

Holistic Financial Advisors

by Melissa Steven

The financial advising profession is about to experience a major increase in senior clientele. 76 million baby boomers will experience a major life change over the next decade as they enter retirement. Financial advisors will not only help their senior clients obtain financial security, but also help them adjust to the unique lifestyle changes that seniors go through as part of this important life transition.

The financial advisor who succeeds in serving the senior market will need to coach their clients on more than asset accumulation, allocation and distribution. Financial advisors serving seniors will need to be able to advise their clients on a full spectrum of life decisions affecting their personal finances. Housing, Medicare, Medicaid, Social Security and estate planning are just some of the numerous issues affecting senior's financial lives.

“There are many very talented and knowledgeable financial advisors helping their clients accumulate vast amounts of wealth and there are those who have prepared their clients estates for the client's death, but they have not given much thought to the many non-working years of their clients' lives,” Robert Pagel, CASL™, CLU®, ChFC®, RHU®, LTCP, said. Pagel has been working in the insurance field for over 45 years and has specialized in long-term care insurance for the past 14 years. As a senior citizen himself, he understands the needs mature Americans have when transitioning into retirement.

Pagel fears that most financial advisors are ill prepared for all the issues associated with retirement. He said, “What is so alarming is that so called professional financial advisors are lacking in a basic understanding of the aging process and the needs of their clients as they age.”

Education can help fill that gap between financial knowledge and a more comprehensive understanding of the unique issues facing senior citizens. One particular effective program is the CASL™ (Chartered Advisor for Senior Living™) designation offered by The American College. It is the only comprehensive credential in senior planning and teaches practical skills with a special focus on the psychology of the older client including lifestyle issues such as: work and retirement, family relationships, health care issues and housing issues.

Housing may become an important source of retirement income for many seniors. Numerous retirees will downsize their home and relocate when they retire. According to a Fidelity Investors survey, 25 percent of boomers will sell their primary home for income to rely on during retirement. This is known as “buying down,” a practice that is effective in producing retirement income. The individual then will have to rent or buy a home someplace else at a lower cost. The survey also found that 77 percent of boomers will continue to work after retirement to cover all or part of their expenses during retirement. On top of those changes, seniors may also lose a spouse or partner to death and be exposed to sickness and disability resulting in a need for significant medical care.

The physical, emotional and mental health issues created by the aging process create distinct challenges for financial advisors interested in serving senior clients. The knowledge an advisor obtains through the CASL™ program is distinctly different and focuses on specific aging issues.

“Financial planners have a fiduciary responsibility to help their clients in retirement and to protect them against the risk of living too long, experiencing a debilitating illness and the complete depletion of their hard-earned assets to end up on welfare,” Pagel said.

With the large baby boomer population preparing to retire, financial advisors will have an opportunity to expand their business in this growing market. The CASL™ designation shows clients that their financial planner is committed to serving their interests and has completed a rigorous program devoted to serving the full range of senior financial issues utilizing a holistic approach.

Pagel said, “I think that the CASL™ designation is vitally important in educating financial advisors and preparing them to be a complete advisor to their clients. It is the designation of this era.”

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