Brandon Averill ([00:02](https://www.rev.com/transcript-editor/shared/3PYBiMufWRf_RnWzXk0coL6vGtNt-8szYtVXdBwxYUYFHYVT4VAKnjChiIADo080ByPwss63Qyg254jlerchsoFcSfs?loadFrom=DocumentDeeplink&ts=2.31)):

Hey everybody. Welcome back to another episode of AWM Insights. As you know, we're taking a little path using our good buddy Brian Kane's formula for goal development, and we're applying that to your financial structure, how we look at things, how we build an overall successful game plan to achieve those goals. And we've hit on a couple of those starting points. So the very first concept that we visited was actually setting the intention. What do you want to accomplish? Being very thoughtful for that. In our world, as you know, that's really setting your priorities. The second topic we tackled was scheduling it. So how do we make this routine? How do we actually bring a system and a process to this development?

([00:46](https://www.rev.com/transcript-editor/shared/G1Zq9iM2guFhq93yFGYRg9to6e9feWlsxfvFO8eWtqWjOPaxu_yKNpbUUZX25HSSAbwcN7jwEoJLWQzPEDY-6w7b2CY?loadFrom=DocumentDeeplink&ts=46.59)):

And now we're on the step of measuring it, and really when we think about measuring it, I think there's lots of different ways that we can tackle this subject and we're going to tackle it in a few different ways today, I think. Really, talking with Justin I'd love to hear ultimately from you when we get there, but just investments. How do we evaluate investments in the course of our overall plan? But of course, this starts at the very high level. We visit with you guys on this pretty regularly, but it's all the way back to that intention. What are the uses of money that we want to have? What are our spending goals? What do we want our spending dollars to accomplish, right? It's the support of those priorities. What do we want our giving intention to be? So how are we making sure that we're executing upon that plan? We got to be measuring that. We got to be measuring whether those charitable dollars are actually being allocated.

([01:42](https://www.rev.com/transcript-editor/shared/DrO_9thQfhkyeqRT_3zPJZ9CMaYEy1OrkwU5GmyILUK0ush34NxQlFeRnHHJy8O-AmSHIzVYjYajJrdCHnH5PKoNn9E?loadFrom=DocumentDeeplink&ts=102.54)):

And then, ultimately that comes to the savings side. What is the savings target that we're trying to hit? Everybody knows for us, that's a pretty magic number. Around 40% of your gross income is the standard that we talk about a lot. Once we hit that intention and we're measuring it, we know 40% of our gross income roughly is going into our savings. I think Justin, maybe jump in there and talk a little bit about, "Okay, that's great. Now we've built a portfolio. How do we go about evaluating and measuring that?"

Justin Dyer ([02:12](https://www.rev.com/transcript-editor/shared/uZmP8FOGful_xXepN28_HBE2HTkMO8hW6gJvx8KUk_1rRryt8mTBQtYnw2lm7Ni_dQt2YaNwL5DqNk1l8xThtCWMj60?loadFrom=DocumentDeeplink&ts=132.33)):

I want to start by reframing some of what you said around setting your intention or what we say a lot internally and I think on this podcast as well, is money is a tool to accomplish your priorities. That's a simple statement, but it's incredibly important and it's kind of why we're going down this little miniseries here on the four step goal formula.

([02:32](https://www.rev.com/transcript-editor/shared/BB5g_Koz66MqDfzP6bSRoVpHAT_OTuy-FKFSYZkmVUjyW_hBPII_n-mrYjpkZ6ivonMBZQTT-hH3IqISB9wLlUZglis?loadFrom=DocumentDeeplink&ts=152.67)):

Why I want to reframe it or repeat that before we get into the investment side is because that's kind of our end goal, right? We're using money as a tool to accomplish what's important to you, to accomplish your goal, to accomplish your priorities, as we say internally. How we go about that from an investment standpoint? Well, we want to invest in the highest probable way to accomplish those goals. This isn't just a, "Hey, let's throw a bunch of random allocations, investments, together into a portfolio?" Whether they're real estate, because everyone loves real estate. Not a bad investment, but it's a part of this whole process. It's not the end all be all. Same thing with venture capital, which I think everyone knows we favor quite a bit as well, but it's a part of the entire equation.

([03:24](https://www.rev.com/transcript-editor/shared/aHy1B7FRFyvc2pScY_7DpkhnuFguGaOj8cm9UvdUKnL8vtZJf0usW0nJ9UaQ3mx0--llAtNF3oma8N8w-pCFVRMBP14?loadFrom=DocumentDeeplink&ts=204.42)):

We also talk a lot about customized solutions, customized portfolios, and I think that's really important to bring into this conversation as well. Each and every individual has different priorities or different goals, and so your portfolio, your investment, should really represent those in a unique fashion as well and speak to those and support those. The simplest way to think about investments and really getting to measuring it is in what we call a priorities-driven allocation or liabilities-driven allocation for the finance nerds out there, the academics out there, where we want to match an investment with a specific risk ...

Brandon Averill ([04:07](https://www.rev.com/transcript-editor/shared/DllH2oglGDhBZMhnwhHkaYEAo5KgJGkGJBtnAj4ZVtbJErZ2u-NR_EcUmv4_6AEUN6liOmipu3lPP68mezGJ7ZWjLKE?loadFrom=DocumentDeeplink&ts=247.53)):

Profile?

Justin Dyer ([04:08](https://www.rev.com/transcript-editor/shared/cH_XQr9KbJtAgapXgDH1mfLA6cDAhEkFmjsph2b8N6tEZYJr8aQtZVUoCcT_4MGiCXAapnkz5fDcQ9qkHQnP6Me595g?loadFrom=DocumentDeeplink&ts=248.22)):

.... Profile characteristic, et cetera, with a corresponding priority or corresponding goal. So if you have a goal that is short-term and it's really important that you meet it, you don't want to take risk on the investment side of that, matching it up. But if there's something long-term and you have some flexibility on the timing of it, and if it doesn't end up happening potentially, it's maybe, okay, well, that's where you get to take a lot of risk.

([04:33](https://www.rev.com/transcript-editor/shared/P46fqH2Bm7nvcqukUUmAvOuQu7z8KXSx7qfctZGGrLjZCYLSnRenn1i5A7Tth0cLVHhQgjUi9lM9CH1S59Hf1AYLqVM?loadFrom=DocumentDeeplink&ts=273.93)):

And so our measurement is comparing the traits of an investment with the importance of your intention at how you've communicated that to us, to your advisor. And it really kind of comes into this overall portfolio where we're building an aggregated, diversified set of investments that gives us a very, very high likelihood to meet your priorities, to measure and accomplish what you've communicated is important to us.

Brandon Averill ([05:06](https://www.rev.com/transcript-editor/shared/9TryhKrbnMyYj3HWi2QsGkgLeUtu_preYDGsd3sjNOqT0-nqd_EEIkaOddQDk2jo7BU4CzlaWMm24NZT2baN4p5zb5Q?loadFrom=DocumentDeeplink&ts=306.33)):

I think that's really helpful and hopefully clients listening, I mean, you're familiar with this. We talk a lot about your priorities and allocating the portfolio to that being customized. And really, creating that personalized benchmark ultimately for everybody, and that's how we measure success. If you're not a client and you're listening, every once in a while, we get, in my opinion, a pretty lazy question or a question around, but intuitively makes sense as, oh, what kind of returns do you get? What kind of returns do you get? And the only appropriate answer, unfortunately, is it really depends.

Justin Dyer ([05:38](https://www.rev.com/transcript-editor/shared/ej5WakTPlivTBA1uG0uwuPmIgY_XgjA3ja1_hXsBsEkAZyBBoShvSU50LcTHDKUeJxuF0q3vvjqE-z00btDSity55lA?loadFrom=DocumentDeeplink&ts=338.67)):

Right.

Brandon Averill ([05:38](https://www.rev.com/transcript-editor/shared/hOh9e1ICzPHwZY8HMWxWMdjZ_-H8wkkwlbDNQSdkeKpxqejr2vSIWDTGYsLHwCCbereVesdqIMnstDfpJH4_Zw9uMR4?loadFrom=DocumentDeeplink&ts=338.76)):

It depends on the priorities and how the portfolio is structured. What we do say is that we want to gather everything that you deserve. So the public markets part of your portfolio, we want to outpace the public market benchmark for that. Same with fixed income, et cetera. But everybody's going to have this blended difference because it all comes down to what your priorities are and not exposing too much or too little to different areas. And oftentimes it's the latter. It's not exposing enough. If you have wealth and you are planning for generation two, three, four, then the investing changes quite a bit and it should be a little bit more out on what the traditional approach to a risk spectrum would look like.

Justin Dyer ([06:22](https://www.rev.com/transcript-editor/shared/jYrebRpW80S6j0rj048AWkRGP76t27zemHz5wt2FExYjyasUK9LGYPgB3_SOzc5Ewu9zcCQ8tYagQ8Ld-w41B-n33f0?loadFrom=DocumentDeeplink&ts=382.2)):

Yeah, there's no question about that. I think to maybe round this part up, I want to make sure we mention how the investment team on a regular basis is really, in the true sense of measuring this, looking at your priorities versus your existing portfolio. Are there new cash flows that have come in that have hit that we can then allocate and bolster the portfolio to better measure up or stack up against your priorities? Or has something happened in the market that changes the overall makeup? And we can take advantage of that. Those are some true day-to-day measurements that we're doing just automatically, essentially behind the scenes.

Brandon Averill ([07:01](https://www.rev.com/transcript-editor/shared/HXHsNP9BUSahJ9bjN9blZxA_c5bL9kkaBdZYVj_3OxTT6EP5UYqm3JuhSrYqJgQLachhfOcoZLUwBYrisc_gl_4BKvM?loadFrom=DocumentDeeplink&ts=421.17)):

So I think that's all really helpful. And then what we can maybe round this out with and close out with is, okay, if you've set your intention and you're measuring the uses of money, you're measuring your investments, make sure everything's aligned with your priorities, there's also this measurement of do you have a complete plan? And that takes engagement, right? That takes, as you guys know listening, that takes the time that we meet with you to make sure that, "Hey, is this multi-generational wealth formula working the way that we should be working? But then additionally, there are risks to that, and are we sitting down and actually evaluating and measuring, do we have the right liability insurance in place? Do we have the right estate planning in place? Have we worked on family dynamics to make sure that we don't have an issue there? Are we avoiding bad investments from a private side standpoint and blowing everything up?"

([07:52](https://www.rev.com/transcript-editor/shared/qK_uYlkfHmlCY9qJxca5m6HD91QXK5u575locrA1uJJv4ZQDTgOteTcyXOjNmLrV-3Z6hAPgKTHEdebzCbIOu6pI_1w?loadFrom=DocumentDeeplink&ts=472.11)):

These are the risks that we continue ... Death and disability, probably the first one.

Justin Dyer ([07:56](https://www.rev.com/transcript-editor/shared/N7O2-uLsxqj4K0gWRrPfrJGktLJmmJINnXj-fuNR2BZomTDhZQbx9KhuXzPaqcXwN_qpNaY81JKiJgfEB1itbkkwUac?loadFrom=DocumentDeeplink&ts=476.31)):

The first one, yeah.

Brandon Averill ([07:57](https://www.rev.com/transcript-editor/shared/vK1n047O68tJaeh1RnZeAckizANiCgCpLP2N4mwXf1_0BeR5U9dU6jaKrL0yWm5h61JZ9fKhb9WDVUxBjRxnWY5aa5Y?loadFrom=DocumentDeeplink&ts=477.06)):

Have we evaluated that? Do we have the proper life insurance, proper disability insurance in place? And ultimately really relying on the team that you have to help you navigate through all these and measure these areas appropriately. So hopefully this is helpful. We enjoy talking about this stuff, but please give us feedback if you want us to dig in any further to any of these topics. But until next time, own your wealth, make an impact, and always be a pro.