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Retirement brings challenges for both clients and planners

It is increasingly recognised that the need for financial advice grows rather than declines in retirement.

Yet many baby boomers will find that their financial adviser will also retire at around the same time they do, and won't be around to give them the help they will need to protect their comfortable retirement, warns Mr Phil Gallagher, head of wealth management at Equity Trustees Limited (EQT).

"A great many financial planners are also baby boomers and, unless they have well thought-out succession plans in place, their clients will find themselves passed on to another adviser with whom they have no history, at a time when they most need personal and specific advice.

"A letter from a financial adviser advising clients that they have now retired and that Joe Bloggs can help them in future just won't cut it.

"It neither looks after the best interests of the clients nor the goodwill of the financial planner's business.

"Unfortunately, there is a fair amount of anecdotal evidence that this is a common approach. Clients are simply passed on to another adviser, and end up feeling that they've got to start all over again with this new person. Many might feel it's just as easy to look elsewhere for help."

Mr Gallagher says that planners should avoid giving clients any reason to feel let down or abandoned when they retire, especially in the present climate.

"A more appropriate approach is for the adviser to contact all clients well before the planned retirement date to outline the succession plan, and to have any replacement join him or her at client meetings before retirement so that the history and the relationship can be transferred successfully.

"Clients themselves should ask advisers about their retirement plans to see how it will affect their own plans so that if necessary they can consider alternatives."

Mr Gallagher says that providing retirement services will be an increasingly important area for financial planners and predicts that it will grow to form a major part of planning businesses.

"Continuity and longevity are points of difference that larger, well-established organisations can use to their advantage.

"For example, Equity Trustees has been looking after the needs of high net worth clients for over 100 years and recognises that needs change as clients grow older.

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We have developed the kinds of services that they will need throughout their retirement years and can ensure that there is continuity throughout our relationship, even administering clients' wishes after death by managing intergenerational wealth transfer," Mr Galagher said.

About Equity Trustees: *Equity Trustees is a publicly listed company that provides a range of financial services to corporate and private clients. Its businesses include private client wealth management, funds management, responsible entity appointments, and corporate and personal superannuation.*

The company manages in excess of \$4 billion in its funds management, private client and superannuation businesses and has in excess of \$19 billion under responsible entity administration. Equity Trustees employs over 180 people in its Melbourne, Sydney and Brisbane offices.

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