

Three strategies for working with older clients

David Solie | RiskTutor | 01 May 2014

It's always an ambush. From Steve's perspective, the estate settlement was going well. Beneficiary papers had been filed and trust provisions initiated. While he had worked primarily with Jim over the last 11 years on financial matters, Steve always maintained a friendly relationship with Jim's wife, Ellen. Unfortunately, four months after Jim's death, he received a request from Ellen to transfer the account to another adviser. No call. No email.

In my 23 years of providing training programs in client communication to financial advisers, I have found that the challenge of preserving accounts when an older client passes away is a persistent problem. Recent statistics confirm the magnitude of the loss: 70% of widows change financial advisers within six months of their husbands' deaths¹.

Is this an unavoidable reality of being a financial adviser? Or, are there steps that can be taken to preserve these accounts? In my opinion, many of these losses can be avoided if advisers follow three preservation strategies with their older clients: competency, resonance and timing.

COMPETENCY

In today's aging society, adviser competency goes beyond financial expertise. Forward-thinking advisers realise they need to update their knowledge about the psychology of aging.

The updating process begins with a new insight about aging – older adults are still growing. Older adults are not diminished versions of their younger selves, looking backward instead of forward, having lived past their developmental peak. While this is the physical reality of aging, it is incorrect to assume that the loss of physical capabilities implies a mandatory loss of mental capabilities and the end of personality development.

My research has shown that beginning in their mid-60s, older clients are confronted with two developmental tasks that dominate the final phase of life – control and legacy². One task requires hyper-vigilance to guard against an unending potential series of losses that threaten to push life out of control. The other task requires a reflective pause, a review of life's events and an eventual letting go. Each task is pulling in a different psychological direction. One evokes a struggle to last while the other evokes a readiness to leave.

RESONANCE

Given the central importance of communicating with older adults, how do advisers signal

they understand the importance of control?

It requires a new approach in two primary areas:

- using language that resonates with control; and
- linking products and services to control.

Words like independence, choice, manage and control can be used to enhance open-ended questions and reflective summaries. For example:

- Would you tell me more about your choices for preserving independence?
- How were you able to manage that loss?
- I hear that you feel your living situation is slipping out of control.
- Let me see if I understand how you plan to preserve your independence.

It may also be necessary to rename familiar planning techniques that lack developmental resonance. For example, long-term-care planning might be recast as long-term-control planning. A simple alteration in language can create a control-focused conversation that reinforces the perception that the adviser is both a confidant and facilitator.

Given the central importance of needs analysis for older adults, how do advisers signal they understand the importance of legacy? This too requires a new approach in two primary areas:

- using questions that facilitate life review; and,
- linking products and services to legacy.

Legacy questions provide a conversation on-ramp for older clients to tell their stories. The telling of stories is as much discovery for older adults - a connecting of the legacy dots - as it is recalling people and events. These stories also reveal important values and themes that propel legacy planning.

- What was the most significant event of your childhood?
- What were your family's greatest strengths?
- What has been your greatest accomplishment?
- If you could change anything in your life, what would it be?

A developmental resonance regarding legacy can be embedded in the why of the planning process with statements like:

- we plan to honor your values; and,
- we have found that lack of planning can result in loss of legacy.

It may also be necessary to rename familiar planning techniques that lack this developmental resonance. For example, estate planning might be recast as legacy search.

TIMING

Late middle age is an ideal time to initiate control and legacy-themed conversations with clients. Inclusion of both partners in these conversations is essential. The topic can be

framed as peer group concerns:

- “I don’t know if this is happening to you, but many of my clients in their early 60s are focused on preserving their independence in the face of changing circumstances.”
- “As my clients transition out of middle age, I am seeing a new interest in assessing what they have accomplished, how they want to give back and the values they want to pass on to the next generation.”

Older adults are crossing the most challenging and complex frontier of their lives. They are engaging in developmental tasks that provoke an overwhelming need to maintain some element of control while at the same time coming face-to-face with the meaning and significance of their lives. To earn a role with succeeding generations, advisers have to learn more about how older clients think and communicate. This increased knowledge and skills will allow them to develop inclusive and sustainable rapport with both partners, a critical prelude to remaining a valued advisor for the surviving family.

ENDNOTES

1. “Financial Experience & Behaviors Among Women,” Prudential 2012
2. David Solie, *How To Say It To Seniors: Closing the Communication Gap with Our Elders* (New York: Prentice Hall Press, 2004)

David Solie, MS, PA, is president of [RiskTutor, Inc.](#), a Southern California consultancy providing training programs in client communication for financial advisers.

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