

## FROM FINANCIAL ADVISOR MAGAZINE, JANUARY 2006

### Boomers Want Help With Kids

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As baby boomers prepare for retirement, they want more from their financial advisors than just competitive investment returns.

Boomers want planners to help them teach their children about finances, something this free-spending generation hasn't done, according to a study on retirement released Wednesday by Ameriprise Financial Inc.

The survey of 2,000 adults between ages 40 and 75 focused on retirement and financial planning. One of the more unusual findings was that boomers want help teaching their children about money.

**More than half—52%—said the most valuable financial planning services would be "advice to help your children become more financially savvy."**

Boomers are worried about their children's financial capabilities. These concerns "often outstripped worries about their own retirement preparation."

Boomers think their children will face more "economic complexities" and less job security," and they hope they do a better job of saving than their parents have done.

"As boomers have become more responsible about financial planning, they've begun to think 'Why didn't I start doing this a long time ago'," said Ken Dychtwald, president of Age Wave, which conducted the research for Ameriprise with Harris Interactive Inc.

The findings don't surprise Stephen P. Ahern, an advisor in Tewksbury, Mass. Clients, he said, want their advisors to help because the "financial advisor is someone that they trust, someone who got them on track."

Ahern, who has worked with multiple generations, said teaching children about finances also helps to ensure that the assets are preserved when they are shifted from one generation to the next.

"I think it's super important to convey values from one generation to the next generation," he said.

One of the reasons that financial firms haven't focused on boomer children is that young adults usually have little or no assets, said Michael B. Rubin, who last year launched Total Candor LLC, whose goal is to teach college students and new employees about finances.

Even when boomers are financially literate, he said, they are reluctant to teach their children because they don't think the next generation listens to them.

But working with boomer children also benefits advisors, who could potentially see assets shifted out of their accounts as money is moved from one generation to the next.

"We want to work with these kids so that they eventually become our clients," said Patrick Collins, an advisor in Towson, Md.

The Ameriprise research also found that boomers want their advisors to get to know them better. Boomers said they think having advisors "who understand what is important to them is equally as important as returns."

Not surprisingly, boomers don't anticipate getting a gold watch and moving to the sidelines when they retire. Instead, they expect to migrate through various stages with different financial and emotional needs.

"Retirement is not simply you're working, then you're not working," said Age Wave's Dychtwald. "You have a complex journey, a complex landscape."

The study identified five stages that begin before retirement and end about 16 years after leaving the work force.

Pre-retirees and retirees said the best thing about retirement would be having "control over time." The hardest thing would be concerns about health insurance because illness could be so unpredictable and financially devastating.

*—Dow Jones Newswires*