



The Moments That Matter In Family Conversations

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The text message said it all. “Sorry I went dark. My dad has Stage 3 lung cancer and we’ve been scrambling to deal with that.”

I had been wondering about a close friend and colleague. We had connected recently and made plans to work on a project together. Then I got this text message from him, and it cleared up the mystery about why we’d lost contact.

Perhaps because I’m getting older, these messages are becoming more frequent—and they’re not only about relatives and older friends but also about my contemporaries. Our think tank, the Next Chapter, recently released a podcast called “Moments That Matter,” which covers the crucial, sudden financial crises people are likely to face in retirement. There are seven big ones.

Here's the complete list:

1. When there's an unexpected family health event.
2. When a parent becomes unable to make financial decisions, perhaps because of a cognitive decline.
3. When a client is widowed.
4. When a client goes through a "gray divorce," which means at least one spouse's financial security is shattered.
5. When there's a question about how to pay for healthcare.
6. When you become unable to perform basic self-care functions after you've decided to age in place.
7. When you're a victim of elder fraud, abuse or identity theft.

Be Proactive

Advisors know that they should usually actively listen to their clients, but when it comes to these critical issues, they should also be proactively starting discussions, even when it's difficult. Next Chapter heard from advisors about these problems over the last few months.

"I've had clients tell me they don't want to think about how they are at risk for a healthcare issue or having to leave their home," one advisor told us. "They prefer to wait for the event."

Our part-time consultant to the project is my 89-year-old mother, an evacuee from Hurricane Ian in September 2022, who says of her contemporaries, "Most people just don't plan."

An advisor in suburban Philadelphia countered that idea. "I disagree. I think most people do plan. They just don't plan well!"

After you start the conversations, then you listen actively, which means you allow the emotions to flow. Remember, all of these moments will be traumatic when people (and their family members) confront them. It's nearly impossible to be fully "prepared" for elder fraud, identity theft, a fall or a late-in-life divorce. My mother had everything in pretty good shape and had gone through four of the seven crises herself when she lost her home in Hurricane Ian (which means she now has five notches on the list).

If a client of yours has recently experienced one of these calamities, it's likely they are still processing it by the time they contact you. Remember, the very act of making contact with you in the first place required courage on their part, especially if the caller wasn't the primary client. The spouse or child who called you, uninvolved up to now, may not know you very well or know how you will react.

A few years ago, my firm had a client named Bill. His wife Jackie had never met Bill's advisor. She'd never so much as written a check. Bill had taken care of all financial affairs and investments and taxes, while Jackie was the family CEO and chief medical officer. When Bill received a diagnosis of multiple myeloma, it was a body blow to the family and to Jackie. She did not speak at the first meeting with the advisor, whose name was Annemarie. But Annemarie made Jackie feel at ease, taking her under her protective wing. Jackie would tell me months later when we met that this advisor "saved her life."

The Shelf Life

A colleague of mine once said that even though you can be of help to clients in moments like these, your moment has a "shelf life"—much like a carton of milk. In other words, if someone comes to you in a crisis, you have only so much time to respond. If you delay, you'll only make the client more anxious about the problem. Your response, rapid or otherwise, will also be judged by the client's family—i.e., the people now likely in control of your business relationship. There are many studies suggesting widows are prone to fire husbands' advisors, kids to fire parents' advisors. In our experience, your failure to respond quickly and with empathy in a critical moment is the primary reason for those departures.

Gender Matters

Because women typically outlive men, they are more likely to be the ones facing these critical moments, and the critical decisions will fall on them. My mother was the caregiver and decision-maker for two grandparents, her parents and my father, who died of pancreatic cancer. Her time in those roles spanned nearly my entire lifetime and two-thirds of her own. Longevity is one of the greatest (but least appreciated) costs to our economy. Most families will be engaged in in-depth care for far longer than they expect. We hear from retirement plan sponsors about employees seeking benefits and time off for eldercare. One Fortune 100 company, a communications company, told me that the time off requested by its employees for unexpected eldercare has now exceeded that for maternity and paternity leave. We know anecdotally that most of those caregivers are—and will continue to be—women.

The Health Curveball

Health is such a wild card for people, especially as they live longer, that they are finding themselves caught up in a variety of situations they could never have imagined.

Consider an 85-year-old parent who must care for a 57-year-old son with terminal cancer. Or a 62-year-old widow living with a 95-year-old widower father.

My mother says almost everyone who's aging has "body complaints"—nagging issues that are chronic but manageable.

But then there's the "BOOM," she says. A major health crisis. "That's the one you probably didn't see coming. But that one changes the game." She points out one of her friends who was out for a casual bike ride on her three-wheeler and suffered a stroke during the ride. There were no warning signs. "Down she went," my mother says. "She will be OK at some level, but her Maine vacation home is no longer an option."

Reality Bites

Is this depressing stuff? Sure. But that's life, as they say. And moments like these are likely to affect every client family you have, so your preparation will pay you back many times over. Furthermore, you have a wide open field of play, because your competition is generally not prepared. According to a recent survey of clients and advisors conducted by the Alliance for Lifetime Income, 73% of advisors say they discuss "retirement protection" with their clients, but only 33% of clients agreed with that assessment.

That disconnect will be a gift to the prepared advisor.

Keep A List

You should keep a handy list of these "moments that matter," using it to ask clients about their level of preparation. Maybe you won't bring all of them up with every client, but when you do, here are some likely questions you're going to ask:

1. When anticipating family health events, ask: "What would you do if your wife suffered a stroke?"
2. When it comes to trouble with financial decisions, ask: "What should we do if your dad can't manage his account?"
3. When anticipating the death of spouses, ask: "If something happened to Gary, would your kids be able to help you?"
4. While anticipating possible "gray divorces," ask: "How are your assets titled today?" "Would your kids and his kids be treated fairly?"

5. In anticipating healthcare worries, ask: “What Social Security and Medicare elections have you made?” “Do you have long-term-care insurance?” “Do you know what a continuing care retirement community, or CCRC, is?”

6. When talking to older adults who want to age in place, ask: “How have you secured your home in the event you cannot climb the stairs?” “Do you feel safe at night alone?”

7. To anticipate possible elder financial abuse, fraud or identity theft, ask: “How do you protect your account passwords?” “Do you pay bills online?” “Do you subscribe to any protection services?”

My mother offers a tip, “Don’t tell the story of another person who had something happen to them. Most older people think mostly about themselves as they age. You can be direct and personal, but make it about them.”

Aging Is The New Normal

As I spoke with financial advisors over the summer, they confirmed the importance of these topics and the need to prepare. One advisor in Florida told me that he’s had clients who’ve faced all these issues. And while their level of proactivity with the topics varied, all of the advisors we spoke with acknowledged the need to be available, show concern and have options.

As the population continues to age (the oldest boomers are now 77), the media will be swamped with the stories and examples of good planning—and also the train wrecks. As the media gets people thinking about the risks, it will be less and less difficult for you to start conversations with families and ask them provocative questions about how you can protect them and get them prepared. The families will likely be appreciative. Mom gets the parting shot: “Sometimes fate makes the tough decisions for you.”
Onward!

Steve Gresham is the managing principal of Next Chapter, a leadership community dedicated to achieving better retirement outcomes for everyone. He also serves as senior education advisor to the Alliance for Lifetime Income. He was previously the head of Fidelity’s Private Client Group. Steve is the author of The New Advisor for Life (Wiley).