

A HIGHER STANDARD OF CARE

After fifty years as a financial professional, there's not a lot that Bill Burke hasn't seen or done. His unique perspective on retirement and his approach to protecting his clients is powerful, intense, and driven by experience.
And his people love it!

An Interview with

BILL BURKE

CFP® Certified Financial Planner
ChLU® Chartered Life Underwriter
Master Elite IRA Advisor, Ed Slott IRA Organization

By Frank Maselli

Bill, you've been an advisor for over fifty years...why are you working so hard at 73?

I'm certainly not doing this because I *need* to work. I do it because I love it! It's my passion and really care about helping people. At my age I have a very different perspective about retirement than most advisors.

How so?

I now see very clearly that retirement can be really good or really bad. And too many folks are struggling at what should be a fantastic time in their lives. My goal is to make sure my people can live to one hundred and be fully taken care of financially.



Bill's son Darin is the next generation of advisor who will carry on the planning practice.

Your retirement is too important to be left up to the whims and volatility of the market. Fortunately, there is a solution and that's what I do as a distribution specialist.

Are people surprised to hear that?

Very often, yes. But educating is a big part of what I do. Think of it this way – when you go to see a doctor, they know things that you don't know. So they have to tell you, ***“As your physician this is what you need to get well.”***

That's what I mean by *“a higher standard of care.”* As a fiduciary – as your guide, I have to prepare you for what you're going to face down the road. If I know you're heading

into a cold climate, I have to tell you to wear warm clothes and boots.

How do people handle that message?

Most people really appreciate this honest approach, but some get frozen emotionally. They've had a habit for thirty years and it's hard to change. But I don't know anyone who says, ***“I want my kids to take care of me when I retire.”*** They want to do the right thing and they know that what I'm telling them is in their best interests.

What other risks do you see retirees facing?

I do all the financial modeling and I can stress test your world under any scenario, but a huge risk many people face is what will happen when they have a health event and they need supervised care at \$15 to \$20,000 a month at home.

Is anyone prepared for that?

Most people are not, but they can be. This is a major potential problem facing the Baby Boomers and very few people are talking about it.

Talk about Ground Rush Financial. What's the message in that name?

Ground rush is a term from the world of sky diving. It's the sensation jumpers have of seeing the ground rush up toward them. That's very much like retirement. Millions of people are headed toward retirement and they're waiting to pull the ripcord until they see that ground getting closer. The problem is by the time you feel that groundrush...it's too late! You're not going to land safely.

Is that where the motto came from?

Yes, we say, ***“It's always too soon ...until it's too late!”*** My job is to be your altimeter. I'm the guide who knows exactly when to pull the cord so you can enjoy a safe and soft landing. You can't wait to start planning until you're 60 or 70...it's just too late by then.

Isn't a hundred years a lot to ask?

Not really. Many people are going to be retired a longer time than they were working. But even so, it's much better to be prepared than to outlive your money. And then it becomes a question of what you plan to leave your heirs. So I focus very intentionally on estate planning.

You're an Ed Slott Elite Advisor. That's a highly specialized group. Talk about that for a minute.

Ed Slott is known as the nation's IRA expert. Millions of people have seen him on TV and he knows more about retirement than almost anyone in the financial world. I've been a member of that group for years and we specialize in all forms of advanced retirement planning.

Is running out of money the biggest risk in retirement?

For most folks it is, and it's certainly the biggest fear people have. You have people today who have been growing their portfolio for the past thirty years. Their growth advisor did a great job and we've had low interest rates and a fantastic market.

But now things are different. All the unexpected longevity risks a person might face are going to hit them between age 80 and 90. So in retirement you need three things: stability of income, safety of principal, and growth, all at the same time. That's what I try to create for my people.

Any other things we need to think about?

Sequence of returns will significantly impact your ability to maintain income for the rest of your life. Once you begin to withdraw money from your investment portfolio while the portfolio is losing value, the ability to bounce back when the market rebounds is reduced.

If you are lucky enough to retire in a good market, congratulations! But if you retire in a bad market, like in 2008 or 2009, you're unlucky. The odds are you will run out of money...it's that simple!

Talk about your son for a minute. Is he part of your plan going forward?

Darin is definitely part of my succession plan. He will be there for my clients after I retire and they can trust they will have continuity of our process and our philosophy.

You do quite a few seminars and workshops. Is education something you believe in?

Definitely. I try to keep things really simple and I teach with analogies and stories. I think people today are very confused about their money and about who they can trust to tell them the truth. I try to un-complicate things and explain everything I do in terms anyone can understand.

Most people want things in retirement to be stable and simple. One issue facing Baby Boomers that very few people talk about is what's called "cognitive decline." Major financial firms like Fidelity, Schwab are now tracking client phone calls listening for signs of dementia. People need simplicity and want to understand what's happening with their money. So educating and simplifying is a big part of what I do.

Can you give me an example?

Sure. Take annuities for instance. There is so much misinformation and generally bad advice about annuities that many people are frightened by them. I explain it like this: ***"If you could have half of the growth of the stock market, but never lose a dime...would that be something you might like to have as part of your portfolio?"***

When you clear away all the confusion for people and they understand what an annuity is, they begin to see it as a powerful financial instrument that might help them.

It's important to understand that "safe money" doesn't mean "lazy money!" You can participate in the market and get decent returns without any chance of loss.

Take us back in time for a minute...how did you get into this business?

My first job out of the Army was at a big orange grove and production facility in Redlands, CA. But I wanted to do something else and someone told me about financial services. So I just sort of fell into it with a company called Connecticut General.

That was lucky. They were a great firm.

They were famous for their expertise on estate planning and their business philosophy **"Serve first, last and always!"** And always look for the best things for the client. They established the fiduciary standard of care before anyone way back in the late sixties...fifty years before modern advisors even started talking about it.

What kinds of things did you learn there?

I learned to ask great questions and not talk so much. I think people today are terribly afraid of being sold. I want to make sure I completely understand what people mean and answer all their questions before we move forward.



Bill serves as the Honor Guard at military funerals. Here he is with his granddaughter.

Every step is going to be clearly identified and we will involve any other decision makers or people who are important to you.

Who would be your ideal client today?

My ideal client is someone who for the last 30 years has done nothing but grow their portfolio. So they've got this big nestegg that they've accumulated but suddenly they are in brand new territory and looking for someone they can trust to guide them at this new stage in the journey.

So that's not their stockbroker?

I'm not trying to replace anyone they've been working with. I tell people your growth guy did a fantastic job...now let's make sure you don't lose it! I am simply the specialist who is focused on protection as they transition from accumulation mode to distribution mode. These are two very different parts of your financial journey. Retirement takes an advisor with special skills, tools, and experience.

Can you give an example of something you might do different with a client's assets?

A good example is Section 7702. It's just one idea but it's very beneficial when used correctly.

What is that?

That's an insurance program called Indexed Universal Life. It's probably the most powerful income tax tool in the IRS code and nobody understands it. It replaces the old Stretch IRA which was severely curtailed in the Secure Act. A good IUL program can leave a fantastic legacy for your heirs...and it's tax free!

Any other types of clients you like to work with?

I do best with people who have a family and who care deeply about what they're leaving behind...what legacy and tax issues they might be leaving their kids. Family values are very important. I also work very well with business owners. They face a number of challenges in protecting their assets so that their kids and grand-kids will have a legacy from what they've worked so hard to build.

It sounds like estate planning is a huge part of your world.

Definitely. This is where wills and trusts come into play. How do you protect your assets for the next generation. That's a very difficult job and most people don't want to do the paperwork because it's very involved. Also, much of the planning process revolves around non-financial details.

What do you mean?

It's funny, every family has one kid who's good with money and one kid they just don't want to talk about. The financial questions are pretty simple tools. It's the non-financial stuff that will make the difference in a great estate plan. You have a chance to teach your kids about money and I have helped people at family meetings where they explain exactly what they're doing so that everyone understands.

You must work closely with attorneys.

They are the experts in drawing up all the right paperwork, and that's critical for an effective estate plan. When we all

meet, I'm the coordinator or the leader of the team. My job is to make sure everyone knows exactly what you want to happen and that all the parts of the plan work correctly together to get you safely from Point A to Point B.

That a big job.

One of the unique aspects about me personally is that I know enough and have seen enough that I dig into areas that most people will never get into because they don't even know that they're going to have a problem. So when I sit down with the client and their CPA and attorney I'm going to tell you what you can and cannot do because those other folks might never have had that experience.

What kind of advice might you give at this point.

One thing I tell clients is to never pick a kid, a family friend or a relative to be the trustee of your estate. It's an absolutely miserable job! The biggest litigation practice today is all in estate planning. That's where all the lawsuits are because once somebody dies everyone left hates everybody else!

I'm laughing because I've seen that myself.

It's true. But it doesn't have to be like that. I have special tools we use and I tell my people, don't leave your child or whoever is going to be behind in the dark about your wishes. Let them know exactly where the assets are and have everything prepared in advance including all your passwords and digital information. That's a big issue.

When I go through my planning with people the challenge of doing the best job is asking all these questions knowing that most people don't want to deal with it. But that's what I help them do.

Any final thoughts?

Retirement should be the absolute best season of your life. And you need three things when you retire: strong relationships, financial stability, and good health. I can't help with all of those, but the ones I can I make sure they are in place and working correctly. You spent forty or fifty years building something. Now it's time to relax, enjoy it, and protect it for the future. That's exactly what I do.

Thanks Bill!

People spend more time planning their Thanksgiving dinner than their retirement.



"It's always too soon...until it's too late!"

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