

# Advisor Highlight Series

Featuring John Grace, Registered Principal, Securities America, Inc.; President, Investor's Advantage Corporation

The Advisor Highlight Series features the unique insights and successes of advisors who use the AssetMark platform. In this series, we sit down with advisors to get their professional views on practice management, industry trends, and what they have learned over the course of their work to help clients reach their personal and financial goals. We hope you enjoy this chance to learn from your peers!



**1. What sparked your interest in financial services?**

I was introduced to the business by an independent financial advisor. I feel very fortunate to have started on the independent side, because unlike larger firms, I didn't have to follow someone else's agenda. We're not interested in commissions; we're interested in doing the best work. And now I'm mentoring a college graduate eager to get into the business and can share this perspective with him.

**2. What is unique about your approach to financial advice?**

We pay for independent research, which evaluates investments from a broad perspective, including consumer behaviors that drive the economy. You can't always see the big picture from the headlines, and I feel that math is a four-letter word that we need to embrace and use to help tell a story for our clients. For example, it can tell you that thirty-one is the average age most Americans buy their first home and that real estate isn't all about location, it's about buying and selling behavior. What happens when 24% of the population (Boomers) sell their houses? What kind of opportunities or challenges will that create?

**3. Which basic principles of financial planning are essential for investors to embrace?**

We need to embrace math and budgeting. Teach your kids how to budget, calculate the tip on a check, keep an eye on your account balance, and go through the mental exercise of regularly thinking about budgeting and spending and what that's doing to your account. You don't just get on a plane and see where it lands; you plan where you start and end. We help clients do the math to answer, "How can I get to where I want to go and arrive on time?" We keep them on track and adjust as needed. What happens if a breadwinner dies too soon? COVID-19 is a prime example that nobody can predict the future. It's not about being right, it's about being ready. My first book, *Making Finance Make Sense!*, includes two calculators: one to help investors see what it takes to achieve financial independence, and another to help each breadwinner see how much life insurance is needed in the event of the other's premature death.

# Advisor Highlight Series (CONT.)

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#### 4. What tools and resources do you use to engage prospects and keep clients?

We have a two-minute video to help investors discover how much of a loss they can withstand and still have an 80% chance of achieving their financial goals, and a short questionnaire for investors to obtain their own personalized risk number. People often think about risk tolerance in terms of age or lifecycle. If you're retired and taking withdrawals, market dips matter. But even 30-year-olds with five million dollars don't want their balance reduced to \$2.5 million.

We also network with talented attorneys and other professionals. If a client has an issue that we can't help them with, we want to find someone who can.

#### 5. What advice do you have for young investors who have seen so much market disruption?

I'd like to see them join the business. The old way of doing business—80% white men, 20% white women—doesn't work anymore. You need more representation by people of color in the industry. Fifty percent of Americans age 30 and younger are non-white. Let's involve them in a meaningful way. Let's help women and minorities see that there is a door to this industry, and let's open the door. There's room for them. It's our responsibility to grow the wealth and market share of these communities, to welcome in a more diverse America to serve a more diverse client base in financial services.

#### 6. What legacy do you hope to leave behind?

At the moment, I'm proud that we're providing financial plans for all front-line workers. The average national cost of a financial plan is about \$2,000. Our country's front-line workers are being asked to do so much for not a lot in return. To support and reward them, we offered 90 minutes of financial planning services free to anyone who works in health care, law enforcement, or fire rescue. We are inspired by the professionals who are on the front lines and want to thank them in a way that we hope is meaningful.

Looking forward, I want to bring more diversity into the industry. There are only five black CEOs in the Fortune 500—just one percent. We've got some work to do. I would encourage people to ask their financial advisors what kind of progress is being made. Ask the banks they do business with about their diversity and inclusion practices. What does home office diversity look like? What about the board room and the field? I'm hopeful because of what I see from the youth today. They aren't complacent, and they see right through to the truth.

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