Working with Families for the Long Term

When you've worked with a client for years, you may think you'll continue to work with their closest family members—including their children or partner. However, you may be surprised to hear:

- 62% of millennials said they get their financial advice from social media or online, according to a survey from the National Association of Personal Financial Advisors.[1]
- It's estimated that as much as $68 trillion will be passed from the baby boomer generation to millennials.[1]
- Seven out of 10 widows will fire their advisor after their partner passes away.[2]

Don't let a lack of relationship building lead to a loss of assets under your management. As you plan your approach, use this guide to gain ideas you can put to work immediately to help strengthen your relationships with your clients and their families. ***Let's get started!***

Ice breaker questions for all ages

Starting conversations and getting clients to think about retirement, especially if it's decades away, can be tough. Consider asking these five questions to help get discussions started. While these may not be your clients' top choices, they can help identify bigger goals and engage them in the conversation.

Which would you rather in retirement...

1. See the Northern Lights or go on a safari?
2. Bungee jump or ride in a hot-air balloon?
3. Learn a foreign language or drive an earth mover?
4. Sleep in a castle or camp underwater?
5. Write a book or start your own business?

Connect with the next generation

Finding a way to get in front of Generation X-ers and millennials isn't easy. Consider trying these three tactics:

1. **Ask for their business**
   Proactively reach out before they seek out a resource on their own.
2. **Offer to meet virtually**
   For younger generations, making time to meet in the office can be a barrier to working with you. Use remote interactions to hold down costs and offer convenience.
3. **Sponsor an event**
   Who doesn't love complimentary food? Hosting a casual event can be a great way to network and educate them on ways you can help them reach their financial goals.

Continue to tips to broaden conversations ›

5 ways to broaden the conversation

Another idea to forge connections is to incorporate simple questions and topics into your current client meetings to help broaden your discussion. These tips can help inspire healthy conversations around money.

1. Ask about their family

Start with general questions such as: How are your kids doing? Or, what are your kids up to these days? Do you anticipate your family will grow or change? What hobbies do you and your partner enjoy doing? These questions can help get them talking.

2. Understand goals

In addition to talking about the clients' personal financial goals, you could also ask if they've discussed goals—financial or personal—as a family. By asking this question, you may be able to offer solutions or strategies to help the entire family reach their goals. As you have these conversations with your clients, consider using the **Building Your Family's Financial Success Worksheet** (found at the end of this guide) to help your client pass on values, wisdom—and assets.

3. Talk about your client's business

If your client owns their own business, keeping the business in the family may be a top priority. However, statistics show that in the past five years, the number of family businesses that have transitioned successfully to the second generation fell to 19 percent.[3] Additionally, according to the 2021 Family Business Survey by PWC, "only one-third have a robust documented and communicated succession plan in place."[4] Offer to discuss goals with both generations to help develop a strategy to achieve them.

4. Discuss their estate plan

While many of your conversations with clients have centered on retirement, another important aspect of planning for the future is considering what will happen to their estate. Will their surviving partner be prepared to handle finances on their own? Will cash flow be sufficient to meet their needs? Is your client's estate plan written in detail? If the surviving partner passes away, are beneficiaries prepared to handle their inheritance? Highlight the ways you can help them now to make things easier in the future. If additional professional resources are needed, ask if they'd like recommendations on attorneys, tax planners, CPAs, etc.

5. Promote your value

You've worked hard to build trust with your clients. Don't be afraid to highlight the value you bring, and ask if their loved ones would be interested in meeting with you.

Continue to financial missteps to avoid ›

4 big financial missteps to avoid after a loss

When a client has lost their loved one and is grieving, they may be unable to consider practical matters. During this time of grief, widows and widowers, plus the client's children, can end up making a bad situation even worse. Consider these ideas on how you could help.

1. Making decisions too quickly

Some grieving partners have sold their homes—thinking it's too much upkeep or the memories are too painful—and later, they regretted making this decision. Others have prematurely changed bank or financial account titles, which unintentionally created major tax consequences.

TIP: *You could talk to clients about NOT making any major changes or long-term decisions about finances for at least six months or more after a loved one's passing.*

2. Relying too much on the advice of a caring relative instead of a professional

While friends and relatives mean well, they may not be up-to-date on the latest rules and regulations, tax laws, and more. Misguided advice can ruin the relationship.

TIP: *You could help clients find an attorney or other professionals that have knowledge in the areas they need.*

3. Overlooking survivor benefits

Many surviving partners are unaware of financial benefits they could be entitled to.

TIP: *Think beyond Social Security benefits—there may also be pensions, retirement funds, or other financial accounts that have benefits for survivors.*

4. Not setting a budget

As noted earlier, during times of grief, decisions can be made quickly and without keeping long-term plans in mind. Cash flow should be a major concern, especially when it comes to new or one-time expenses that may follow a death—funeral costs, attorney's fees, estate taxes, and more.

TIP: *You could help them make a detailed list of income and expenses.*

Keeping your clients' wealth under your management is no easy task. Take the time now to build a strong, genuine relationship with your clients' loved ones. Creating a foundation now can help ensure you'll be the financial professional they choose as wealth transitions to the next heir.

When the time comes to help a client with the loss of a loved one, consider using the **Facing the Loss of a Loved One–What Families Should Know Checklist** (found at the end of this guide) to help start the conversation and think through next steps.

For more ideas on how to retain more generational wealth, call Sammons Retirement Solutions® at 855-624-0201.

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[1] "With millennials poised to inherit $68 trillion, financial advisors can take these steps to attract younger clients," cnbc.com December 8, 2021. Viewed September 27, 2024.

[2] "Why Widows Fire 70% Of Male Advisors," fa-mag.com. June 6, 2022. Viewed September 27, 2024, at https://www.fa-mag.com/news/why-widows-fire-70--of-male-advisors-68207.html?section=3

[3] "How to Prepare the Next Generation to Run the Family Business," Harvard Business Review. Viewed September 27, 2024, https://hbr.org/2022/09/how-to-prepare-the-next-generation-to-run-the-family-business

[4] "2023 Family Business Survey: US Findings. An approach for lasting family business success." PWC. May 16, 2023. Viewed September 27, 2024, https://www.pwc.com/us/en/services/trust-solutions/private-company-services/library/family-business-survey.html

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