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6 Tips for Developing a Longevity-Centered Approach for Your Clients

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Our clients…and our prospects…can expect to live longer than previous generations. By taking a longevity-centered approach, you can help them address their needs and wants for years to come. Here are six tips.

> ***Editor's Note:*** *Sign up for Debbie's two-day live workshop "Savvy Tax Planning School for Advisors," being held June 6–7 in Chicago.*

Technology and education have transformed what clients are demanding from financial advisors. Baby boomers, Gen X and the millennials are more educated, more tech-savvy, and living longer than any previous generations. Today, U.S. life expectancy is nearly 80 and the number of years someone will be healthy in that time is growing.

Clients are looking for financial advice to identify and navigate what they may confront in middle age and as older adults.

Financial services and advice have traditionally been focused on a successful investment strategy to provide the resources necessary for retirement. A

Hartford Funds paper examines the evolving context of old age and describes approaches to add more value for clients.

Given the evolving demands of living longer and better, planning for a clients' future increasingly requires longevity management to address their needs, wants, and includes the services clients will value most from advisory firms.

Read on to learn the six tips on how to develop a longevity-centered approach as client needs are changing.

1. More educated generations require more education

Baby boomers have more education than any previous generation and educational attainment will likely continue to rise with each successive generation. Education and easy access to information contribute to the phenomenon of self-education.

Clients now want to not simply access expertise, but to become smarter about their choices, behaviors and outcomes.

Pro tip: Consider implementing client seminars, newsletters and education events that engage families on topics like education and professional development across the lifespan and other topics relating to the challenges of living longer. Adult children may be engaged and, where appropriate, serve to facilitate discussions of what the client and his or her family may want in old age.

2. Tech-savvy clients demand better technology

Every generation now expects technology to be part of their daily experience. Most financial professionals' clients may, therefore, care about the quality of the technology firms provide in their online services. People care about websites and apps that actually make their experience easier, more personalized and ubiquitous.

Pro tip: Brainstorm ways to make online services more personalized. Make sure you continuously revisit and update your website to ensure information reflects your brand and that services are up-to-date and functioning correctly.

3. Changing family dynamics require better understanding and planning

The family has traditionally provided the physical and social support necessary to age well. However, the family has changed. Not only have declining birth rates made it so there are simply fewer children to provide care and support to aging parents, but many families no longer live in close proximity.

Longevity and the context of living longer present new jobs that must be planned for, financed and ultimately accomplished. This presents some unique challenges that are important to consider.

Pro tip: Consider new ways to bring your clients and their families together, possibly through family events at your firm. Our older clients love our yearly minor league baseball game event, and often bring their entire families to join in the fun. Additionally, we help our widowed and female clients build community and interact with each other through our monthly women's events. Many of our women clients who attend these events have bonded and created true friendships with each other, and now see each other outside of our firm events.

4. Career transitions present challenges and opportunities

How exactly longevity affects retirement is evolving. Many people are extending their time in the workforce either out of need for income, social connection, and/or for a purpose. This could mean people are staying at their same job for longer, switching to a new company, shifting to part-time, or even changing careers. Financial implications, education, technological training, and other unique requirements should all be considered if necessary to make these transitions.

Pro tip: Help clients reimagine what retirement looks like as it may not be so black and white. Consider helping clients plan for continuing education costs for themselves and not just their children.

5. Managing health and caretaking costs may become more challenging

Financing health care is a key factor in financial planning. Though average costs of about $400,000 are well publicized, most people exceed this average as they age. According to the Centers for Disease Control, six in 10 adults in the U.S. manage one chronic disease, while four in 10 have two or more. When poorly managed, these conditions can jeopardize plans to work longer and create additional expenses, potentially impeding strategies to extend retirement savings.

Due to costs associated with caregiving, it is becoming more common for Americans to rely on informal caregiving to promote quality of life. Typical caregivers are female; an adult child, spouse or partner. The stress of caretaking is largely being put on those close to aging adults.

Pro tip: Ensure you build strong relationships with clients so that you can foster in-depth discussions that reveal issues that could have profound implications on the costs of health care and caretaking in advanced age.

6. Living at home alone can create unforeseen challenges

Where to live in older age is rarely discussed or planned. Though many envision retirement as an extended vacation, clients must be realistic about what they can afford as well as where they can have their needs met as they age. This can mean leaving their current homes even though most aging adults would rather stay.

When you also consider maintenance, staying where you are becomes less realistic, especially as more people age alone. With 27% of Americans aged 60 and older living in solo households, especially women, there are many factors that individuals must consider when planning where to live in retirement.

Pro tip: Act as a connector between clients and vetted services that provide solutions to newer retirement concerns. Relationships with downsizing services, regional providers of senior housing, or aging-in-place certified home contractors that can advise homeowners on how best to update a home while modifying it to support older age.

Managing growing expectations and longer lifetimes requires different strategies. By addressing a wide range of lifelong issues, advisors are able to engage with clients across their life stages.

Rather than focusing only on the future, this strategy makes a firm's services relevant immediately. It provides financial security along with a map of what older age may present, who can be enlisted to help, and how to pay for it all.

This evolved approach to financial planning will provide firms with opportunities to engage with their clients over a lifetime, on more topics, more often, and with greater intimacy.

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