



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.

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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.

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.

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.



**For more ideas on how to retain more
generational wealth, call Sammons
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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 November 1, 2023.

² "Why Widows Fire 70% Of Male Advisors," fa-mag.com. June 6, 2022. Viewed October 18, 2022, 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. September 27, 2022, <https://hbr.org/2022/09/how-to-prepare-the-next-generation-to-run-the-family-business>

⁴ "2021 Family Business Survey: US Findings. An approach for lasting family business success." PWC. 2022, <https://www.pwc.com/us/en/services/trust-solutions/private-company-services/library/family-business-survey.html>

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“Our Mission and Vision” Story—A Place to Start

EXAMPLE:

Our family's mission is to strengthen our family and use its assets wisely; to enable our family and others to realize their fullest potential; to value and encourage love, work, self sufficiency, and cooperation within the family and our larger community.

TOPICS TO CONSIDER:

Do we have enough money to accomplish our goals?
How do we make decisions as a family? Who's in charge?
How will we resolve any conflict in a fair and equitable way?
What is our succession plan for our family business or holdings?

STEP 1: OUR FAMILY'S CULTURE

What things are important to us?

How do we want to be remembered?

What are our family members' unique talents, gifts, and abilities?

STEP 2: OUR FAMILY'S GOALS

What are our educational needs (college, trade school, etc.)?

What charities or causes do we support?

Does anyone in the family have special needs to care for?

STEP 3: OUR FAMILY'S FINANCIAL EDUCATION

What do we need to know about our investments?

What tax implications should we be aware of?

What about health and long-term care planning?

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STEP 4: OUR FAMILY'S SUCCESS METRIC

Elders: How will we know when our children can handle the responsibilities of wealth?

Next Gen: How will we know when we're ready to handle wealth responsibly?



ACT NOW:

Discuss your family's values and goals with your financial professional.

That way, you have a sound basis for reaching them, as well as a plan in place to manage challenges and make changes when necessary.

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Facing the Loss of a Loved One—What Families Should Know

A 16-POINT CHECKLIST

Handling the financial details of a loved ones' passing can be difficult. Emotions may leave little room for practical thinking. **You can use these questions as a checklist to help inform and start conversations.**



Final arrangements			
1. Have pre-arrangements for the funeral been made? If prepaid, which funeral home is handling the arrangements?			
2. Was the deceased a veteran? Veterans, military service members, and their dependents can be buried in a national cemetery for free or possibly receive an allowance toward funeral and burial expenses.			
3. Are any immediate family members traveling from out of town? Travel expenses for immediate family members are considered part of the funeral expenses and may be deductible, should an estate tax return be filed.			
4. Has the funeral home presented the client with a “general price list” (GPL)? The GPL itemizes funeral costs and is required in most states.			
Finances			
5. Does the surviving partner have sufficient income? Determine whether clients will be living off their assets or will be dependent on work-related income or Social Security benefits. Help execute appropriate procedures to maintain uninterrupted cash flow.			
6. Does the survivor have a detailed financial plan/budget? In the short term, sufficient cash is needed for ongoing living expenses, as well as for attorneys' fees and possible estate taxes. Long-term planning should allow them to live comfortably while helping minimize the risk that their money will run out before they die.			
7. Who pays the deceased's outstanding bills? Note any debts <i>solely in the name of the deceased</i> may not be the obligations of the survivor.			
8. Did the deceased lease an automobile or have a loan on one? If so, the survivor can check to see whether there's a clause in the contract that alleviates financial obligations.			
9. Have appropriate steps been taken to protect the client from identity theft? The survivor should take precautionary steps—such as destroying papers listing account numbers, routinely changing user IDs and passwords, creating unique personal identification numbers (PINs), and ordering an annual credit report.			
Survivor benefits			
10. Is the surviving partner eligible for any benefits from the deceased's employer? The survivor should check to help maximize medical and retirement options.			
11. Has the survivor contacted every possible source of life insurance? Clients should consider policies from previous employers, fraternal organizations, mortgage insurance—even “spousal coverage” from their own employer.			
12. Did the deceased have a medical reimbursement account? Survivors should make sure that a claim is filed for any outstanding medical bills incurred by the deceased before year's end. Otherwise, this money may be lost.			

More questions >

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Estate planning				
13.	Has an attorney been contacted to settle the estate properly? Simple actions, such as changing account titles or conducting certain financial transactions, could hinder post-mortem estate planning.			
14.	Does the survivor have a recent will? If so, are there any additional instructions accompanying the will? Distribution of property begins with the will.			
15.	Does the survivor have power of attorney? If so, survivors can check the deceased's safe deposit box for important possessions.			
16.	Have the survivor's will and retirement accounts been modified? If the deceased was the first beneficiary to inherit assets, a new beneficiary must be designated. Otherwise, the courts will determine to whom the assets should be distributed.			



Facing the loss of a loved one is challenging,
but your financial professional can help.
Discuss goals, priorities, and next steps today.

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