Ep #271: Leveraging Previous Relationships to Build a Firm During a Pandemic with Luis Rosa

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XYPN Radio with Maddy Roche

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Maddy Roche

Narrator: [00:00:01] Join your host, Maddy Roche, as she brings you into a community of fee-only financial advisers who are successfully building profitable businesses that serve the next generation of clients. Learn from innovative advisers whose unique stories will inspire you to dream big and take action on your goals. Are you ready to live your best life and help your clients live theirs? Then you're in the right place.

Maddy Roche: [00:00:25] Hello and welcome to this episode of #XYPNRadio. I'm Maddy Roche, your host. I'm excited to have XYPN member Luis Rosa, owner of Build a Better Financial Future, a fee-only firm in Las Vegas, Nevada, on the show today. Luis was XYPN's one thousandth member when he joined the network in September of last year, and it took Luis seven and a half months to get his firm registered, thanks to the state of Nevada's registration process. However, Luis was uniquely positioned for this delay and prepared for it. He remained engaged and employed while he waited patiently for his approval. Once approved, he was able to seamlessly transition nearly two dozen clients into his firm so he could begin working with them on their financial planning and tax needs. Today, Luis talks about what it's been like to make that transition while dealing with a global pandemic. Luis speaks to the underrepresentation that this industry historically has had among so many groups of people. And he hypothesizes that his advisors continue to break out on their own and serve their ideal clients. This industry will reach more and more diverse populations. Luis also talks a lot about what it's like to run a firm as a solo adviser and how already he feels the pressure to hire despite being only six months in. If you're interested in what it's like to start your firm and transition clients during a global pandemic, this episode is for you.

Maddy Roche: [00:01:49] Avocado toast, selfies, a mountain of student loan debt, Gen Y is anything but traditional, and with over seventy five million people, it's a population you don't wanna ignore. Learn more about how to serve this unique population, in our guide called Attract and Profitably Serve Millennial clients in your RIA. Discover three key ways to tap into the millennial market and six things that they want from their financial advisor. Visit XYPlanningNetwork.com/Millennials for your free copy. You can find any of the resources we mentioned during the episode at XYPlanningNetwork.com/271. Also, be sure to go to XYPlanningNetwork.com/VIP to join a private group, just for #XYPNRadio listeners. It's the community of advisors we've all been waiting for, that's there to provide support when we needed the most. Best of all, it's free. I encourage you to check it out again, that's XYPlanningNetwork.com/VIP. Without further ado, here's my interview with Luis.

[00:02:53] --swish--

Maddy Roche: [00:02:55] Hello, Luis, welcome to #XYPNRadio.

Luis Rosa: [00:02:58] Thank you, Maddy. Pleasure being with you.

Maddy Roche: [00:03:00] Yes. I've been so looking forward to having you on the show today.

Luis Rosa: [00:03:02] Likewise.

Maddy Roche: [00:03:02] Awesome. Well, let's get started, Luis, and go ahead and tell us a little bit about the firm you've built and where you're located and who you work with.

Luis Rosa: [00:03:13] Yes, so my firm is called Build a Better Financial Future, and it's buildabetterfinancialfuture.com. It's a mostly virtual firm. I live in Las Vegas right now. Most of my clients are on the East Coast, New York, Florida, all along the coast. And the people that I serve are typically Gen Xers who are very busy in their careers, are diligent savers, or looking to become diligent savers, are not following the latest hot stock. So no rich quick schemes -.

Maddy Roche: [00:03:45] (laughter)

Luis Rosa: [00:03:45] - And they value advice and are willing to pay for it.

Maddy Roche: [00:03:50] Awesome and how many clients are you working with so far and do you work remotely with them?

Luis Rosa: [00:03:55] Yes. So right now my firm is structured in two separate ways. I have AUM clients, so people that invest money with me, so I manage the assets-assets under management. I have twenty nine households right now and I also do taxes, I'm an IRS Enrolled Agent. So I did one hundred and one tax returns this tax season, which includes twenty eight out of those twenty nine households. So figure one hundred clients, one hundred and one clients, the large majority tax only, small minority AUM and right now I'm in the process of converting a lot of those AUM or tax only clients to an ongoing financial planning relationship, now that I finally have my own firm and I'm able to do so.

Maddy Roche: [00:04:41] Wonderful. Wonderful. Well, I'm interested, Luis, you didn't start too long ago and then you've had some pretty impressive growth. And we'll talk about it. You've got a podcast and you've got your EA designation running a great tax service. Tell us a bit about kind of when you started your firm and what that experience was like to launch your firm.

Luis Rosa: [00:05:02] Yes. So believe it or not, I did my filing originally back at #XYPNLIVE 2019. -

Maddy Roche: [00:05:11] Yes.

Luis Rosa: [00:05:11] - Sometime in late August, early September, (laughter) and it took seven and a half months to finally get my registration. So I wanted to ideally launch my firm before tax season. So I was hoping that file in September and maybe done by December, January, transfer all my existing clients and then start tax season. But of course that's not going to happen. So I got approved dead smack in the middle of covid-19 pandemic, on April 16th, 2020. So originally right after tax season. But then the compliance guys didn't realize that the government was going to extend the tax season deadline another three months. -

Maddy Roche: [00:05:52] (laughter)

Luis Rosa: [00:05:52] - (laughter) So I've only been in business, right, for just a couple of months.

Maddy Roche: [00:05:55] Yes. Awesome. And I want to dig in a little bit to kind of your-your work with clients before you were registered and if you brought any over. But I do want to give you a shout out that you were XYPN's one thousandth member. -

Luis Rosa: [00:06:08] Yes.

Maddy Roche: [00:06:08] - Actually, yes. We had you on stage at our conference. Like you said, at #XYPNLIVE 2019. That was such a celebratory time. And we knew that you were walking into or were in the midst of a long registration process. And that's because you were in the state of Nevada. Right.

Luis Rosa: [00:06:23] Right. I did expect that that is true. (laughter)

Maddy Roche: [00:06:26] Yeah. So tell us a bit about because some-some advisors come to XYPN with a book of business that they're going to transfer over. Others have a tax firm that they've been working with different clients, before they have their RIA. What was your experience and did you come with any clients before you registered?

Luis Rosa: [00:06:44] Yes, I did. So the firm that I was affiliated with prior to launch of my own firm also has kind of like a sister company, which is the-the tamp that I'm using to do the investments. So they were completely okay with me and completely aware of the fact that I was going on my own because my clients were mine anyway, that I had brought into the firm. So they were really helpful, in fact, where they said, you know, just file for your registration and the minute you're approved we'll give you the U5 termination -

Maddy Roche: [00:07:17] Wow.

Luis Rosa: [00:07:17] - and then we can sign a subadvisor agreement with our firm and then you can. It was a very easy process. They had to sign a couple of forms for the custodian and then one form or two forms for my firm, you know, the investment adviser agreement, et cetera. So they were really helpful. So I couldn't have done that for seven and a half months and have zero income. So one thing I tell other advisors who are planning on leaving their firm, if they're leaving and the firm doesn't know it, make sure you know the expected turnaround time for your state because you can be in limbo for quite a bit, say, in this state. And that's really going to impact the ability to service as your clients and for you to make money as well. So I was kind of lucky in that regard.

Maddy Roche: [00:08:02] Yeah, you certainly were. So it sounds like you had been pretty open and transparent and they worked with you?

Luis Rosa: [00:08:07] They sure did. Yeah. In the state of Nevada allows you to have dual registrations. So they they went above and beyond and actually did me a favor and allowed me to file my original paperwork as if I was going to continue to be registered with both firms. That way, there was really no gap in me being able to service my clients. So when I registered my firm, I was registered with both firms for a little bit and then I was able to have like a window where I was able to have all my clients sign everything. And it was great because I was able to do it all using DocuSign. So there was not one single piece of paper that had to get mailed.

Maddy Roche: [00:08:42] (laughter) How nice. How nice. Awesome. Well, let's go back in time. I'm interested in your route into this industry and please take as much time as you'd like to tell your story. But how did you get into this financial planning industry of ours?

Luis Rosa: [00:08:55] Yeah, so I graduated college in 2001, so I'm definitely going to be aging myself here. And the economic times were not good at the time. I was applying for a ton of jobs. All I really wanted was a job. I had a B.A. in economics, but I still didn't know what I wanted to do with my life. Like economics, it was super broad and I truly didn't know what my career path would be. So my senior year I was working at a law firm as a mailroom clerk and one of my coworkers knew a certified financial planner, professional, that they say, you know what, I think it would be worth for you guys to meet and maybe you might end up working for him. And I was like, yeah, I mean, that sounds great. I'm looking for any opportunity I can get my hands on. I had no idea what a financial planner was at the time. Never heard of it. It was not offered as a major in my school. Nobody in my family ever had one or mentioned one. I mean, up to that point, none of us in my family owned even a stock or even had a 401k at the time. And I was like, yeah, yeah, let me talk to this guy, whatever. And I remember we met at a Yankee game, you know, back in New York and we went to a baseball game. I knew nothing about baseball, so I didn't know what was going to come of it. I'm like, this guy is not going to like me because I really I'm a very weird Dominican -

Maddy Roche: [00:10:13] (laughter)

Luis Rosa: [00:10:13] - That doesn't know anything about baseball. (laughter) So we got to talking. And he explained kind of like what he did. I still didn't get it. But he said, you know, I'm looking to expand. He was partners with a CPA and he said we currently do our client's taxes and financial planning and investment, but we like to expand our services and maybe offer mortgages and life insurance and things of that sort. So if you want to, you can come on board. So what we did was he hired me part time, so I was still working in the mailroom, 8:30 to 4:30 and then I would drive from West Chester to the Bronx and be at his company from 5:30 to 9:30/10 o'clock at night for a couple of months. And then finally he-he was like, you know what, this is working out. Let's-let's just do it full time. And then I left the mailroom job and started working for him in full time this February 2002. So I started just being more of an administrative role, you know, sitting in client meetings, taking notes, doing a lot of client paperwork for account applications, things of that sort. But then at the same time, I became registered with my mortgage license, for example. That's the first thing I believe I got. So I started doing mortgage loans. I had no idea what I was doing, but his clients were very patient and loyal to him and they were like willing to, I guess, let me learn on them. Right. Which was great. So affiliated myself with a local mortgage company. And then I was doing the mortgages and then I got my life insurance license. At some point, I even had a property and casualty insurance license, so I was doing like home and auto then since they did taxes, I started kind of dabbling in it, doing like the smaller tax returns of double checking some of the returns that were done before they were filing and things of that sort. And then eventually I got my IRS Enrolled Agent certification. I got my series six, my series seven, the stock brokers license. And then it just kind of like kept progress in series sixty six. And then at some point I was like, all right, well I need to get my CFP® certification. It's been like so many years in the industry. I have the experience. -

Maddy Roche: [00:12:18] Yeah

Luis Rosa: [00:12:18] - the hours, everything. So I moved from New York to Las Vegas because my wife went back to school and she got accepted to UNLV and then I decided to stay here. And that's when I had to go on my own, in a sense, and separate from the business back in New York. And then at that point, I got my CFP® certification in November 2016.

Maddy Roche: [00:12:42] Wow, awesome. Thank you for that walkthrough, and I love that even nearly 20 years later, the power of a networking opportunity like go into a Yankees game and the power of offering some part time support, how much that can change our lives, right. That just that-that-that opportunity to do four hours of work extra, on top of already a full time job really translated into a whole new career for you wouldn't you say.

Luis Rosa: [00:13:08] Absolutely. Yes, that's an excellent way of putting it. And I would have never imagined that when I first started.

Maddy Roche: [00:13:15] Beautiful. Luis, I'm interested in the kind of services that you offer in your firm and given the kind of people that you work with. And I love how you at the start of this interview discuss kind of the psychographic niche, the kind of interests and passions and the do's and don'ts that your clients have. And it's not just I work with doctors. I'm interested. How have you modeled your services to support the advice, to support the clients that you work with?

Luis Rosa: [00:13:40] Yeah, you bring up a good point. You know, your niche can be something that isn't necessarily tangible. So, yeah, some people go after a specific career path or something like that. But you could also have personality traits. It's kind of hard to market to those, (laughter) but you find your tribe eventually. You see the people that are drawn to you that you enjoy working with. So the way, what I'm doing right now, I have tax only clients, I have AUM only clients. But my ideal relationship is somebody that does taxes, investments and financial planning. And I feel like I can have the most impact with those people as well. So as I grow my practice, my thought process is eventually gradually change into a point where my clients have to be like an all or nothing kind of thing. So not that I'm going to get rid of some clients, but maybe I will stop accepting, for example, tax only clients, because I don't think I have the capacity myself to continue to just bring on individual tax only clients, even though it has been really good for me in terms of then being able to convert those people to planning relationships and AUM relationships. But ideally, I want to have a client relationship where one hand knows what the other one's doing and I'm doing it all for them, even if it's smaller numbers, right? -

Maddy Roche: [00:15:00] Yeah.

Luis Rosa: [00:15:00] - And then the numbers can support it.

Maddy Roche: [00:15:05] I'm interested in how that conversation has gone from-from one to the other, and I love that you're interested in all or nothing, but how has the conversations with, say, your tax clients translated into conversations about your offering for financial planning?

Luis Rosa: [00:15:20] It has gone really well and I've been pretty excited about it because the clients really see the value in it. So I made up like this little PowerPoint presentation and I basically email my clients and say, hey, now that I have my own firm, I have a lot more options and service models to offer you that I think you'd benefit from. I would love to have you on a call or Zoom call for 15 minutes, and I send them my my link to my calendar. Everybody just clicks on and makes an appointment. And then I go through this little PowerPoint presentation it's probably like four slides. I show them, well, here's what we're doing right now. And I show like basic package option A, I'm doing your tax returns, managing your assets and answering your questions every now and then. So a lot of my clients are used to a relationship where they could just schedule an appointment, pick up the phone and say, hey, you know, can you help me out, fill out this financial aid form for my daughter, you know, whatever it is. And I do it. And I wasn't charging anything extra for that in the past. But I'm only one person and I'm at a point where I can't continue to do that and grow. So what I'm telling them is, you know, going forward, I can continue to do your tax returns and your investment management exactly how I've been doing all along. However, if you want to be able to then ask questions that are not related to taxes or investments, I'm offering this other service model and is called comprehensive financial planning and it's ongoing. And I go through a PowerPoint presentation of what that looks like, the types of meetings that we have, you know, client, the initial consultation data gathering Moneyguide Pro onboarding the follow up meeting to make sure I understand their goals, then the actual presentation meeting and then the implementation. And I show them how I have a service calendar that we'll have throughout the year, focusing first on the action items that must be done first and then the other stuff that isn't as urgent that we'll review throughout the year, open enrollment, things of that sort year end tax planning. And I like the fact that since I already do their taxes, I already have their 1040s and everything and and I already know their situation. So it makes it even easier. So I kind of tell them if you don't want to upgrade to this premium package, then that is completely fine. What you can do every once in a while. If you want to have questions outside of taxes or investments, we can do an hourly type of thing. And I charge three hundred an hour for one hour minimum. You know, some clients have opted to do that because there haven't been able to upgrade, you know, which I understand. That's fine. So I don't want to leave them hanging. But a alright, you might not be able to afford ongoing planning services, but I also can't continue to just hop on a call with you for an hour and help you do your financial aid form and not get paid for it, just because I charge you three hundred dollars for a tax return like it doesn't make sense from a business standpoint. But they understand, you know, so some people, most people are opting to upgrade and then some people can't and they just say, alright, I'll just pay you for the hour. Maybe we'll have a few calls a year.

Maddy Roche: [00:18:15] Great. I love that intentionality of your services. And it's amazing that even post launch how things have evolved just in a few months of realizing what works and what doesn't, what resonates and what doesn't. I must ask the seven and a half months is going to catch our listeners.

Luis Rosa: [00:18:31] (laughter)

Maddy Roche: [00:18:31] In terms of your registration process, did it have anything to do with the kind of service models that you were offering? What was the delay about in Nevada?

Luis Rosa: [00:18:41] Well, it did not necessarily. It's I think they're just taking that long. From what I understand. I spoke with somebody that I met from that office, that process everything. And they said that there was only one person that handled every single application. And then, yes, to add complexity to it, I think a lot of states are just not used to the ongoing financial planning model. And yeah, there were some hiccups there. So to give you an example, a lot of them are very focused on AUM all the time and fees as they relate to those assets. So I was told, like my fees couldn't exceed, say, five percent of a client's assets. But if somebody invested five thousand dollars with me, me having no account minimums, but they were paying me three thousand dollars a year for planning, well, I would then be in violation of that because they were looking at my fee as a whole. So it was like, well, no, there are two separate things, you know, so I've had to kind of work around that. We're all right. If you are a planning client that has less than, let's say, the most recent ADV update, if you have less than five hundred thousand dollars invested, we can still work together. You pay me a planning fee. I can manage your assets and charge you nothing for the management. So I onboard them and just my fee is zero. And I just charge them a planning fee and that seems to have satisfied that language, you know, and then somebody invets over a half million, then is the opposite, where my AUM fee will cover the tax return and the planning. So that's that's kind of like how I had to work around it.

Maddy Roche: [00:20:21] Yes. And not every state takes seven and a half months.

Luis Rosa: [00:20:24] (laughter)

Maddy Roche: [00:20:24] But we do know we did know that it was going to take a while for this. -

Luis Rosa: [00:20:27] We did.

Maddy Roche: [00:20:28] - And for other Nevada members. So let's go back a little bit. We ended in 2016 when you moved to Nevada. And I'm interested in what happened during those years because you were really deeply involved in the mortgage and the insurance business. What made you flip to the fee-only side during those years?

Luis Rosa: [00:20:45] Well, I feel like there was a gap in people being able to have access to true financial planning if they didn't have a lump sum of money to invest. So that kind of caught my attention. Everywhere that I've worked is always been very AUM focus. So I realized that some people just didn't have that kind of money, or if they did, it was trapped in a 401k that one couldn't manage anyway. But they still needed advice. And it seemed to me, at least at that point, that they just couldn't go anywhere to they couldn't walk to a bank or one of the large firms and say, hey, I just need you to guide me like I have no money to invest with you. -

Maddy Roche: [00:21:27] Advice, yeah.

Luis Rosa: [00:21:27] - Yeah, I need advice. And it just didn't seem like it was available. And everywhere that I worked was always very numbers based. And that's kind of like what clicked for me. You know, one of the firms that I used to work at, they started implementing this process like, oh, you have to bring in half a million dollars per month. And it still wasn't like sell this annuity per say, but it was still like you need to produce. And I would say, well, you know, it's just not me. Like, if the assets come, the assets come. It's a good model, right. It works. But then you leave so many people behind. So to me, it was like, you know, I need to find something where I can work with people that don't have money to invest but still can afford to pay for the advice. And that was like the driving force behind that.

Maddy Roche: [00:22:09] Great. And when did you realize that going out on your own was a viable option?

Luis Rosa: [00:22:16] It was. I was you know, I don't know exactly what I was searching for, but I remember I found an article and it was Michael Kitces had interviewed Sophia Bera and I read and I was just fascinated. Like what? -

Maddy Roche: [00:22:32] (laughter)

Luis Rosa: [00:22:32] - (laughter) Like, you can-you can-you can have your own firm and. -

Maddy Roche: [00:22:36] (laughter)

Luis Rosa: [00:22:36] - And work virtually and work with young people like that. Just to me like that just did not exist. I was such like embedded into the whole like broker dealer world before that, that I just honestly did not know that that was an option. So I don't know what I was searching for on Google, but somehow I came to that particular article and then I reached out to Sophia and she was very kind to just meet with me over the phone for a few minutes and just kind of told me what she did. And I was just fascinated. So then I learned about XYPN and everything, and I was like, wow, this is like a thing. (laughter) I was like, wow, you know, it's not something that I ever dreamed of doing myself. Like, I just never thought, oh, yeah, I want to open up my own firm. It was-I was always kind of like trained to ah, you get your book of business and you work for another firm and they split, you know, however they do it based on volume, you know, 70, 30 split. And then that's it, like that was it. You just have to work for somebody else and build up your book. And that's all I knew about the industry from a compensation standpoint and a model perspective, you know. So then when I started learning about XYPN and everything, I was like, wow, this is mind blowing to me. This is what I need. And nobody that I was affiliated gave me that option to say, yeah, go ahead and charge planning for where you can have the person pay you monthly or quarterly. It was never an option. Some firms did offer planning, but it was either a way to get the assets or maybe I can charge a one time fee and that's it in a one time, like I couldn't charge a yearly or anything would just like, are you charged with this plan? You're done and then hopefully get the assets later.

Maddy Roche: [00:24:11] Yeah. I've worked with so many new XYPN members over the years that there is this like sigh of relief when they realize that XYPN exists. And I'm-I'm drawing this comparison because I was on your website yesterday and I took that sigh of relief as I read it, that you transparently shared your own money mistakes. And then I can only imagine that your clients probably feel really similarly to the way that you felt when you found XY that, wow, there is someone that will work -

Luis Rosa: [00:24:39] (laughter)

Maddy Roche: [00:24:39] - when I don't have assets. What has your experience been meeting and prospecting and working and onboarding new clients over these past few months?

Luis Rosa: [00:24:47] Yeah, you know, it's been easy with the existing relationships. I have to definitely say that there was a lot of benefit from me having these, you know, all the clients that I have, another large majority came with me from the firm that I was at in New York. And having those, I mean, the kind that just recently signed yesterday, I've known them since I worked at that firm in 02, you know, and they just came on board now four years later after I left that firm, but we still, like, picked up right where we left off. So it was like just having that history. So that has been easier for me because I've always had a negative connotation towards the word sales. And I don't consider myself to be a sales person. When I worked at that other firm, all I did was serve as my clients and they just kept referring people. And I never even thought about what do I need to do to bring in business? And it just kept coming and we just kept growing year after year. But now that I'm on my own, it's it was a challenge prior to me launching my firm because it was very AUM, you know, so it was always like wherever I was, it was like, I just need to bring in accounts like actual (laughter) AUM and and that was a challenge for me, to be honest with you, it's just not in my nature to, like, solicit people like, hey, let's let's get your money invested. Right. So, you know, if that happens as part of the planning process. Perfect. But now that I have my own firm, it's been a lot easier because I feel like what I'm offering is true value and say look at investing in tax is just one aspect of your overall life. What about your employee benefits, your life insurance, your estate planning, all that stuff? And I feel like I truly can help somebody and make life changing decisions for them based on their goals and everything. So it's been easier because I don't feel like I'm selling anymore. So I'm going for like the quote unquote low hanging fruit, just those existing relationships that I've known forever. And most of them are like, oh, yeah, this is I mean, this makes a lot of sense. Let's do it.

Maddy Roche: [00:26:44] Totally. I'm interested in how do you explain the difference between what you were offering them at the previous firm and what you're offering now without throwing your previous firm under the bus?

Luis Rosa: [00:26:56] (laughter) That is a very good question, whether the way I phrase it is I said, look, before we were doing reactive financial planning. So, yes, I was doing your investment, your taxes, and you'd call me and ask me questions. And I took my time to answer them. And sometimes I'd turn into meetings and an actual financial planning, but there was no process to it. So I said we were just reacting to your life situation. What I'm doing now is an ongoing, proactive approach where we get ahead of it first and sit down, go through your exact situation today and then you tell me where you want to be five, ten years from now. And then we start working today to get those goals. And I'm going to also tell you any opportunities they might be able to take advantage of if you're lacking on something where ever you're weak, et cetera, and that's kind of how to phrase it. So it's like, you know, I'm still going to be giving you advice. But before was more like you started the-the process by calling me and say, hey, I have a question about this, I just switch jobs, et cetera. And now it's like, no, we're going after this together and I'm going to be there, not just here, do this, but like I'm going to help you with the implementation as well.

Maddy Roche: [00:28:02] Wonderful, wonderful. You recently started a podcast release, and I'm interested in how that's going and what avenue did you expect it to-to fill for you? Is it a prospecting tool is an opportunity for you to make your expertize known? How-how are you using podcast in your business?

Luis Rosa: [00:28:23] Yes, my podcast is called On My Way to Wealth, and it's available on all major podcasts and platforms. I also have a separate website from my business website called OnMyWaytoWealth.com, where I have all the episodes, as well as a blog that I do that corresponds with each episode so people can read about it or they can listen to it or link directly to whatever their favorite podcast platform is. So I started in October. Originally, I just started doing two episodes per month because I didn't know what I was going to get into in terms of the time. And then somebody told me, like, you probably should do it weekly because then when you're not podcasting, like your listeners are going to fill that void with something else. Right. So it made sense, but it was also very scary because honestly, I'm like, well, I think I'm going to run out of stuff to talk about. -

Maddy Roche: [00:29:17] (laughter)

Luis Rosa: [00:29:17] - (laughter) How many things can I possibly say? Like when I think about for years and years? -

Maddy Roche: [00:29:19] Right.

Luis Rosa: [00:29:19] - I mean, what else can I possibly say? You know, I'll explain the difference between right and traditional, but at some point I'm like, what else am I going to say? So I was kind of scared. Like, I don't know where this is going. But one thing I wanted to do with it, I wanted to reach a wider audience because I know that a lot of the people in my community may not be in a situation where they they can even afford the actual ongoing planning either, where they're in a situation where they're living paycheck to paycheck. They can't pay me for advice. They don't have assets to manage. But maybe they'll hear something in my podcast that they can use in their lives and help them improve their lives just by one little thing that they could change, you know. And that makes me proud, you know. And I will say, from a marketing perspective, I mean, it's going to be great, my name is going to be out there, more search engine optimization, et cetera. But I know that it was going to be a long game because I didn't expect that I was going to launch a podcast and then start getting a whole bunch of prospects, making appointments the next month, you know. So right now I'm on episode 29. I am doing a weekly episode every Wednesday morning and I've been doing a lot of solo episodes lately, which has been pretty cool just to be able to record for yourself for 25 minutes. But I do love the interview format as well, so I'm going to keep mixing it up. I've been I've had a lot of advisors from XYPN as well on it, and we just talk about whatever their niche is and and then take it from there. So this month, July, I for the first time I passed a thousand downloads in one month it was a thousand fifty in another being that and there was like forty five hundred overall downloads. You know, it's not a lot per say, but it's been pretty cool. So it's been steadily growing. Yeah.

Maddy Roche: [00:31:04] Oh that's huge. And it's a thousand people more that-that get your advice and expertize and I love this idea that it's almost filling that, that, that hole between what you can offer and people not having really any access to information, you're able to really spread the word. How do you see your firm fitting into kind of this industry in the direction it's going in our attempt to spread financial planning, really to people that that may not always have been served in this industry. Do you feel like the work that you're doing is-is moving that needle forward?

Luis Rosa: [00:31:37] Yes, I think it is. But it's a very small move. And one of the things I want to do is have more impact. And I'm only one person. So I feel like at some point I'm going to tap out completely. Even if I get those clients that are going to pay me that twenty five thousand a year each year, I probably can handle more than one hundred to one twenty five myself anyway.

Maddy Roche: [00:31:58] (laughter)

Luis Rosa: [00:31:58] Right. So that's very small. So one thing I want to do is create something that has a larger impact. I don't know what that is. (laughter) I've thought about a digital course, for example, or some sort of coaching program to to make it where it's like, alright, you know, maybe I'm not ready to hire a planner, but maybe I can go through this many boot camp of some sort that I can learn, like some of the real good basics that I need right now. Right. So in terms of the firm itself, I never originally intended to own my own firm, except that I knew that something was lacking. And the only way that I found where I can do this was having my own firm. But I'm beginning to see how wearing all these hats takes a toll to my chief compliance officer, snd I'm doing a podcast, I'm doing videos every day, a lot of social media engagement, and I need some help. But I'm at that point where it's kind of like, well, the business hasn't taken off yet to the point where I could hire somebody. But I feel like that's going to have to come beforehand. I feel like, I'm going to have to hire somebody before I feel that I'm ready to do so just because I'm when I look at my calendar, you know, outside of tax season, it's only twenty nine households. But you would think I have three thousand clients total because my days is filled and some days I'm like, wow, this is crazy. And it's not like I'm playing video games. Like it's truly like there's a purpose for every hour that's taken up between meetings and then a lot of like marketing and operational stuff.

Maddy Roche: [00:33:26] Totally. That I've probably set it on the show before. But our number one most requested member benefit over these years is more hours in the day. -

Luis Rosa: [00:33:35] Yes (laughter).

Maddy Roche: [00:33:35] Really and even for someone who just launched your feeling, it already and it really is amazing how quickly we can fill our days, but then we have to be extra diligent about protecting it. And that that inflection point of is it time to hire is an interesting point to get to. So what are your thoughts? Are you hoping to hire and train some staff members to- to continue to work at your firm? What are you thinking?

Luis Rosa: [00:34:00] Yes, I do now. It's definitely it's going to have to be if I'm going to continue to own my own firm, the way things are going, I can't continue to be solo. So for now, I have an intern. I just started yesterday. And, you know, but that's going to take some time because I'm going to have to train him on certain things and it's only going to be like 10 hours a week anyway. And he's going back to school pretty soon. So it's not going to be like the help that I need. Right. Long term, it's not going to be a fix. But for now, I'm going to do that and I'm going to explore the opportunities of maybe getting a virtual assistant for maybe 20 hours a week or something to that extent. But ultimately, I would love to have if money was not an object, I have somebody that could be on the operations side of things and then somebody that could help me with the actual planning stuff, like a para planner, associate planner or something to that extent.

Maddy Roche: [00:34:55] Sounds like you need to take someone to a Yankees game.

Luis Rosa: [00:34:58] Yes (laughter)

Maddy Roche: [00:35:01] (laughter) I'm interested, Luis, your-your experience being an entrepreneur, but you've already touched on it. But how did you decide that going out on your own was-was what was next for you? Not everyone does. And it's a big, big decision, especially being a young advisor. And in this industry, you're we're kind of taught that there's one way to do it. And so going against the grain and starting your own firm isn't something that everyone is talking to you about throughout your career. How did you whether it was with your-your-your partner or family, how did you make that decision that-that now was the right time to be an entrepreneur?

Luis Rosa: [00:35:35] Yeah, this is an excellent question that you bring about. Well, here's the thing. Going back to New York, I was supposed to be the successor for that business in a handshake agreement. Nothing in writing. So I worked at a firm like it was mine. I gave it my blood, sweat and tears. I wasn't even on social media up until maybe like 2016 or something. Like I had no social media profiles. To me, it was like, I'm just working this business and some day is going to be mine. And I realized after that didn't work out. That I can't spend another 15 years building somebody else's business, and it may or may not work, so I said to myself, you know, if I go on my own, what's the worst that could happen? And, I fail and then there's always going to, I have a CFP® certification, almost 20 years in the business, IRS Enrolled Agent. There's no doubt in my mind that I can walk into an RIA and get a job, right.

Maddy Roche: [00:36:34] Totally.

Luis Rosa: [00:36:34] So I'm like, well, what's the worst that can happen? You try and you fail, then you go get a job. So the job that I could go get right now for the sense of security is going to be there three years from now. So let me just give this a try and I'm just going to go for it. So those are the two things that I thought about. So I can't spend another 15 years building somebody else's business. I've gotten offers from other firms like, hey, just come work with us, you know, decent salary, build in their book. Right. Building their business for a potential sale later. And I was like, I don't want to do that. And I'd rather just have my own thing if I'm going to spend all this time anyway, because I know it's going to be just 40 hours. Right. So (laughter) if I'm going to be working 50 hours plus a week, let me just do it on my own thing.

Maddy Roche: [00:37:17] Totally, totally. And how do you leverage community or other advisors knowing, of course, that you're a solopreneur right now? Are you doing it on your own or are you leaning into any sort of mastermind groups or community events to keep the the momentum going?

Luis Rosa: [00:37:33] Yes, I am definitely leaning into that. When I went to #XYPNLIVE, I met so many cool people and I've stayed in touch with a lot of them, some of which like we formed study groups.

Maddy Roche: [00:37:44] Oh, cool.

Luis Rosa: [00:37:46] Yeah. So some people I speak to like it like twice a month.

Maddy Roche: [00:37:49] Awesome.

Luis Rosa: [00:37:50] And I feel like this is something that everyone listening out there like you want to be in business for yourself if you want to write, but you don't want to be by yourself. So even if you can hire people, you can still have a community around you, especially if you're a member of an organization like XYPN. Right. So definitely lean into that. There's so many cool things that I've learned from other advisors that I feel like I would have not known that they existed, just because we are in touch with each other. We are in a mastermind group, study group and we share things, you know. So one of the things we do. One of the groups is like we share two roses and a thorn. So basically we all go around saying, well, these are the two things that are working great and this is the thorn right now that I'm having. And then usually there's always somebody else that has some sort of suggestion about that thorn, you know, oh, you know, I just did that, actually. Let me send you my template, you know? So it's like, oh, wow, that's amazing. And I would have never thought of that in my own right. So don't try to reinvent the wheel. There's a lot of stuff that's already been done by other people. So associate yourself with them. And sometimes, you know, you just need a shoulder to cry on, really, you know, just like a quick text. Hey, man, I'm super overwhelming. Have you looked into hiring a virtual assistant? And was that like, you know, stuff like that? They you definitely want to take advantage of the community.

Maddy Roche: [00:39:05] Awesome. Great to hear. I'm interested in the fact that we are still, of course, you know, five, six months into this COVID new world of ours. How has COVID impacted your firm and in any regards, whether it's personally or professionally. But given our new state of the world and you watching right around the start of it -.

Luis Rosa: [00:39:26] (laughter) Yes.

Maddy Roche: [00:39:26] - How-how has that been?

Luis Rosa: [00:39:28] Yeah, it's something that I would have never pictured. Well, -

Maddy Roche: [00:39:30] (laughter)

Luis Rosa: [00:39:30] - My firm got approved in the middle of a pandemic with right now. Right. 40, 40 something million people unemployed. But believe it or not, when I look at my revenue for the past four years, this is in fact my highest grossing year so far because the people that are on boarding that were from previous relationships that I had, are just doing it regardless of covid-19 know, thankfully, a lot of them have been impacted in the sense of like, hey, my kids are home kind of thing, but they still have their income and their jobs and they're like, yeah, this is great. Right? So most of the people that haven't been able to do it, it might be more from a time thing like, you know, I'm super busy right now. My kids are home. I don't even know what we're doing, but I'm super interested. Can we push it one month? Can we talk back in September? Like, I think this is great for me, et cetera. Right. So it's really worked out for me. And it's also helped the fact that I've been doing this online for about four years. But now, because of COVID, it has seemed more of a norm. And I feel like it opens up that opportunity to work with strangers that perhaps were not willing to talk to somebody that they've never met in person, you know. So I've been doing some online meetings, you know, like somebody found me through the XYPN portal and they just needed an hourly arrangement. But we never met in person like they were completely fine, we just hey, yeah, what's hop on a Zoom and they pay me three hundred bucks and we spoke for an hour and that's day there was no prep for the call. There was no post. It was just, this job for an hour., I'll tell you my advice. And that's three hundred bucks. And you know, we have the relationship now where, like, they might become a client in the future. So that's been great.

Maddy Roche: [00:41:11] That's wonderful. We had Kenneth Klabunde, a founding XYPN member, on the podcast several months ago at the start of the pandemic, talk about his experience, having worked with clients kind of through now two or three recessions, as he says. And he really talked about how this is the most opportune time for advisors to-to demonstrate value and to demonstrate the need and the service that they offer to to clients. That's great to hear that you're seeing that we don't have a crystal ball, of course, Luis, but I'm interested in your kind of theoretical observation and view of our industry and the direction it's going, especially now with COVID and especially now with kind of the movement that XYPN is-is part of, which is allowing advisers to work with clients in a real capacity. Where do you see this industry moving over the next 10 years?

Luis Rosa: [00:42:01] I feel like this is going to become the standard where people that don't have assets to invest are going to be able to work with advisers and pay them quarterly or monthly fees. And I feel like working remotely is also going to become very normal. My goal is or my hope is for the industry to become more of a profession, to be looked at it that way, to have a clear path. That is what I feel like it's going to happen because there's a lot of people interested in that. In my case, I had no idea what a financial planner was. There was no financial planning major offered in my school. So here I am with a Bachelor of economics. No idea what I'm going to do with my life graduating college. So this is what I see is people working on some sort of service model that they can pay monthly, quarterly, not necessarily invest money, or if they do, it's going to be at a nominal fee. And then also more diverse people in the industry, both as clients and advisers, more women, people of color. I, I see that happening a lot in younger people as well, because I know when you look at most CFP® certifications, they're probably on the older side, right? Yeah. So I see an influx of younger minds and more diverse minds entering the business and just having all kinds of specialties like other professions do it. So you have doctors that are podiatrist and so my heart surgeons. Right. I feel like right now that the general industry, everybody's like a generalist. And I love the fact that I see people like not only work with, you know, millennials and I only work with doctors and physicians and some people super deep in their niche. Oh, I work with (laughter) people in their third year of this. It's I mean, -

Maddy Roche: [00:43:49] (laughter)

Luis Rosa: [00:43:49] - (laughter) you know, I see it where people can search for a planner no longer bound by zip code. And that's my hope for it, for the industry as a whole and become a profession.

Maddy Roche: [00:43:59] Totally, totally. If we can if we can continue, XYPN likes to believe that we have 100 X impacter that every advisor that we help could help upwards of 100 clients, if not more, with their great lives. And as we continue to support you and other advisors to-to differentiate themselves with the niche, the background, the service offering, the service model, things like that, we can hit more diverse clients and more diverse consumers and spread the word of financial planning because it is still so amazing how frequently people don't know that financial planning is something that they deserve and that is accessible. What has your experience been talking to the average consumer about the work that you do, is are you sensing that people are recognizing that this is an industry that they deserve into, or is there still that stigma that it's old male and pale and stale?

Luis Rosa: [00:44:49] I like that word. Deserve. I really like that. Never thought about it that way. It's true. People deserve financial planning.

Maddy Roche: [00:44:53] They do.

Luis Rosa: [00:44:55] This is awesome. So can you repeat your question?

Maddy Roche: [00:45:00] Yeah. I'm wondering, as you continue to promote your firm with average consumers that you come into contact with, are you sensing that people are hearing more about this industry as a place that they can come to for advice? What's-what's the general take on clients as you meet them?

Luis Rosa: [00:45:17] Oh, yeah. I feel like there's a more educated consumer there, as well. Like before you never heard the word fiduciary, for example. And I feel like now there are people who are specifically searching for a fiduciary. The people that have found me through the XYPN or the NAPFA portals have been searching specifically for like fee-only fiduciary, things of that sort. And so there's a more educated consumer out there. I think that a lot more people know now what financial planning is. I've seen I think some schools also now offer financial planning as an actual majors, which is great. So I feel like overall, yeah, people are searching for it and know what it is, you know, and the fact that we're now offering so many different service models is amazing. You know, so people. Yeah, they reach out already, like with the list of questions to ask me, how do you get compensated? -

Maddy Roche: [00:46:10] Yeah, right. (laughter)

Luis Rosa: [00:46:10] (laughter) And which is also very, very transparent, which is why I have all the stuff on my website anyway.

Maddy Roche: [00:46:16] Yeah, awesome. You started this podcast with listing out kind of your professional development and all these different designations that you've got in school that you went to things like that. What kind of continuing education do you pursue right now as as an established advisor?

Luis Rosa: [00:46:34] So one thing that I do is I read a lot of the Kitces stuff before joining XYPN, I was already listening to the podcast and reading the blogs, and then I signed up for, like, the professional version of it, because I realize, in my type of field, I don't want to just click boxes to get continuing education, you know, it is a lot right? In my case, like I'm doing the CFP®, NAPFA, and also my Enrolled Agent certification will have to do 72 hours every three years. So I break it up to twenty four hours and sometimes they don't coincide. So I had to do like twenty four hours of Enrolled Agent plus the CFP® stuff. And when I had a life insurance license and mortgage, I was just feel like I was doing CE every week. So I feel like I don't want to just click through boxes just to comply, like I actually want to learn and better myself. So the main source for me, believe it or not, is the the Kitces, I read and then I take the the quiz at the end. And then for the Enrolled Agent, that's separate. So I use one of those vendors online to do that. But I know that now, which I was like almost doing jumping jacks when I saw the email from the Kitces CE that now you can have up to 16 hours that will count towards both the Enrolled Agent and CFP® and I was like what. And CE for ethics too like, this is awesome. So, yeah. And then I do a lot of NAPFA. CE, you know, I get their emails, I say they have a education opportunity. I just usually just go ahead and sign up. And do that now. Yes, I'm doing CE that I can truly learn, so I'm no longer just like signing up for random webinars just to get the one hour of CE. And I'm like, no, like I really want to learn and continue to grow.

Maddy Roche: [00:48:20] Now, that intentionality deserves credit because it sounds like you're a busy, busy adviser already, so any hour that you're spending, you do want to make sure that there's a return on investment for it.

Luis Rosa: [00:48:30] Definitely.

Maddy Roche: [00:48:30] Kudos to you for putting your professional development first and foremost as we round out this episode. Luis, I'm interested in you speaking directly to our listeners. Maybe some folks like you just a few years ago that were-were contemplating whether now was the right time to start. And if being an entrepreneur is-is worth trying, because trust me, there's still so many people that that are not interested in ever running their own business. -

Luis Rosa: [00:48:54] Right.

Maddy Roche: [00:48:55] - I think one of the biggest compliments we as an XYPN staff can receive is that XYPN helped advisors be business owners when they didn't think they could be. We can help entrepreneurs be that. And I'm interested in your advice to some folks about that, that inflection point in their own personal and professional careers.

Luis Rosa: [00:49:13] Yeah, I would say be flexible if you decide to open up your own firm. I feel like you can be very successful in the business and not own your own firm. So don't rush to it, number one. You know, so don't I would say don't graduate college and then all of a sudden launch your own firm. I feel like if that's the case, like if you're on the younger side, you just graduated, you want to pursue this business, go intern, go work in another firm as an associate advisor, paraplanner or whatever, and get a good handle on it before you decide, because there's so many aspects, so many hats you have to wear and it's not for everybody. So when like in my case, I'm not good at sales. Right. But now I'm on my own. So if I don't bring in the business, nobody else will. And some people might not be comfortable with that. So think about your strengths and then what else you can delegate if you decide to go into business and be flexible. Like I've already changed my fee schedule so many times, you know, and I haven't even been in business for a year. Also, there are so many aspects of things that you need to do, like compliance and things of that sort, which obviously being a member of XYPN makes it a lot easier, but it's still hard to do. So you want to see where do you want to focus most of your time? It is cool to have your own firm. And in my case, like I can travel, I can move out of state if I want to because I'm running a virtual practice. So there's a lot of perks to it, but it is not easy. So if you decide to go this route, just be flexible enough to know that at some point you might have to make a decision to hire somebody else or just put in some serious hours and do a lot of stuff that you might not want to do. But that has to be done that.

Maddy Roche: [00:50:54] Love it. Said from an advisor who is doing it right now. So, Luis, thank you so much for your thoughtful responses and your passion and your energy. I can I can sense kind of the commitment you have to this industry and to the work you do. It's-it's palpable and really amazing to witness. So thank you so much for being an adviser at XYPN and being an adviser to your clients, because they sure are lucky to work with you. And I think after this podcast, if not already in an idol for some advisors out there that they may want to try to emulate one day. So thank you Luis so much for this interview.

Luis Rosa: [00:51:28] No pressure. (laughter) Thank you, Maddy.

Maddy Roche: [00:51:30] (laughter) No pressure at all.

Luis Rosa: [00:51:32] Well, you know, that keeps me going sometimes, believe it or not, there are times I was like, oh, should I just go get a job somewhere? (laughter)-

Maddy Roche: [00:51:38] Don't you dare.

Luis Rosa: [00:51:39] But those kind of words that you just said are like, no, I got I got to stay the course.

Maddy Roche: [00:51:44] You do. You do. Very important work. Thank you so much -

Luis Rosa: [00:51:46] Thank you.

Maddy Roche: [00:51:46] - for being a part of this industry.

[00:51:48] --swish--

Maddy Roche: [00:51:50] Avocado toast, selfies, a mountain of student loan debt, Gen Y is anything but traditional, and with over seventy five million people, it's a population you don't wanna ignore. Learn more about how to serve this unique population. In our guide called Attract and Profitably Serve Millennial clients in your RIA. Discover three key ways to tap into the millennial market in six things that they want from their financial advisor. Visit XYPlanningNetwork.com/millennials for your free copy. Be sure to join our VIP community at XYPlanningNetwork.com/VIP and hang out with other #XYPNRadio listeners, ask questions for future mailbag episodes and finally to find a community of like-minded financial advisors. Thank you so much for joining me today. We'll see you next time.

Narrator: [00:52:38] You are not alone and you are not crazy. It's scary starting building and growing your own financial planning firm. And that's why we put together a free private community just for you, the cutting edge financial planner. Go to XYPlanningNetwork.com/VIP or text #XYPNRadio to 33344 and join a network of thousands ready to change the lives of Gen X and Gen Y clients.