

Fresh Advice

Engineering a Retirement Plan: Q&A with Piton Advisors

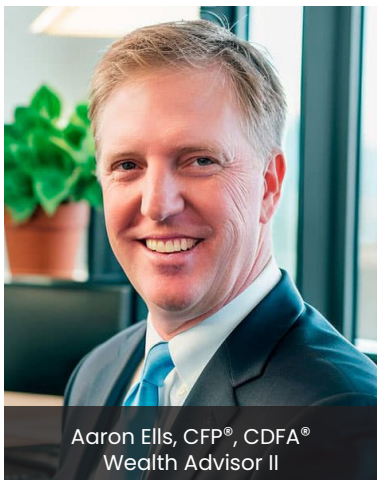
The May calendar includes IEEE Global Engineering Day, which is “about recognizing the achievements of engineers and their work that has an impact on society” (<https://nationaltoday.com/ieee-global-engineering-day>). In honor of this mission, two of Piton’s Wealth Advisors took time to talk to Fresh Advice team about how engineers and engineering have impacted their work.



Nick Mercer CFP®
Wealth Advisor II

Nick Mercer, CFP®, Wealth Advisor II at the Piton office in Kennewick, WA, started leaning into the overlap between his work and engineering a couple of years ago. “I was meeting a lot with clients who are engineers by profession and I realized that there was a shared approach and language in what we did. I could never do what those engineers do professionally, but I figured that we could deepen our service to clients by using engineering to look ‘behind the curtain’ a little bit at the work that goes into a financial plan. I started doing presentations about it, and it’s been great.”

Aaron Ells, CFP®, CDFA®, Wealth Advisor II at the Piton office in Kalispell, MT, has also delivered the presentation and found it rewarding, but with some local Montana color, “A lot of my clients are do-it-yourselfers, so even if they’re not career engineers, they are very familiar with taking on projects and solving problems that way. Building a bridge to last makes perfect sense to them.”



Aaron Ells, CFP®, CDFA®
Wealth Advisor II

Aaron is referring to the way the Engineering a Retirement Plan presentation begins, with the example of the collapse of the 1940 Tacoma Narrows Bridge. Nick explains, “It’s a classic event in the history of engineering. The point of the presentation isn’t to scare people, though. The lesson is that engineers learned how to make a more robust plan for the bridge, and the replacement bridge is still in use today.” Aaron agrees: “No one builds a bridge and then just drives on it until it collapses. You maintain and update it, so that it lasts as long as possible. That’s our process for financial plans. We design as robust a plan as we can, and then we update it so that it supports our clients as much as possible and as long as possible.”

That perspective feeds into another parallel with engineering: multi-dimensional analysis. Nick Mercer explains, “It’s easy to find retirement ‘calculators’ that will say whether you can retire or how probable it is that you can retire. To an engineer, that’s single dimensional analysis: you have a certain amount of money and then use that determine the possibility of retirement. That’s not

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what we do. We believe in multi-dimensional analysis. We don't recommend a financial plan and say it has a certain probability of failure. No one wants a plan that fails! We present it and suggest that there is a certain probability that you will have to change the plan in some way. Then we can work with clients so that they understand and go forward with whatever level of the risk of change they are comfortable with. Going forward, we update those scenarios, which you can think of as ongoing maintenance of the plan."

"The last of the four phases of our planning process, The Navigated Journey, we call the 'Achieve' phase," concludes Aaron. "That's the phase that we want to be the maintenance phase. When life changes happen, or tax changes in the tax code, whatever it is, there will be updates. Our focus remains the same, though: ✎ We want clients to achieve the life goals that they have, with confidence that they can cross the bridges to get them there."

For an example of presentation Engineering a Retirement Plan, go to www.pitonwealth.com/investment-resources/videos and look out for in-person events as well.



QUIZ

At Piton Wealth, financial planning utilizes:

- a. single-dimensional analysis
- b. one key number for retirement
- c. the Von Kármán vortex street hypothesis
- d. multi-dimensional analysis



**CAN YOU FIND the
HIDDEN PITON?** ✎

Visit pitonwealth.com/investment-resources/videos for videos and more free information

A piton is a tool which mountain climbers use to secure a hold and climb higher than they could have otherwise. That is why we are Piton Wealth, to help clients climb to ever higher goals. Comprehensive financial planning is the dedicated tool that the Piton team uses with the aim of clients achieving those goals. The ultimate goal is a fulfilling and generous life. The Piton team hopes to see you as part of that life at one of Piton's community events, or any of the many life-affirming events in our communities, and we would love to talk to you about a plan, so please reach out to us when you want to find out about a potential Navigated Journey for you and your loved ones.

If you are interested in Piton Wealth's services, call (509) 582-0570 or visit pitonwealth.com/schedule/

We hope to hear from you!

second to last paragraph, last sentence
ANSWER: d - You can see the piton on page 2

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