



# Aging Clients and the Role of the Trusted Advisor

Steps to take before a health crisis threatens a client's family's wealth and unity.

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The majority of wealth is controlled by baby boomers, who by all accounts are living longer, fuller lives. It's not a stretch to think that your clients may live as long as 30 years or more in retirement.

By 2030, [all of the baby boomers will be over 65](#). Women who live to age 65 today can expect to live an average of 20 years longer, while 65-year-old men can expect to live an [average of 18 more years](#).

According to the U.S. Census Bureau, women tend to outlive men, making up 57% of people age 65 and older and 67% of people age 85 and older.

With longevity comes the reality of declining health. A 2014 Demand Institute survey of households between the ages of 50 and 69 found that [three-quarters](#) had already suffered a major health incident or have a chronic health condition.

## The Health–Wealth Imperative

The costs of aging, both financial and emotional, can have a significant impact on a family's future well-being. At risk are the trillions of dollars in wealth that pass to heirs and charities as boomers retire or pass away.

What can a trusted advisor—one who does what’s in the best interest of the client and the client’s family—do to help prepare the family for an unexpected health crisis and the realities of aging? These conversations may not be easy, but if trusted advisors don’t raise them, who will?

Adding health crisis and eldercare planning enhances the value the advisor brings to the client family relationship. Clients who anticipate, and plan for, the realities of aging are able to make more informed decisions in the future. Encouraging clients to include family members in the decision-making process facilitates a smoother transition of family financial leadership when it becomes necessary. It also creates opportunities for family members to express an interest in serving in a family role—power of attorney, health proxy, executor, trustee, foundation or family business leadership—and for advisors to explain the expectations, competencies needed and terms of service each role requires.

Building a meaningful relationship with the inheriting generation increases the likelihood that the family assets remain with the advisor after wealth transition.

### **Checklist for Family Health Crisis Planning**

Regardless of age or stage in life, every client family would benefit from holding a family meeting with the objective of creating a health crisis plan for managing logistics, communication, insurance and financial management in the event of a medical emergency, at home or abroad. Offer the following checklist to guide the family discussion:

- Are all family medical records digitized and remotely accessible 24/7?
- Do all family members have global supplemental insurance not covered by traditional health insurance policies?
- Are health proxies and powers of attorney up-to-date?
- Is a clear line of succession in place in the event the family leader is no longer able to fulfill her duties?
- Has a family member or other trusted individual been designated the key point of contact for the family’s advisory team in the event of an emergency, and have advisors been notified of this individual?
- Has a skilled third-party health care advocate been identified to help the family navigate if a new diagnosis, medical emergency or complex health care issue emerges?

### **A Health Care Advocate**

All multigenerational families can benefit from access to an independent health care advocate before, during and after a health crisis. This allows for family members to focus on care and recovery rather

than the complexities of today's health care system. For an aging clientele, a dedicated health care advocate eases the burden on the spouse and caregivers in the event of a difficult diagnosis or health event.

According to Carol J. Scott, MD, a practicing emergency physician, family wellness coach and pioneer in dedicated family health advocacy, "At the request of the family, a health care advocate may assume the leadership role on the family's behalf by navigating, accessing and translating medical language and health care culture to bridge the gap in understanding between patients and their providers."

Dr. Scott explained that a dedicated family health care advocate can clarify and accelerate care options and decisions required when a health crisis occurs or when a member needs end-of-life care. "A health care advocate proactively or contemporaneously advocates for your clients with their doctors or team of medical specialists and, when necessary, accesses world-class physicians and resources on the client's behalf."

### **Eldercare Planning Strategies**

While advisors shouldn't assume the role of diagnostician, a trusted advisor often is in a position to notice cognitive changes in a client. Warning signs might include: change in memory function, disorientation or an inability to identify family members, follow a financial conversation and make decisions.

[Studies show](#) that approximately 11% of adults age 65 and older have Alzheimer's disease, and 14% of adults age 71 and older have dementia.

This reinforces the need to include eldercare planning as a part of comprehensive wealth management. Waiting to address health issues when they occur leaves the family and its assets at greater risk.

While these conversations are never easy, clients will appreciate you looking out for them and their families by knowing a plan is in place to not only safeguard family wealth and unity, but also ensure their intentions are honored. A sound strategy for guiding the eldercare client conversation is one that allows the client to express her wishes and concerns across a range of topics and "what ifs." A frank

discussion will also reveal previously unknown issues involving family dynamics and other red flags that may impede succession planning and wealth transition. Triggers for an eldercare plan include:

- **Loss of a spouse.** This triggers the need for the surviving client to update the power of attorney, health proxy, beneficiaries, financial plan, will and trusts. If the advisor hasn't established a relationship with the spouse, there's a greater likelihood the spouse will change advisors.
- **Housing change.** Poor health or loss of a spouse may necessitate a move if the client's current residence presents obstacles to "aging in place." Finding the right housing "fit" is essential to one's physical and mental well-being, whether it's an independent living community, skilled nursing care facility or something in between.
- **Long-term care (LTC).** Left unplanned, medical and facilities costs can greatly diminish family assets. LTC care insurance protects assets from the cost of extended illness, home care, assisted living and skilled nursing care.
- **Diminished cognitive function.** Who will make medical decisions on the client's behalf, and does that individual know what this means? Who does the advisor contact if there's concern about the client's cognitive function?
- **Outdated succession plan.** Is a succession plan in place for family, foundation and business leadership?
- **Heir preparedness.** Are family members familiar with the estate plan and individuals responsible for its implementation? A successful estate transition occurs when family wealth and unity remain in tact and the wishes of the wealth creator are honored.

Whenever possible, encourage your clients to share their eldercare plan with family members. When families have an opportunity to participate in the decision-making process, it opens channels of communication and builds trusts among members. All contribute to lasting family unity.

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