

## Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer  
Guests: Dr. Mikol Davis and Carolyn Rosenblatt, co-founders of AgingInvestor.com

## Transcription results:

Intro [music] Welcome to The Next Frontier, where we examine what the role of the financial advisor will be in a world that's being disrupted by artificial intelligence and algorithms. Our mission is to spark new conversations that create stronger connections and build greater client confidence. Join us as we look at our industry and others through a new lens and explore the opportunities emerging at the intersection of high tech and high touch. It's time for a new conversation. Are you ready? [music]

BILL COPPEL Hi. This is Bill Coppel and welcome to another episode of The Next Frontier. I'm happy to welcome today's guests, Dr. Mikol Davis and Carolyn Rosenblatt, a unique team that helps guide financial professionals with issues of diminished capacity when managing financial and estate matters. Let me set the stage to why we're talking to these experts today. There are currently 76 million baby boomers living in the US. The demand for eldercare will be fueled by a steep rise in the number of Americans living with Alzheimer's disease, among other diminished-capacity issues, which will nearly triple by 2050 to 14 million. And within all these statistics, we are dealing with an era of the most substantive wealth transfer in history. So there's no doubt aging clients are going to need expert help from financial professionals who do more than just manage the money.

BILL COPPEL Now let me tell you a little bit about our guests today because I think their background and experience is extraordinary. Dr. Davis is a clinical psychologist, gerontologist, author, and mediator with many years of experience in mental health and telemedicine. He has a particular interest in elders and the issues of aging as it affects families. His partner, Carolyn Rosenblatt, is a medical professional, a registered nurse, and an attorney. She also functions as a mediator and has worked extensively with geriatrics and legal issues of aging. Carolyn, Mikol, welcome to the Next Frontier.

CAROLYN ROSENBLATT Thank you so much for having us, Bill.

DR. MIKOL DAVIS Glad to be with you today.

BILL COPPEL I want to start with a statistic I took out of one of your books, and this is with Succeed with Senior Clients. You state, "the average advisor has at least seven clients with some form of diminished capacity." How do you suggest an advisor or peer to addressing things like diminished capacity or dementia, various types of physical impairments, and preventing financial abuse? So to get started, Mikol, I'd like to direct this question at you around this issue. Could you take a moment to kind of share with us, given your background in psychology? How are older Americans-- how do they feel about themselves? How do they view their future? How are they dealing with aging?

DR. MIKOL DAVIS Well, thanks for the question. I think it's a mixed reaction for people of older years. People that are struggling with health issues, which we see that is more common as we get older, tend to have somewhat of a different perspective looking forward than people that have done a good job and maintain their physical health into their older

years. I think that generally, because we are a culture that is so focused on youth, a lot of older people feel themselves being somewhat marginalized in our culture and don't feel that they're relevant or matter much anymore. And I think this creates tremendous disillusionment, isolation, withdrawal. And consequently, I think it adds to an increased level of depression in older individuals.

DR. MIKOL DAVIS

I think the healthier individuals who find purpose in their life and stay connected to a community feel themselves as they get older to be just as relevant as everyone else and feel that they still have a lot to contribute. I think that their focus is wanting to maintain their health and not wanting to be a burden to their children. And I think that's a place where more and more we see people of the older years wanting to have the dialogue with their financial advisors and with their families about their future, and frequently no one tends to initiate that conversation out of fear of upsetting one another.

BILL COPPEL

So it sounds to me like there's a need, or there's a desire on the part of older Americans, particularly those that are facing physical or health issues or diminished capacity issues wanting to reach out for help. Yet, if I hear you correctly, they're finding it difficult to engage either in a conversation with a family member, or even perhaps their financial professional. Talk to us a little bit about how to begin that kind of a conversation. What would be an approach or a skill that you would suggest a financial professional might employ in order to start that dialogue?

DR. MIKOL DAVIS

Well I think that's a critical thing that we need to start talking about, which is that if you're a financial advisor, and let's assume that some of your clients are getting to their retirement age. And let's just pick the age of which that the federal government has picked at age 65. It might be a great time to use that birthday to bring in your client, use that time to do a portfolio review. But more importantly, to begin to start asking questions about the future that the client envisions going forward, not just including thinking about how they're going to potentially be spending their money, but more importantly having the conversation about as they begin to age and begin to deal with some of the most common health problems, what kinds of thoughts that they have about how they think best they can deal with those things, including the support system that they have if they have family. More and more, we're finding that there are individuals that we call them, is it elder orphan, Carolyn?

CAROLYN ROSENBLATT

The ones who don't have any family to look out for them.

DR. MIKOL DAVIS

Certainly. So we're finding that there is that sector of the population. And so I think it's a very relevant and important conversation to talk about the idea of what support system the individual has and what thoughts that they have about the notion of as they get older, wanting to stay in their home, which is the most common and prevalent desire. But more importantly, beginning to have the conversation about what the cost is that's involved in allowing people to what's called now age in place, meaning stay in their own home, of which is a very critical conversation including the actual costs and safety issues, etc.

BILL COPPEL

Carolyn, let me direct this question to you, building on what Mikol is talking about. When an advisor begins this process-- and as I mentioned at the top of this question, at least seven clients perhaps on average that an advisor deals with in their business is likely to be suffering from some form of diminished capacity. As a medical professional, what are some of the cues that a financial professional should be considering as they begin these kind of conversations to identify those diminished capacity symptoms?

CAROLYN ROSENBLATT      There are many, and they're subtle. The symptoms can creep up very slowly. It's less common for a precipitating event like a stroke or a heart attack or anesthesia or something to accelerate the development of diminished capacity. But typically, it starts with short-term memory loss as an obvious symptom. The client can't remember that they called you already today and asked you that same question. Or they start repeating themselves, telling you something, a story or whatever, and then they tell you again a few minutes later. Those are the warning signs. There are many. But getting lost, being confused, not being able to follow the conversation, someone who previously was able to get it when you explained something like an investment or what you're going to do with a bond that's coming up, whatever it is. If the client doesn't get it at all anymore, they're looking at you blankly and can't tell you any idea of what you just said, those are some of the other warning signs.

CAROLYN ROSENBLATT      Sometimes, it's how the client appears. Maybe they're more disheveled or poorly groomed than ever or they've lost a lot of weight or gained a lot of weight rather suddenly. These are signs that something is going on with that person, that their health is being affected by some process. There can be alternative explanations than diminished capacity for some of these things. But one thing we emphasize at [aginginvestor.com](http://aginginvestor.com) is the importance of tracking these things over time so that you have a basis of comparison now, six months from now, and six months later, to see what seems to be changed in the client. But when these presenting symptoms are there, the most important thing is that you not ignore them. They have implications for every person managing someone else's money.

BILL COPPEL      When you start to detect this and you begin to record these subtle changes-- so one thing you're saying is that one of the skills that an advisor needs to really continue to focus on and hone is their ability to recognize these things. Their willingness, first of all, and then their ability to recognize things. Not to panic but to begin to record them so that, as you put it, over a period of time, they begin to, in some cases, compound one another. At what point does the advisor stop and say, "Okay, I've got to take action"?

CAROLYN ROSENBLATT      I think that every office needs a policy. For us, when we were helping devise policies in an advisory firm, what would be the standard? How do we know when to contact somebody else other than our own client? We have a checklist, which is the Ten Red Flags of Diminished Capacity. It's free; it's on our [aginginvestor.com](http://aginginvestor.com) website. Let's say you're using that as part of your policy, and every advisor in the firm is using that, and you're using the same language to describe the things that are being observed. And let's say that as a result of discussion and formulating a policy, you say, "Well, three things. If there are three of those that have presented in the last year, that triggers the need to contact a trusted third party that has been identified previously by the client." Also, by the way, part of your policy that you require that.

BILL COPPEL      Let me switch back to Mikol for a second and follow up on that. We've identified, based on our policy, the requisite number of behaviors that would suggest a continuing diminished capacity situation. I got to believe that family dynamics start to play a large role in this. In approaching a family, my own experience with this, and I'm sure many of our listeners have felt this in their own lies with their own families, is that having that conversation with another family member is challenging. Your loyalty may be to your client, which is the right thing, but it's also to their well-being, particularly if you're a fiduciary. Talk a little about the family dynamics and approaching a family to begin to have this conversation. What's your experience taught you around broaching that subject?

DR. MIKOL DAVIS Well you're right. This is a situation which is somewhat filled with lots of landmines and can blow up very quickly and create lots and lots of conflict. We all live in an environment where we have-- all of us, I think, are full members of that. And the dynamic is this: at the point of which, as Carolyn was saying, that you have an established policy that at a certain number of red flags you escalate to bring in the third party. It's quite important that you do your homework and really understand who this person is, what their role is in the family. And oftentimes, it may make sense that there needs to be other additional people that are involved other than that third person, to try to somewhat soften the potential conflict or blow that it's about to come about. We see that, unfortunately, sometimes the third party that's identified in a family that is the contact is often an adult son or daughter who may have their own individual problems. We've seen financial problems, substance abuse, you name it. And obviously, they are bringing those problems with them in an effort to try to help support you, financial advisor, in being able to do what's best for your client.

DR. MIKOL DAVIS So part of the work that we agree that you need to do in terms of your homework ahead of time before you bring in that third party is do some research and find out more about this person. Hopefully, because you are an excellent financial advisor, you know your client, and you know already the family dynamics that I'm speaking about. And so in terms of bringing about these subjects, what's most important in all of this is that the discussion that you have is data-driven. As Carolyn was saying, if you're following an established senior-specific policy, you're noting those red flags, part of your discussion and part of your concern is that you're reporting the data that you've collected over this period of time, and you've seen these trendlines, and this is what's warranted and signaled the importance of having this meeting.

BILL COPPEL Do you ever have that conversation directly with the client that you're concerned about?

DR. MIKOL DAVIS Most certainly.

BILL COPPEL Talk to us a little bit about that and how that would go. Would you have that conversation before you approach the third party, the outside party, simultaneous to that?

DR. MIKOL DAVIS I think it makes good sense that the first conversation would be between you, the financial advisor, and your client. And at that point that you believe that there is an escalation that's necessary, I think it would be very prudent for you as a financial advisor to provide the data that you've collected on your client and to discuss with your client the importance of perhaps using this information and having your client see their physician. And have their physician evaluate their current status, because some of the things that you may be seeing may in fact be based on other medical problems that they have. It could be a complication with medications. It could be a complication with all kinds of things. So more importantly, as a first order - and I think this is a good question that you're asking, Bill - it makes sense that you meet one-on-one privately with your client and suggest that they be evaluated by their physician. And then based on that information, that will help you take it to the next level as to whether or not it seems warranted based on those results that the third party come in.

BILL COPPEL So I think that that underscores, Carolyn, what you had said earlier, which is this notion of the quality of the relationship you have with a client. I mean, that's a very, I would assume, a tough conversation to start. And if you haven't laid the groundwork early on in that relationship, assuming that you've had this relationship for a period of time and you've watched this over a period of time, I would say that - and I want to get your reaction to this - as you establish a relationship with a client today that may

be, say, 55 for example. And I don't know that age necessarily correlates directly with diminished capacity. Unfortunately, it can occur at almost any age from 50 on and even younger in some cases that I've experienced. But the reality is that when you start to get into your mid-50s, having this conversation ahead of time to sort of lay out the value that you create and what you do for this family would be crucially important so that when you have that conversation, it's not coming out of left field. Give me your reaction to that.

CAROLYN ROSENBLATT

Right. Of course. Well, first of all, just to back up a little bit, age does correlate with diminished capacity risk. There is such a thing as early onset dementia, which can happen even in as early as someone in their 30s or 40s. That's more of an aberration from what's usually seen. What's usually seen is that the risk of Alzheimer's doubles approximately every five years at about age 65 on. And by 85, the risk of Alzheimer's is 1 in 3. So there's the age correlation. Now, back to your other question about the approach, it's about trust. You can bring up a difficult subject with your client knowing that the client trusts you. You have established that trust by knowing your client at multiple levels, not what's in your portfolio and here's what I'm doing with it. That's not really knowing your client. You may ask them to identify what their dreams and wishes and goals are for retirement. That's not necessarily knowing your client very well.

CAROLYN ROSENBLATT

You need to understand your client's health. You need to understand who is important in their lives, who they might be responsible for, who might be responsible for them should things go south health-wise. I mean, anybody can have a stroke or a heart attack. These are the biggest killers in our country. So when you use those measures of risk when talking with a client it's easier to say, "Look, if something happened, if you had a stroke or you got hit by a car, you had a heart attack, I know that's not happening right now, but think about what would happen if that did occur. Who would be responsible for communicating with me about making sure that you had enough money to pay for whatever you needed?" That gives the client an opportunity to start identifying the people who are important in their lives whom they trust. And sometimes, as we've said in the books, that trust is misplaced because the person they think is trustworthy turns out to be the abuser of their finances.

CAROLYN ROSENBLATT

But all that aside, back to that conversation, your relationship of trust with your client and your communication of interest in their lives beyond what the portfolio has in it, is a very important vehicle to continue the relationship of trust and the level of communication that's necessary to have these difficult conversations about subjects nobody wants to talk about.

BILL COPPEL

I'm intrigued with this notion or the idea, and I think we started-- Mikol, you had mentioned the fact that the first step is to bring in that interested third party and to do your homework ahead of time to be sure that you understand the dynamic that exists here, to be sure it's appropriate. And both of you being mediators, I guess you've been involved where perhaps that dynamic was one that was very difficult to navigate. And so I'm intrigued with the idea of an advisor bringing in experts to help mediate family conflicts and planning issues. This is an area where an advisor can certainly add value as an intermediary, but relying on that external resource becomes really critical. Talk to us about your experience as mediators, helping financial advisors work with very difficult situations where not everyone was on the same page.

CAROLYN ROSENBLATT

Well, start with my background, because I was meditating before Mikol was doing it. Although, I guess, informally in therapy sometimes you are helping people resolve a conflict. But it's a different paradigm because you have lots of time. With mediation in

my background, every litigated case potentially had the opportunity to get resolved in mediation, and I was a litigator for 27 years. So we had lots of nasty or obstreperous people on the other side of cases, and there was tremendous conflict especially in multi-party cases. So that gave me a context for understanding something about how we resolve conflict. In the space where we are with aging and with families, it's different because most of the time there is not a lawsuit. Sometimes there is, and there's counsel involved. But most of the time when we're trying to deal with difficult family dynamics around, let's say, the care of an aging parent, or how the money is going to be spent, we have to deal with people who disagree about the need. Okay?

CAROLYN ROSENBLATT

And so we use information. We use conflict resolution skills, which you have to be trained to have. This is not in a casual conversation. This is something that is strategically directed to help people work out things to reach the point of agreement. We're not going to fix the messed up family that should have been in therapy 50 years ago. We're not going to resolve all the disputes between them, but we can, in mediation, focus on things about which agreement can be reached. For example, "Are we going to put mom in assisted living or not?" "She doesn't want to go." "Well, I think she should go." "Well, I don't think she should." "I don't know what's wrong with you." And then they start uncovering the things that have been there for their whole lives. So it gets unpleasant and I'll tell you why I got Mikol involved in this.

CAROLYN ROSENBLATT

I had done plenty of mediation before we started aginginvestor.com because we have a site for families, agingparents.com. So I'm doing this a few times, and I'm realizing, I don't mean to be disrespectful, but there seems to always be some nutty person in the family that was driving the conflict or making it really hard. And I thought, "I need a shrink in here. So let me get the doctor, my husband, in the room with me and see if that can make a difference." It was tremendous. His skill in dealing with people who have mental health issues, who do not express themselves honestly, it's been invaluable.

CAROLYN ROSENBLATT

So part of what happens in the mediations that we've seen is that often people are able to reach agreement on some things. People who have a lot of mental health problems to start with have trouble keeping agreements. But for people who are pretty much okay in terms of their own mental wellness, they are able to reach agreements with help. And that's the satisfying part about family mediation is that we are able to get them past the point of negativity and hurling insults at each other and that sort of thing, to focus on the aging parent so that a problem, at least one of them among many, can be agreed upon and solved.

DR. MIKOL DAVIS

But as a resource wouldn't you agree, Carolyn, as a resource most financial advisors wouldn't think to look in their roll-a-dex - boy, I'm dating myself - and think, "Oh, my God. Here's an opportunity where I'm going to sit down with a third party. I know that there's some pretty heavy family conflict historically. I know it would be really helpful to have that support. Hmm. Who am I going to call? It ain't going to be the Ghostbusters." I mean so just even understanding that the resources in terms of elder mediation and dealing with the kind of work that we've now offered and helped in terms of financial advisors, you're right. Most of the financial advisors that we've served as an additional resource has been extremely worthwhile.

DR. MIKOL DAVIS

Because coming from the outside, and being able to have some different level of objectivity, you and I both are very quick to be able to see a lot of the dynamic, frequently when there's a level of significant mistrust either among members of the family or with the financial advisor or with the older person, and how to be able to immediately address that and flesh that out, and more importantly, take the high road and focus on-- this is an opportunity to not necessarily resolve the past but to do

what is one of the most important things in the mediation, which is that we've got to make some agreements about how we're going to be using these resources, this finance, these funds of your mom or your dad or whoever to best serve the needs that they have right now. And these needs are clearly medically necessary.

CAROLYN ROSENBLATT

Right. And that is where I think people in general, not just financial advisors, need to be aware that there is a way to do this without filing lawsuits and having judges decide things for you. We have mediation as an alternative way to resolve disputes in our court system and it's not necessarily translating into resolving disputes in our family dynamics. But it is a way. It's a fairly small part of the whole mediation landscape, but that was where we started, when we began consulting and it gave us a lot of depth of understanding about what goes on with families. But I think, for advisors, it's just good to know that it exists and that if you went on a website trying to find elder mediators, eldermediation.com or something like that, you might be able to find a qualified professional with the necessary background to assist you.

DR. MIKOL DAVIS

Well, I think it's one thing for financial advisors to be able to learn new skills in understanding the unique dynamics of understanding their older clients and the aging brain and how that affects making financial decisions, etc. But it's a whole nother thing for them to be willing to study the likes of what's involved in psychology to have the skillset in dealing with what you're talking about, Bill, in bringing about these family meetings when in fact it makes great sense to bring in outside professionals to be involved.

BILL COPPEL

So what I'm taking away from this, and I think it's extraordinarily valuable, are two key things that I've heard here. One is that planning ahead as an advisor, thinking ahead, gathering the resources, being cognizant of the possibilities, the reality, the inevitability that your clients are going to get old if they're not already there, number one. So you're not dealing with this in a tactical, transactional basis when all of a sudden you wake up one day and, "Oh, I've got a problem." But plan ahead, that's the first thing I'm hearing. But the other thing I'm also hearing, Mikol, that you just kind of talked about, it isn't a question of becoming a psychologist, necessarily, but it is two things. Number one could be, "I've got to get better at listening. I've got to improve my skills at understanding what's going on, which means I've got to be much more in tune with the life that my client's living." And coupled with that is, "I've got to be sure that I am open, and show that part of my value is being willing to embrace these challenges well before they actually take place." That's kind of what I'm taking away from both of those comments.

CAROLYN ROSENBLATT

Right. Makes perfect sense.

DR. MIKOL DAVIS

Very accurate.

CAROLYN ROSENBLATT

Yeah. And the irony here is that the financial services professional is there to plan ahead. That's what you do for a living. But when it comes to aging, what we're seeing all over the place is, crisis-driven, wait until it lands in your lap and the client can't keep it straight anymore, and then you do something. It's reactive, not proactive, and I find it surprising and sort of ironic because it is contradictory to watching trendlines, and seeing what's out there in the market, and paying attention to the politics of what's going on in the world and how that affects markets. And yet, at a microcosmic level, this is not happening with your own clients, their aging, and their families.

BILL COPPEL

Which is spot-on, and leads me to this simple question: what unique needs do senior clients have that advisors should be aware of?

CAROLYN ROSENBLATT

Well, I'll take a crack at that one first, and then Mikol can add. I think we have to recognize that aging causes decline. We're not the same at 70 as we were at 20; we're

not the same at 90 as we were at 70, and so on. It is part of nature that we have a life cycle, and this is what America is in denial about. We have a great American fantasy that death is optional and that if we just take the right pill, we're not going to have these things go wrong with us, and of course, they do. So we have to look at physical health as a limited resource. We can preserve it by tremendous effort and consciousness on a daily basis for as long as possible. We also have the cognitive part of our health, and we don't know enough about preventing dementia now to have a firm policy in place from government sources or wherever that tells us that, yes, we can stop Alzheimer's disease, or yes, we can stop cognitive impairment. But we do have a lot of clues, as you know, Bill, to maintaining our physical and cognitive health, and the object being live long, die short.

CAROLYN ROSENBLATT

Now, [inaudible] have a protracted period of illness that you have to cope with, and prevention, in a health way, is part of how we do that. But since most people don't live a super-healthy lifestyle, the advisor needs to be able to recognize what the risk factors are, just as you would look at the risk factors of someone's investment portfolio. This thing is not so good for somebody of this age; well, yeah, it's not so good for your client to have had years of smoking, for example, or they've been obese for many years, or they have a family history of heart disease, which you would learn by asking a few polite questions. Those are the things that are going to lead you to better planning and to also speeding up the conversation that you might need to have with the client, anticipating what risks they might be facing personally with regard to their physical or cognitive health.

DR. MIKOL DAVIS

I think the unique needs that senior clients have have a lot to do with the fact that they are dealing with loss. They're dealing with loss in terms of their existing physical capacity, their ability to hear, their ability to interact. They are dealing with loss in terms of potential grief of people that are dying close to them, spouses. They're dealing with a lot of unique challenges and often are feeling alone in dealing with those things. And so the unique opportunity for a financial advisor to add value to their clients by knowing their clients and knowing the nuances of what I'm talking about right now is an opportunity to really focus on the well-being of their client. Not just their financial well-being, but their well-being and to be able to have resources and encourage your clients when you see that there is an established pattern of they're withdrawing, maybe not communicating with you as much as they were, obviously having delayed or expanded times of grief, that they're not getting over some of the losses that they're dealing with. An opportunity for you to be able to have resources that you can recommend to help them get over the hump, deal with the situational crisis. I think this would be a wonderful, wonderful added resource. And the financial advisors that we've worked with that really believe in this holistic model of serving their clients understand that is part of the scope of what they do and they take great pride in doing that.

BILL COPPEL

Let me follow up on that because it reminds me of something. I think - and this is anecdotal; I don't have substantial evidence to support it - but my theory is that I think we believe largely, financial professionals and just about everyone, that someone who is older and beginning to experience the changes you're talking about, in fact, is not interested in talking about it, doesn't want to engage around it, is trying somehow or they believe is putting up a shield. It's kind of none of your business. What I'm hearing you say is that that may not be the case. In fact, that well, it may be a difficult conversation to start, but ultimately, they will benefit by having someone to talk to them about how they're feeling. Am I reading that correctly?

DR. MIKOL DAVIS

You're spot-on. And you're right, there is going to be pushback. There's no question about it. I broached the subject with my mother after my father was gone for seven



years, "Gee, mom. It's time to move out of the family home. And what do you think about moving into a senior's apartment?" And my mom said, "I'm not ready to do that yet." We had repeated conversations.

CAROLYN ROSENBLATT

Three year's worth.

DR. MIKOL DAVIS

Three year's worth. And finally, when she realized that because of her arthritis she couldn't change the lightbulb and some of her friends had passed, maybe it was time to move on and to move into to a senior apartment. And so we know a little bit directly about those conversations. My mother, incidentally, is turning 96 this summer and is still living in an assisted living facility.

BILL COPPEL

That's a very challenging situation and that's great that you were able to make that happen. I think that's something that all of us as financial professionals but also as just in the normal course of life, many of us are facing that today. Carolyn, I want to go back to you and follow up on an aspect of what you were talking about relative to the aging process and health. One of the areas that is relatively new that some advisors are beginning to embrace and beginning to actually create services to support this, is when an advisor observes a particular lifestyle that is detrimental to a client, for example, and I don't want to confuse this with practicing medicine by any stretch of the imagination, but the reality of it is, is it appropriate, or could it be appropriate, to engage a client in a conversation that suggests that they can enjoy even more out of life if they were to consider changing this particular habit?

CAROLYN ROSENBLATT

Right, and I've seen ads from young financial advisors blithely saying, "If you just tell your client how many years of long-term care they can avoid by changing their lifestyle, that'll be a good thing." And I'm thinking, "Oh, please." Our physicians across this country have been on the bandwagon trying to get people to eat healthier diets, exercise more, manage their stress, and it's not working very well, okay? I think it's important to bring it up, but we cannot treat it as if it is a logical problem. If it were a logical problem, we wouldn't have any obese people in our country. But we have two-thirds of people in the United States overweight or obese, which is a huge health risk for everything.

CAROLYN ROSENBLATT

So what we need to do, I think, is kind of talk to the client about what their doctor had said to them about their health. That's a good opener. "Oh, the doctor said I should quit smoking." "Okay, and what's your take on that?" You get the client talking about it so that you will understand what it is. I have heard people say, "I don't care if I have more ice cream sundaes. I'll just die sooner," okay? That's their rationale and their excuse for not having maybe a better diet. But the truth is, you don't just die sooner. You stay alive with impairments for a very long time. And medicine is very good at keeping people going with all kinds of impairments, and medications, and treatments, and surgeries, and whatever it is. We've got great diagnostics, but we don't have a way to change people's minds about taking care of themselves.

CAROLYN ROSENBLATT

So I think it is always worth having the conversation with the client about risk factors, and that's something I address in the book. You can look at your client. You don't have to be a doctor to see if they've got poor health habits, because if somebody weighs an excessive amount of weight and they're sitting in front of you, you know they have a risk factor. And that's going to perhaps put them at much greater risk for needing long-term care in their future, which impacts their money. So you can bring the things up in a general way, but it is a very emotionally-charged area. People are attached to their beliefs about why they do what they do. It's not about reason and logic, which we would love it if it were. And so I think tread lightly is the takeaway. Bring it up, but tread lightly. Mention the correlation between health habits and the cost of long-term care. That's a logical conclusion. The emotional piece is something

you may have to invite the client to discuss with you when they're ready, or as they're ready.

BILL COPPEL

So what I think I'm hearing also is ignoring it may not necessarily be a good option either.

CAROLYN ROSENBLATT

I don't think ignoring it is a good option. It's always worth bringing it up because it's going to cost money. That's the bottom line. If somebody has been smoking for 50 years, they are at much higher risk for every kind of lung disease you can think of. And likewise with people who have never managed their stress. They've had a high-pressure job. They're frazzled. They don't know how to unwind. That puts them at risk for a lot of things, on and on. So it's always worth talking with the client about their take on their health and whether they want to kind of look at that now in terms of how it is in retirement because retirement gives people a chance to change. They have time.

DR. MIKOL DAVIS

Well, and loss of money is often--

CAROLYN ROSENBLATT

A motivator?

DR. MIKOL DAVIS

--a very good motivator to change behavior.

CAROLYN ROSENBLATT

Right, right. So that's why it's worth talking about. It's always worth bringing it up, I think.

BILL COPPEL

Let me ask you, Carolyn-- let's change hats for a moment because we've been leveraging a lot of your experience as a medical professional. I want you to put your legal hat on, now, and let's address what financial professionals should be doing for aging clients. We're living in a society, today, where elder abuse is becoming a major issue on a variety of fronts, largely around their financial profile, but we're seeing many different kinds of abuse. What's your experience been, in terms of helping financial advisors create a framework within their businesses, to ensure that they are protecting both their client, as well as their own business, from potential pitfalls, as it relates to this emerging space of elder abuse?

CAROLYN ROSENBLATT

If there were only one thing I could say to financial advisors: don't think financial abuse is someone else's problem. It's not. It's everyone's problem. This is a \$36-billion-a-year problem in our society, and that's just in the United States. With advancing age, we have diminished capacity, which makes people more vulnerable than they would otherwise be. Although, you don't have to be impaired to be ripped off. And if we are not joining forces, as professionals, with others, to stop this horrible problem, a lot of people are going to be left destitute. Predators don't care. They are happy to go after people who are impaired. They are highly skilled, very professional, and very strategic about stealing. They're really good at it. They come in many flavors. There are many scams. There are many guises out there. But I think that advisors need to understand that the most common predator who steals money from an elder is a family member. And that brings us to the question of estate planning and your trusted third-party contacts.

CAROLYN ROSENBLATT

We recommend at [aginginvestor.com](http://aginginvestor.com) that you don't just follow what the SCC says and you should have tried to get a trusted contact. That's ridiculously inadequate in my opinion as a lawyer. What I can say is that you should have three trusted contacts in your file for every client and that one of those not be a family member. It could be the accountant. It could be a clergy person. It could be a best friend. Someone who cares about the client enough to blow the whistle if someone's pulling a fast one or stealing money from the elder in one way or another. I think that we need to recognize that this is a legal issue, a psychological issue, an emotional problem, and

something that is leaving many, many of your clients vulnerable. And that we have to look at not only the family but also the other kinds of help the person might need.

CAROLYN ROSENBLATT

Caregivers are the second most frequent abusers of elders, and lots of people who want to age in place, as we were discussing at the beginning, they're staying at home. They're bringing in a caregiver to help them because they can't really take a bath by themselves or cook anymore. Those caregivers need to be vetted very carefully. And that's in the book too about how you hire smart. A lot of people have no experience to having someone work in their home and they set themselves up for trouble. So the financial advisor really can be the watchdog over this whole thing, and be in communication with the estate planning attorney who will know who the appointed successor is on the family trust if there is one. And you need permission from the client for all of that, to communicate with the other professionals, to communicate with the third party contacts and that's an important piece in the senior-specific policy.

BILL COPPEL

That's a lot. And I think for many folks in the industry today, well, this is not a new topic. Preparing themselves, setting up their practices appropriately, is a challenge. And so I want to end our conversation with this question: as financial advisors begin to face this reality, as they age themselves, and, obviously, as their clients age, what's the one thing you would suggest that they focus on? And I'd like to hear from both of you on this. As they begin their journey to, in fact, augment their practice to recognize that this aging process will have a profound impact on not only their clients, but on them as well as they navigate going forward when most of their clients are at or close to that magical age of 65 and beginning to recognize that they're going to transition into that next part of their life, and that comes with some significant challenges. What's that one thing you would start them on in their journey to make this shift?

DR. MIKOL DAVIS

Well, I think the major takeaway here, Bill, is that, and we've mentioned this, that the average advisor has at least, at present, seven clients that have some form of diminished capacity, and that proactive policies will help the advisor avert a disaster when a client becomes impaired. I think the other takeaway is that every advisor must recognize these warning signs that we've talked about of what diminished capacity looks like, and that every advisor needs not just one, but three trusted contact persons on file for every client age 65 and up. What do you think, Carolyn, in terms of the takeaways, here?

CAROLYN ROSENBLATT

I agree. I think it's very important to not wait until you see a problem looming so large that you're kind of panicked, that you think proactively about policy development for every client, that that be uniform in your office or your firm, that you have some input from professionals outside financial services so that you know what you're supposed to be doing and looking for and spotting and keeping track of. Because it doesn't come from within. You really can't get that from the average financial advisor's education or even experience. And I think that if you embrace the idea that you want to be of broadest service possible to your client, and you want to improve the client experience with you, that it includes preparing for the process of aging for the last part of life so that you are protecting your client in every way possible.

BILL COPPEL

And I would add to that for those of our listeners that are in larger firms, as opposed to their own private practice, that you be sure to coordinate with your compliance directors within your organization to round these policy issues that Carolyn and Mikol are bringing up. You don't want to run afoul of what they're doing. But I think it's something that you have got to face and recognize that. Don't wait and stand around the water cooler talking about, "Gee, Mr. Smith really isn't himself any longer," but really think ahead and be prepared. This has been incredibly valuable for our listeners

as well as for myself. How do our listeners learn more about your services? Where can they get their books? How can they leverage some of the offerings you have available to help guide financial advisors and financial professionals in addressing this real challenge?

CAROLYN ROSENBLATT

Well, we founded [aginginvestor.com](http://aginginvestor.com) to be a resource for your industry because we realized it's not built into your experience or process to learn about aging, so that's why that website exists. On it, we have the two books that Bill mentioned: *Succeed with Senior Clients*, and *Hidden Truths About Retirement and Long Term Care*. Those are for financial professionals exclusively. We wrote them just for you. If you've got family education issues that you're dealing with, or the family doesn't even know how to talk to mom or dad about money, we have a book for them, which is called *The Family Guide to Aging Parents*. All three of those books are available at [aginginvestor.com](http://aginginvestor.com). And for those who wish to educate themselves in a little bit more depth on any of these areas, we have six CFP Board-approved online courses that you can download. It's a very inexpensive, convenient way to get some deeper understanding of these things. And on our website, as I mentioned before, we have a downloadable checklist, the *Ten Red Flags of Diminished Capacity*. We also have another checklist which is the *Seven Warning Signs of Financial Elder Abuse*, and those are free to everybody. And we have a number of free ebooks which go into a little bit more detail on specific subjects, as well. So we have a blog. I also blog at Forbes on aging parents there, and our [aginginvestor.com](http://aginginvestor.com) blog has lots of information about current things, scams, things that are coming up, ways to have the conversation, thing like that.

BILL COPPEL

Well, Carolyn Rosenblatt and Dr. Mikol Davis, thank you very, very much for your time today. This has been very enlightening. We appreciate you coming on *The Next Frontier* and sharing your experiences, your insights, and your thinking about how we can better serve our aging clients.

DR. MIKOL DAVIS

Thank you very much, Bill.

CAROLYN ROSENBLATT

Thank you, Bill.

BILL COPPEL

You're welcome, and I look forward to doing this again. So from all of us at *The Next Frontier*, let's remember it's all about changing the conversation. Until next time, be well.

Outro

This content is provided for general informational purposes only. The views expressed by non-affiliated guest speakers are their own and do not necessarily reflect the opinion of First Clearing or its affiliates. First Clearing and its affiliates do not endorse any guest speakers or their companies and therefore give no assurances as to the quality of their products and services. This channel is not monitored by First Clearing. For more information on our podcast visit [firstclearing.com](http://firstclearing.com). First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo and Company. Copyright 2022 Wells Fargo Clearing Services, LLC. All right reserved. First Clearing provides correspondence services to broker-dealers and does not provide services to the general public.

CAR-0122-00326