services that we offer, it's really taking you and it's sort of going on that journey with you to make sure that you hit the goals you're trying to hit. That could be anything, it could be making sure you're paying for your kids education. It could be making sure you retire on time or early, you know, it could be saving for a major purchase. So it's, it's pretty much we're going side by side on the journey to get you where you need to be.

Wil 6:14

Right. What are some of the reasons why? Well, first of all, my first question, should everyone see a financial planner at some point? And if so, what are some of the reasons why they should?

Brian 6:24

So yeah, you know, I think the majority of people should see a financial planner, especially if they're thinking of their future and they're wanting to prepare for the future. I think the majority of people should definitely see a financial planner. And the reasons they should is just to keep, you know, stay on track, you know, because life gets in the way, right. Yeah, you have a lot of things that can get in the way and can get you off track. And there are financial bogeys that sort of get in the way or I often use the Titanic as an example, right. The Titanic was the unsinkable ship and everybody thought it was going to get to where it needed to be. But then the icebergs hit, right. And those are things that can get you off track. It's the icebergs in life that get in the way and prevent you from hitting your financial goals. So having somebody that guides you along the way, is helpful, and that's really what we're here for. So making sure you're on track. And then, you know, getting a little bit more specific, but you know, making sure your your properly allocated in your investment decisions. You know, making sure you have an investment strategy, and making sure that that investment strategy is in line with your goals and objectives, you know, so you don't want to take too little risk and then you don't get to where you need to be but you also as as you age, you don't want to take too much risk, because then you face one of those iceberg, right? So those are the reasons that you should meet with a financial planner.

Wil 7:58

Perfect.

Terri 7:58

What are some of the reasons or some of the concerns that people have expressed to you where they don't they say, I don't really need to meet with a financial planner?

Brian 8:07

Money. Money gets in the way people think money is the problem. Money's not necessarily the problem, but they're not using their money efficiently.

Wil 8:17

Really.

Brian 8:18

That's what it is. But you know, the biggest thing is people say I'll never retire. And really, it's because they're not efficient with their money. So that's probably the biggest thing I get is people don't think they have enough money. "I don't have enough money." They're just not saving it and they're not being efficient with it. And that's probably one of the most rewarding things of our job is to take somebody who doesn't think they're going to retire in is kind of very disorganized and in doesn't understand how to budget and how to prepare and getting them on the right track. Alright, so I would say the biggest thing that I hear is, you know, when you say you should meet with an advisor, "oh, I don't have enough money," well, you have enough money, you're just not properly allocating those, that money. So that's, that's probably the biggest thing. And that can bring a lot of anxiety and stress to any anybody's situation you know, it stresses your your relationship with your significant other or your family. So, so money is it's a double edged sword. It does a lot of great things, but it can hinder a lot of things if you don't have the proper planning in place.

Wil 9:31

Brian, is it ever too late to start?

Brian 9:34

Um, that's a great question. I mean, you know, time is the biggest thing on your side, right? You know, if somebody can start their journey, the earlier you start your journey, the better off you're going to be. In the end. I use this analogy. It's like, you have an hour to get somewhere, right. And if you go 60 miles an hour, you're going to get there right on time, right? But if you leave 15 minutes late What's gonna happen? You're gonna have to go a lot faster to get to the same place, or you're going to be late. Right? If somebody starts too late, it could be an issue and it's hard, you know, it's hard to overcome, if they're really late. But we always say the earlier the better. Being completely honest, the earlier the better. Yeah. So. So if somebody comes into my office, and they're 60, and they have nothing saved, that is going to be hard to solve, versus somebody that comes in when they're 30 and has nothing saved, you know, so. So, you know, it's kind of a long winded answer, but, but some instances time is a factor, right.

Terri 10:44

Brian can go back to your earlier point about not having enough money. So if I have, you know, I'm making like, let's say \$40,000 a year, and I'm just, I don't know, let's, maybe it's just me right, I'm single. So, but my expenses are pretty much absorbing all of that money. Right. So I in my mind, and I think what you were saying is that I don't have enough money, right? So I don't have enough money to to even start. But are you telling me or am I hearing you correctly in the sense that you would meet with somebody who doesn't have anything in savings? So they don't have a plan at this point? And you, you know, you'd be like, just come in and talk to me. Is that what I hear?

Brian 11:31

Yes, we could talk to you. The goal would be again, its efficiency. So examples I have are student loans, right. Student loans are the biggest issue with people coming out of college.

Wil 11:43

Yeah

Brian 11:43

They have a lot of debt, a lot of interest on the debt in their big payments. So a lot of times you're living paycheck to paycheck because you're paying not only to live your rent, mortgage, whatever you have, but also, you're paying the interest and principal on your debt. If we can restructure that debt, then we can free up cash flow that we can apply to other areas. student loan debt is is you know, for a lot of younger people is the biggest, biggest detractor from saving for retirement, buying a house, starting a family. When we were having our daughter I talked to the OBG when we're having ultrasounds and she said we have more 40 year olds having children than we have 20 year olds.

Brian 12:27

I think that's a sign of debt in people's financial situation. People are smarter financially, but they're just not having kids because of money, right? So, so we want to restructure that debt to try to free up cash flow. So if you have \$40,000 of income and \$40,000 of debt, we can talk to you and see if we can free up some cash flow and put it towards the things that are important to you. Another concern that I've heard from people is is just the vast majority of information that's out there. Know, especially with the Internet. You know, the Internet is one of the greatest tools that we've ever had, in our generation, but it also can work against you, you know. When you think about it, you can go at any point at any time you can google insurance investments. You're going to get 313 million hits. Everybody's telling, you know, half the people are telling you to do it this way. The other half are telling you to do it another way. And then before you know it, you're throwing your hands up, you don't know what to do,

you know, so. So working with a financial planner, our goal is to whittle that information down to what makes sense for you, so that we can keep you on track and make sure we hit your financial goals.

Wil 12:27

Wow.

Wil 13:39

Right.

Brian 13:39

So really, it's just making sense of or finding out what makes sense for you.

Wil 13:47

Right. Okay. So what are some of the fundamentals of a healthy financial plan?

Brian 13:53

So, you know, we at Triangle Financial Group, we really believe in three principles, you know. The three principles are foundational strategies that every plan should have. So, you know, the first thing is having the proper protection in place, right, because we talked about the Titanic and the icebergs. You want to make sure you have adequate, you know, life insurance, disability, you want to make sure you have the adequate Property and Casualty. So it's really just making sure that you have the foundation in place of a proper protection plan. So that's the first thing. And then, you know, the next thing is making sure that you have enough money in savings. It's building your cash reserve, because that's very important. A lot of times when people come into my office, and we go through their balance sheet, and we find out that they have a lot of debt, almost always I noticed they have no cash. And, you know, that's a big concern. If you don't have cash then where do you get money right? You have to go to either beg, borrow or steal, right? So that's the next thing is just making sure that you have a good healthy cash account.

Wil 15:10

Right kind of like an emergency fund.

Brian 15:12

Yeah, an emergency fund six months reserve or whatever you're comfortable with it, you know, sometimes we recommend half your income. It's not just a cash account, it's a cash and opportunity account because, you know, if you have the right amount of cash on hand, when when opportunity strikes, it might be a piece of real estate, you're thinking about buying or if you're planning on buying a house and you want to make sure you have the cash reserve to be able to jump on that opportunity. Recessions are never good, but they're good opportunities to buy on sale. You know, when stock prices go down, if you don't have cash to jump in, well, then you're always buying things at a premium. So when when the markets pull back, those are great opportunities to jump in. So having a cash account for emergencies is very important, but also having a cash account for opportunities is important as well.

Terri 15:58

I like that. That's a good point.

Brian 16:00

Yeah. And I, you know, when I was in college I was poor, right? And I always use this analogy is you walk into Hannaford and you have \$10 bill, and in that week, ramen noodles are on sale and they're \$1 package right? And then you go in you walk out with ten 10 packs of ramen noodles your hero. The next week you go in and the ramen noodles are 50 cents, right? So you're walking out you same \$10 bill, now you have twice the ramen noodles. So that's when markets pull back, stocks depreciate, you're buying everything on sale, so having cash is king. And then the third thing, once you have those two in place, the proper protection and you have the good reserve, the third thing is you want to save 15% to 25% of your income. And 15% if you start earlier going back to your comment about time, and is it too late, 15% if you start early, but if you start late, you have to save more right, that whole car analogy, so 25% would be if somebody is starting late and they're a little bit behind the ball, you know. So those are really the foundation of most successful financial plans.

Wil 17:06

Now, when you say 15% to 25%, is that total between, you know, 401k investing and Roth IRAs or traditional IRAs? Is that what you mean by that?

Brian 17:15

Correct. Yeah. So, you know, you, can save in your 401k, some people are able to max out the contribution in the 401k. And then we have to look at other areas to invest, but a total should be 15% to 25%.

Terri 17:30

So, Brian, in terms of some of the clients that you've worked with, what kinds of things have you noticed, when they get their financial situation under control?

Brian 17:38

I would say financial freedom, you know, they're less financially dependent, less stress and anxiety in their lives. A lot of time time, money is the thing that prevents people from accomplishing what they really want. So, I would definitely say they're financially independent, you know. They're able to do a lot more. So people who have all their ducks in a row are more financially free. They're doing things that they didn't think were ever possible. Whether it's vacations or you know, they're buying things on a budget, but they're not stressing about buying things because they have all their ducks in a row. So I would say the biggest thing is just less stress and less anxiety when it comes to money. So that's probably the most freeing feeling is not having the stress.

Wil 18:33

So how often should someone revisit their financial plan?

Brian 18:38

So, once a year. I always say at least once a year, or as often as you you need to meet. I have a lot of clients and you know, we we try to meet at least annually, and at least annually, and some people need more than an annual visit, it kind of depends on where you are in life as well.

Wil 19:03

Right.

Brian 19:03

I have some clients that I meet with on a regular basis because they're going through some type of

transition period, whether it's going from the workforce to retirement or, you know, putting a child through college. So it depends on where they are in life, but I always say at least once a year, or as often as you need it.

Wil 19:22

Right.

Terri 19:22

Brian, how long have you been a financial planner?

Brian 19:25

I've been a financial planner since 2004. I graduated with an accounting and economics degree. And I went right into this field. So I've been doing this since 2004.

Terri 19:37

Excellent, excellent, what motivates you in terms of helping some of your clients?

Brian 19:43

I would say, uh, probably a lot of it goes back to my upbringing. You know, grew up in a single family household. I have four brothers and a sister. My father was the only one that worked. So he had to put a roof over our head and clothes on our back so it wasn't always easy. So seeing that struggle, it made me want to help people not go through what I went through. So that was important to me. I love numbers getting into the career aspect of it majoring in accounting. I love numbers, but I didn't want to be, you know, CPA, my brother is actually a CPA, and he enjoys sitting by behind a desk and crunching numbers. I like people so I can combine my love for numbers and love for meeting people, combine that into the career that I have now. So that's really my motivation. You know, I would say the biggest satisfaction is when somebody comes into my office. I work with a lot of retirees, people that are approaching retirement, and they say they can't retire. And we go through the process and we find out that not only can they retire, but they can accomplish or do all the things that they want to do in retirement. So that's probably the biggest satisfaction, is just taking somebody from well, you know, there's no way we're going to be able to do this to, retiring comfortably, and living, you know, the best life in retirement.

Wil 21:08

Out of everyone that you meet how many or what percentage would you say is, I guess the younger demographic? I know you mentioned that you that you work with a lot of people that are getting ready to retire or about to retire. Do you have enough Millennials is what I'm trying to get to? Enough a young people that are involved in their financial planning?

Brian 21:28

No, I don't have a lot of millennials.

Wil 21:30

I thought you would say that.

Brian 21:31

So if I'm being completely honest, no. Not a ton of millennials. But that's something that we're work-

ing towards, sort of financial literacy and again, going back to the debt situation, you know, Millennials graduate with a lot of debt or a lot of limited cash flow, you know, so it's trying to solve that, that cash flow dilemma, to get them saving.

Wil 21:54

right.

Brian 21:55

I probably have in the last year, I've definitely seen a lot more Millennials than I have in the past. I think Millennials are getting smarter to the, to the college, you know, dilemma as far as the cost, and not all of them are rushing to a four year college to take on a huge amount of debt just to get a degree. I have a lot of millennials that I do work with that are coming in, going to community college, kind of taking baby steps towards their bachelor's degree. So, you know, I don't have a ton, but it's, it's something that definitely looking to grow my practice because, you know, the other part of it is millennials grow with you, you know, which is which is a good thing in seeing them go from their first job to retirement. That's, that's rewarding as well.

Wil 22:44

Awesome.

Terri 22:45

So Brian, why would people work with you?

Brian 22:47

People work with me, you know, for a lot of different reasons. But I would say the most common is, they don't have the time. You know, they're busy with their lives. They have kids, they have hobbies, they have a lot going on. So they just don't have the time to, you know, to kind of figure out the financial planning aspect of their lives. The other part is they don't have the talent. And I don't mean that in a bad way. But, you know, building, diversified portfolios, budgeting, you know, making sure they're on on track, they just don't have the wherewithal to figure it all out. So it's, it's the talent. And then the inclination, you know, people would rather remodel their bathroom, then deal with their finances. And then, you know, they oftentimes fall behind, you know, so so it's time, talent, and inclination. Those are the reasons that people most often work with us.

Terri 23:41

Which actually goes back to what you were saying, too, is that like, if I'm somebody and I'm just kind of starting out and getting interested in it, and I google it right, then, oh, my gosh, you know, I've got a boatload of information, more information than I know what to do with and now I've just scared myself.

Brian 23:58

It's like drinking through a fire hose. It's just a lot of information coming at you all at once. It's hard to process all that information.

Terri 24:05

Right. So many times people don't want to even look at their finances because it's not a pretty picture. And they don't want to know.

Brian 24:11

Yeah, they're scared of it. You know, it's it's overwhelming and they can't make sense of it.

Terri 24:16

Yeah. Well, I really appreciate you coming in. Brian, I think you've done an excellent job really explaining a lot about the financial planning process where to start, you know. Hopefully that's one thing that people who are listening today really get the message that maybe it's not too late to start or let's start now. Right?

Wil 24:38

And I think the important the message that you got across today was start.

Terri 24:43

Yeah,

Wil 24:43

Just start.

Brian 24:44

Time. Time is your best friend when it comes to financial planning. Start it young, younger, the better. So yeah, I appreciate you guys having me today. It's been a lot of fun and you know, I'm looking forward to doing this again.

Terri 24:57

how can people contact you?

Brian 24:59

That is an excellent question. So, my partner and I, Jeff, we cover pretty much all the branches at Triangle Credit Union. So you can make an appointment with any FSR or teller. All of our contact information is at the branches. The easiest way to get a hold of us is by email or phone call. So you can call to setup a free consultation. So, you know, come in. The first appointment is sort of getting to know you type of appointment, and then we figure out where we go from there. Pretty much you can contact us through any one of the various Triangle Credit Union branches, and set up a meeting.

Terri 25:39

Excellent. I also think that there's information on our website.

Wil 25:42

There is yep.

Terri 25:43

So your contact information is there, too.

Brian 25:45

Yeah.

Terri 25:46

Great. Thank you, Brian we really appreciate your time.

Brian 25:48

Thank you guys. Thanks for having me.

Wil 25:49

Thank you Brian. Appreciate it.

Brian 25:50

Thank you.

Disclosure 25:50

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Wil 26:23

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