

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer
Guest: Erik Strid, Co-Founding Principal of Concentus Wealth Advisors

Transcription results:

Speaker	Text
Intro	Welcome to The Next Frontier, where we examine what the role of the financial advisor will be in a world where we're living longer, more tech reliant, and bombarded with information 24/7 as we navigate constant uncertainty and accelerating change. Our mission is to spark new conversations that explore the future of advice by rethinking the value we deliver. Join us as we look at the evolving advice business, and explore the opportunities that lie ahead for an industry in transition. It's time for a new conversation. Are you ready to weigh in?
BILL COPPEL	Hi, this is Bill Coppel, and welcome to The Next Frontier. With the dramatic increase in life expectancy over the past century, many people near the traditional retirement age of 65 could potentially live another 30 years. These bonus years bring questions that few in previous generations have faced. For example, who will I become now? How will I find a sense of meaning and purpose? Continue to contribute? And most importantly, apply all the wisdom, knowledge, and experience I've gleaned? If we're going to live nearly as long as we've worked, financial advisors have an opportunity to not only help clients create a paycheck, but to help them define and achieve what matters most in life. This is uncharted territory with the opportunity for our industry to redefine what retirement means in the 21st century, adding value by helping clients prepare, not only financially but emotionally. So how can financial advisors move beyond the balance sheet to help clients entering this important life transition craft their next chapter? That's what our guest, Erik Strid, will help us explore. Erik is co-founding Principal of Concentus Wealth Advisors, a registered investment advisor that helps clients actualize their most deeply held values. With more than 25 years in the industry, Erik serves as the firm's chief executive officer and guides its overall strategy. Hailing from Pennsylvania, Erik was named a Forbes best in-state wealth advisor for 2021. He has appeared on a number of network news programs and has published three books. His most recent book, <i>Exploring</i> , helps Baby Boomers enjoying newly extended life spans create a new definition for the life stage we've traditionally called retirement. He earned a bachelor's degree in economics from Amherst College, and holds Certified Financial Planner™ and Chartered Financial Consultant® designations. Erik, welcome to The Next Frontier.
ERIK STRID	Thank you. I'm happy to be here.
BILL COPPEL	Erik, I've done some research on your background, and I have reviewed your latest book, which I mentioned at the top of the show. And, of course, we've had a chance ahead of time to talk and get to know each other, and I find your journey to be extraordinary. Please share with our listeners how your approach to helping clients has evolved over your 30 years in the business.

Speaker**Text**

ERIK STRID

I started in the business back in 1993-- '92, I think I officially started. I came in at an interesting time, I think. My father had been a stockbroker my whole career. I always was interested in investing in the markets because I just was around it all the time, and I was an econ major in college. Kind of always knew I wanted to get into this industry. But when I came into the industry, I really believed that that was a time during which there was this major transition happening from what I would term a stockbroker, kind of the old-fashioned more sales-oriented culture to more the consultative model of delivery of services to clients. And I think I had the advantage of coming into the business with my father and part of his team, and I always credit him for being a visionary and understanding that the consultative model really was about to develop. He actually created a program called the College Builder for Merrill Lynch. It was really, at the time, fairly revolutionary. It was kind of one of the first college planning programs. He had actually a computer software program built around it in the late 80s that was really kind of, in my view, one of the first efforts, at least in wirehouse world, at developing a financial planning mentality, an asset-gathering mentality, a consultative sales mentality as opposed to a straight sales mentality.

ERIK STRID

And the first 10 years or so of my career of Merrill Lynch, that took the form of-- the growth of managed accounts was a big deal. We began to really focus on trying to become fee based as opposed to commission based. And really, there was more of an attitude that actually the client's success actually does matter. And I think the generation before me was really more just about return-to-broker than it was about client success. We started producing performance reports for clients and those kind of things. I would really say that though that first 10 or 15 years in my career-- although it was a consultative model, it was almost like the product was the managed account, right? The product was your advice. And it still was really very much more an investment solution than kind of a comprehensive solution. I think that kind of the next generation and what I think is unfolding now is really more-- it goes a little bit deeper, and it becomes even more client centered in a sense that we're really focused on the client's life and the unique challenges and opportunities that that client may be facing that we need to help them to navigate.

BILL COPPEL

Well, that's great. And I think that's a really interesting observation, and I want to drill down on that, Erik, because going from simply managing the balance sheet has really been a struggle for the industry. We've been focused on-- and I think the way you characterize this is quite accurate. And that's been the experience I've had too, as having been a financial advisor in my former life. What led you to embrace this notion of helping clients plan for those bonus years I mentioned in the introduction, the period that we've traditionally called retirement? How did you approach that from a different perspective, really not focusing solely on their wealth but really trying to discover what really becomes important to them? What was the catalyst that got you there?

Speaker**Text**

ERIK STRID

I mean, I would say, at the very heart of it, I've always been-- actually, there's a program called Values-Based Financial Planning. Many of your listeners may be familiar with Bill Bachrach. I sort of went through much of his training, and I always was just very focused on trying to do more for our clients than just simply helping them pick a great managed account and giving them some tax advice. It was really important to me to actually do something that's impactful in their lives and to do something that's going to help them live a better life maybe around their values and looking at a client less as a portfolio value, right, and more as a person with a family and with a life, and my role in life is to help them, through financial advice, to live a better life. So we really embraced values-based financial planning as kind of a key element. And I think what that really did was it put our relationships with our clients into a much more personal basis. I was much more able to become a student of our clients' lives as opposed to just a student of the markets. And as I did that, you begin to notice patterns, you begin to notice things that are common challenges and opportunities that certain types of clients may face. And one of the things that occurred to me was that a large number of the clients we had were in the 55-to-75 age bracket. Much of our industry revolves around the whole idea of retirement planning. And so I started thinking about how do you add value in retirement planning beyond just helping someone pick stocks and fund their IRA account? And how do you actually think about what will their life be like in retirement? Isn't that what's really important? I mean, the money can be there, but money doesn't necessarily drive happiness. So how do you help them to drive a happy life in this phase of life that we call retirement? Which probably was the way that we first got interested in this topic.

BILL COPPEL

Well, it's interesting the way you characterize this notion of shifting your focus from being a student of the portfolio and the markets to becoming a student of your client, getting to really know them. Want to dig down on that. And we talk about this, the reality of how long we're going to live today, right? That has created sort of an interesting dynamic for our industry. We've been excellent at creating a paycheck. If you think about retirement planning, at the end of the day, it was about getting to the point of deaccumulation and how do I get that paycheck to last at least as long as I do? Maybe a little longer, right? And this notion of what's next-- and in some cases, you can live as long, as I mentioned earlier, in, quote, this phase we call-- I like to call it the third chapter or the second or the third half of life, right, the next chapter, third of life. You may live as long as you worked. What's your perspective and how do you guide clients in thinking about this new phase of their life?

ERIK STRID

So this is exactly where we came to. And I have to credit Dr. Joe at the MIT AgeLab.

BILL COPPEL

That's Joe Coughlin, right? Dr. Joe Coughlin.

Speaker**Text**

ERIK STRID

Joe Coughlin at the MIT AgeLab. And because so much of what going to talk about today in my book comes from his work. So I just want to make sure I give the credit where it's due, that a lot of these concepts are really not necessarily mine, but they were so instrumental for me in thinking about this particular topic. So basically, I mean, the concept is-- you're absolutely right. I mean, I tell a story in the book about my grandfather who worked at a blue-collar job, and he retired when he was 62. And when he was 63, sitting on his porch, he had his third heart attack and dropped dead, right? So he lived in retirement for one year, and that was-- he lived around the time that the concept of retirement was developed, right? And at that time, life expectancies were right about 65 years old. Social Security was never intended to be this program that funds people to live 20 years of their lives. But then I fast-forward to my dad, okay, who is about to turn 80. He's sitting in the office right next to me, comes to work every single day, does yoga every morning. I think his life expectancy is in the mid-90s. And then I look at my son who was born in 2000, and his life expectancy is over 100 years old. And as he grows older, it'll continue to get higher and higher and higher. But yet, since my grandfather dropped dead, we have not changed the retirement age in America, right? So that's kind of-- point number one is, that's just goofy. That shouldn't have happened. We should not be living in a world where people live so much longer than they did at a time when we considered retirement age 65.

ERIK STRID

But we still have this social construct that you hit 65, and you somehow hit this finish line. And that's a, I think, really important concept. Number one, you're going to live a lot longer, most likely, past the time you so-called cross that finish line. And number two, a finish line? I mean, honestly, what-- so a 65-year-old American today who works out and has a good diet and like most people's healthy lifestyles today, I mean, you've got a lot to give, you've got a lot of energy, you've got intellectual curiosity. There's a lot there that-- we're just all of a sudden going to retire you, pull you out of service? And so to this whole idea of not just having the-- we all focus on-- retirement planning means accumulating all this money so you can hit the finish line, and you can have all this money to live on and to go do whatever you want and play golf every day or whenever. Well, okay, but does that necessarily mean you're going to be happy? I mean, if you look at most people-- I tell a story in the book. You go to a cocktail party, and you meet someone new. What's the first thing that's going to happen? What's the first thing you say? What's your name, what do you do? So what are you supposed to say? Right? I mean, your identity, your opportunity for contribution in the world, your ability to test your skills, so much of your identity, your social network, from the time you're 20 years old until you're 65 comes from your work, and now all of a sudden, just because you hit this "finish-line" age you're going to throw that all away? It doesn't make a lot of sense. And realistically, I think a lot of Americans are coming to that realization. I mean, we see clients today who, when we talk about their retirement planning, it's a totally different conversation. It tends to be, "I do want to hit this age where I can have enough money to do what I want, but I still want to work. Maybe I want to work less. Maybe I want to change careers or consult or something like that, but I don't want to just-- if I play golf seven days a week, I'd go out of my mind."

Speaker**Text**

BILL COPPEL

And that's the point. That's the exact point. I'm sitting here smiling because I'm thinking of the cocktail image you just created. I've been around for a while. And so what our listeners don't know is that Erik and I can see each other right now because we're having this conversation over Zoom. You can see that my hairstylist hasn't done anything to bring my hair back to its original color. And the worst thing in the world for me is when someone says to me, "So are you retired?" And it's almost an insult in some level, right, because of what you exactly said, which is this construct that we created. Which if you look at the history of retirement, right, it was a construct that we stole from the Germans in the late 19th century. Otto van Bismarck, chancellor of Germany, was using it to deal with a political challenge he had, which was we had all these unemployed kids, and we needed to get them off the street because they were creating problems. And so we told people at some age, 65, 70, whatever it was, "Go home. We'll take care of you," knowing full well they weren't going to live much longer. We adopted it in the early 20th century, and I would say that the reason we did it was to help manipulate the labor pool to keep up with the evolving economic constructs that we were going through from an agricultural-based economy to one of a machine-based economy to a technology-based to an information-based and so on and so forth, right? So we know that there are fewer jobs today than there once was, and that we've got a labor force that we have to begin to deal with.

BILL COPPEL

What does it mean to be purposeful? Right? So that's a great observation you're making. So I guess the way I would think about this is that if you were to pose this question to a client, say, "What are the interests that you can now explore with your life as a starting point?" My guess is you'd probably get some pretty interesting answers. However, it's not an easy question when you start to break it down, right? For most of us, if you say, "What's important to me?" you have to stop and think about it. In fact, a good friend of mine - I want to share this with you, Erik - is a professor at Washington University here in St. Louis, and I was working with him on another project last week. And he said, "You know what I want?" And he's well past the retirement age. He said, "This is what I want. I want to be interesting, and I want to be interested." And so what fundamentally drives him is the desire to be interesting because he is interested. And I think that's the root of who we are as people. So share with our listeners how you approach helping people begin to discover this notion of what's next.

Speaker**Text**

ERIK STRID

Yeah. I mean, this is where, in my view, the true skill of being a really high-level financial advisor in the world today resides, and that is meaningful conversations, right? I mean, that's how it manifests. It's sitting down with somebody and just asking them about how they envision their future. "What's important to you? What do you see yourself spending time on? Where do you see yourself living?" And fleshing out some of this reality that-- and I mean, sometimes it's us in a way that's talking with them about the experiences we've seen with other people. So you don't want to hammer someone over the head with the reality that-- because part of the thing is sometimes people don't know. They think that they want the finish line. If they're 62 and their whole life, they've been grinding it out and they can't wait to hit 65 so they can retire, what they don't understand is by the time they're 66, they're going to be sick of playing golf. Their wife is going to be sick of having them around the house-- or husband, I don't want to be-- and they're going to be unhappy, right? They don't even know that yet. And so sometimes it's having conversations about other clients that we've seen who found that even after they've so-called retired, they need to find some meaningful things to fill their time, whether it be philanthropic activities, whether it be doing some consulting, whether that be-- but you need to fill that time. You need to actually come up with something that's going to be meaningful to you to fill that time.

ERIK STRID

And sometimes that's educating them about that and asking them about have they thought about that. "Do you understand?" and, "Do you kind of have a good picture and vision of what that'll be like for you?" Help them visualize it, I think, is probably really important. And using anecdotes or experiences that you've had with other clients to help draw that out, I think, is important. One of the things that I-- I'm a big believer in-- my dad is about to turn 80, and he comes into the office every single day. I'm a believer that life is about every day testing yourself and every day wrestling with life, right? Living really is comprised of coming in every day and facing problems and challenges and coming up with solutions for those problems and wrestling with life. And that wrestling with life is what draws the best out of you. It's what keeps you young. It keeps you smart. It keeps you "with it", if you want to call it that. And when you withdraw from that and you stop wrestling with life, you lose something, right? In many instances, you lose your health. And it's funny, this correlation of-- someone should study it. I'm sure someone has. But just this whole idea that people's health deteriorates after they stop working. It's almost like you're not using yourself anymore. And when you stop using yourself, you put yourself on the shelf, you're not testing yourself anymore. And I think that that leads to deterioration and decay of happiness, of mental capacity, of physical health. So I love it when I see someone who's entering these so-called retirements. I mean, we have one client, right? He's my favorite guy in the world. He's 96 years old. He was a world-famous colorectal surgeon. And he doesn't do surgery anymore, but he's got his own institute, and he does research and study, and at 95 years old. He plays tennis every day. And you meet the guy, and you have no idea he's 95, and it's because he's kept engaged with life. And I think that's something that we, as advisors, can coach our clients to do, and it'll help them live a better life.

Speaker**Text**

BILL COPPEL

That notion that you shared with our listeners about meaningful conversations, I've never heard it put quite the way you did today, and I think that's really at the heart of this whole thing. It's what is that meaningful conversation in the way you've described today. The notion of embracing life, dealing with every aspect of it, yourself personally. So you, obviously, live your life that way. And in other words, you are walking the talk, okay? And you do it with your dad. You see it with him every day and the clients that you're cultivating and curating and working with over time. And I want to turn back to the book because there was a part of the book that really, really resonated with me. And it's not just about what comes next alone; it's answering the question of what matters most. And our listeners have heard me say many, many times: we're in the business of helping clients articulate what matters most in life. It's not an easy question. It's not as simple. It's a meaningful conversation, as you put it. In the book, you talk about that. And we know that the underlying answer of what matters most is tied directly to the notion of meaning and purpose. Let's dig in to the stages of exploring, the title of the book. I'd love to take a few moments and kind of break them down and how you approach this notion of exploring. Because, ultimately, I think, again, that's part of this dimension of a meaningful conversation. Let's start with the honeymoon phase.

ERIK STRID

That's great. And I would just-- as we do, just-- so let's set the bar for what exploring, actually-- why we named the book that. Because when you talk about understanding what's meaningful and what's important-- Dr. Joe and I call life after 65 as the exploring phase as opposed to the retirement phase, which is what America calls it. Because you now have the ability-- you actually probably have accumulated the wealth, right? Your kids probably are off to college and out of college, and you're an empty nester, and you now have more freedom financially and time-wise than you've ever had in your life to go explore what it is that's most important to you. So it's an amazing time, if you think about it. It's really a time of freedom unlike any other time of your life, probably, and you can go explore what really is most important to you and-- so within that, there are these four phases that we've identified. So the honeymoon phase, that is the kind of period of time, just like when you-- a young couple might go on a honeymoon, and they show up in Hawaii. And for the first day or so, it's like amazing. And then she realizes he snores, or she leaves the toothpaste on the vanity in a way he doesn't like. And then all of a sudden you're like, "Wait a minute. It's not nirvana. There are challenges to this too. We've been planning for this our whole life and thinking about it, about how great it was going to be, but it's hard work too." And so this kind of idea of retirement is kind of tough. And probably the biggest element of that difficulty is exactly what we've been talking about, which is most people go into their retirement without having really thought much about what they'll actually be doing on an everyday basis.

Speaker**Text**

ERIK STRID

They have glorified their retirement in such a way-- and very commonly for men, it's like, "I'm going to play a ton of golf. I'm just going to play golf any time I want." And, "We're going to go to Florida anytime I want during the winter, and it's just all leisure." It's just like, "My whole life is just going to be all of leisure." And you've been working for 30 years and waking up early, and it seems so romantic. But when you start living it, there's a chance that you may find that a little empty. So the honeymoon phase really is the time when you're probably first faced with this concept that you actually may want to fill your time with some more meaningful pursuits. Maybe you do want to play golf more than you used to, but you also need to fill in the gaps with something that's meaningful to you. If you're lucky, you've thought about that in advance, and maybe you have a career. I talked about this in the book. The luckiest people, I think, are those who have a career like I do, where I can build my business, and I can bring a team into my business, and I could have a phase of my life where I don't have to work nearly as many hours as I do now, but yet I can still stay engaged. Some people don't. Some people have a career where it's on/off, right? You're in a corporate job, and it's like you're 100% in, or you're 100% out. And this is why I think where an advisor can add some value in the pre-retirement phase of helping clients to think about if you are in one of those on/off type of situations, is it philanthropy? Is it a different career? What is it? What's going to be that thing that fills that time? But the honeymoon phase, that's the primary challenge, is getting your arms around really what you're going to do to spend your time.

BILL COPPEL

I love that. I love that description. It reminds me of-- so I get up. I'm up at probably 4:30 every day, right? And that's my time to work out. And I've been doing that forever. And so while I'm not, quote, in that exploring phase, yet. Of course, I would argue that I'm in the exploring phase every day. So I'm always looking and exploring the way you've described it. But what's interesting is the sign of when the honeymoon is over might be when-- if you were an early riser, you're finding that by 11 o'clock in the morning-- not that you've been in bed since the night before, but it's 11 o'clock in the morning, and you've got nothing to show for those four or five hours that you've been up, where in the old days you really had a lot accomplished there. So when we think about that honeymoon phase, that's when that kicks in. To your point, Erik, it's nice to have leisure, but it is not a sustainable environment for your mental health, your emotional health, or your physical health. So that was a very great way--

ERIK STRID

It's the period where you're figuring out how to answer that question at the cocktail party when someone says to you, "What's your name? What do you do for a living?" How do I answer that question? That's kind of what the honeymoon phase is all about.

BILL COPPEL

That's right. Exactly right. And that goes back to that comment I made earlier that Dr. King says about-- Ron King says about this notion of interesting and interested. If it's 11 o'clock in the morning and you haven't found out what's interesting yet, that's a sign that it's time to move to your next phase, perhaps, which is all around this notion of the big decision. So let's talk about that.

Speaker**Text**

ERIK STRID

And I would just frame this conversation by saying also the risk in kind of calling these phases is that people think of them as chronological phases that happen, like the honeymoon's over, and that's not necessarily true of these. You can weave in and out of these different phases and go back to them as you kind of grow older. But at some point, and this is largely driven by age and health and that kind of thing, you get to this phase where some decisions need to be made. One of those big decisions is living arrangements and coping with how you're going to deal with where you're going to live and what that's going to look like. For some people, it's, "Hey, I want to stay in my primary home where we raised our kids till they bring me out feet first." For some people, it's, "We want to spend the winters in Florida and the summers at our beach house." Of course, I'm talking about affluent Americans here, people who have options. For some people, kind of new types of opportunities have arisen. In the book, we talk about how there's a huge movement of people moving to college towns, like so-called retirees or people in this age bracket moving to a college town because, "Hey, keeps me young. I could take a course at the college. And there's good health care because there's a university health system right there, and there's concerts that happen, and it's like a pretty cool lifestyle to live in a college town."

ERIK STRID

So how do we want to-- where do we want to live, how do we want to set up our lifestyles so that on an everyday basis we can have an enjoyable way of living? I think there were three questions that we talk about in the book. One is, where am I going to get an ice cream cone? One is, who's going to change my light bulbs? And the other is, who am I going to have lunch with every day? So where am I going to get an ice cream cone is, what are the community? Where's the Starbucks? Am I living near a shopping mall? Who's going to change my light bulbs, as you get older, this becomes part of your equation of where you're going to live is, "Do I have the necessary support around me, or am I going to have the necessary support around me when maybe I get a little too old to climb up on a ladder and change my light bulb? Do I live near family? Am I going to move into some sort of a 55-and-older or assisted-living type of community? Is that for me? And then who am I going to have lunch with?" There are pros and cons, if I decide to go move to some crazy college town that I am not from, how am I going to create a social network there? In other words, if I'm leaving all my friends and family who I grew up in suburban Philadelphia - I've lived here my whole life - and I decide I want to live in Boulder near Colorado University or whatever, that's a really cool place to live. But who am I going to hang out with? Who on an everyday basis am I going to have lunch with? One of the things that we weave through the book, especially as you are growing older, is the value and importance of social connection and the correlation between physical and mental health and continued social connection. And so the idea of moving away from family or from your network of friends may sound romantic, but it actually may not be such a great thing as you continue to grow older, which is another reason too why staying in work or staying in some sort of charity or volunteer work is big too because that affords networks of people where you can stay connected. So the big decision phase is how are we going to set up our lives so that we have those things, our conveniences, our everyday care, and our social network to enhance our quality of life?

Speaker**Text**

BILL COPPEL

That's well said. And it goes back to the comment you made earlier about meaningful conversations. Those are very difficult decisions to make. And as you said, this is not linear, right? So it's not honeymoon then big decisions. Big decisions should not wait until retirement in a lot of cases, right? These are things that we could begin to talk to our clients about well before that phase begins so that they're in better shape to think about what are the kinds of things that are important to them which will affect those decisions. And that kind of bleeds into the next one around managing longevity at some level, right, because there are other decisions that come into play there. Talk about that for us.

ERIK STRID

These conversations aren't all roses, right? Because growing old is not for the faint of heart, right? I've heard that said before. It's not easy to grow older. And so one of the natural things, and as people get older, they do have physical and cognitive declines that happen, whether they develop full-blown cognitive issues, Alzheimer's or something like that, or, just cognitively, over time, you deteriorate a little bit. And so the whole managing your life, as that may be happening, as your physical capabilities may become less, one of the really cool things that you do if you go up to the AgeLab up at MIT is they have an age suit that they put you in, and it has these goggles that you wear a little fogged over to simulate cataracts, and you're wearing elbow pads and knee pads so that your knees don't flex the way they normally do and all these kind of-- and it keeps your balance off a little. And so it just simulates some of the decline that-- they have a car that you can drive that makes it seem like you're 85 years old and how difficult it can be. So there are these challenges of, "How am I going to get where I need to go?" Does that difficult time arise when someone needs to take your car keys away? And if it does, this is actually one of the biggest issues for aging Americans-- especially as our families become dispersed around the country. Like if it's time for mom to not be able to drive anymore, how practically is she going to get around? And the easy answer is Uber, but for-- and this is an opportunity for an advisor to add value. Well, okay, so an 86-year-old woman is going to get into a car with a strange man, okay, who she doesn't know, and she's going to give them her credit card, right?

ERIK STRID

That's not any-- I mean, for you or me, it might be easy to hop in an Uber, but maybe for her, not so much. So does somebody need to actually go with mom and teach her how to use Uber or get too comfortable with it? Filling your prescriptions, keeping track of your prescriptions, how are you going to do that? How are you going to manage your doctor's appointments? If there's family around, a family caregiver, okay, but that's a challenge too for the caregiver. And it always typically falls on the oldest daughter, that responsibility. And so what are those family dynamics for you and how are you planning for them so that when this time of your life may arise, that you're ready for it, that you've got plans in place? One of the big ones that's an opportunity for financial advisors is financial management. I have a whole chapter in the book about-- and we've had live experience with-- we always say that in every family, every couple, there's the CFO spouse, and then there's the silent spouse, okay? And the CFO spouse is usually the husband, but it's not always the husband. And you can never assume that it is, or else you'd be dead in the water when it's not. But especially if it is the husband-- and men in our culture do have a tendency to conflate being good with money with manhood, right, and with being smart. This is just a truth about our society that it's a badge of courage for a man to be good with money.

Speaker**Text**

ERIK STRID

But dad may be kind of losing the edge a little. He forgot to pay the estimated taxes last quarter. And some of these things that are happening where financial management is becoming a little bit too complex, and that can become a real driver for a family to engage a financial advisor. Maybe it's a couple where the husband has been a "do-it-yourselfer" his whole life. And either he or his family is beginning to realize that that doesn't cut it anymore. We need a team to help. And also, he's not going to be around forever. And if and when he passes away, there needs to be some track record with a group that can help mom. It's actually a very big driver for us in bringing a lot of new clients who are getting to that phase of life where they realize like, "I've always done this myself, but it's really time we need to engage some help." So that's a big part of navigating longevity. It's an opportunity, I think, for financial advisors, for sure.

BILL COPPEL

Without a doubt. And I think it also underscores this notion of any one of these phases as we label them, they're never linear. I mean, this is a great example of it. It's important for our listeners to realize that this isn't a formulaic approach. You just don't start asking a bunch of questions. It's very, very nuanced based on the way you're describing it, Erik. And I think it's an important point which leads us to the fourth of the four phases, which-- and again, you're so right. These aren't phases. These are these are realities, if you will, that that pop up. And human beings are communal creatures. We need each other, right? And certainly, the last 18 or 20 months has underscored what it means when we're not physically with each other often. And in this phase, the solo journey phase really is a very, very difficult phase to navigate. Where in a couple situation, one of the two, whether they're married, however they've come together to be a unit, if you will, one of them passes away and leaves the other alone. And I can't imagine a more difficult challenge for people regardless of what their mental state of mind is at the time or what their resources are or whatever, that's a huge issue. Talk to us about this phase and how you have been able to help people navigate through it, prepare for it in some cases, or deal with it when it comes unexpectedly.

ERIK STRID

Yeah. And I would just make one comment, and it's not just-- I say in the book, aging is not a team sport, unfortunately, because someone does pass away, and it's not just someone dying. Also, there's been a major significant rise in late-life divorce, which is an equally sad and difficult situation to navigate as well. Actually, a lot of times by virtue of hitting this phase of life and all of a sudden now there aren't kids around and there's not a career and a job, and all of a sudden now we do realize that maybe we don't have the greatest marriage or whatever. So that's a very difficult situation as well. But regardless of how it is, someone ends up alone. In America today and the way life expectancies work, it's typically the wife, which can make it extra difficult in some situations where-- and again, I don't want to-- with traditional couples-- and I think this is changing dramatically, but traditional couples, the man typically is the family CFO and does take a leadership role with a lot of the management of life. And so many times women are put in a situation where there's a learning curve that they need to really move up quickly. And what ends up happening is, actually, the surviving spouse ends up having to go through all of these phases again alone. So now maybe-- and let's assume it's the wife is the surviving spouse. Her honeymoon phase and her meaning came from activities that they did as a couple. And now they're not a couple anymore. She needs to find something again new to fill her time.

Speaker**Text**

ERIK STRID

These big decisions about where they live, well, maybe that was dependent on them being a couple because they lived in Florida where he liked to be. Maybe she doesn't love being in Florida. There's a whole restructuring of where she lives. Maybe she's gotten to an age where she does need to really consider assisted living because she's now single. A lot of the navigating longevity issues kind of come up again because now it's a single spouse. And these are things that are happening at a time where emotionally, it can be-- number one, cognitively she, maybe, had a phase of life where it's a little more difficult, and emotionally it's really tough. And so this is one-- I mean, I would say the big decision to navigating longevity in the solo journey, all three of those are-- one of the things we counsel is, these are family pursuits too. And where there is a strong family and there are children who care about their parents, involving them in these decisions and discussions can be helpful. But this particular phase, absolutely. I mean, having a strong family with kids who are capable of and interested in helping that parent navigate probably is important during this particular phase of life. So as a financial advisor, the ability to add value by engaging the whole family, I think, is really important. Having these conversations about aging before these phases become acute I would say is one of the biggest ways that we can add value before it becomes a situation where that spouse wasn't prepared at all, and the spouse dies. And now it's just so difficult because there was no prethought or preparation for it. I think that those are places where we can definitely add value.

BILL COPPEL

Well said. You said something that stuck with me about the fact that aging is not a team sport, but as you framed it here, it can become a family affair, particularly if you're not thinking about these things and, again, not in a linear fashion. Erik, as we wrap up our conversation today, what's the one thing you'd leave with our listeners that can help them move beyond sort of that balance-sheet focus we traditionally have and get them prepared to really embrace this notion of longevity and help clients prepare emotionally for what this important life transition is really all about?

ERIK STRID

Yeah. I mean, I think that-- I mean, we happen to have done this with retirement and this kind of whole phase of life we're talking about. But that doesn't have to be everybody's kind of niche or area of expertise. I think what's important is, what I've really tried to do, and I think this is just-- if you want to be really successful is to have an area where you can have wisdom about unique challenges and opportunities that a unique population of people face, and you can educate them about those challenges and opportunities. I happen to have done that with life after 65. Because it demonstrates that I have taken the time to understand these phases of life and what the challenges are and how people can address them. And I don't care whether that's life after 65, or whether that's divorced women - I mean, we have a colleague who her whole practice is divorced women - or business owners or closely held businesses. It's like helping people to understand something about their life and their challenges and opportunities that they don't already know and demonstrating to them, "You have unique wisdom about that."

BILL COPPEL

And, again, for our listeners, the name of Erik's book is Exploring: Replacing an Outdated Paradigm for the "Retirement Years," and Exploring a New Phase of Life. Erik, thank you for spending time with us today on The Next Frontier. It's been wonderful to have you as a guest, I hope our listeners recognize the opportunity that's out there.

ERIK STRID

My pleasure. Thanks for having me.

Speaker

BILL COPPEL

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For our listeners interested in learning more about Erik and his work, you can find links to his information in this episode's show description. We hope you enjoyed our conversation today. Please take a moment to subscribe to our podcast. And if you like what you heard, please tell others about it. It helps people find us and ensures you never miss an episode. I'd also encourage you to visit our website, firstclearing.com, to sign up for our monthly e-newsletter. It's an easy way to access curated content that can help you build a better future for your clients and your business. Thanks for listening. And until next time, be well.

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