



2019 MDRT Top of the Table Annual Meeting e-Handout Material

Title:	The Bucket Plan: A Financial Planning Process Using the Bucketing Philosophy
Speaker:	Jason Smith and Bryan Bibbo AIF
Presentation Date:	Friday September 27, 2019
Presentation Time:	2:00 p.m. -2:30 p.m.
Session Room:	Indigo

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JASON L. SMITH



**THE BUCKET PLAN®:
A FINANCIAL PLANNING
PROCESS USING THE
BUCKETING PHILOSOPHY**

TOP of the TABLE
ANNUAL MEETING 2010 | AUSTIN • TEXAS • USA

MDRT



1 BEGIN → The Connection Questionnaire

2 EDUCATE → The Money Cycle

3 EDUCATE → The Bucket Plan® Philosophy

4 COMPLETE → The Cash Flow Analyzer

5 COMPLETE → The Volatility Tolerance Analysis


6 CUSTOMIZE → The Bucket Plan® Design

The Bucket Plan
BEST INTEREST PROCESS

**The Bucket Plan®: A Financial Planning Process
Using the Bucketing Philosophy
Jason L Smith**

Simplicity
is the
ultimate
sophistication

—Leonardo da Vinci



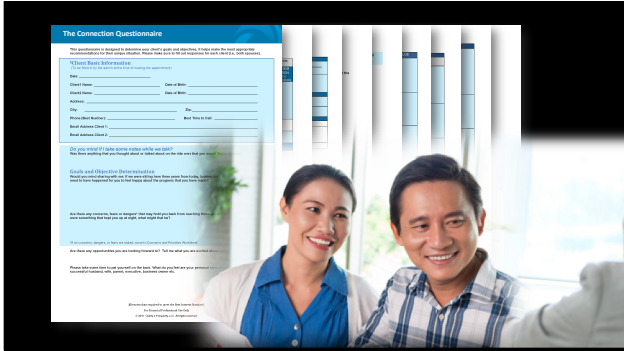




The Connection Questionnaire

Concerns & Priorities Worksheet

Ranking	Concern/Concerns	Notes
1	Retiring out of work	
2	Living costs in retirement	
3	Health care in retirement	
4	Long-term care costs	
5	Investment risk	
6	Market volatility	
7	Other and to be added	
8	Other and to be added	
9	Other and to be added	
10	Other and to be added	
11	Other and to be added	
12	Other and to be added	
13	Other and to be added	
14	Other and to be added	
15	Other and to be added	







The Connection Questionnaire

This questionnaire is designed to determine your "level" of financial literacy. It is not a test, but a tool to help you understand your own financial literacy level and to identify areas where you may need to improve.

Personal Information

Name: _____ Date of Birth: _____
 Street Name: _____ City: _____
 Address: _____ State: _____
 ZIP: _____
 Phone (Area Number): _____ Best Time to Call: _____
 Best Address (Home): _____
 Best Address (Work): _____

Do you intend to make long-term wealth goals?
 Yes _____ No _____

Goals and Objectives (Investment Objectives)

Are you currently "open to change" your investment objectives?
 Yes _____ No _____

Are there any opportunities you are missing because of this? If so, what are they?

Please indicate how you would rate the "level" of your financial literacy. What makes you the most confident? Why? Please indicate the "level" of your confidence.

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Tell me about the best investment you've ever made.

And what was the worst investment you've ever made?

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 Yes _____ No _____

Goals and Objectives (Investment Objectives)

Are you currently "open to change" your investment objectives?
 Yes _____ No _____

Are there any opportunities you are missing because of this? If so, what are they?

Please indicate how you would rate the "level" of your financial literacy. What makes you the most confident? Why? Please indicate the "level" of your confidence.

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What are the three most important values you have tried to teach your children that you would want them to teach your grandchildren?

Do you have a FINANCIAL ADVISOR?

How would you rate that relationship?

On a scale of 1 - 5 (5 Great Relationship/1 Unhappy)

1 _____ 2 _____ 3 _____ 4 _____ 5 _____

Are there any opportunities you are missing because of this? If so, what are they?

Please indicate how you would rate the "level" of your financial literacy. What makes you the most confident? Why? Please indicate the "level" of your confidence.

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Do you work with an INSURANCE AGENT for life, long-term care, or disability insurance?

How would you rate the relationship?

On a scale of 1 - 5 (5 Great Relationship/1 Unhappy)



Do you work with AN ATTORNEY FOR YOUR ESTATE PLANNING?

How would you rate the relationship?

On a scale of 1 - 5 (5 Great Relationship/1 Unhappy)



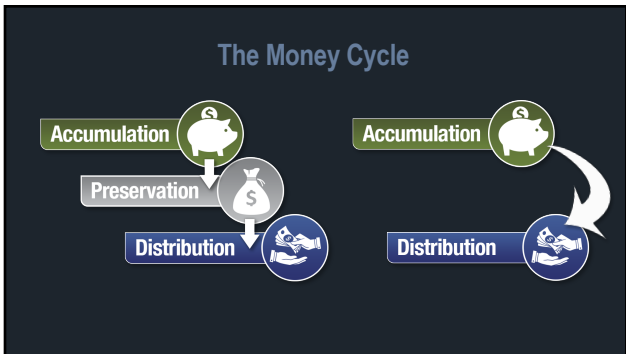
Who PREPARES YOUR TAX RETURN?

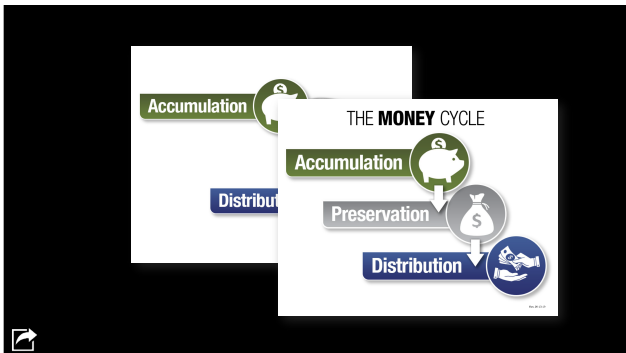
How would you rate the relationship?

On a scale of 1 - 5 (5 Great Relationship/1 Unhappy)

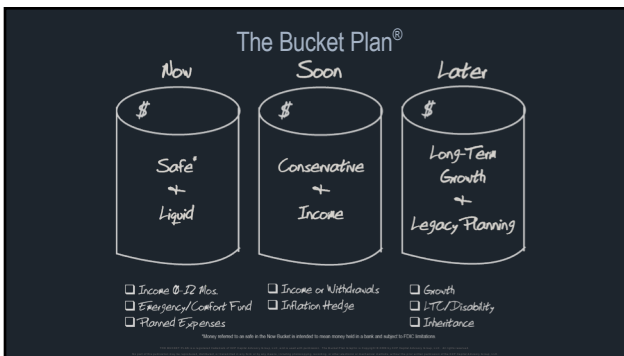


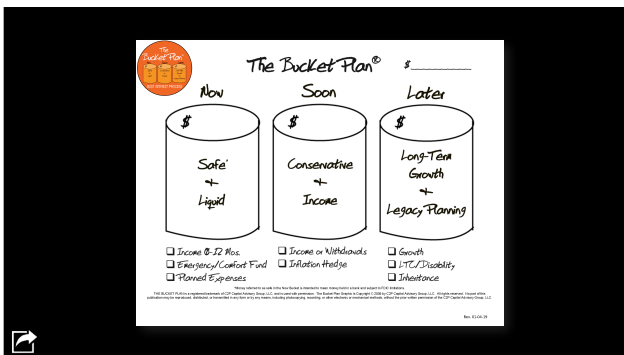












The Bucket Plan® Best Interest Process

BEGIN →

1 The Connection Questionnaire

EDUCATE →

2 The Money Cycle

EDUCATE →

3 The Bucket Plan® Philosophy

COMPLETE →

4 The Cash Flow Analyzer

COMPLETE →

5 The Volatility Tolerance Analysis

CUSTOMIZE →

6 The Bucket Plan® Design

Cash Flow Analyzer

Client Name	State	Amount	Frequency	Annual Total
Income List in Retirement (Current Net Income Amount Deposited into Checking)				
Ernie	Community Medical Center	1,200	12	14,400
Zary	Delaware Construction	2,824	36	102,024
				Annual Income List \$ 116,424
Income Details & Retirement Loans (Current Net Income)				
Zary	Social Security	2,168	12	26,016
Ernie	Social Security	1,398	12	16,776
				Fixed Income Subtotal \$ 42,792
Adjustments				
Investment Expenses in Retirement (Based on 1.5% Expense Ratio)				
Zary	Income Tax Liability	2,000	1	(2,000)
Zary	Travel	3,000	1	(3,000)
				Increased Expenses Subtotal \$ 5,000
Decreased Expenses to Retirement (Based on 1.5% Expense Ratio)				
Zary	Late Fees	2,000	12	(24,000)
				Decreased Expenses Subtotal \$ 24,000
				Income Total \$ 41,792
				Insert Total (\$ 24,000)
				Annual Income Step of Fixed Cash Flow Total \$ 17,792
How much of this income step would you want guaranteed in your financial plan?				
				\$ 1,000

The Bucket Plan® Best Interest Process

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Volatility Tolerance Analysis

CLARITY2 PROSPERITY
Program, Training, Coaching

Volatility Tolerance Analysis

Grid of vertical bars representing analysis results.

Soon Bucket Scoring

Soon Bucket Volatility Tolerance

1. How do you generally feel about volatility in your work? (1-5)

2. How do you generally feel about volatility in your personal life? (1-5)

3. How do you generally feel about volatility in your relationships? (1-5)

4. How do you generally feel about volatility in your community? (1-5)

5. How do you generally feel about volatility in your overall life? (1-5)

Soon Bucket Total Score: 11
Soon Bucket Category: Stable

Category	Score
Volatility Tolerance	11
Stable	11
Unstable	0
Stressful	0
Challenging	0

Later Bucket Scoring

Later Bucket Volatility Tolerance

1. How do you generally feel about volatility in your work? (1-5)

2. How do you generally feel about volatility in your personal life? (1-5)

3. How do you generally feel about volatility in your relationships? (1-5)

4. How do you generally feel about volatility in your community? (1-5)

5. How do you generally feel about volatility in your overall life? (1-5)

Later Bucket Total Score: 27
Later Bucket Category: Growth

Category	Score
Volatility Tolerance	27
Growth	27
Stable	0
Unstable	0
Stressful	0
Challenging	0

Volatility Tolerance Analysis

Later Bucket Volatility Tolerance
 Risk: 27 Category: Growth
 Goal Return Volatility Tolerance: 11 Category: Stable

Client Information
 Name: [Redacted]
 Address: [Redacted]
 Phone: [Redacted]
 Email: [Redacted]

Risk
 The risk level is determined by the client's investment objectives and the volatility of the assets in the portfolio.

Considerations
 The client's risk tolerance is based on their investment objectives and the volatility of the assets in the portfolio.

Assessment
 The client's risk tolerance is based on their investment objectives and the volatility of the assets in the portfolio.

Recommendations
 The client's risk tolerance is based on their investment objectives and the volatility of the assets in the portfolio.

Agreements
 The client's risk tolerance is based on their investment objectives and the volatility of the assets in the portfolio.

The Bucket Plan® Best Interest Process

1 The Connection Questionnaire (BEGIN)

2 The Money Cycle (EDUCATE)

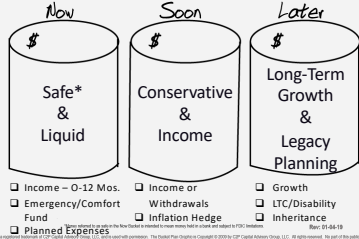
3 The Bucket Plan® Philosophy (EDUCATE)

4 The Cash Flow Analyzer (COMPLETE)

5 The Volatility Tolerance Analysis (COMPLETE)

6 The Bucket Plan® Design (CUSTOMIZE)

The Bucket Plan® Based on Asset Sheet



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888-240-1923

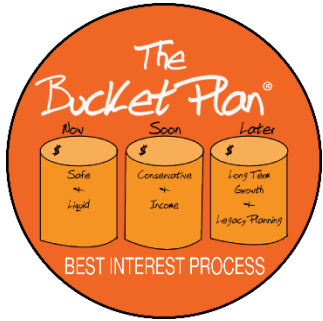
THANK YOU

Concerns & Priorities Worksheet

Date: _____ Client Name(s): _____

Please rank each item below from 1 to 3 (1=most concerned about, and 3=least concerned about)

Ranking	Common Concerns	Notes
1 2 3	Running out of money	_____
1 2 3	Income/assets not keeping up with inflation	_____
1 2 3	Losing money in market (safety vs. risk)	_____
1 2 3	Sequence of Returns Risk	_____
1 2 3	Not earning enough interest to grow my money	_____
1 2 3	When and how to take social security	_____
1 2 3	Maintaining independence/not being a burden to family	_____
1 2 3	Nursing home, assisted living, and home health care wiping out estate	_____
1 2 3	Rising medical and prescription costs	_____
1 2 3	Paying too much in taxes	_____
1 2 3	Taxes/government taking a large portion out of estate	_____
1 2 3	If the primary person who keeps track of and organizes everything were to pass away, things would be a mess	_____
1 2 3	Probate or attorney fees for beneficiaries at death	_____
1 2 3	Providing income replacement for surviving spouse/beneficiaries	_____
1 2 3	Passing on assets to my children or family	_____
1 2 3	Taking care of someone else when I'm gone	_____
1 2 3	Other:	_____



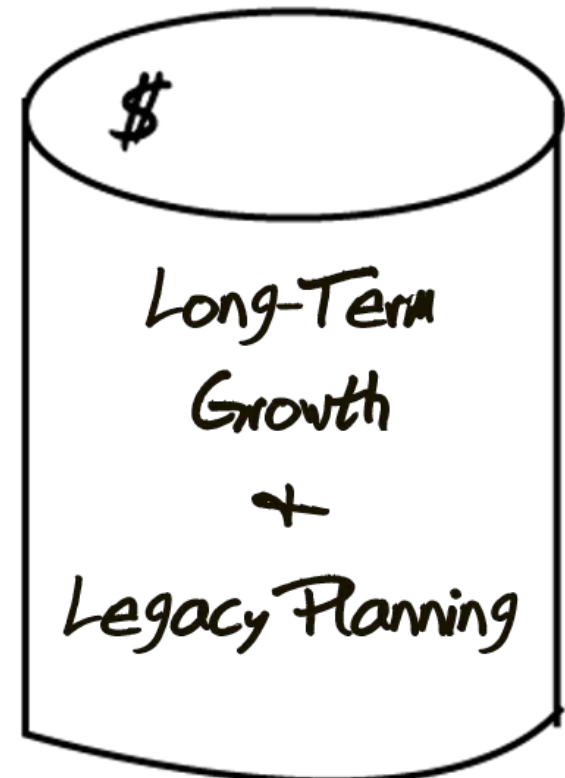
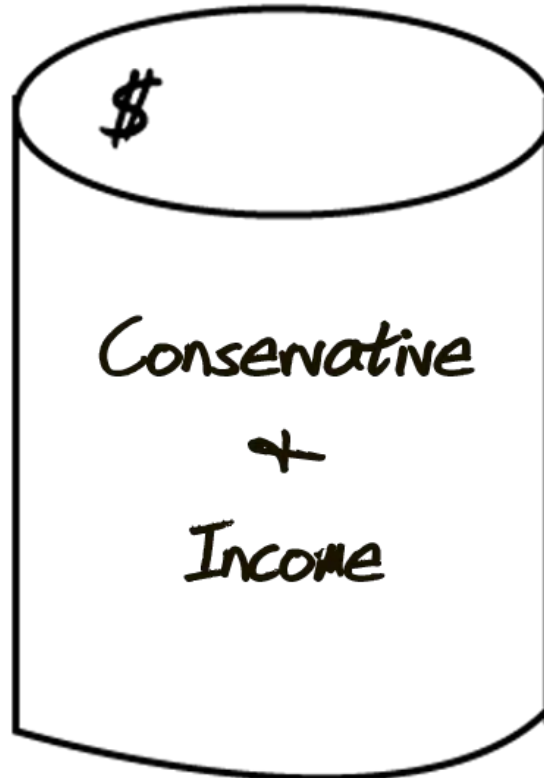
The Bucket Plan[®]

\$ _____

Now

Soon

Later



- Income 0-12 Mos.
- Emergency/Comfort Fund
- Planned Expenses

- Income or Withdrawals
- Inflation Hedge

- Growth
- LTC/Disability
- Inheritance

*Money referred to as safe in the Now Bucket is intended to mean money held in a bank and subject to FDIC limitations.

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THE **MONEY** CYCLE

Accumulation



Preservation



Distribution



Accumulation



Distribution

