



Ten Ways to Connect with Your Clients' Children

By Nancy Opiela

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How well do you know your clients' children?

More importantly, how well do they know you?

When you work with a top client throughout his or her life, you have an opportunity to ensure that the client's family stays with your firm beyond the current generation. Financial legacies are often lost when wealth passes from generation to generation, so building intergenerational connections can ensure both a successful transfer of assets – and an advisory relationship that endures after your original client passes on.

“Creating connections between generations is easy and natural,” says Barbara Culver, founder of Resonate, Inc., a Cincinnati, Ohio-based consulting firm that helps advisers build intergenerational relationships. “When advisers help families flourish instead of fracture, it’s easier to plan for the gradual transition of power within a family, and assets could stay with the firm for generations.”

How can you reach out and build that sustaining bridge between generations?

1. **Teach the children.** The top financial priority for 61 percent of parents with financially dependent children is helping their children become more financially savvy (see [here](#)), so providing financial education is an ideal way for you to connect with clients' children. Especially in the wake of the recession, formerly confident do-it-yourselfers or those worried about layoffs or dwindling 401(k) accounts may be more receptive to your advice.

Peg Eddy, CFP, president of Creative Capital Management in San Diego, has offered her own Financial Literacy Primer for decades. “We use car-buying and college planning as a springboard toward getting our clients' high school-aged children to think about money in terms of choices and consequences,” she explains. “Our clients are so grateful for the financial foundation we provide for their kids.”

Eddy's Primer was so successful that she recently developed and launched the First Step Financial Plan, which offers practical advice to help young adults manage debt, buy homes for the first time, plan for the costs of raising a family and make investment decisions for an employer-sponsored retirement plan. “We recently hired a younger advisor, with whom the next generation can relate to more easily, to run this program,” Eddy says.



2. **Offer a personal seminar.** While parents appreciate advisors offering a quick session for college-bound students on the dangers of credit cards, your clients' children most appreciate your perspective on their parents' estate planning, says Eddy. "Clients often balk at the first mention of these sessions because they don't necessarily want their kids to know how much money they have, but when I stress that my presentations do not include balance sheets detailing the size of their estate, they agree it's a good idea," she explains. "Rather than discussing who gets what in the will, we explore the mechanics of the estate plan. We talk in generalities about real estate, the retirement portfolio, the family business, and how gifting works. We also discuss the players – the executor, trustees, and successor trustees. The children really appreciate knowing their parents have done the planning."
3. **Serve as a free resource.** When clients refer their children with a specific question, Mari Adam, CFP, president of Adam Financial Associates Inc. in Boca Raton, Florida, often consults with them on a pro bono basis. "Most of the second generation's questions focus on the credit side of the equation. We talk a lot to children in their 20s and 30s about credit scores, savings strategies, how much to spend on weddings and cars, whether to go to grad school and how to pay for it, and mortgages. Some need help signing up for their 401(k) and evaluating workplace benefits. Others, unfortunately, need help sorting through real estate purchases gone bad. Even though some of the children have good jobs and earn quite a bit of money, they lack the money-management skills they often need to stay out of trouble and move in the right direction." Adam says her clients are grateful for the helping hand she extends to their children. As a result, some grown children now have a traditional relationship with her firm that includes investment management and financial planning.
4. **Make it about more than money.** Teaching children, especially affluent ones, to be good stewards of wealth requires putting their family wealth in context. Listen for your clients to give you an opportunity to help make that connection, says Dr. James Grubman, founder of FamilyWealth Consulting in Turners Falls, Massachusetts. "A client might say, 'I've worked hard and had a good life, but I look at my kids who have everything and worry that they really don't know the value of a dollar.' You can then respond, 'I know what you mean. If you'd like to talk with your kids about what it was like to build your business and your dreams for the future, I can help you get the conversation going.'" Grubman recently worked with State Street Global Advisors to develop a three-tier business model to help advisors structure intergenerational relationships.
5. **Help create personal legacy documents.** Susan Turnbull, principal at Personal Legacy Advisors in Charleston, West Virginia, says personal legacy documents can help spark meaningful conversations between generations. Her guidebook,



The Wealth of Your Life, provides a five-step path to creating an ethical will—a document in which parents can express their values, life lessons, and the impact they'd like to have on society. *Across Generations* is another brief guide she uses for creating an “Expression of Donor Intent” that can help children understand the values and vision behind their parents’ decision to establish a charitable fund or foundation.

Turnbull also offers webinars and seminars in a workshop format to help individuals write ethical wills. “Not only are clients grateful to the advisor for introducing them to the ethical will, but the children appreciate having such a meaningful document from their parents, one that complements the cold legalese of standard wills and trusts and introduces values and personal voice into the estate planning process,” she says.

6. **Forget the sales pitch.** The next generation does not respond to cold calling, says Marc Freedman, CFP, of Freedman Financial in Peabody, Massachusetts. “Some advisors start up the marketing machine when they find out a client’s son works at GE, but that’s no way to initiate contact,” he says. “Not only do you irritate the prospect, but if he complains to his parents, you risk harming that relationship.”

Freedman’s big picture, multi-generational lens for financial planning makes it more likely his clients will talk in a positive way to their children about his firm. In addition to facilitating family meetings to discuss issues ranging from estate planning to philanthropy, he has subtle ways of helping the children feel part of the client relationship. “In addition to offering to add children to my newsletter mailing list, I make sure clients know their children are welcome at any event the firm hosts. And if a client mentions their child is looking for a speaker at a Rotary Club event, I offer to speak for free,” Freedman explains. “However, our most effective outreach is our annual scholarship program, which we’ve run for more than a decade. We accept essays from children or grandchildren of clients in response to the question, ‘What does financial responsibility mean to you?’ This obviously encourages some terrific conversations between the generations.”

7. **Call a Meeting.** Once the purview of the ultra-wealthy, today the family meeting is useful across all wealth strata. Kathleen Day, CFP, CFA, of the Florida-based Enrichment Group, facilitates meetings for her clients where agendas range from articulating a family’s mission statement to estate planning initiatives. “These are important discussions that families just won’t have without a specific meeting,” Day says. “Whatever the topic, we often also discuss living wills and health care proxies. While my clients have these documents and often the children already know where to find them, I think it’s important for the children to hear their parents express their wishes. This way the children have an opportunity to ask questions and can be confident that they fully understand their parents’ wishes.”



8. **Connect through philanthropy** Nothing is more empowering for a family than to commit to a cause bigger than individual family members' agendas, says wealth counselor Jerry D. Nuerge, of the Financial Independence Group in Fort Wayne, Indiana. In preparation for multigenerational family retreats, he asks participants to complete generation-specific questionnaires designed to identify the parents' passions and illuminate the children's perspectives. "As family financial advisor, offer to facilitate so the children begin to see you in your advisory role," he says. "We've had families commit to joint trips to third-world countries to build schools and others who create a family foundation to involve their children in their charitable work. In both instances, the key to success is shared responsibility. Parents can put an adult child in charge of an aspect of a large philanthropic endeavor or give a younger child control over \$250 a year from the family foundation."
9. **Give a voice to documents.** To help children understand that their real inheritance is family values and traditions, Culver encourages families to schedule a retreat to develop a mission statement that addresses family values and philanthropic goals. "Talking only about the will and who will serve as executor focuses on death and loss, but multigenerational philanthropy focuses the discussion on establishing something that lives on," she says. "To ensure our work isn't lost, we often suggest inserting text boxes into a client's legal will where, for example, the founder of a business could talk about the struggle of the early years and how much his business means to him. While this is another opportunity for family to listen and learn from each other, it also helps to have clients' wishes further expressed and clarified within the four corners of a legal document."
10. **Empower, don't indoctrinate.** Establish yourself as a resource, not an authority, for clients' children, says Cindy Calderon, a principal at Intrinzia Family Office in Minneapolis. "Young adults don't want to be treated like children. The way to cultivate a long-term relationship is to help them along the road to financial independence. If you give them tools to make their own decisions, they will choose to come back to you when they need help."

In Culver's view, now is an ideal time to try some of these strategies to enhance your clients' family relationships and lay the foundation for your relationships with your clients' children. She concludes, "There's a shift occurring in our practices and our society. People who have achieved financial success are asking themselves, 'What else is there?' Similarly, experienced advisors may ask, 'I've helped my client achieve his retirement goals, now what?' Both client and advisor need to ask 'What is my legacy?' Working with that question in mind can have great benefits for families and advance our profession."



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