

In Advising Boomers, Skill Trumps Age

BY WARREN S. HERSCH

COMPETENCE COUNTS FOR MORE than age.

So say observers questioned by *National Underwriter* as to the importance of the advisor's age in securing baby boomer clients. Producers in their 40s and 50s do retain a natural edge over younger colleagues because, having shared life experiences, boomer advisors and prospects can often more easily establish a rapport. Producers stress, however, that the advisor's skill trumps age as a factor.

"Shared experiences do make it easier for me, as a boomer, to gain access to this [boomer] population," says Vicki Brackens, a financial planner with Metropolitan Life Insurance Company, New York, N.Y. "But winning over the client ultimately depends on the individual advisor's dedication to the market."

Richard Tanner, president and founder of Ownership Advisors, Cleveland, Ohio, agrees, adding that age only becomes a handicap when the advisor lacks the in-depth expertise needed to thrive in a narrowly defined practice.

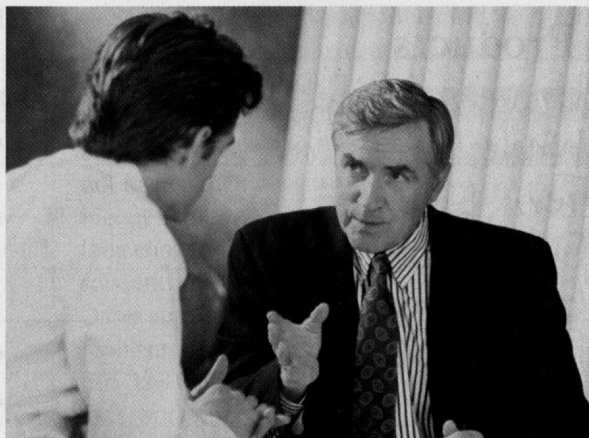
"Age is a huge disadvantage if you don't have the skills, experience or focus of a specialist," says Tanner. "There is often a presumption that young advisors don't have the requisite knowledge. You have to prove that you have something to offer."

Tanner notes that his expertise in charitable giving, employee stock ownership plans and values-based planning have enabled him to secure the confidence of much older and wealthier clients.

So, too, the ability to sell the collective capabilities of his financial planning firm. Generation-X producers, Tanner stresses, would do well to affiliate themselves with an ensemble practice, or advisory team, before entertaining a fee-only-based independent practice. That lets them hone

their craft and garner designations over a period of years while earning a salary.

Richard Harris, an advisor and managing member of BPN Montaigne LLC, Clifton, N.J., says a strong referral, especially from a professional colleague, such as a CPA or estate planning attorney, also



► **HAVING SHARED SIMILAR LIFE EXPERIENCES**, boomer advisors and prospects can often more easily establish a rapport. But this will not be enough to overcome an advisor's lack of skills, producers say.

can help young advisors quickly establish their credentials with boomer prospects.

Just as important as the advisor's expertise and organizational resources is how and when to present these assets to the boomer client. T. Phillip Web, president of Adams & Associates, a Fairhope, Ala.-based affiliate of Guardian Life Insurance Company of America, says some young producers tend to overcompensate for any perceived knowledge gap by talking too much.

"Sometimes, younger agents don't connect with the prospect because they're so busy trying to prove what they know that they don't focus on the boomer's issues," he says. "They're basically trying to sell themselves instead of listening, which is much more important."

Also to be considered, adds Brackens, is the advisor's method of communicating. Boomers as a group, she notes, attach less value than Generation Xers to high-tech (e.g., PowerPoint) presentations when evaluating the quality of information.

Presentation skills and expertise aside, should 20- and 30-something advisors deal exclusively with prospects in their own age group to achieve a more profitable practice, given the things they might have in common? Advisors think not.

Brackens points out that aging, unlike other traits by which one judges similarities or differences among people—gender, sexual orientation, faith or ethnicity—is a universally shared experience. So although, for example, female advisors might build a profitable practice serving only other women, as Tanner observes, the strategic reasons for doing so break down when applied to age.

"In almost all cases, it does benefit the advisor to be closer in age to the client," says Tanner. "But I strongly recommend that young producers not narrowly cater to their own age bracket because that is a very bad economic choice. They

need to always focus on people who are older because that's where the money is."

Having lived longer, boomers have had more time than younger adults to accumulate wealth, says Tanner. And boomers, adds Harris, are also more likely than the younger generation to invest in estate planning and wealth transfer products.

Conversely, wealth can be a "double-edged sword," even for advisors and prospects of the same generation. Though they may be able to speak to some commonalities, the fact that the prospect might be worth \$10 million or \$20 million more than the advisor can limit the depth of the relationship, Tanner says.

Yet, some social and professional distance between advisor and prospect is not necessarily a bad thing, he adds.

"I kind of like the fact that I can go home and not have to worry about getting a phone call from a best buddy and client who owns \$10 million in declining stock," he says. ■