MIT AGELAB Life Tomorrow

PLAN Preparing for Longevity Advisory Network

MIT AgeLab
PLAN Webinar Series
November 2021

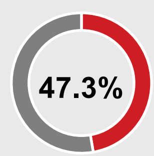
The MIT AgeLab hosted its third fall 2021 interactive presentation for panelists and corporate members of the Preparing for Longevity Advisory Network (PLAN). The November webinar, titled, "What Clients Really Care About: Understanding The Family & Financial Dynamics Of Caregiving And How Financial Professionals Can Become Trusted Resources," featured discussions of findings from surveys that together explored the perspectives of financial professionals and members of the AgeLab CareHive Caregiver Panel.

In addition to a presentation by AgeLab researchers Lexi Balmuth, Adam Felts, and Lauren Cerino, audience members shared their own strategies to initiate discussions on the topic of caregiving, the ways they have helped caregivers, and barriers that persist for financial professionals to demonstrate their ability to have new kinds of conversations.

The importance of caregiving conversations

Lexi Balmuth launched the presentation with some background on caregiving and its increasing prevalence in the United States. Findings from the AgeLab CareHive Caregiver Panel suggest that many caregivers wish that they had financially planned for the cost of caregiving more than they did. And the costs of caregiving, Lexi explained, are not solely financial; caregivers often experience emotional and physical effects as well. Financial professionals in the audience shared their own reactions and perspectives on the importance of caregiving discussions:

"I think many caregivers are wading through a tsunami of emotions, crises and exhaustion … which creates tremendous challenges to planning."
"As advisors, we've got to find a way to discuss this before the caregiving crisis hits."
"Encouraging clients to be proactive before they need help is critical."



Of caregivers wish they had financially planned for the cost of caregiving more than they did.

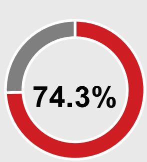
Caregiving expertise

More than half of financial professionals surveyed by the MIT AgeLab reported a moderate amount or great deal of expertise with caregiving. The most reported sources of caregiving-related expertise tended to be more informal experiences – working with clients who were caregivers and being a caregiver oneself. Comparatively fewer respondents reported having formal training to work with clients who are caregivers. Audience members also described their own formal and informal sources of caregiving expertise:

"Formal training to assist caregivers is critical for planners dealing with older clients."
"Spending time visiting different facilities and understanding why someone might choose to live in different [facilities] - including what's needed to age in place."

"I have not been aware of formal courses on this topic, specifically for advisors. I have relied on personal (parents) and client situations to guide others."
"It's helpful to draw on personal experience when giving insight to those who are not yet navigating this space."

Despite high levels of reported expertise among financial professionals, a survey of participants in the AgeLab's CareHive caregiver panel suggested that many caregivers don't view financial professionals as sources of caregiving information. Financial professionals in the audience emphasized the need to demonstrate their expertise and market themselves in new ways:



Of caregivers found specific experience in caregiving-related planning to be 'quite' or 'extremely' important.

"Historically, most financial professionals talked more about stocks and bonds than caregiving. As advisors increasingly specialize, those of us who work with retirees are able to give specific advice for topics like this …How do we help clients and prospects understand we are prepared to provide this type of advice?"
"We have to get better … at letting the public know that we're a resource."
"[We must market] ourselves as longevity planners, not traditional financial planners."

Initiating the conversation: Strategies that work

Initiating conversations about personal topics like caregiving can be challenging. Webinar attendees revealed strategies they have found effective in beginning these crucial conversations with clients. Approaches included building the topic into their protocol, asking thoughtful and unassuming questions, and drawing on other clients' and their own experiences.

"Part of my process when developing a plan is to specifically share my genuine experiences and the real-life costs of care. We start there. How can we plan for the cost of care? What are the best ways to handle multiple planning needs - retirement, education, healthcare, long-term care, fun…"

"I don't have a problem [initiating] these conversations because it's part of every trimester 2 agenda. Clients come to expect the conversation and become less and less on guard."

"It is a very tender topic for most people to discuss. It's helpful to draw on personal experience when giving insight to those who are not yet navigating this space. Asking sensitive and thoughtful questions then LISTENING is essential to building trust and dialogue."

Crucial referrals

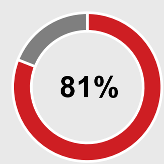
Over three-quarters of financial professionals reported making referrals to outside resources for caregiving-related support. However, when looking at what those specific referrals were, it appeared that some critical avenues of support – like social workers/therapists, support groups, and respite care providers – were being underutilized. Over half of financial professionals said that locating outside resources was somewhat or very difficult, and more than two-thirds said that their organization has no formal or informal relationship with outside resources related to caregiving. Audience members shared ideas for referrals that could bolster support for clients:

"Referred clients to estate lawyers, home care specialists, professional organizers for downsizing, retirement community reps, death doula and more."

"A trusted geriatric care manager who can help people identify needs and connect them to resources and supports can also be a great part of the virtual rolodex." – Lisa D'Ambrosio, AgeLab Research Scientist

"Professional caregivers can also be added to your network of professional partners just like an attorney or CPA. They are able to provide first-hand insights about the challenges families face in this space."

"We have referred clients to Broadspire, which helps families find and manage caregiving and care solutions."



Of FPs have referred clients to professionals, organizations, or other outside resources.

Key takeaways

Conversations around caregiving are an increasingly important part of the client-advisor relationship. While most financial professionals feel equipped to have these discussions and understand their importance, some clients may be unaware of their ability to do so and see the advisor's value as strictly financial. Financial professionals need to ensure that clients understand that they can be a resource for caregiving-related concerns. As audience members discussed, this may be made clear by rebuilding their marketing, being open about their own experiences, or building the conversation into the agenda with every client.

Additionally, financial professionals are experiencing challenges in locating referrals – especially those that provide more emotional support to caregivers. Organizations might offer to provide resources to help with this process or establish partnerships with trusted outside resources so that they are always on hand.

The context of how we live in retirement has changed, and a new approach to anticipating, planning and preparing for older age is accordingly needed. We invite financial advisors, retirement planners, and others in the retirement industry to join PLAN to contribute to the understanding of the future of advice and be among the first to learn key research takeaways.

Invite others to join plan!

agelab.mit.edu/plan