



# FOUR TRAITS BABY BOOMERS SHOULD LOOK FOR IN THEIR FINANCIAL ADVISOR

HOW THE RIGHT ADVISOR CAN PROVIDE PEACE OF MIND AND FINANCIAL SECURITY

In today's complex economy, planning for retirement and managing financial matters can be difficult and time consuming—particularly for those nearing retirement age. Therefore, many Baby Boomers are identifying and working with a financial advisor who can share that fiscal responsibility, allowing them to concentrate on living the life they want.

However, with so many financial advisors out there, what qualities should Baby Boomers look for? As many have discovered, the right advisor not only has experience and knowledge, but also understands their client's needs and goals, provides comprehensive financial planning, integrates services to minimize tax liability, and uses technology to provide better access to information.

By partnering with an advisor with these four essential traits, Baby Boomers are getting the most out of their advisor relationship and realizing long-term financial security.

## 1. LISTEN MORE THAN TALK

The best financial advisors understand their clients' values, needs, and goals. In fact, a Merrill Lynch Affluent Insights [Survey](#) of everyday investors found that the two most important qualities of a financial advisor are an ability to “understand clients' current financial situation” and “understand clients' goals, dreams, and personal values.”

Developing an understanding of client objectives allows an advisor to create a customized plan that fits the client's unique lifestyle, which is important since people have different reasons for retiring. For example, 72 percent retire to focus on leisure, while 64 percent want to escape work stress and 62 percent want to spend more time with grandchildren, according to a recent Greenwald & Associates [study](#).

Moreover, many differ in how they work toward retirement. Some use their finances to determine when they retire, while others focus on when they will retire to determine what their expenses will be. In addition, while most workers retire by age 65, many continue to work, even part time. People with higher education, for instance, as well as divorced women, tend to stay in the workforce the longest.

In addition, different objectives result in different spending patterns after retirement. For example, in their first two years of retirement, 45.9 percent of households spend more than in the years just before retirement, according to a [study](#) by the Employee Benefit Research Institute. Conversely, many households underspend due to worry of not having enough money to last through retirement.

So, by listening more than talking, financial advisors are able to understand the full financial picture, ensuring that retiree's investments are consistent with their goals, fees, and behaviors.

## 2. PROVIDE COMPREHENSIVE FINANCIAL PLANNING

The right financial advisor provides a comprehensive plan to help Baby Boomers understand risks related to their goals and assets, provide for the people and causes that are most significant to them, and implement income strategies that produce a continuous cash flow.

By coordinating and evaluating each piece of their clients' financial security—including retirement, insurance, investment, lifestyle, and estate planning—an advisor plans for current and future financial situations and events. For example, through:

- **Retirement Planning**, the right advisor helps develop income plans that maintain the client's pre-retirement standard of living and invest long-term assets to create a growing income stream.
- **Investment Planning**, an advisor reviews assets, holdings, and investments as retirees advance toward personal goals, providing risk-controlled, tax-efficient investment strategies and alternative investments.
- **Lifestyle Planning**, an advisor offers a flexible strategy to assist with investments in major life events, such as marriage, divorce, childbirth, loss, and education.
- **Estate Planning**, an advisor addresses concerns related to care for children, a spouse, parents, and grandparents, allowing for tax-efficient wealth transfer and direction for survivors to provide for future generations.
- **Insurance Planning**, an advisor ensures that a retiree's assets are protected and safeguarded in the event of lawsuits, accidents, or illness, no matter at what point those risks happen. In addition, retirees can make the most out of the formation of trusts, family partnerships, and customized insurance coverage.

In the end, a comprehensive financial plan can provide Baby Boomers with efficiency, peace of a mind, and a more holistic experience.

## 3. INTEGRATE SERVICES TO MINIMIZE TAX LIABILITY

Having an efficient tax income strategy helps Baby Boomers to retain their savings and avoid paying unnecessary taxes. However, it can be confusing to have more than one advisor look at their financial situation without understanding everything that affects it.

In fact, many retirees are dissatisfied with their current advisors because their investments are not managed with the impact of taxes or with every piece of their financial lives in mind.

Therefore, the ideal financial advisor helps alleviate those frustrations by being part of a team that also provides tax preparation services. That way, the professionals who prepare the client’s tax returns share the same space as the professionals who oversee the client’s investment portfolio, allowing them to be efficient and produce a more encompassing solution.

For example, SC&H Group is a firm that employs multiple service lines, including tax and personal financial planning, to examine retirees’ financial situations over time. Thus, they can approach a client’s finances full circle to deliver the best solution and minimize tax liabilities. Some of the tax planning services they provide include:

- Tax planning and compliance for individuals, estates, and trusts
- Gifting strategies
- Charitable planning with donor-advised funds and charitable foundations
- Portfolio review
- Consultation on tax-efficient investing
- Stock option planning
- Expatriate taxation and tax-equalization strategies

**4. USE TECHNOLOGY TO PROVIDE EASY ACCESS TO INFORMATION**

The right advisor for Baby Boomers not only provides the right services, but also delivers them in a way that is conducive to the generation’s preferences.

For instance, Baby Boomers increasingly use technology in their daily lives to socialize with family and friends, research, and address key life issues, including health, finance, and mobility. In fact, the majority of American adults ages 65 and older now use Internet or email, and 70 percent operate it daily, according to a 2012 [study](#) from Pew Research Center.

So, it makes sense that the ability to access information easily and efficiently is important, especially when planning for different life stages like retirement. The right financial advisor satisfies Baby Boomer preferences with regards to how they communicate, as well as receive and review their financial documents.

For example, if preferred, an advisor should be able to leverage technology and deliver 24/7 electronic access to retirees’ financial plans and portfolios. They should be available to conduct virtual meetings through different online applications and continuously add enhancements to planning software and portfolio monitoring tools.

Ultimately, by partnering with a financial advisor, Baby Boomers can develop a plan that best suits their lifestyle. Moreover, by choosing an advisor who understands their needs and goals, provides comprehensive financial planning, integrates tax services, and utilizes technology effectively, they are enjoying greater efficiency, minimized tax liability, and the peace of mind that they will have a secure financial future.

To learn more about how to develop a comprehensive financial strategy to meet your needs and objectives, [click here](#) for more insights from SC&H Group's Personal Financial Planning specialists.

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