



YOU CANNOT STOP THE GREYING

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Will the right people get the right money at the right time - what would happen if something unforeseen happened to one of your clients?

As our population continues to "grey", their financial needs will also change and evolve. Herein lies the dual-edged sword of opportunity and threat for most advisory businesses. We've taken some key facts taken from our latest Business Health CATScan Client Satisfaction Survey data warehouse which show:

- 53 per cent of clients are aged 60 plus
- 48 per cent are already retired
- 41 per cent have been with their adviser for 7 plus years

This means we are looking at a lot of people who will most likely have different needs today compared to when they initially began working with their adviser. Protection and accumulation plans are perhaps not as relevant as they were five or ten years ago. They have been surpassed by more relevant (and for some, pressing) needs, such as estate planning, aged care, charitable gifting, ethical investing and social security/Centrelink support.

Nothing surprising here, I know. But as an advisory profession, how are we reacting to these clients' changing needs? The following key findings taken from our Estate Ready whitepaper, which provides an in-depth analysis of over 1,500 clients and their level preparedness for the future, would suggest that there is still a long way to go for many:

- Over a third (34 per cent) of clients don't have a will
- Only 15 per cent of business owners have a buy/sell or succession agreement in place
- One in two clients are not confident their children will be adequately provided for if their spouse remarries
- Almost half of the clients are worried that the assets their children will inherit may be "lost" if their child divorces or separates from their spouse/partner
- One in four clients holding life insurance were concerned that the sum insured was not sufficient
- Over half of the clients were not confident their family would have immediate access to the funds they needed while their estate was being settled

Given the picture painted by the above (and remember, these clients are all currently advised), it seems there is an enormous opportunity for advisers to help their clients plan for what happens when they die or become permanently ill or disabled.

While having a will and granting power of attorney are extremely important, there are a host of other issues that need to be considered, and generally speaking, financial advisers are ideally placed to help their clients work through what can be a technically confusing and emotionally difficult situation.

Six steps to leverage your greying client base:

1. Analyse your client information in terms of age, occupation status, family members, services/products they currently have in place, their broader range of interests (family, community, etc.) and ensure you have a system in place that maintains the currency and relevancy of this data.
2. Review the feedback from your last client survey. If it was conducted more than two years ago, do another one... now! Somewhat surprisingly, less than a third of Australia's planning practices have surveyed their clients in the past 12 months.
3. Review and compare your current range of services to what you have learned from steps 1 and 2 above. Consider using an external, impartial associate to facilitate this exercise.
4. Move to address any gaps uncovered by step 3. Options will range from developing your own capability through to forming strategic referral alliances with specialist providers or perhaps even completely outsourcing certain services. By way of background, of the nine key service delivery areas we cover in our CATScan Survey, the "Range Of Solutions/Services" currently being offered by their adviser is rated third-lowest by clients.
5. Get to know the children of your older "A/B" clients. It will be these people who inherit the wealth you helped create and if they do not know you, they will move the assets away from your firm.
6. If you are not confident that your client value proposition accurately reflects what you do (or should be doing) for your clients, then change it.

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