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**Building High Net Worth Client Loyalty
with Social Security**

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Long dismissed as a supplemental income stream only for retirees with fewer assets, Social Security benefits can be important for clients of all asset levels, including high net worth (HNW) investors. As you are well aware, HNW clients are often particularly sensitive to government taxation and are usually interested in strategies which can help them retain or reclaim their money. Since HNW investors often use their Social Security income to fund investment portfolios, helping them maximize their lifetime benefits will also help you increase both your client loyalty and the amount of business you do.



With baby boomers beginning to retire, approximately 16,000 people are filing for Social Security retirement benefits every day. Many of these individuals will leave benefits on the table simply because they lack a comprehensive understanding of the intricate rules around Social Security benefits collection. Almost three quarters of individuals opt for early withdrawals with reduced benefits, most likely hoping to reap a greater payout in the long run. The reality is that many investors would collect higher lifetime benefits if they wait beyond the age of 62 to collect, but many simply don't understand the tradeoffs. This is where advisors can step in and differentiate their practice by communicating Social Security expertise. For example, many clients are unaware that:

- Nearly two thirds of all women collecting Social Security benefits today are collecting solely or in part off of their husband's earning history. Therefore, a husband's decision to take benefits early can leave his wife with lower benefits even after he is gone.
- In 2007, there were nearly 45,000 people over the age of 100 collecting Social Security benefits. These people have lived well beyond their breakeven ages and would have collected significantly higher lifetime income by deferring collection of benefits until age 70.
- Many divorced clients are unaware that they may be entitled to spousal or survivor benefits on an ex-spouse's work history if they have been previously married for 10 years and are not currently married.



Due to the increasing volume of retirees applying for benefits, the Social Security Administration is often unable to offer the proactive, consultative support clients desire. Therefore, advisors increasingly have the opportunity to showcase their retirement expertise and help their clients understand collection options as well as which questions are important to ask the Social Security Administration when filing for benefits.

HNW clients, as previously mentioned, are often extremely interested in maximizing their income from Social Security. They know that they have paid significant amounts into the program during their working years and desire to reclaim their fair share of benefits. While Social Security expertise can help you increase the loyalty of your existing HNW clients, it can also be a differentiating factor you can use to prospect clients who are unhappy with their current advisor's retirement expertise.

BlackRock believes that Social Security should be and increasingly will become part of your retirement conversations with clients. To that end, we have created a suite of tools to help you understand Social Security collection rules, including those around spousal and survivor benefits. These resources will allow you to have meaningful conversations with your clients about how and when they should consider collecting Social Security to seek to maximize their lifetime benefits and improve their overall retirement plan.

Please click on the link below to access BlackRock's suite of Social Security tools.

[BlackRock's Social Security Resources](#)

Source: Social Security Administration's Annual Statistical Supplement, 2008

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