

Financial advisors need to understand clients

By Rodger Alan Friedman

Shocking stats continue to make news regarding America's preparedness for retirement, including the fact that one of five citizens near retirement age have zero money put away for the golden years, according to statistics recently released from the Federal Reserve.

About 20 percent of pre-retirees have nothing stocked away, and 31 percent of the total population also has no money for retirement.

This issue is making news regularly, and financial planning for retirement advertisements have spiked in recent years, in case you haven't noticed.

If nothing else, I hope the increased focus is lighting a fire under those who are near retirement, and I hope future generations are taking notes.

Just as the average person needs to get real with their own finances, advisors also need to get real with their clients. That means having several traits.

- **Competence:** When advisors are unsure of themselves, it comes through. When presented with a set of facts, new advisors may not recognize what they are dealing with, or its importance. A seasoned advisor, on the other hand, has dealt with many clients with numerous problems several times over and knows what it takes to solve a problem. That's why I feel that an experienced financial advisor is the best answer for someone in need of retirement income and financial planning. Also, financial advisors should be very well-read, with self-imposed reading requirements. Learning new ideas and revisiting old

ones keeps veteran advisors fresh.

- **Empathy:** What is a client going through? Advisors must have their antennae up. Tears, anger, regrets and frustration are often bound with a person's finances. I have met very few 22-year-olds who can fully understand the struggles, worries and dreams most people experience throughout a lifetime. Advisors have to develop an approach that helps clients feel comfortable in discussing difficult matters. The client needs to understand that the advisor truly cares and is not there merely for a transaction.

- **Ability to listen:** "You have to have two ears and one mouth," my mother used to say; she made it clear that I should be listening twice as much as I was talking, and that advice has served me well in my life and career. Clients come to an advisor for professional expertise, but they don't want to be lectured. Advisors have to first listen to clients – their problems, needs and hopes – before offering a professional response. The conversation should flow easily both ways as an advisor and client get to the heart of matters in an atmosphere of mutual respect.

- **Perspective and insight:** Perspective and insight are like twins: wherever there is one, the other is not far behind. Planners gain perspective and insight through thousands of hours of listening, collaborating, advising and acting as a steward of the financial assets and dreams of the families they serve. You know when you're in the presence of these "twins;" it is often said that people with both see with their intellect – they possess vision. Clients should keep their antennae up for these traits when meeting a prospective advisor. Pay attention to how he or she may, as if without effort, intelligently guide the two-way conversation.

Rodger Alan Friedman grew up working in his family's New York City laundry, where he learned a strong work ethic – and about the type of work he didn't want to do. After earning a degree

in political science, he became a real-estate agent trainee, then performed compliance audits for a large Wall Street brokerage firm, eventually became a stock broker, and then financial advisor and wealth management professional.