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Regions Insights Podcast

Episode 5: Investing in Your Future

This Regions Insights Podcast will take a look at the empowering financial concept of "investing in your future." Sean Toebben and Ryan Nast, of Regions Investment Solutions, talk about the key life milestones, both those we all have in common and those that are uniquely our own, that are integral to our goals and should be integral to any path we chart for the future. Our guest, Professor Harold Pollack, co-author of the personal finance book, *The Index Card*, shares his take on the ways human nature can get in our way as we plan for the years ahead and provides valuable ideas that can empower you as you seek financial success.

Episode Transcript

Chris Blose: Welcome to The Regions Insights Podcast. I'm your host, Chris Blose, and on this show, we look at trends, tips and triumphs around your money.

The phrase "investing in your future" means different things to different people. Some may automatically think of retirement and the planning that goes into it — a topic we'll cover in depth on a future episode of this podcast.

But investing in your future also can mean saving for other milestones, such as buying a house or paying for education. It can mean developing a plan to allow yourself to start a brand-new business. And as one of our guests today noted, sometimes it can mean simply preparing yourself for the unexpected.

Harold Pollack is a University of Chicago public health policy professor, but he's known more in the world of financial health as the co-author of "The Index Card," a book and system designed to demystify personal financial planning. Harold shared a deeply personal story about how and why he first started to care about investing.

Harold Pollack, Professor and co-author of *The Index Card*: So I was a public health professor at Michigan for you know, to start my career. And then I was recruited to the University of Chicago. And four months after I moved in, my mother-in-law died suddenly. And my brother-in-law, who lives with an intellectual disability known as fragile X Syndrome, moved into our home. And my wife had to basically leave the workforce to take care of him. And, and we had a real financial crisis, you know, in our family. And I remember thinking, I'm going to hemorrhage out my money. And so I decided that I would actually take seriously personal financial stuff, which I'd never really taken seriously before. And I started researching it.

Chris Blose: We'll hear more from Harold Pollack later in this episode, but first, we turn to Sean Toebben, a Regions Investment Solutions financial advisor who covers St. Louis and other midwestern markets. Toebben shared his own definition of "investing in the future" and offered some of the key milestones and planning steps involved.

Sean Toebben, Regions Investment Solutions financial advisor: If we're looking at a 30,000 foot view of investing in general you've got about 40 to 45 years of work to pay for about 60 to 70 years of your adult life. So as far as investing in your future you know, that they, they obviously overlap. Some of the years you're going to be paying for are right then and there, and some are later on in life. So investing in your future is finding the balance on how to pay for such a big period of time in such a short period of time and figuring out how you can retire and enjoy yourself instead of working forever or retiring and just sitting on the couch.

Chris Blose: Retirement obviously is the end goal in a lot of investment plans, but I know there are a lot of other milestones that people may be saving for, whether that's, college for a kid or buying their first car or, even on the more entrepreneurial side, you know, saving up funding for starting a business or something to that effect. So what are some of those common milestones or items that people might be planning for, and how might their approach differ from item to item?

Sean Toebben: Retirement is obviously the biggest thing that we save and invest for, but you're correct. I have folks that save for specific things like vacations, college, weddings are a big one, especially now that weddings cost $20,000, $30,000 for a big one. Vehicles RVs, or other toys like boats, redoing things around the house, you know, some folks might live in the same place for 15 years and go, man, when we moved in here, I was really planning on redoing the kitchen, and here we are 15 years later and I haven't done it yet.

And so sometimes we need to invest in and make sure we've got a plan going for that, for home repairs or home remodels or maybe for a second home. That way they can have some rental income for themselves now and later. Some people want to invest because they want to build a nest egg for their kids or for charity. And so those are some of the more common things that we see.

Chris Blose: Yeah, and so those are all kind of, you know, milestones. Some, fairly universal, some may be individual, but on an individual level, what are the key traits or personality or behavioral things that people should take into consideration when they're developing their own investment strategy for the future as well?

Sean Toebben: So for each of those things, whether it's long term or short term, you need to figure out the time horizon, right? We need to figure out are you planning to save for this with a lump sum investment and hope and lean on only interest? Are you looking to invest and make contributions or maybe a combination of both? Figure out, okay, well how long are you going to make these contributions If you're making those.

When are you going to spend this money is the big question. That's the biggest question any of us can ask, is when are you going to spend it? And then we can work backwards from there, because then we can find the appropriate risk tolerance and, and investments. Because if somebody's, you know, going to come to me and say, Hey, my daughter, I just found out she's getting married next year need to start saving up, you know, we're probably going to look at some pretty conservative and short term strategies versus, yeah, let's go find the latest and greatest tech stock and just roll the dice for the next year. Your guests could be eating either caviar or fast food at the wedding, just depending on how well the stock does.

Chris Blose: I'm glad you brought up risk as well. So how do you help individuals assess their own risk tolerance in relation to whatever their goal is and whatever that time raise horizon might be?

Sean Toebben: It all boils down to that big question, risk tolerance and time horizon equate to that big question of when are you going to spend this money and what are you spending it on? When they spend it determines a lot, probably the vast majority. And then again, we work backwards from there. The farther the moment is into the future then typically the higher risk reward ratio we can go with. But if it's something that's very short term, then we'll have an honest conversation about expectations on returns.

And right now we're in the healthiest short term safe interest in the environment that we've seen in 20 years. Or you can just waltz into a bank and get great money on CDs very short term. But that's not always going to be the case. And so we, we need to break down the, you know, when are you going to spend it, what are you going to spend it on? And then work backwards from there to figure out if it's something we can take some risk on to try to shoot for some better returns long term, or if it's something very short term, we just need to make sure that we do the proper math on and calculate some interest for you.

Chris Blose: Obviously there are individual sort of needs that are short term versus that long term retirement planning, but ultimately all of it does sort of meld together into financial planning. How do you help clients balance between whatever those short term planning goals are and their needs are with that, while keeping an eye on that long term investment goal as well?

Sean Toebben: So as far as short-term needs and long-term planning it really boils down to a true financial plan and making sure that you're using calculators and, and financial planning software. We do live in the information age, so make sure you're using a good financial planner and a good financial planning software.

But the priority is going to make sure that we're set with our long term game plan first. And, in the hierarchy of needs, you need to make sure that, again, we're, we're paying for those 60 to 70 years with only 40 to 45 years worth of savings. So long term's gotta be the priority first, and then we'll maximize whatever we can as far as the short term goals.

At some point, you know, taxes are likely to go up, social security is likely to fall. And so we need to make sure to take that stuff into account, have a long term game plan set into place, and once we're set up with what we can commit for the long term, feel free to spend and enjoy the rest as far as we know, we, we only get one shot at this.

You cannot only go and live for the sixties and seventies. You've got to make sure you live for the rest of your life too. The twenties, thirties, forties, fifties, sixties and seventies and eighties and beyond. Right? Now, if you took everybody that turns 65 today and put them in a room, one out of every three folks in that room are going to live to be 90. It's not going to be this, you know, crazy outlandish thing. Oh my god, you know, grandma lived to be 90. Holy cow. You know, a third of those people are going to live to be 90, and that's the 65 year olds today.

You think about right now, they've said the first person to live to be 150 has already been born. And so we, we need to make sure, I'm talking 60 to 70 years as far as how much you need to save up for to cover that much of your life. And for a lot of us, it's going to be more like 70, 80, 90 years worth of life that we need to pay for. So long-term needs to come first, and then once we've figured out that you're on track for your long-term, everything else, feel free to spend and make sure you enjoy your life too.

Chris Blose: Yeah. I want to talk a little bit about some of those earlier goals, kind of pre-retirement goals too, since you talk about enjoying your life, you know, before you're retired as well. Right? You know, let's say somebody has a goal, you know, they want to stop working for someone else and start their own business, right? They come to you in their thirties, they say, in five years, I want to have my own business started. What are some tools that you're going to point them to in terms of an investment strategy to make that happen?

Sean Toebben: We'll work backwards. If we figure out what type of business, obviously your basic questions up front: What type of business are you going to buy? How much do you think you're going to need to put down? Versus, you know, can you get lending? And we're going to make sure their credit is in order because most of the time people just can't go out and save in a five-year period. Most folks don't have the means to do that and then just go buy a business for cash, right?

They're going to need to make sure that they have a game plan in place for whatever they're going to need to borrow as well, which means their credit's going to need to be in order. And over a five-year period, even with somebody with tough spots on their credit, you can repair that and get to a point where you'd be able to get some lending for the most part over a five year period of time. Even bankruptcies fall off after seven years.

So to make sure that we figure out the funding first on what they need to borrow versus what they plan on putting down in cash then we'll work backwards from there and figure out, okay, well here's, if you didn't earn anything and we just go into a savings account, here's how much you need to start saving. Is that in the budget?

Then we can work backwards from there and say, Hey, look, here's some investment vehicles that are typically a little bit lower risk and we can get you there over a short period of time. But because we're working with a time horizon that might be a five-year period of time, we probably wouldn't, we would go low risk. If somebody's saying, Hey, maybe they're coming to me at 25 and they're like, I plan on putting in 15 years worth of savings and then at 40 I want to start my own company. Okay. That's fantastic. We've got more time to work with, we probably have some abilities to, to look for some higher returns and up that risk reward ratio.

Chris Blose: So we've talked a little bit about the goal of starting a company, planning for a wedding, buying a car, some of those typical things that might be considered investing in your impending future. Are there any sort of surprises that you've, you know, either experienced with clients or that you've heard about from colleagues that qualify as investing in your future, but are maybe not those typical milestones?

Sean Toebben: The biggest surprises are when somebody wants to really, really reach high and they might need some special planning as far as a foundation. The big charitable donations are probably the biggest surprises when somebody comes in and, and says something like that, because then you get to get really creative with CPAs and CFAs and, and attorneys and life insurance especially on that.

There are all sorts of neat different routes to go when it comes to looking for foundations. But those are typically, you, you're talking 15, 20 million and above, and there's some serious planning that goes into it.

Chris Blose: Yeah. And in that case, it's not just investing in your future, but if you're doing something charitable like that or a foundation, you're investing in others as well.

Sean Toebben: Exactly.

Chris Blose: You mentioned we're in the information age, you know, it seems like more and more of your clients are kind of already somewhat informed when they come and speak with you. What sort of misconceptions or misinformation do you hear from people, or do you often have to sort of explain in these conversations?

Sean Toebben: Misconceptions are that you can, you know, it's that easy. You can just, you know, click some buttons and boom, you're going to be an overnight millionaire. It does take time. There's some ingredients to make some money over, over a period of time and, you need to take some risk and you need to give it some time to cook and marinate.

And so it's important to make sure that people really understand that this isn't a game. It's not as easy. Zig Ziglar has a neat quote that money isn't everything, but it's right up there with oxygen and you need it to live, you need it to have a lifestyle. And people should be very cautious about playing with the market and make sure that they have the vast majority of their nest egg and something that is reliable. And then if they want to shoot for the moon with a couple of things, I fully support it. It's what I do myself. Then, my mutual funds do my heavy lifting. My 401K does my heavy lifting, and I've got some stocks that I try to pick that I think are doing a little bit better long term and roll the dice on those.

Chris Blose: With that in mind, what role does diversification play in investing for your future?

Sean Toebben: Yeah, and diversification is key. Having a select five to 10 stocks to try to take advantage of certain situations that are going on because of the economy or just because of a random spot in the market.

It can be very, very rewarding. But you should also make sure that you diversify into an index or a mutual fund or an ETF, again, I call it for, for the heavy lifting. The vast majority of the, the folks that I work with, I would say if you want a general number I think most people have probably 75 to 85% of their stuff in, in funds, whether that's an etf, an indexed fund, a mutual fund, something that's very well diversified just because then again, you and fall with the tide and, and you're not going to miss out on the big sweeps up or down. But you can try to take the other portion and, and really if you're willing to take the time to learn things and, and track it and know when to get in and out yeah, absolutely. I support folks that want to do things on their own or even with me. And then we have that discussion and pick those five to 10 stocks that we think will do a little bit better with a portion.

Chris Blose: That's great. Well, Sean, thank you so much for joining us. We really appreciate your time and your perspective.

Sean Toebben: Thank you very much for having me.

Chris Blose: Sean Tobben knows that not every bit of investment strategy will work for every investor. It's his job to tailor individual plans to individual needs.

For the bigger picture, we return to Harold Pollack Pollack, who you heard from at the top of the show. Harold approaches financial planning from a layperson's perspective, which is perhaps why his goal is to simplify.

Harold Pollack: What was interesting about it was that when I talked to the real experts, what they had to say was so much simpler than like, the stuff you'd get from financial cable TV and stuff like that. And I was doing a video interview with a financial writer. And we were talking about some of this stuff, and at some point I said, the problem, the fundamental problem that the financial advice industry faces is that the best advice for most people is available for free at the library, and it would fit on an index card.

And it was kind of a throwaway line, but I started getting all these emails from people saying, well, where's the index card? And, you know, cause I was just, you know, wooing, but I had put my flag in the ground, you know, I decided I had to do it. So I grabbed one of my daughter's four by six index cards. She was in seventh or eighth grade at the time, and I just scribbled down in about 90 seconds, nine rules. And I took a picture with my iPhone and I posted it on the web, and it was all stuff like, pay off your credit card in full. Don't buy or sell any individual stocks. Save your money. You know, stuff like that. It got 400,000 views.

And in fact, I won Money Magazine's best new idea of the Year award that year. And I remember my colleagues at the University of Chicago, you know, the big economist, they were like, oh, you won this award, what did you do? You had to show me what you did. And so I show them the card and they're like, that's, that's it? You know, llike I've spent 30 years doing, you know, really major research on the stock market, and you win with this thing that is obvious to everybody. And I said, well, that's kind of the point that, you know, people need to, needs to be shown in a way that can fit on a refrigerator magnet that people can use.

Chris Blose: Are there any particular sort of simple practices or habits that individuals can adopt to get theirselves on a more solid financial footing and even start investing in their future as well?

Harold Pollack: Well, first thing is to make it automatic. You want to be automatically saving with every paycheck and, you know, putting it you know, reasonable stuff like a target date investment fund that's, that matches, you know, when you expect to retire you know, like your 70th birthday, something like that.

Keeping track of your spending is useful so that you're self-aware about your own vulnerabilities. And it's not like you should be on a financial starvation diet, but you want to be intentional.

I like to say to people, your high calorie food should always taste great. And, you know, on budgeting, I think your credit cards are really important. You really want to pay off your credit card bill at the end of every month in full.

Credit card interest rates are like 16% or more. There's no investment that's going to come anywhere close to paying off your credit card if you have a lingering credit card debt. I think for a lot of us, our credit cards are a real problem. Those are the kinds of simple things that I think are important and stay away from crypto and from trying to predict individual stocks that are going to do well.

You know, suppose I spend a lot of time thinking, you know, should I invest in, SUVs. I really want to understand where the next SUV is going to be a big success. There's two things that are really wrong with that. One is the other people who are making, who are thinking about that. There's, there's someone who works at Goldman Sachs, that's her full-time job is to cover the auto industry. And she's, she's got way more information than you have and more expertise. You're not going to outcompete that person in this.

And also, every second that I spend thinking about that SUV is the second I could have been thinking about how to do a good job on my day job, how to be a better parent or partner doing things in my life that make a difference that, you know, that, that are much better uses of my time. I would say my best and worst financial decisions have often been not about finances at all. It's like, did I get that memo in my day job that was important? Did I pay attention to that thing in my house that needed to repair or things that I can control and, and not to try to be a financial professional, which is not what my job is. So those are the kinds of things that I think about a lot.

Chris Blose: The first example that comes to mind when I asked that question was the sort of target retirement date. That's what people think about automatically. I think when we say investing in your future, but obviously people have other goals, whether it's owning a car, buying a house, you know, paying for a wedding, whatever the case may be. How do you think about balancing those shorter term goals with that longer term sort of end retirement date as well?

Harold Pollack: There's no one answer that works for everybody. But I think keeping those things in mind and saying, if I have a long-term goal, what am I doing that's going to that's moving myself towards it? And thinking about ways to save that give me that flexibility is often important. One of the things that I'm a big fan of is Roth IRAs, because you can put money in your Roth ira, and then if you need it, you know, you need to withdraw some of it for an emergency or because you've got some sort of a, you know, you have a child's wedding or something like that, you can do that.

It turns out with a Roth IRA, there's no penalty if you put in $6,000 and it made $3,000 interest, I can take out up to $6,000 without any kind of penalty. I can't take out more than that. I can't dig into the investment game, but I can take out the principle. And so that becomes a great way to have a strategic reserve. So I can successfully have a strategic reserve that's both good for my short term stuff and also is working towards those long term issues like my retirement or my kids' college or whatever.

So those are the kinds of strategies. I think the main thing is also you need rockets to do rocket science. And the way you do rockets is you try to save 20% of your money and live below your means.

Chris Blose: I'm curious too, you mentioned that sort of 20% guideline for savings. Yeah. Is that something that applies kind of across the board every stage of life? And should people really start doing that earlier than they are in general?

Harold Pollack: You know, there's a mathematical answer and there's a human answer to that. The mathematical answer depends on what you think your earnings trajectory is. You know, like, it's funny, some of the financial experts did not like my 20% advice. They're like, you know, I tell my students you know, they should be spending money now.

And I'm like, well, your students are getting a master's degree from the Booth School of Business at the University of Chicago. And they know they're going to be making a ton of money when they graduate, and they're not you, you know, the biggest problem in America is not that people saved too much money because they forgot that they're going to be rich in five years. I think that 20% is a pretty useful guideline for most of us. It's very hard to achieve. One of the, one of the challenges with that is I've gotten a bunch of communications from people where they're like.

You've just told me to save 20% of my money. I'm a single mom, I cannot do that. And then there's a string of obscenities that follows that. And I'm like, you know, I totally get that. That's really hard. But I, I think that's a reasonable, you know, 15 to 20% of your pre-tax pay is what we should all be kind of aiming for in how much we're consistently saving. And if you say, how much of a house can I afford? Things like that. If I buy this house, can I still be saving 15 or 20% of my money every month? That's kind of a good rule of thumb.

Chris Blose: So I'm glad you brought up the example of someone who maybe was thinking they can't afford to save 20% every month. What is your advice for people who have either faced a financial setback or maybe they're earlier in their career and just not making enough where they feel like they can really start investing or saving, how can they get a sound financial footing to start with?

Harold Pollack: There's a couple things. One is I do think that financial coaches can be very helpful. If you call your local United Way and other things you can get, you can get some expert help. Sometimes your workplace will have access to that kind of expert advice. And it's not about what I should invest in, but it's really how do I manage other aspects of my life? How do I balance putting money in my kid's college versus my retirement? If I have credit card bills that are kind of very, very high, how do I deal with that? You know, maybe I need some credit counseling, something like that.

There's good sources of information that are out there. And I think whatever helps you get yourself going is really important. So for example, one of the administrative assistants that I knew came to me for advice, and she was like, you know, I don't have enough money to save for both my retirement and my kids' college. You know, she had a daughter, she's a single mom, and what should I do? And the mathematical answer was, your retirement comes first probably. But the human answer was, she would've felt really bad about herself if she didn't put anything aside for her against college. And, we talked about some strategies where she could save. And one of the things that we talked about was how she could get mojo out of saving, because one of the problems when you don't make a lot of money is it's painful to save. You know, you really have to do without stuff that's real.

I think we each have our own vulnerabilities. Like sometimes you understand, for example, like, do not pay attention to your credit card reward program if that makes you spend more money. You know, if you find that paying cash allows you to be more disciplined, pay cash for stuff. If you find that having a special account that's called “next year's summer vacation,” that helps you save, that's great. You know, then, then you, then you have a little piggy bank where you say, you know, I'm not going to spend the $6 on the subway. I'm going to put it in next year's summer vacation account. And then when that six year summer vacation account reaches $500, then I can go on my vacation for a thousand dollars, whatever the vacation is. So I'm creating a mechanism where my short term goal has some real teeth to it and some real tangible signs of progress on it.

Chris Blose: Yeah. So it sounds like the system has both a need for prioritization, but also there's a lot of individual elements that go into this in terms of what's important to you and, and what motivates you.

Harold Pollack: Absolutely. Yeah.

Chris Blose: I'm curious too, with, with the index card, I mean, you've lived with this for a little while mm-hmm. And it's, it's what, as you said, has gotten you recognition as you were putting together those nine key tips. Were there any things that surprised you or jumped out to you that, oh, this is kind of new information, or, I'd never thought about this that way before?

I do think what surprised me the most was how simple this stuff is, and how you just don't have to know. You don't have to know anything about the stock market. In some ways it's better that you don't.

When I looked at the data, it was astonishing how bad we are at stock picking. When I'm the people, the group in America that is the most self-confident and performs by far the worst is young, unmarried men. When I mention that fact, all the women in the audience all start howling, they're like, tell us something we don't know.

You know, the combination of overconfidence and underperformance is something they're quite familiar with. But just, you know, I was astonished, when we buy stocks, the stocks that we buy tend to underperform the stocks that we sold. So we could buy that stock because we chase after shiny objects.

And there are these two researchers who studied how well people do buying individual stocks. And we are just so bad. It's hilarious. The other thing that I found interesting was the role of financial consultants and advisors, they actually are very helpful, but they're not helpful in helping you pick stocks.

And what, what they're helpful for is, you know, I've got a child with a disability and another child who doesn't have a disability, how do I plan that? You know, if you have somebody who's a financial expert, that that person can be really helpful for you. And in fact if you paid that person $300 an hour and you got really unbiased advice, what's called under what's called a fiduciary standard, where they're legally obligated to give you advice that is in your own financial interests and not biased by any of their own financial interests, that's actually worth it.

Chris Blose: Yeah. Well, thank you so much, Harold. We really appreciate you joining us today. It's great to hear your perspective on this and we appreciate your time.

Harold Pollack: Thank you so much.

Chris Blose: Long story short, simplifying financial planning is a worthy goal, and we thank Harold for sharing his approach with us.

We wanted to dig in a little more on short-term vs. long-term planning for the future, so we also spoke with Ryan Nast, a Regions Investment Solutions financial advisor based in the Birmingham area.

Ryan Nast, Regions Investment Solutions financial advisor: We can start at the individual level, and a lot of that depends, Chris, on their goals and objectives. Is it a shorter term type of investment? Is it something longer term like their retirement planning something like an IRA or a 401K perhaps that maybe money for, for the distant future to, to help in retirement? So a lot of that really depends, but it's going to look different for each person. And I think that's what's great about our program and, and the opportunities we have to, to get in front of, you know, potential clients. Very diverse offering of investment solutions that we have here at Reguins. So a lot of it depends, stepping back to, hey, are you a younger person that may have 30, 40 years to retirement? Are you getting a little closer to retirement where you may have income needs?

So at the individual level, it really depends on where they're at, what they're looking for, and kind of what they expect in the future. And, and we've got a solution for everybody in that regard. When it comes to business you know, some of that depends as well on their horizon. Is it shorter term money where they may need to just try to get a, a good rate of interest, be a little more conservative is it us helping them with their 401k or their company retirement plan where we can help 'me think about, you know, providing the best benefits for their employees and, and themselves as well as business owners. So a lot of that really depends on what their goals are and objectives are, their timeline, and we can really sit down and customize a strategy for those businesses depending on what their needs may be.

Chris Blose: Now, Ryan, how might some of those approaches change, whether it's for individuals or for businesses when, when we're in a time of disruption or when we have, you know, high interest rates, for example, or there's a little bit of uncertainty in the market as well?

Ryan Nast: Yeah, yeah. So sometimes they may not change. Sometimes if your time horizon is long and you're a younger individual or have 10 or 15, 20 years till you're you may need that money or potentially longer, it may be best to hang in there, right? If things are volatile in the market, to not necessarily take a loss if you don't need the money in the near term.

So riding out those storms, and that may even present an opportunity for, for some people, if, if the market were to be down somewhat and they have a long time horizon for when they may need the money or may want to access the money, potentially. It could be an opportunity to buy in at a lower price and then grow more over the long term with that. So some of that really, really depends, you know, on what their needs are, whether it's short or long term.

If it's shorter term, you can certainly take advantage of the interest rates, Chris. You know, where rates have certainly risen significantly the last year plus with the Fed continually raising rates you know, periodically when they have their meetings.

So there's certainly some opportunities in that space for individuals that may be more conservative and have near term needs with their money or businesses, right, that may have requirements around, Hey, we, we can't, or we don't want to invest this money in something volatile like the stock market could potentially be. But what can you offer us in the shorter term space?

And rates are really fantastic, both with bank related products, CDs, money markets, things of that, that nature along with you know, more fixed income type investments - you know, perhaps fixed rate investments like fixed annuities, indexed annuities. Those are just certain product types that we don't necessarily have to get into the weeds on, but there are solutions for both the individual and the corporation in that respect.

Chris Blose: So Ryan, you brought up kind of short term options, you know, and I think when we're, we're talking about investing in your future, people's minds automatically go to retirement or those sort of longer horizons, but what are some of the things that people on the individual level are either saving for or trying to invest for that may not be 30, 40 years down the road, but maybe, you know, next month or a year from now?

Ryan Nast: Yeah, no, great question. So that's one of the, you know, early on questions I'm going to talk about with any potential investor or in a review with a client, what their near term expenses may be. And when I, when I say expenses, not necessarily, you know, we, we will talk about that, but more, are there any large potential expenses on the horizon? Is somebody, you know, looking at buying a house, looking at buying a vehicle any major purchase college expenses coming up for somebody that may have children that are entering that, that phase of life. So talking about those big expenses, whether that be something need based or investment based from their side.

Because you know, as you know, the market can be very volatile in the short term, both good and bad, right? Somebody could do very well in a one year period of time. Somebody could do very poorly in a one year period of time. So I hesitate to recommend things like that for somebody that may need very near term access to their money. And thankfully rates have risen for those types of investors. So there definitely are solutions if you're wanting to keep, keep your money short term.

There also may be you know, people that have a little bit of uncertainty, Hey, I, I don't want to take on that risk of the market because I may be looking to make this purchase, or depending on the conditions, know of what I'm looking to do, I may be spending this money in the near term, I may not, but at the same time, I don't want to take on those risks. And we can kind of come in and fill that need for clients, whether it be something more potentially short term like an emergency fund or a one to two year strategy, there definitely are competitive solutions to offer to clients from a rate standpoint.

Chris Blose: Now, I'm curious about taking the same approach for a business owner, you know, there are maybe opportunities that come up in the short term, whether it's an acquisition, whether it's expanding operations, or even just, you know, some sort of new partnership. How do you work with a business owner to think about evaluating those opportunities and thinking about the best way to either finance them or just kind of fuel that future growth?

Ryan Nast: My role primarily is on the investment side. But we do have through Regions, gosh, a great wealth of line of business partners that we can access for things, whether it be, you know, potentially loan related financing; you know, purchasing, sale, sale or acquisition of those types of things with our commercial bankers and commercial business partners that we can access.

So we've got some great relationships in that regard. Conversely they may come to me, right, with one of their existing clients that may have, Hey, their bylaws or their articles incorporation or just whatever their needs are for this money, they don't allow them to be in the market. Can you provide a shorter term solution for some of their excess cash? Things like that, that they may need. Certainly offering a wide variety of solutions and conversations there. So I think it just really depends, really depends on what they're looking for, whether that falls under my, you know, area of coverage or if we can bring in some of our great partners at Regions even better.

Chris Blose: Walk me through the types of investment vehicles that are available and what sort of roles they may play in either long term or short, short term wealth planning?

Ryan Nast: So at the end of the day, you know, a lot of our conversations and, and it's just human nature, right? It, your, your mind goes to risk. And it's difficult for a lot of people to think about, me included, right? It happens - to think about hey, this is money for 20 years down the road. This is money for 10 years down the road, whatever that number or that, that time may be.

It’s human nature to worry about the news of this week, the news of this year, it was a bad market year, but, you know, things tend to work out very well historically over time, and I have a lot of confidence in, in that continuing to be the case and provide a lot of opportunity for, for our, our clients. But as far as specific product solutions go, I mean, you can start on the conservative, and you're getting into, you know, things like treasuries, right?

Where the federal government will issue those t-bills or shorter term debt that clients can buy and receive at a rate of interest upon maturity. Similar with a cd, a certificate of deposit. Regions offers those solutions at a very competitive rate. And I think we've had a lot of clients taking advantage of that on their deposit dollars, where those rates may not have quite been there the last few years with, with any, with any bank.

I think there's some opportunity there for clients in that shorter term space. And then when you tap into, hey, we're, we're looking at more growth, maybe more income growth and income, whatever that combination may be, that's appropriate. My goodness, we have such a great offering through our program for clients, and, and that's my job, is to hear them out, listen to their risk, listen to, Hey, here's when I may need the money.

Do I need income now? Is the income down the road and really tier a plan and a program, whatever that looks like, specific to them you. You know, nothing cookie cutter involved. We're really going to hear a client out, you know, ask them all the appropriate questions about their assets, what their goals are, what their needs are, and really design something that we feel is appropriate for them.

Now, that doesn't mean that that won't change, right? It may not change in the near term if they're younger and have a long-term kind of horizon and are fairly aggressive. But for some clients, they may need a little more, you know, tactical management where things may shift and move depending on, you know, their needs and, and we're here to be versatile and in that regard. It really just depends on the client and their needs. But I guess at, at the end of the day, high level we've got a solution and a fit for everybody and, and really it's our job to put them in the right place initially and maintain that along the way, right, with reviews, with adjustments, you know, if things change for them, we're able to adjust to that.

Chris Blose: Ryan, I know this is all very much individual, so can you think of any examples or stories from your work with clients where you, you know, either came up with a creative solution to help someone plan for a major milestone or for retirement?

Ryan Nast: Yes. I think one thing we've heard stories of this throughout the bank and, and I'm sure, you know, throughout our industry and, and other industries right, as well. But, you know, one thing I look back to is you know, during, during Covid right in 2020 kind of that March April timeframe, when, when things were, were not looking good, right? Both for the health of individuals out there and, and for the health of our economy, right?

A lot of uncertainty. The market was certainly impacted from that standpoint in a pretty swift negative fashion. And there were many, many stories and I'm sure other counterparts can, can tell their own as well. But I think of multiple customers, clients that reached out with concerns, obviously, right?

This is unprecedented territory. You know, there's a lot of uncertainty out there, a lot of fear, all of that perfectly justified, right? Given the circumstances and, and what was going on at that time. But being able to be there for clients to take those phone calls or emails and get back to them in a swift fashion with my confidence in, in the long term and laying out their plan revisiting their strategy. Why did we do it in the first place? When are we going to need this money potentially from an income standpoint? And was really able to be there, you know, to help clients through that time.

And thankfully, I really can't think of anybody off the top of my head that made a dramatic decision, although they were feeling that emotionally I was able to, to help those clients understand the big picture. And it has really worked out for them over the last few years with the rebound in the markets overall. So that's something I was thankful to be there, right? Thankful to help my clients during, during those tough, tough times of uncertainty to, to hang in there if that was appropriate for them. And it's come out very well, and I know they're thankful for that.

Chris Blose: Yeah, it seems like withstanding volatility and, and hanging in there is really a theme. So are there investment vehicles or sectors that are better equipped to withstand that sort of volatility?

Ryan Nast: It really depends. Gosh, it's just so hard to, to really, you know, comment too much on that in the short term. As far as that goes. I mean, we certainly have historic numbers of how the s and p 500 is performed long term and the averages of that and so forth that we can show clients to provide some comfort and, and, you know, there's great resources and, and investment partners we work with that just, gosh, such a great bevy of, of literature and marketing materials and all these things that we can get in front of clients and, and help them, Hey, you know, here's kind of what's happened the last 20 years, 30 years, 50 years, if we wanted to go back that far, right? And, and just give some, Hey, here's the ups and downs, here's where it's averaged over time.

And really present that from a high level is kind of where I tend to hang out. It's just so hard to really get in the weeds from a, Hey, things are volatile this month, things are volatile. This six month period, even this two or three year period. Gosh, it just makes it so tough to know, you know, how things are going to perform in those, those little slivers. Because a lot of things react differently to different market conditions, whether it's stocks, whether it's bonds, whether it's interest rates like we talked about a few minutes ago. So it really does depend, and I think that really Chris speaks to the importance of those one-on-one conversations or those conversations with business owners if it's related to a business or a family or whatever the case may be. To really drill into what their goals are, what their concerns are, and make sure that they feel confident leaving a meeting with me knowing that the strategy we put in place or the adjustments we made are the right thing for them.]

Chris Blose: That last phrase from Ryan is important: “the right thing for them.” It’s a recognition that there’s no one-size-fits-all approach to investing in your future.

Your approach will vary depending on your goals, what future you’re saving for, your appetite for risk, and always by the conditions of the market and the world at any given time. So don’t be afraid to make a plan — and then make adjustments along the way when you need to.

Thank you to Harold Pollack, Sean Toebben and Ryan Nast for joining us today and sharing some great information, and thank you for listening.