

One-Liner Questions

After sitting down with the clients at the kitchen table, the following is a typical dialogue, showing the questions that will result, and where in the dialogue they will likely appear. The answers for the example being used are in parentheses, bold and underlined.

Initiate the session by asking the client to consider that the visit is exploratory to see if we can share some helpful financial information.

1. How much time do we have tonight? (Wait for the answer)

Draw a line on the paper upside down



F.I.N.

2. There are two phases of life – growth and income.
Which phase are you in now? (Wait for answer)

Growth

Income

3. May I ask what your ages are?

John? **(30)**

Mary? **(30)**

4. Married? **(Yes)**

5. Children? **(2)**

6. Names? **(Sarah)** **(Kenneth)**

7. Ages? **(7)** **(5)**

8. What life style do you enjoy? (Income, gross)

John? **(\$40,000)**

Mary? **(\$40,000)** equals **(\$80,000)** family

9. What are your occupations?

John? **(Teacher)**

Mary? **(Bank Teller)**

10. What do you like most about **(teaching)** **(working at the bank)**?

11. Will you **(teach)** and **(work at the bank)** until retirement?

12. Do you keep your career options open? (Wait for answer)

13. Do you know how inflation affects your purchasing power? (Wait for answer)

14. Do you have any idea what the rate of inflation has been over the last 50 years? (Wait for the guess) (3.9%) (See Annex chart for illustrations)

15. If you make (\$80,000) family income now, at age (30), do you have any idea how much you will need at age 65, (35) years later, to maintain the same purchasing power, if the inflation rate is at 3%? (Wait for the guess) (Calculate the answer) (\$225,109)

16. Any idea how much the same (\$80,000) needs to be at age 85, a total of (55) years from now, at 3% inflation? (Wait for the guess) (Calculate the answer) (\$406,571)

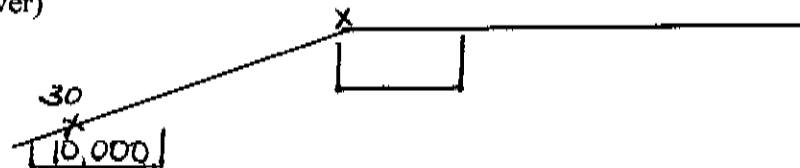
17. If it takes (\$225,109) at age 65 to equal (\$80,000) at age (30) do you have any idea how much you need to accumulate in your (F.I.N.) fund to last from age 65 to 85? (Wait for answer) (Calculate the answer) (\$2,251,090)

18. Do you have this set aside now? (Wait for answer)

19. How much of this required fund do you have set aside now, in an RSP, IRA, etc.? (Wait for answer)

(\$10,000)

Write it down



20. Any idea what this will grow to at age 65? (Wait for answer)

21. Let's find out. At 4% for (35) years it will grow to (\$39,460).
How much do you think it will grow to at 8%? (Wait for answer) (\$147,853)

22. Now how much at 12%? (Wait for answer) (\$527,996)

23. Do you get between 8% and 12% now on average in the long term on your (\$10,000)? (Wait for answer)

24. Where do you invest your (\$10,000) now? (Wait for answer)

25. What returns have you been receiving? (Wait for answer)

26. So even at 12% (\$527,996) is a long way from (\$2,251,090) (F.I.N.).
Has anyone ever explained the challenge of losing purchasing power and the need for a (F.I.N.) fund of (\$2,500,000)? (Wait for answer)
Stunning, isn't it! (Client should be very somber and maybe depressed somewhat by

now. Now we show how we create a solution for this problem.)

27. Let's see how much we have to save every year. At (4%) interest, (\$10,000) present value, over (35) years (n), needing a future value of (-\$2,251,090) we can compute that you would need a payment of (\$28,873) to achieve this future value. (Note that the future value needs a negative sign, and begin on the screen (orange button, hit begin). The question is how much would you need to save every year at 8% if you need (\$28,873) at 4%? (Wait for answer)
(\$11,301)

28. How much would it be at 12% (Wait for answer)
(\$3,564)

Explain compound interest and the rule of 72.

29. If you use a tax advantage investment at 25% tax rate, you will save every year, providing you can invest the amount needed, (\$3,564) times 25% equals (\$891). This leaves you out of pocket at 12% (\$2,673) every year. Can you save (\$2,673) a year net, or (\$222.75) a month?

No one can be assured a guarantee of 12%, but we work hard to get clients 8-12% using well managed mutual funds, segregated funds or variable annuities. We also believe dollar cost averaging is one of the best ways to increase your rate of return over the long term.

30. OK. Let's see where we can find you the money. We have several options:
A. Join our team and earn extra income, either part time or full time
B. Your protection package
C. Your debts.

Do you have life insurance protections now? (Wait for answer)

31. How much coverage do you have? (Wait for answer)

32. How much a month do you pay? (Wait for answer)

33. Could you go and grab your policies?

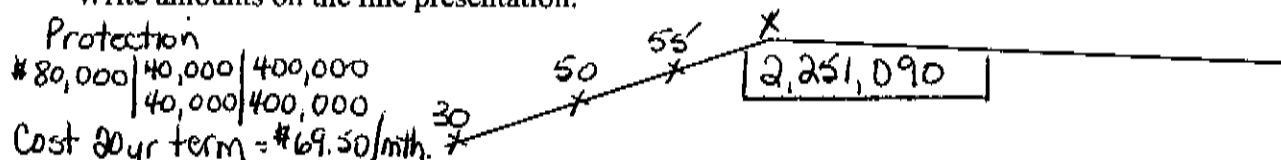
34. How much protection is needed? (Wait for answer)

We suggest a minimum of 10 times you annual salary, less any cash on hand that's not needed for your long term goals. For example, for your (\$80,000) family income you would need (\$800,000) coverage. The primary income of (\$40,000) would need (\$400,000) coverage, and the spouse's income of (\$40,000) would need (\$400,000). The children would need a family child rider of (\$25,000).

Explain the child rider. You need enough coverage for funeral, \$10-15,000, and some additional money for a month or so for the parents to be off work. Children are financial liabilities, not financial assets and therefore they do not need insurance to protect income, but rather to cover temporary expenses if they pass away.

35. Does this make sense to you? (Wait for answer)

Write amounts on the line presentation.



Let's solve a disaster (God forbid) for a small **\$69** a month.

Put existing policies aside to take home for analysis. Also investment statements.

Maybe we will save money on the insurance premiums and take any cash value to invest in RSP, TFSA or IRA/Roth IRA.

36. Do you have any debt? (Wait for answer)

Good debt? (Deductible interest)

Bad debt? (Non tax deductible interest)

37. Let's assemble and analyze your debt and payments. Are you interested in a Debt Freedom Date?

38. We have set your F.I.Date so can you bring your mortgage statements, credit card statements, car loans, etc. and can we start the process? (Wait for action)

39. Would you be interested in a complete and thorough Financial Needs Analysis when I come back? (Wait for answer)

I will do everything possible to educate you, find the money from money you are already spending and keep you on track until you reach your goals.

40. Do you have a will? (Wait for answer)

Explain Prepaid Legal on carry back.

41. Would you be interested in being debt free and financially independent 5 or 10 years sooner by joining me in my business, earning a great income and eventually having a team of friends and associates that create a passive income for the rest of your life? (Wait for answer)

42. We have an overview meeting Tuesday evening at 7:30 pm at our office. Could you (and Mary) attend this Tuesday? (Wait for answer)

Great, I will go to work on your future and we will see you Tuesday at 7:30pm.

Please call me if anything changes.