



Working Successfully with an Older Client

Many financial advisors experience difficulties working successfully with older clients. This can result in losing clients or failing to bring older prospects onboard. Solutions to this problem are relatively straightforward, but they require real effort to implement and even more work to integrate into routine ways of doing business.

First, advisors must accept the fact that the problem is theirs, not that of “the foolish old people who don’t understand what you can do for them.” More importantly, the problem is not what advisors do, but what they believe.

Show Respect

As an advisor, there are three aspects of your belief structure that require modification before you can hope to interact successfully with older clients. The first area of change can be summarized as respect.

We live in a society in which “old” is a pejorative. Aside from drug company advertisements where “older” people are portrayed by 40-somethings with their hair dyed grey, older people are widely regarded as bumbling, out of it, or simply stupid. How this came to happen is a question for sociologists. Your job is to break free of the socially imposed attitude.

As a society, we have proven that deeply ingrained attitudes can be changed.

One successful approach might seem to be backwards, but it works: Don’t try to change your attitude initially, but instead, change the behavior that reflects your attitude. The best way to start to modify your approach to older people is to focus on a very narrow area: your job.

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The older client comes to you for help in an area in which you are expert, and he or she might know very little. But ignorance is not stupidity. You are supposed to know your job; your client isn’t. Your doctor does not consider you a fool because you don’t know why you are sick.

Clients come to you because they need your particular expertise, not because they are dull, slow, or not with it. They are ignorant, in the proper meaning of that word: they lack information. They are willing to pay you for your expertise. Treat them with the same respect that you expect, and, that hopefully, you receive from your doctor.

Modify Language

The second area that will require prolonged, deliberate, practiced modification is language. Start with references to age.

How often is age a topic in conversation with your friends? “Well, I’m 35 and you are 40, so of course you wouldn’t understand.”

Unless age is directly relevant to the topic at hand, avoid any reference at all. And don’t pander. Calling an older client “young man” or “young woman” is an insult, not a compliment.

There are, of course, points at which age becomes highly relevant. In a conversation with an 80-year-old client, it is perfectly okay to say, “I would not recommend that particular investment to someone your age because....”

Remember the “respect” component. Your clients are not fools. They know how old they are, and they have (probably) absorbed the idea that they are not going to live forever.

Next, consider your pace of speaking. Slow down. Talking like an auctioneer might work with 20-somethings, but to the older listener, it merely makes you incomprehensible. Most older people experience a slight loss of hearing acuity over time. But even if they have not lost some hearing, they grew up with conversation delivered at a more deliberate pace.

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And remember the complexity of the subjects you are discussing. Your clients are listening to unfamiliar material. You have heard it and said it a thousand times. They must be able to listen to you, and they must be given time to interrupt if they are unclear on a particular point. For a reference, listen to old tapes of Walter Cronkite, and try to match his pace. Cronkite's presentations were deliberate, but not slow. His lack

of speed (compared to contemporary TV talkers) does not make him sound stupid; he sounds trustworthy and smart.

The next linguistic error to avoid is reliance on terms of art. The fact that everyone you know understands the meaning of "mutual fund 12b-1 fees" isn't evidence that it means anything to your client or, for that matter, that it should. If you cannot explain insider terms in language that a financially unsophisticated person can grasp, then you don't really understand them, either.

Our financial system just experienced a plague of salespeople who thought they understood "derivatives." Obviously, they did not understand what they were talking about. Calling bad loans "toxic assets" hasn't changed what they really are.

Be aware that some older clients are so accustomed to being treated like dull five-year-olds that they will sometimes pretend to understand what they don't. Go over new information from different angles until you are sure it is understood. You must learn to do this without being patronizing. Remember how you'd like your conversation to go with your doctor.

Build a Relationship

Third, think about how to develop a friendly relationship with the older client.

How do you become friends with someone you may see once a year? Well, friends know about one another. Successful politicians keep what once was called a "Farley File." This is a list of everything of interest you know about an individual. Computers make this type of data gathering and retrieval simple. Your phone says that Samuel Johnson is calling, and click of a key brings up the notes that show everything you need to know.

After each conversation or meeting with a client, the first thing you need to do is to update the file so that when he calls again, you can say, "We talked about this two weeks ago and...." Sam will be confident that you are interested in him.

However, be careful about the use of first names. Don't use them until you are invited to do so. For many older people, uninvited use of first names indicates a

level of intimacy that they do not feel. While they may not object, it leaves them with an uneasy feeling about you.

Over time, you will start to collect intimate family details in your file. Use them discreetly. It is okay to say, "How did your granddaughter's piano recital go?" It is not okay to ask about a son's divorce, even if you have listened to the gory details for the past month.

"The great secret that all old people share is that you really haven't changed in 70 or 80 years. Your body changes, but you don't change at all. And that, of course, causes great confusion."

-Doris Lessing, author

In the end comes the end. Older clients die, their spouses die, and their dogs die. If you learn about it in time, send flowers. If it is too late for flowers, send a nice card. Just be sure it is from you, not your company. You—not your organization—are their friend. You are truly sorry for the loss, because, if you have done this right, they really were your friend.

The establishment of a collegial working relationship is no guarantee of retaining a client, but there are things that you can do that will significantly improve your chances. Not every investment you select for a long-term client is going to be a winner. However, a client who respects you—and knows that you respect him—is much more likely to ride the ups and downs. NA

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STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION*

note* Circulation includes USPO Periodical Rate mailing only

Title: The NAPFA Advisor

Publication No: n/a

Filing Date: October 1, 2008

Frequency: Monthly

Number of Issues Published Annually: 12

Annual Subscription Price: \$85.00

Mailing Address &

H.Q. Mailing Address:

3250 N. Arlington Heights Road,

Suite #109

Arlington Heights, Cook County, IL 60004

Name and Address of Publisher:

Eric R Haines

334 Crystal Dr.

Brick, NJ 08723

Managing Editor & Editor:

Kevin Adler

822 Larch Ave

Takoma Park, MD 20912

Owner:

The National Association of

Personal Financial Advisors

3250 N. Arlington Heights Road,

Suite #109

Arlington Heights, IL. 60004

The known bondholders, mortgages and other security holders owning or holding one percent or more of the total amount of bonds, mortgages, or other securities are: None

Tax Status:

Has not changed during the preceding

12 months

Publication Title: The NAPFA Advisor

Issue date for Circulation Data below:

September 2009

Extent and Nature of Circulation:

	Average no. copies each issue during preceding 12 months	No. copies of single issue published nearest to filing date
A. Total No. Copies Printed:	2792	3000
B. Paid and / or requested Circulation:	2188	2278
C. Total Paid and /or Requested Circulation:	2188	2278
D. Nonrequested Distribution		
By Mail and Outside the Mail:	187	227
E. Total Nonrequested Distribution:	187	227
F. Total Distribution:	2374	2505
G. Copies not Distributed:	417	495
H. Total:	2792	3000
I. Percent Paid and/or Requested Circulation:	92.27%	90.94%

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