

Life Transitions Planning: the View from 30,000 Feet

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Combine demographics, economics, and health care issues, and advisors face a “perfect storm” ... a perfect storm of amazing opportunity!

Baby boomers and those just ahead of the boomer tsunami are said to live in the Experience Economy. It is not so much about “things and toys,” but more about “the experience and the quality of the deliverables.” One can go to any fast-food place to eat. When we wish to *dine*, we seek higher levels of service, ambiance, and presentation. It isn’t just the food that people savor (it must be good or they won’t come back), it is the *experience* itself they remember. It is the experience they refer to others.

So it is with the advisory experience. Those who focus on pure product merchandising are dinosaurs, although they may not fully appreciate that fact. Those who deliver advice, even deep and holistic direction, grounded in fiduciary responsibility, have to think more about the experience itself. As with good food at an upscale restaurant, for advisory success, technology and quality products and services are basic requirements. What clients experience, largely based on the conversations they have with you, is what they remember and what they will refer. If they say, “Wow! No one ever talked to me about that, or asked me about that before,” you are on the right track.

The Sandwich Generational Squeeze

Roughly two-thirds of the boomers are past age 50. Full retirement age for the pig now moving through the python is 66–67. Between age 50, 60, and 66 to 67 for sure, boomers will go through a series of life transitions. *Right-brained life-transitions consulting, based on unique conversations and processes, is the wave of the future.*

Master the conversations. Assemble resources, as life transitions consulting is a team sport. Create a platform of unique conversations with integrated processes and you will stand out in a flattened world of “me too” commoditized products and services. As a multi-faceted resource, you will be remembered and referred.

It is not about investment management consulting. It is not about financial planning. It is not about the wealth management business. These are sub-sets of an expanded view as to who and what we are. *We are in the life transitions management profession.*

Consider women in their early fifties. Many still have children to educate or move out of the nest, ultimately attempting to close the Bank of Mom and Dad. They and a spouse, if applicable, are focusing on ultimate retirement issues. Matters of career transition or business growth and succession may be a factor in the family dynamic. They may be worried about aging parents. Health issues come to the fore in greater measure between ages 50 and 60. Cancer, heart problems, osteoporosis, and Type 2 diabetes are major concerns for women and men. It’s the “sandwich generation” thing manifested as a financial and emotional squeeze. These are challenges that demand creative conversations and resourced solutions.

Therein lies the opportunity, the view from 30,000 feet. How do we as advisors shift from 10,000 feet, where we may be, to the more rarified air aloft where expanded vision can seem to present too many challenges?

Build on What You Know

Start with where you are. The dominant conversation seems to be retirement and strategies for retirement income distribution. Mitch Anthony, Dick Wagner, and other life planning thought-leaders have been telling us for years to go beyond money to a deeper conversation about purpose and meaning. Because such conversations involve in some cases the unknown, elements of fear, resistance to change, and even learned behavior and attitudes—factors that impede creativity—right-brained thinking is called for. Those who view retirement counseling as “a bunch of numbers and statistical probabilities” will have trouble making their own transition to operating with what writer Daniel Pink calls “a whole new mind.”¹

Financial planners in the vanguard of life transition counseling are bringing in and coordinating outside consultants and credentialed professionals to focus on areas requiring specific expertise. Psychiatrists, health care coordinators, career counselors, members of the clergy, business consultants (business growth, sale, succession), may be part of your Unique Ability Resource Teams. Lawyers, accountants, bankers, travel consultants, and others may be on specific teams.

At age 60, or 66–67 and beyond, people still want energy, focus, and a sense of purpose and meaning. Such aspirations are the stuff of amazing conversations.

Elder Care Reframed

The word “elder” as in *elder care* is a major turnoff for boomers. They hate the word geriatric and disdain “senior” as in *senior citizen*. In an amusing YouTube video, a gentleman complained that we do not call a well-preserved antique automobile a “senior car.” It is a *classic car* and he was a *classic citizen!* Run with that one.

Lawyer and advisor Dan Taylor has reframed elder care as parent care in a series of six conversations.² Again, the view from 30,000 feet. Assume that a woman, on average, was 25 when her child was born. Assume that Dad was 28. For a boomer turning 50, Mom is 75, Dad 78. For leading-edge boomers turning 60 or 62 in 2008, Mom is 85–87, Dad is pushing 88–91, assuming one or more parent is living. Add to the equation the factor that one family in four currently is in a caregiving situation, and you begin to see the scope of a challenge that will loom larger.

A responsible sibling, often a daughter who may or not be in the same city as Mom or Dad, may be juggling parent care along with “teenager or grown-but-not-yet-independent child care,” self care and health challenges, career and retirement concerns. Multiple transitions. Multiple challenges. Multiple opportunities for Life Transitions Advisors.

Taylor describes conversations one can have as an advisor or that clients may have with parents about the big picture (their view of the future from 30,000 feet), the real estate (residence, vacation home, business property), the stuff (treasured possessions), the money, the type of health care they want, and their legacy. When looked at holistically, each area of examination is rife with possibilities for you to add value and deliver a referable experience.

It is not just clients or potential clients seeking help with Mom and Dad. The *reverse parent care discussion* is a whole new right-brained look at living and final estate planning, WOOFs (well-off older folks), classic citizens, want to give their children clarity. Children want clarity. The reverse parent care discussion is the foundation for great family meetings led by you as a trusted advisor. If you want to build links to downline generations, master these conversations.

The Go-Go to Slow-Go Conversations

The *Investment News* 2008 Retirement Income Summit in New York City included a session on “Planning and

Preparing for Your Client's Healthcare Costs." *Financial Advisor* magazine, in an October 2007 special report, examined how a growing number of advisors "are helping clients consider the impact of sky-rocketing health-care costs on retirement."³ At a Thornburg Investment Management Conference for advisors in Santa Fe, New Mexico, in October 2007, the same subject was introduced by **Dr. Kathryn Votava**.

Dr. Votava is an assistant professor of clinical nursing at the University of Rochester in New York. With a Ph.D. in health economics and nursing, she is an increasingly popular speaker at retirement planning conferences. Planners need to move beyond the narrow view of long-term care insurance as the only focus, to an understanding of the "perfect storm of long-term care services and costs for retirees." Average life expectancies are rising, the incidence of chronic illness will grow, care at home will be more complicated, demands on family caregivers will be more intensive, there will be pressure for the use of more private dollars to fund LTC as public funding sources are scaled back, and a growing shortage of trained nurses and other LTC workers will precipitate higher levels of wage/price inflation.⁴

There are not enough care facilities and adult day care centers to meet growing demand. Demand alone will push up prices for quality services and facilities.

Are we to become health care consultants? No, but we can add specialized expertise to our Unique Ability Resource Teams and bring them in as needed. The link between health and wealth is clear. The issues raised by writers like Tracey Longo and synergistic team members like Dr. Votava constitute a clarion call that opens new vistas for creative advisors.

A transition is defined as a "movement, passage, or change from one position, state, stage, subject, concept, etc., to another."⁵ We as advisors, especially the large cohort north of age 50, are going through transitions, as are clients. As a transition is contemplated and as we look at aging as a cycle moving from go-go to slow-go to no-go and gone, we may know where we are and what we are leaving. We value counsel about possibilities, dangers, opportunities, and solutions ("DOS" conversations) relative to where we are going. The Life Transitions Conversations constitute the next frontier for advisors. For vendors looking to add value to their advisory client relationships, the development of research and educational material, support platforms and processes, sponsored educational seminars, and workshops (in person and Web-based), offer major opportunities for distinction and standing out in crowded fields.

Call it Life Planning 2.0. Holistic planning on steroids. Classic!

Endnotes

1. Daniel H. Pink, *A Whole New Mind: Why Right-Brainers Will Rule The Future* (Riverhead Books, 2006), www.danpink.com.
2. Dan Taylor, *The Parent Care Conversations: Six Strategies for Dealing with the Emotional and Financial Challenges of Aging Parents* (Penguin Books, 2005).
3. Tracey Longo, "Preventive Medicine," *Financial Advisor*, October 2007.
4. "The Impact of Health Care Inflation and Regional Health Care Cost Variations on the Economic Forecasting of Long Term Care (LTC) Costs and Insurance Payouts," Dr. Kathryn Votava, GoodCare.com. Click on "free resources."
5. Dictionary.com.