Ep. 217 | What Are You Really Paying For? Buddy Thomas on Financial Planning vs. Investment Advice

The Patti Brennan Show: Full Transcript

This transcript has been edited for better readability. It has been lightly condensed and cleaned up for clarity while preserving the full content and meaning of the conversation.

Patti Brennan

Hi everybody, welcome to The Patti Brennan Show! Whether you have $20, $20 million, or $200 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

Today, we're going to be talking about "you get what you pay for." We say it about cars and contractors and a lot of things that we buy. Does the same thing come true when it comes to financial advice? Joining me today is Buddy Thomas, a very dear friend of mine, a seasoned CFP® and the creator of the Superplan. Buddy, welcome to the show.

Buddy Thomas

Well, thank you for inviting me, Patti. This is awesome. Anytime we get together, it's fun, so I hope it's fun today again. I'm sure it will be.

Patti Brennan

It's really interesting, because we should tell everybody our history. I have known Buddy for 35-plus years. In fact, Buddy Thomas is the reason I became a CFP®. He and I met when I was still a nurse, and he was a CFP®, and he told me about the profession. I said, "Wow, that sounds amazing! I'd love to learn more about how to do that." One thing led to another, and here we are today. So, welcome to the show. I can't believe we're actually doing this together.

Buddy Thomas

Yeah, well, your daughter Carrie was kind of a fly on the wall when we had dinner last week or two weeks ago, I think it was. And boy, did we get going that night, and I can't wait to dive deeper. One of the things I like about podcasts is that I get to spend time with people like you. You're special because I've known you so long, and we love each other, but we really get to have these deeper conversations. Usually during life, you have a conversation here or there, but you don't really get to dive in and bond and collaborate.

Patti Brennan

We're not going to be superficial here. We're going to dig right into the real meat of the question. And the question is, and nobody wants to say it out loud, especially in our profession: from a client's perspective, what are they actually paying for? They look at their investment statements. I was at a party recently, and I was introduced to the crowd as the investment advisor, and I thought, "Wow, that's so limited in terms of my role in this person's life." But that's their perception. So how can we answer that question better? What is the client actually paying for?

Buddy Thomas

Well, I think the problem, and the reason you were introduced as an investment advisor, is that people identify us by how we're paid. You pay a plumber to fix the plumbing, you pay a doctor for your health, but you pay your financial planner based on the assets under management. So I think there's a disconnect between what the profession has morphed into and how we get paid, and that's really the crux of the question: where's the value? What am I paying for other than the statement?

Patti Brennan

Right. It's so interesting, because at the conference where you and I saw each other a couple of weeks ago, I was the keynote speaker, and I spoke about exactly how far our profession has come. The evolution of real financial planning has been tremendous, and I'm really proud of it. It's gone from selling products, mutual funds, and life insurance to really helping clients achieve their personal goals. It's not just running numbers; it's sitting down with them belly to belly and asking, "What's keeping you up at night? How can I help you? Are you actually prepared for what life might throw at you in the future?"

We don't know what's going to happen in the future, but we know what to do when it does, and we know how to prepare people for those outcomes. But that's something we can't measure, and we can't guarantee it. The value tends to occur over decades instead of quarter to quarter.

Buddy Thomas

I've been thinking about this a lot, because I've been doing it even longer than you. I'm one of the few people still doing it longer than you. So with the two of us together, we've got probably 80 or 90 years of experience. But it all started in the early industrial age, when there was a thing called industrial life insurance. This was in the early 1900s, maybe the 20s or 30s, somewhere around there, and it was sold door to door.

The insurance agent would knock on the door, and usually the husband was at work and the wife was home, and he'd say, "I'm a life insurance guy, and I want to sell you some life insurance." She'd say, "Well, what's that?" And he'd say, "Well, what if your husband didn't come home from work tonight? Where would you be financially?" So it was fear-based, but it was a necessary fear, and that's how it was sold. She'd say, "I would like to talk about this, but let's wait till my husband comes home," and the agent would come back the next day. It was mostly men selling it at that time. They'd sit down at the kitchen table, and he'd ask, "What are your expenses? How many kids do you have?" and so on. He'd do a needs analysis, and then he'd recommend buying some insurance so that you'd have some money. It was very simple, right?

Patti Brennan

So the thing that caused the problem, the husband's death, also solved it.

Buddy Thomas

Right. But the solution was a product, because the planning was relatively simple. Now fast forward 100 years, and here we are in 2026, and we've got AI. There's way more money around, there are way more people, and we've got way more liabilities. I always liked this comment on life insurance: the only reason you buy life insurance is because you love somebody or you owe somebody. I started as a life insurance agent, and that was planning, but the planning was so simple that you could give it away and create the need for your product.

Now there are all these products out there, and the family dynamics are so much more complicated. Every family has basic needs, and we'll talk about that when we talk about the Superplan, but every family is also unique. And we aging baby boomers are used to getting what we want and having somebody do it for us. We have a personal trainer. We have somebody who cuts the grass. We're used to paying for services.

What happened is that when life insurance got commoditized, the focus switched to investment advice, because investment advice was more complicated. So we've been paying for investment advice as a percentage of assets under management for about 50 years. That started in the 70s, when E.F. Hutton came out with what they called a wrap account, which is now the model for investment advice: you have liquid assets, and you get paid a percentage of the assets under management.

But planning has become so complex that the investment advisors who want to be financial planners are giving the planning away as a loss leader and a competitive advantage over others who charge a little more or a little less. They keep getting squeezed, because the products are readily available. Your phone can do an asset allocation for you nowadays. So the emphasis is now on the planning. But what the industry, the profession, hasn't figured out is how to charge for it and show value for it. So that's kind of a long answer to a really brief question.

Patti Brennan

That's a really good perspective, because now it's much easier to understand how we got to where we are today. It seems to me that the profession has tried to produce a deliverable, but we're not there yet, because people still think of it as investment advice.

Speaking from my perspective, doing the planning is hard. To do it right, it's complicated. You have to have the right software, the right training, and the education, and you have to understand all of the elements that got us to be certified financial planners in the first place: cash flow planning, because there are so many demands for every dollar that comes into a family household, and how do we prioritize what's most important? There's tax planning, retirement income strategies, wills and trusts. How do you put it all together? That's what real financial planning is all about: coming up with strategies that will help clients, as unique as they are, because everybody has different priorities. A strategy that's actually going to work, not every time, but over time.

And how do we charge? Well, the regulators have said charging based on assets under management works, so we're allowed to do it. It's easy to do, and it's easy to measure and quantify. So that's where we are. But I'm very curious to hear more about the Superplan, because you've spent such a long time developing it. What is the Superplan? I know there's a subtitle, so why don't you explain what it is?

Buddy Thomas

Yeah, well, the subtitle is basically "a family wealth, relationship, and enrichment experience," which sounds very kind of out there. How do you grasp a relationship and family wealth enrichment experience? Well, you go ahead.

Patti Brennan

Buddy, I can tell you, we're not allowed to really say this according to regulators, because you can't give someone peace of mind. And yet time and time again, when clients come in, when we're meeting, when we're doing what we do, people say, "Patti, as a result of what you guys do, we have so much peace of mind. We don't think about this. We know we're going to be okay." That is the most rewarding thing I get to hear, far more important to me than fees and things of that nature.

Buddy Thomas

It's funny you would say that. Thirty years ago, the first client we had when we moved to California, a very interesting, very smart guy, a CFO of a large company, was closing his binder after a meeting, as we used to do with these paper binders, and he said, "You know, Buddy, you're in the peace of mind business."

My background is that my undergraduate degree is in psychology, with a minor in economics. As you know, I was working for the government at the time, so I just went to school and got my degree in stuff that I thought was interesting. Now, you just described all the finite aspects of financial planning. The missing piece is the family dynamics piece, and there's a movement nowadays in almost every one of the technical industries, estate planning, investment advisory work, life insurance, all of the professions around financial planning, to make it more people-oriented.

I belong to an organization called the Purposeful Planning Institute that was started by a group of very successful lawyers who were disenchanted. They were saving their clients millions and millions of dollars of estate taxes, because, from their point of view and my point of view, estate tax is a voluntary tax. You can plan around it. So they were planning around it, but then there was more money coming into the family, and their families were a mess.

Patti Brennan

Right, exactly. We see it too.

Buddy Thomas

Yeah, they were just pouring fuel on a dysfunctional family. So now the profession is looking at how to balance both sides. Because of my background in psychology and just the way I was brought up, I originally started to work with surviving spouses. I met an attorney who was older than me, and his clients were dying. Most of the surviving spouses, about 80%, are female, so I wrote a book about that bridge. I called it The Widow's Bridge.

Patti Brennan

I love that book. I read that book. It's a great book, and I'm hoping you're going to republish it and bring out the next edition, because it's so well done, Buddy.

Buddy Thomas

Oh, thank you. That book is almost 20 years old. It'll be 20 years old in 2027. I wrote a second book to follow it called The Coming Widow Boom, and the widow boom is now here. Inside there are stories about families, and how you get paid, as an advisor, to determine what a family's story is, so that you know enough to match the finances, the money, up with the love and wisdom. That's the title of my latest book: Love, Wisdom, Money.

That's the balance we as professionals need. Those of us who want to stay investment advisors should just do that, but those of us who are CFPs and want to deliver planning and take this profession to the level of doctors and lawyers and plumbers, it's important for us to create those standards. The CFP Board, the conference we were at, that's as close to the standards as we have, and we need to build them into the deliverable.

Patti Brennan

Buddy, let me ask you a question. I'm going to push back a little bit on something you said, and we'll be back at dinner with the questions. So here we go.

I've always believed that clients are not their money; they are people. So it's important to understand what the money is intended to do over time. I think investment advice is still important, because it helps us achieve those end goals. I don't know how people do investment advice and manage a portfolio without understanding everything else. I never did, and I never will, and I personally am never going to break the two apart. It's very complicated. As you know, I have 37 full-time employees who just help me and my clients, because it takes a lot of human capital: smart people who are dedicated to the idea of congruence, making sure the money is aligned properly to accomplish the things that are most important to that family. So why would you say investment advice should be taken out? Don't you think that could be a big disconnect?

Buddy Thomas

No, no, we're in violent agreement here. You're absolutely right that investment advice has to be tied to who the people are and who the client is and what they want. It's not either/or; it's both/and.

Patti Brennan

Right. Okay, I'm with you then.

Buddy Thomas

When I said that, I meant that if all you want to do is manage investments, then you're an investment advisor.

Patti Brennan

Right, and don't pretend that you're anything else.

Buddy Thomas

Right, and it's the same on the other side. There are a lot of really great psychologists out there who work with family dynamics, and if they want to get into the asset management business, good, but you'd better be a financial planner and understand that aspect of it. It's kind of a left brain, right brain difference.

The CFP® and the Superplan are in both worlds. They're technical enough to know what to do with money and all the things you can do with it, but they're also compassionate and empathetic enough to see the family dynamics and who the family is and what kind of products match up. So you're absolutely right. There's a middle, and that's where the CFP® comes in. Everything I built into the Superplan, except for my psychology aspect, came right out of the CFP® program, out of the process.

Patti Brennan

Wow! I did an entire podcast on what it takes to become a CFP®. It is no joke. It's really hard to go through the whole program. It's a lot of hands-on experience and passing a big exam at the end, and it's rigorous. We have to abide by the standards and practices set forth, and every two years we have to do continuing education. It's a real,

serious profession. Financial planning is officially a profession, and people like you and I are moving it forward, to think ahead and anticipate what families really need.

Do they need investment management? Sure. Is it what they're paying for? Absolutely not. Most clients of real CFP® professionals are getting a lot more than just investment advice, but how can we quantify that? How can we send that message? And I'm curious: since I've asked that question, when you talk about the Superplan, is it a software program? Is that what makes it different from all the other software programs available?

Buddy Thomas

It's really an experience. It's an experience that you provide for the client, and it's a safe place. The way this office is set up is because I had a client family once. I got a call from the wife, who said, "There's been an incident. My husband woke up and they found out he had some strange cancer moving up his spine, and I don't know if he's going to make it." He had about a week to live.

Patti Brennan

Oh my goodness!

Buddy Thomas

Two weeks on the outside, and we had to get everybody together: the attorney, the accountant, and I was their CFP®. This was back in the beginning, when I had initially started to ask for a retainer to do the planning with no obligation to invest with us. Some clients wanted to invest with us and some didn't, but in this particular case they just paid us for the plan. We couldn't find a conference room big enough for everybody on such short notice.

So here it was: the guy's got a week to live. We had his wife, and they were in business together; they had an international marketing company. They were grooming their son, who was only in his early 20s, to take it over. They had a daughter who was not involved in the business. So here we were with the family and everybody in this room. We had a plan, but we had to make these arrangements. What could we do before this imminent event to get ready for what was going to happen next? We got it done, but I remember it being hot and stuffy, and there weren't enough chairs. It just seemed to me, "That's not right." So that's why I set my office up with a conference table big enough to get the team together physically. Now we have Zoom, and you can do it just like that: we're meeting in an hour, get on the call, and everybody's in the comfort of their home. But back then, we didn't have Zoom.

Patti Brennan

It seems to me, the way you described it, Buddy, that it was a crisis. Decisions had to be made with urgency, and you didn't really have time to think it through and talk about what the husband would have preferred. That's the whole thing: planning is a verb. It's not a plan. I did the big binders too, and I'll tell you flat out, I tell clients all the time that those things are fairy tales. That was done way back then. It's important to make sure it's updated on a regular basis as your life changes so that it remains relevant, so the things we do and the actions we take are always relevant to what's going on in your life and prepare you for what could go on as well.

Buddy Thomas

That's exactly what happened. The husband had a raised eyebrow, because the name of my company at the time was Superior Planning, but the wife wanted this plan, so she came in and he went along with it. He had to be part of the process. Back in those days, I used to sit at this table with the husband on one side and the wife on the other and the binder in the middle, and we would go through it together. I'll never forget him. He was Dutch, and with his accent he said, "Well, let's see what this Superior Planning is all about." So he really raised the bar on me.

But we made it simple enough, and we'll talk about how the Superplan works, that he was all in. He said, "This is great. I don't have to do anything else." I said, "No, we just have to meet quarterly," to your point, to keep it up to date. And we did. And when that phone call came, we were as ready as we could be.

Patti Brennan

Exactly. That's wonderful.

Buddy Thomas

And then after he passed away, we used the plan to settle the estate. That's where The Widow's Bridge came from, because I worked with so many of those surviving spouses. We created a two-year program, a Superplan for surviving spouses, that took them from the date of death through estate settlement and that first year of grieving and onto being "me" instead of "us."

Patti Brennan

You know what? It seems to me that everything you're talking about really emphasizes the relationship, and it really emphasizes the experience. I just got back from MIT, where Dr. Joe Coughlin introduced me to the idea of the experience economy. We're no longer in an economy where we're just selling products; people are looking for really positive experiences, and now they're talking about the aspirational economy, right? To really help people aspire. That's what we've been doing all along: helping people aspire, figure out what's realistic, and calculate what might be necessary for them to get there.

It's open, transparent communication among the family members, husband and wife as well as the kids, and your comment about the family dynamics and the children is a really important one. I hope all of our listeners really took that in, because they are a family, and when we take care of the kids, we're taking care of mom and dad, and vice versa.

Buddy Thomas

Yeah, it's not only informing the children but engaging them. At that meeting, both the son and daughter were in the room, shell-shocked, in their early 20s. Fast forward to when the surviving spouse was ready to sell the business, and her son was being groomed for CEO. They had a buyer. If I named the buyer of the company, you all would know who they are. The deal was there, and he was going to be the CEO of this new division of the company that was buying them.

We were ready to sign the papers, and he's sitting there, and he'd been in the process the whole time, and his body language said, "Hey, what's going on?" I said, "You don't seem to be excited about this, or you're scared." He said, "No, I don't want to be a CEO." And it was like, "What?" His mother and I had assumed, and his sister and everybody else assumed, that he wanted to, and he had the courage to say, "I don't want to be a CEO. I like being a sales guy. I'm really enjoying it, and I think I could sell a lot of not only our products but the products of the new company too." The buyers were there, and they said, "Well, that's great," and we adapted right on the spot.

But it was because he was part of the process, I think, that he had the courage to say, "This isn't what I want." He was in a safe place where he could do that. A lot of times with family dynamics, if the parents are putting pressure on the kids, they do things to please their parents that aren't what they want to do, and you know where that ends up.

So keeping the children engaged in this experience... By the way, I read the book The Experience Economy when it came out in 1999, and the latest book, The Transformation Economy, just came out this February. Once again, this is set up for an experience, right? Set up so that the family feels safe and everybody can put all the cards on the table.

Patti Brennan

Well, let's get back to the real question: how can we communicate this in a way that the family can see the value for what they're paying? Regulators say we're not supposed to be charging retainers, at least according to the attorneys I speak with. I would love to call it a retainer, because that really says what we're here for: to be available whenever they need us, which we are. But they still think of us as investment advisors. So how can we communicate? What exactly can we turn to when clients begin to question, "What am I getting for what I'm paying you?"

Buddy Thomas

Yeah, I'm really glad you brought this up, and there are so many different ways I can approach it. I want to be as succinct as possible.

Patti Brennan

Don't worry. Just go ahead and answer it the way Buddy Thomas answers questions. You do it better than anybody. Give it to me straight.

Buddy Thomas

Well, you get what you pay for.

And regulators: who are these regulators? They're the SEC and FINRA, the investment regulators. Back when I was thinking about this, I talked to a compliance officer at my RIA, which was also a broker-dealer. I'll never forget; I was at a conference sometime in the late 90s, and I said, "So let me get this straight: financial planning is an outside business activity, right?" And he said, "Yes, that is."

So the way I solved the problem was that I set up a separate entity to be the planning company, as an outside business activity, and I disclosed it. The numbers we used, because you had to put money on there, were rounded off and for planning purposes only. When I got audited by the regulators, they came in and audited all my financial stuff, and then they said, "Well, what are these filing cabinets over here?" This was back when we had those. I said, "That's my planning company." They said, "Can I see what you're delivering?" So I pulled out one of the reports and showed it to her. She said, "This looks like a statement." I said, "No, you'll notice everything is rounded off to the nearest $100. Those are for planning purposes only." She said, "Oh," and I said, "Yeah, I have a planning company," and she said, "Oh, okay. Sign it off. Put it back." I kept the files. That's just the way I did it.

Now the firm that bought my firm chose to merge the two and go with the regulators, and you can do that, but the compliance is just onerous.

Patti Brennan

It is. Believe me, I'm the chief compliance officer, and I spend so much time on compliance it's not even funny. It's what we have to do. It's a way of removing the friction: I'll just do what they say. Tell me what you need, and we'll do it, because I don't want to get into trouble.

Buddy Thomas

And then your engagement agreements look like a legal contract, right? You can do it either way. You can run it through your RIA and call it a subscription. They call it a subscription now, right? Or you can do it as an outside business activity. But even as an outside business activity, there's plenty of compliance.

Patti Brennan

Oh, yes, I have it as an outside business activity, and everybody who works for me has to disclose it. They're engaging in an outside business activity through Key Financial. It's crazy. They're W-2 employees, working tirelessly every day, every night, incredible hours behind the scenes.

Part of the issue, from my perspective, is that most of the work we do, clients never see. It just happens because of the decisions we've made. I've invested a lot in technology and people, because it takes human beings who can get on the phone, meet face to face, and ask clients the most important questions and guide them properly: how are they tracking toward the things they said 10 or 20 years ago were most important to them? Is it still important to them? It's just touching base. So it takes people and technology to do this right.

Buddy Thomas

And just to that point, Patti, there's no way you will ever demonstrate the amount of work and attention that you pay to it. You were a nurse, and you're still a nurse, right? You're a healer. It's just like with a nurse or a doctor. Nobody knows what a nurse goes through; they just show up and say, "Fix me." And rightfully so. How could you possibly know? I don't know what engineers go through. I tried to be one once, and I didn't do very well at it. So they can't know, but what they can know, and this is where we can confirm and communicate value.

Along the way, as I was delivering these plans, I had to remember that, let's face it, the only time people come to see you is if they have a stone in their shoe or a monkey on their back. Those are my two favorite analogies. There's some kind of thing that's bugging them, and they want us to solve it. We know what they need. We know they need a plan, but nobody walks in and says, "I need a plan." I think I had one prospect tell me that, and he was just an amazing person with a tremendous amount of foresight. I said, "Great, you're my guy and I'm your guy," and we worked together for decades.

But most people want to problem solve, and we can't just prescribe. Prescription without diagnosis is malpractice. We can't just say, "Oh, here, jump up on the table. I'm going to operate on you today." You have to dive in, and then

we have to do a plan, because we have compliance. We have to know our client, and we have to substantiate why we recommended what we recommended.

Patti Brennan

Exactly. And to your point, I think a lot of times the stone in the shoe or the monkey on the back is clarity. People need clarity so that they can feel confident about the direction they're going in. I also think, Buddy, and this is just me, we're riffing right now, that human beings need to feel like they're making progress. I think that as a profession, if we could find a better way of measuring progress, that would really help. But again, it's something over time, not every time.

I tell people all the time that there may be quarters and even years where you look at what you paid us and wonder, why in the world do I have Patti Brennan? And then there might be that one decision or that one thing that happens, and it pays for all those years, because you have clarity and confidence. It could mean avoiding a big mistake. It could be a tax benefit or a retirement income strategy. It isn't necessarily investment performance, but it helps you accomplish the things that are most important to you. It could be mostly about the kids, about your estate, your wills and your trusts, and making sure that what you want to have happen is actually going to happen. I find a lot of people don't even understand what is in their estate documents and how that is really going to work out for their family. So that's what we do. We provide that clarity and that confidence that the strategies being used are there to help them uniquely.

Buddy Thomas

And that's why you're successful, because you know that's what you're delivering. To many planners, it's just a mystery. They say, "I've done all this stuff," and others just don't understand. I've watched them retire because they burn out, and they say, "Nobody appreciates what I'm doing." Well, that's kind of...

Patti Brennan

It's a shame.

Buddy Thomas

Yeah, it's a shame, but it's almost self-inflicted. What do they call that? Shooting yourself in the foot. You've figured out how to continue to do it. I think the restrictions used to be more robust than they are today. And having planning as an outside business activity is one of the things about the Superplan, and it has measurable results.

Patti Brennan

Oh, that's beautiful!

Buddy Thomas

Our engagement agreement has soft and hard dollar targets, and we also put in the engagement agreement how we're going to measure it.

Patti Brennan

So it's measurable. It's something you can look at and say, "This is what I get working with Buddy Thomas. This is what I get with my Superplan." And you found a way to scale it. Is that right?

Buddy Thomas

Yeah, and that's what we're working on now. There's software involved, because anything nowadays, if you're not using software and AI, you're in the dark ages. But it's support for the experience. The experience is the deliverable. And to your other point, how do you display that? How do you present that? One year at a time. That's the way we did it. We have quarterly updates, because 90 days is short enough that you can do it in small bites, but long enough that you're getting freeze frames of what's happening in a year. And something new...

Patti Brennan

...does tend to show up, doesn't it?

Buddy Thomas

Yeah, always. That's life. Life is relentless, right?

Patti Brennan

Yes, exactly. You know, Buddy, I think it's interesting that you do quarterly meetings. We don't do quarterly meetings. I think that's too much, because here's the thing: clients send us emails, and they call us. Every client has a key client specialist who's a lot more than a relationship manager. They are not relationship managers; I find that to be insulting to the people who are working with that client. They are really smart, and they know everything about the client. So quarterly meetings for us would be too much, because if we're meeting with everybody quarterly, then who's doing the work behind the scenes? Who's watching everything?

But I do think communication is really important. I've been sending a letter to our clients every 90 days for 30-plus years. We send it by snail mail because people don't get letters anymore, and people seem to love them. It's the technical stuff: here's the new tax law, here's what's going on in the economy, here's what we found with elections, et cetera. But it's also the soft stuff. It's about how retirement isn't the end of the planning; it's just the beginning. There are lots of things that people might experience going forward. We're helping clients retire with vitality, and we've launched the Vitality Hub to help them do just that.

So it's really interesting that a certified financial planner would take the time to meet every three months. It would be a lot, but I think it's a worthy goal. I think the relationship is the most important thing, and also how to involve the next generation in a real, natural way.

Buddy Thomas

Yeah, you know, Patti, our practices were significantly different in that way. When I sold my firm, we had 31 families, high net worth and ultra high net worth, and it required freeze-framing quarterly because there were so many moving parts. If you could see just the cash flow spreadsheet alone, it was massive, because there were so many things on it. They had 25 companies.

Patti Brennan

Right. Wow. Yeah, that's complicated.

Buddy Thomas

It was complex. We also worked with the next generation. There was one family where we worked with mom and dad, very successful, and they had three adult children, and we got them involved in the process. Then mom got sick, dad got sick, mom passed away, dad lingered for a while, and the kids were ready to pick up the ball because they knew what their parents were doing. We didn't meet with the kids quarterly, but we met with them annually or semi-annually to say, "Here is the plan."

Another aspect of the Superplan, and I think one of the key factors in why it works, is that it's scalable. It's for people who are just starting out, the accumulators, and then for those moving into retirement, the harvesters. You can grow into it. Then there's a next level that I call stewards, and that's once you have more money than you're going to need to retire and you have to decide what to do with it. You're now a steward of your wealth. If you're going to give it all to the kids, fine, but I don't recommend that. The kids are going to get plenty, way more than the people who started, but it's your money, and you do what you want with it. I've seen joy in families when they get involved philanthropically together, because once you know your family is set, where else are you going to get joy in...

Patti Brennan

...life, right? You can...

Buddy Thomas

...only travel so much, you can only eat so much. But I've seen joy in families at their different levels, giving to the causes that are close to their heart. So the Superplan is something you can grow into, but you can't grow out of.

Patti Brennan

I love that. You mentioned how different our practices are. As you well know, when we were first starting out, Ed and I had nothing. We had nothing. When I started my firm, when I went independent, which I am fiercely independent to this day, I was using a home equity line of credit to pay our mortgage. We have four kids, and he had a business himself. You know the story. I started Key Financial, and I never wanted to turn someone away. I didn't want to measure people by how much money they had. So the business just grew, and our reputation exploded. We get five to six phone calls every single week from people wanting Key Financial, wanting me to be their planner. It's a lot of volume, and that's why I keep hiring people, because I want to make sure we can keep the promise we made to all of our clients, not just the latest, not just the wealthy ones, but all of our clients.

So it's really neat to hear that you've developed a system that can do this in a measurable way, so that clients don't ask; they already know the answer to what they're paying for. They're paying for an amazing experience to help them meet their objectives and aspire to something even greater. That's what I love about it.

Buddy Thomas

Yeah, and we have a small, medium, and large version. The small version, you could afford to deliver on the AUM, the profit from the AUM, the way you're delivering it now. I was like you; I didn't want to turn anybody away. I had these minimums that kept going up over the years, but then some of the folks I met just had enough money to give to their kids, who were just getting started. So when we built the system, we made sure it was ready for accumulators...

Patti Brennan

Wow.

Buddy Thomas

...ready for harvesters, and then ready for stewards. And if we got into multigenerational planning, that's where it gets really fun, because you could have hundreds of millions of dollars. We've done estate planning where we have three generations all involved in the planning, and each one of them has their own Superplan. That's the other thing: it's like a common language. It's like a game. The parents can play the game at their level, and the kids can play at their level. The parents can show the kids what they're doing, so they have some idea. The kids can do their own thing over here, and when the parents pass away, the kids already know how to play the game. It's like a family game. That's the deal.

Patti Brennan

So you've gamified it. You've made it fun, and you've made it engaging, so that everybody can feel like they've got some input and they're involved. That's fantastic.

Buddy Thomas

And we simplified it. We had to simplify it, because not everybody is interested, even if they're capable. A lot of people aren't interested in doing that. They say, "Here, you take care of it, Patti."

Patti Brennan

Exactly. I'm going to go live my life.

Buddy Thomas

Right. But there are certain things, and I really love what you said earlier, that you want them to be informed. You're not selling your investment advice; you're educating them, and you want them to be informed so that they can make their own decision.

Patti Brennan

Right. We give them the options: A, B, or C. Here's the ramification of each option. What do you feel most comfortable with? That's what really good advice looks like to me. That's what I would want.

Buddy Thomas

And it's empowering. It's their aspiration, not yours. I had a planning officer who worked for me, and she just did not agree with some of the things clients were doing. She was very good at holding her tongue, and she was very

professional, and they never knew. But it agonized her what people were doing with their money, and I'd say, "Why would that bother you?" It was fun to watch. She lasted quite a while, but at one point she had to walk away because she wanted to do things a certain way. She started her own firm, and she works with people who are like-minded, and it's great.

Patti Brennan

And it's so interesting. You and I are so much alike. When I bring people into the conference room, one of the first things I say is, "I want you to know that you're safe. You're in the no-judgment zone." And I start talking about some of the mistakes I've made, whether it be raising my kids or what have you. I think that's the most important thing we can do: make people feel safe. It's their decision, it's their money. We're there to give them the options, the pros and cons, and a little bit of our experience so that they can understand what could lie ahead for them.

Buddy Thomas

We're guides and facilitators.

Patti Brennan

I love that.

Buddy Thomas

Because it's their plan, and it's very difficult. We all have kids, and you see your kids making a mistake over and over again. You go, "Come on."

Patti Brennan

You know what? The bank of mom and dad is closed. Come on, figure it out.

Buddy Thomas

Right. But it's about aspirations. If our job is to support families so that they can be all they can be, that's a noble profession. And that takes us all the way back to this: the craft has now outgrown the business model, and I think the breakthrough for us and the CFPs is that, some way in the next three to five years, we have some kind of standards for how you charge for planning.

Patti Brennan

I love what you said about the regulators, because so much of what we do is because of the regulators, and you're right, they are regulating investment advice. They're FINRA and the SEC. I've gone through an audit also, and when I went through the interviewing process, I basically started out by saying, "I want you to know that whatever you need, we're here to provide it. I understand that you are there to protect the investing public, so we're all on the same page, because I want to protect them too."

Most of what you do and what I do, Buddy, is to save clients from themselves, to help make sure they don't make one of the big mistakes, and to really educate them about how to communicate with their family so that they accomplish what's most important to them holistically. We have the courage to ask the tough questions. That's the most important thing.

Buddy Thomas

I'm not a savior. That's too much pressure. But I think it's our job to say, "That's a hot stove." It's not that they're children. We're here to give advice, though I'm shying away from the term advisor, because "facilitator" fits better: this is your plan, and nobody wants you to tell them what to do.

We had one family where the parents bought Superplans for the kids, and we were doing Superplans for each of them. Two out of three dove right in, and one of them said, "You're not telling me what to do." I never said I was telling you what to do. So with this kind of planning, a key is that you've got to wanna.

Patti Brennan

Right. You have to want to.

Buddy Thomas

You have to want to go through what's necessary to get to the place where you can make the decisions and reach your aspirations. I found that in the old days, they would write a check, and once you put skin in the game... Another thing we used to do was require that you pay us for a year, because it gets hard in the middle.

Patti Brennan

Yeah, the messy middle is tough.

Buddy Thomas

Yeah. If you only paid up to that point, you'd say, "Ah, this isn't working for me." But if you paid for the whole year, then you're going to make it through that tough patch. You say, "All right, I'll see another quarter." And then all of a sudden the light goes on, and they see things starting to happen. We're all human.

Patti Brennan

Exactly. As much as you talk about the Superplan, and the dad who bought Superplans for the kids, it's not a product. It's a path. It's really a path to a destination that they've articulated, and we can facilitate and guide them.

Buddy Thomas

But you can't buy it for somebody else. It's not a product. It's an experience that you have to appreciate and want to do. You have to see, "Maybe I am missing something, and maybe these people can show me something that I don't know." It takes that kind of humility, I guess, to do it, and that's why I keep writing books and going on podcasts and things.

Patti Brennan

Fantastic, Buddy! Thank you so much for joining me today. This has been fantastic. Your DNA, your passion, is so palpable. Thank you for joining me on this podcast, and thanks for everything that you do for our profession. You are moving us forward. I wish I could see five to ten years ahead to see the impact that you've made on the entire profession with the Superplan and your approach to real financial planning.

Buddy Thomas

Well, we've got a lot of work to do, and today was part of it. So thank you for the forum and your love and support over all the years. You're the greatest.

Patti Brennan

You've taught me how to be a better facilitator, Buddy. You have taught me so much. We have these conversations every few years, and I get jazzed up, and I'm like, "Yeah, that's the way we need to be doing things." I will look into your Superplan. I really want to learn more about this approach and figure out a way to do what we do even better than we're doing already.

Thank you for joining me today, and thank you for tuning in. I hope this was helpful. Again, as I said to Buddy, our mission is to embrace complexity, because life is complicated. Let's embrace the complexity to deliver clarity and confidence. Buddy Thomas and I hopefully are pioneering the path where your wealth feels simple, secure, and full of possibilities. That's the vision for our podcast today, and it's a vision for what we both do as certified financial planners. Thank you so much. I'm Patti Brennan. I hope you have a wonderful day. Take care.

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