



STEPHEN D. GRESHAM
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Scaling Old Peaks

by Stephen D. Gresham and Glen E. Gresham

The longest block of Kenilworth Road in our town has so many physicians that it has been jokingly referred to as “Pill Hill.” It is a tree-lined street in affluent suburbia dotted with large stately houses — most designed in the Tudor style — that were built between the two World Wars. They were ideal homes for affluent physicians and their broods in the 1950s and 1960s.

Those doctors are now senior citizens. The kids are long gone and the houses are too large, too much work to maintain and — for many — too lonely. This brings a previously unthinkable agenda: selling the home and moving to a smaller place.

In former times — even though there were fewer surviving healthy older couples — the alternatives might have included an apartment building, a small single house, an institutional “home” or moving in with one of the children. Nowadays, however, a new and more exciting option exists in most urban areas: “life care” in a continuing-care retirement community (CCRC). These CCRCs offer a number of different living arrangements, from resort-like cottages to nursing homes.

Larry and Anne Livingstone, longtime residents of “Pill Hill,” started thinking about the life-care option about a year ago. They were sitting with their good friends and neighbors, Jim and Margaret Hadfield, on their quiet back porch — overlooking their charming rear garden and inviting swimming pool. Both men were physicians, contemplating retirement (partial or complete), and the ladies were officially housewives, mothers and grandmothers, even though one had an advanced degree in art history and the other was a mover-and-shaker in local town politics and charity work.

Anne raised the heretofore forbidden topic: “I wish I never had to cook another meal,” she said. “And my latest cleaning woman just gave notice. I think it's time to move. I love this big old house, but it's too much to take care of.” Larry grimaced. He was happy with the status quo and the thought of moving was repugnant to him.

Jim looked expectantly at Margaret, who was way ahead of them all. “We are looking at Maplewood Manor, the new CCRC over near the hospital,” she said. “I think it's the answer for people like us, and I agree with Anne — it's time to get moving.” Her audience listened intently as she recounted her new information: a choice of cottages or apartments, restaurant-caliber meals, a great array of amenities and facilities and convenient garages. “Besides,” she concluded, “we already have a ton of friends there who have preceded us.”

An animated discussion followed. By the time the Hadfield's had finished their drinks and taken their leave, it was agreed that both couples would look into Maplewood Manor.

After consultations with their personal physicians, attorneys, financial advisors and families, both the Livingstone's and the Hadfield's took the plunge. They sold their big houses and moved into Maplewood Manor (both chose a large apartment). Fortunately, both couples easily passed the means test and the medical clearance.

A year later, the Livingstones were having cocktails in the Maplewood Manor lounge with Margaret Hadfield, prior to going to the dining room for another excellent dinner.

“How is Jim doing in Garden Court?” Anne inquired, with genuine concern. Garden Court was the assisted-living unit of Maplewood Manor. Dr. Hadfield had developed Alzheimer's disease during the previous year and now required special services in a protected environment.

“About as well as one could expect,” replied Margaret as they all got up and joined the procession to the dining room, greeting friends as they moved toward their table.

STANDING OUT

These couples were wise enough — and wealthy enough — to make the decision to move on to the next phase of life on their own. But millions of baby boomer clients can use the help of a qualified advisor to help them with this difficult transition. Providing true “life advice” is fast becoming an opportunity for conscientious and serious financial advisors to earn a special designation in retirement planning, placing them above the competitive fray.

Do the math. There are about 500,000 people in the U.S. with either a Series 6 or 7 license, and approximately 300,000 of those are in active production. Add in 25,000 or so fee-only advisors and you have a whole lot of folks chasing after the more than 36 million aging Americans (July 2004, Census Bureau) — not all of which, of course, are good prospects.

Now consider adding a specialty — one that can add value — to your practice and you'll find, at least in terms of numbers, you have a much better chance of standing out from the crowd:

- 50,000+ Certified Financial Planners
- 3,500 Certified Senior Advisors
- 1,000 Chartered Advisors for Senior Living
- 260 Certified Retirement Financial Advisors
- 150 Registered Financial Gerontologists

Requirements for certifications vary widely, though the benefits are substantial. The CFP requires three years of study in a variety of planning areas, while the other designations typically require only a few months — or even days. Each designation also brings the potential to interact with the national body of members, many of whom are not in the financial-advice field. For example, the Society of Certified Senior Advisors has over 13,000 members as well as a standards board to maintain professional integrity through supervision of the designees.

“I don't need a designation — my clients already value my expertise,” you might say. And you are likely correct — for now. History suggests that the market leaders in any profession are well regarded and effective — right up until the time they lose out to more focused or capable competitors.

When Glen graduated from medical school in the 1950s, rehabilitation medicine was a course of study, not much of a specialty. Now entire hospitals are focused on the care of patients recovering from strokes, spinal cord injuries and other ailments that formerly ended most often in death. And think of the growth during our lifetimes of the array of other medical specialists for every body part and affliction imaginable — heart, lungs, feet, hands, skin, etc.

With the population of senior Americans more than doubling over the next 40 years, advisors who plan to graduate from their careers with a degree in financial security better get studying.

AMERICA'S AGING POPULATION

<u>Looking Back</u>			<u>Looking Ahead</u>		
<i>Year Estimates</i>	<i>65 and over in Millions</i>	<i>85 and over in Millions</i>	<i>Year Estimates</i>	<i>65 and over in Millions</i>	<i>85 and over in Millions</i>
1920	4.9	0.2	2010	40.2	6.1
1940	9.0	0.4	2020	54.6	7.3
1960	16.2	0.9	2030	71.5	9.6
1980	25.5	2.2	2040	80.0	15.4
2000	35.0	4.2	2050	86.7	20.9

Source: Federal Interagency Forum on Aging Related Statistics

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