

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer

Guest: Sherri Snelling, Caregiving Club Founder and CEO

Transcription results:

Intro Welcome to the Next Frontier, where we examine what the world 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?

BILL COPPEL Hi. This is Bill Coppel, and welcome to The Next Frontier. In this week's episode, we are continuing our conversation with author and gerontologist, Sherri Snelling. Let's jump back in.

BILL COPPEL So a couple of things. One is that clearly, planning earlier than later is important to give yourself time to think this thing through. That's part of what I'm hearing here. But there's another thing that you're talking about that I'm not hearing you opine on. What would be interesting for me to understand, and I think our listeners will appreciate that, oftentimes, we assume when we get into caregiving and we get into assisted living that we're dealing with folks that are really old and really ill. So is there an opportunity as a part of this longer-term planning, when we start to think about this, preparing for the third half of our life, as I like to say it, where affectively managing our health to optimize those longevity years need to be a part of this conversation? What are you hearing out there around that that we could begin to think about adding to our sort of repertoire of questions and commentary that we can share with families around it's not too late to change your lifestyle to emphasize a very robust third half, if you will?

SHERRI SNELLING Sure. Yeah. And I think there's so much going on. Just an interesting anecdote. I was talking to a colleague, friend of mine, who's a long-term care insurance planner. And he was saying, "Somebody like you--" I'm in my mid-50s. And he said, "Somebody like you is not even one of my target clients anymore." He said, "I'm really talking to people in their 30s and 40s, that they need to start thinking about long-term care insurance," which is something I think unheard of 10 years ago. But again, it's understanding what's happening. And as to your point, I think what's exciting-- because all of this sounds very dark, and we're on a decline. And that's not necessarily, I think, the mindset that we want to give listeners. I think part of it is, yes, we have a responsibility to go back to what we talked about in our earlier podcast which is this biopsychosocial framework. How do you balance the health of your body and your mind, your psychological and emotional wellness, and then your sociology and your interaction with people? How do you make sure you have balance? Because that we know is going to aid our living longer. We will be healthier longer if we can achieve that balance through life.

SHERRI SNELLING So now we're going to talk about the wealth span perspective of that biopsychosocial framework. And I think it's really important for advisors to understand that we do have to talk about the end of life earlier in life because, let's face it, it's going to happen. It happens to all of us. If we wait until we're only 10 years out or even 20 years out, it may not be enough time to do what we need to do. So I think these conversations need to definitely start earlier. We also need to facilitate having families talk. One of the things I think that could be a really important role for advisors is that I see so much conflict among families who haven't had conversations about long-term care. And so if mom or dad are sick and they're unable to really have a discussion about what their wishes or desires are, then you've got the adult children who might not all be on the same page. So I think it's really important that we have advisors who are helping to guide and facilitate these conversations because again, as I said, it may not organically come up from clients. So we're going to have to figure out ways to open up those doors, get them talking, and then become that trusted person who knows a little bit and can say, "Hey, I understand senior living is going to cost X," or, "Here are all your choices in senior living." Which, by the way, is going to be our next podcast, which is exciting because there are a million things happening.

SHERRI SNELLING You touched on technology. I just got back from a conference actually where all of these startup entrepreneurs out of Silicon Valley are all understanding there's huge market opportunity for

them. So when we say there's not an app for that, well, there are starting to be a lot of apps now for caregiving and different services and different things that you can do. And I think that whole space is really changing. What we're talking about today is going to look so different in 10 years. And again, it's really important that advisors stay on top of this. It's not the old, awful nursing home necessarily. There's a lot of different options for senior living. Transportation, look at how much that's changing. I mean, we're going to have self-driving cars, I'm sure, within the next decade or so or maybe sooner. I'm not sure if I'm ready for that. But I know that it will help with people who can no longer drive. So I think it's important, again, for advisors to really be in tune and be a financial gerontologist in that mindset. You really have to understand aging and then understand the opportunities to best guide your client on what their options can be and should be.

BILL COPPEL And I'd like to underscore that by saying it's not simply selling them a long-term insurance plan.

SHERRI SNELLING Absolutely not. No. There's so many different aspects in this, whether, again, we're talking about planning as families, we're talking about on-core careers later in life that can help, or just, again, planning ahead better so that we know the wishes of our loved ones, I think, is going to be really important. But it isn't all just about insurance. There is no one size fits all for sure when it comes to caregiving, and there's also not a one solution. There's a lot of different aspects of life that we need to think about when it comes to this aging phenomenon that we're all experiencing.

BILL COPPEL What I'd like to remind our listeners to think about is going back to the first conversation we had with Sherri where she dove into this whole notion of the biopsychosocial framework she mentioned as it relates to the study of gerontology. Because I think that becomes a very important basis or foundation for you to begin to think about this birth-to-death lifespan that we're talking about here and how you can enter your client's life appropriately to begin to have these conversations. Now I'd like to shift gears a bit, Sherri, and talk a little bit about sort of the perspective of planning for caregiving from a woman's versus a man's perspective. Can you share with us and our listeners what you've learned about that? And well, first, is there a difference? And if there is one, what is it?

SHERRI SNELLING Sure. Well, as we mentioned earlier, we know that more men are now stepping into the role of primary caregiver. And a lot of that has to do with we just have more women now in the workforce. Almost half of our labor force are women. So they're not necessarily at home and have the time to take care of the older in-laws or the older parents. And we have separate families. So men are really stepping into this role of primary caregiver. And I think that there needs to be more support for men because so much of the dialogue and conversation has been focused around talking to women about caregiving. And we now have to broaden that conversation because we know men are taking on that role. Having said that, I will say that the studies still show that men spend about half of the hours that women do in their caregiving role. And the reason for that is because most men who are caregivers are also then securing more professional help. So they may get someone who can come into the home and help with an older parent or help with other issues, whereas most women take those roles on themselves. And I think that's why we see the additional hours being spent by women.

SHERRI SNELLING The other thing I think that's really important-- and probably a lot of your listeners already know some of these statistics, but they're worth repeating because it, again, helps us understand caregiving. We know that women, again, are stepping into the workforce, but they're also about 44% of the primary family breadwinner. And one-third of them are in charge of the household financial management and planning. Which means that they're also then having to consider the average out-of-pocket cost. We know that, on average, caregivers will spend up to 20% of their annual income on care costs that are not covered, again, by Medicare or not covered by a long-term care insurance plan or not covered by other benefits and savings that our older loved ones might have. So women are really seeing a lot of this front and center.

SHERRI SNELLING The other thing that I think is worthwhile to mention for our listeners is that women also now represent almost 4 out of 10 of the high-net-worth investors. And yet there was a study that was done that showed two-third of women told financial planners that long-term care retirement planning and, obviously, the component of caregiving that comes along with that, so both for themselves as well as for their older loved ones, is at the top of their priority list. And yet only 9%

of those women felt confident that they would actually be able to save enough to meet their own long-term care goals. So this is a huge opportunity, I think, for advisors to, again, take a look at what is this picture of caregiving in your client's life? What are the costs that are going to have to be absorbed or going to impact then your client's long-term care needs? And how do you help them manage that more effectively?

SHERRI SNELLING

We know that today, half of women over the ages of 75 live alone. Part of that is because women do live longer than men. But part of it is also due to the fact that every year, we have lower birth rates. In fact, the news just came out at the end of last year showing that, again, I think it's for the seventh year in a row, we've now had-- we have less children being born. We also have women who are not getting married and planning on having children. But what that means then is that we've got a lot of older women who potentially will need care. And if there isn't an immediate family member, then how do we address that as a community or as a society? So there is a lot of things that happen within the genders. The great study that came out that we all reference now on the workforce is the Harvard study that was called The Caring Company. And it talked about the disconnect between what some employers think are good and what they are offering as a benefit to their workforce and their employees, and yet the employees are saying, "Yeah, but that's not really what I need. What I really need is this."

SHERRI SNELLING

And one of the things that came out of that study that I thought was really important is that not only do we know that one-third of those employees who are caregiving take a leave of absence from work-- so this is going to impact their potential earnings and not just their current salary, right? Because now if you step out from the workforce, you're not accruing social security benefit, you're not maybe getting your bonus, you're not participating in a 401(k) or any type of pension planning. And in addition to that, you're losing your salary for whatever amount of time you take away. And women were more impacted by that. So there was a study that found that women actually lose up to \$324,000 if they step back from their job to become a caregiver full-time for an older loved one. And the other thing that the Harvard study found is that 50 to 60 percent of those one-third of employees who are taking a leave of absence because they're caregiving are senior-level executives. So these are not younger people. These are people who are very valued. They have tremendous value to companies. And we need to figure out a way how do we provide the right support for them so that they don't have to take the financial hit and they don't have to step back from their career path because they've got a caregiving situation.

BILL COPPEL

So what I'm hearing you say is, in some respects, caregiving is somewhat-- the need for caregiving is somewhat democratized. And you point this out in your book when you interviewed a number of celebrities who clearly were affluent and clearly had the resources yet fundamentally approached this very emotionally. And I thought of that because your mention of C-level executives taking leaves of absence where they clearly, probably are in a financial position to outsource that, but yet they've chosen to not do that. A follow-up question around this notion. You mentioned the fact that men are more inclined, who are in a caregiving role, to spend less time doing it because they're outsourcing more, whereas women who are in a caregiving role, and I'm going to assume that are also working, will tend to not outsource. Did I hear you correctly on that?

SHERRI SNELLING

Yes. That's one of the reasons why we feel the studies are showing that men spend less hours in a "primary caregiver role". It's because they're getting the extra professional help.

BILL COPPEL

So I guess my question is why wouldn't a woman do that?

SHERRI SNELLING

Well, I think part of it is it's this whole notion of women being nurturers. We're natural nurturers, and we're used to taking care of family members, not to say that men aren't. But I think that men-- there was a great study that came out a few years ago that talked about men and women in caregiving. And what they found is that men take a block-and-tackle approach to caregiving. So they realized, "Okay, I've got certain things I have to achieve. And it includes work issues, it includes family issues, and it includes my caregiving issues. How do I achieve this? How do I just check these things off the list and get them done?" Sometimes it might be that, "Okay, it's more expeditious to go ahead and hire a professional caregiver to come and take care of my older parent today because I can't be there," or, "I can't take them to the doctor," or whatever it

happens to be. On the flip side, what this study found is that women are nurturers, but they're also natural worriers. And so women worry more about the emotional aspects of caregiving and they feel like they have more guilt. "I need to be there." "My mum expects me to be the one that takes her to the doctor." Or, "I need to be the one that prepares her meals." Or whatever it happens to be.

SHERRI SNELLING

And so women, unfortunately, create, I think, this dilemma a little bit for themselves in not necessarily being able to look at how do I create a team around my caregiving situation? So, "Yes, I'm going to be the primary one dictating the care. I'm going to supervise it and make sure it's always good. I'm going to spend the quality time I need to spend with my loved one, but maybe all that paperwork that I'm spending hours doing, I can hire a patient navigator to help me through that." Or, "Maybe I can have someone come and give my mom some kind of social interaction during the day that will actually be good for her because I'm a little frazzled from work, and I'm not really as present, and I'm not paying as much attention." So I think we really need to help both men and women understand what's going on emotionally in caregiving so that we can better put those care teams in place.

BILL COPPEL

That insight's important, Sherri, because what it says to me is that the conversation that you're going to have with the family, perhaps with a husband and a wife, is not necessarily a singular conversation. You have to have that sensitivity of understanding the mindset of a man versus a woman in the context of caregiving. Because I could see a battle erupting where, based on what you've shared with our listeners here today that men will take a blocking and tackling approach, whereas women will take more of a nurturing approach, and if you're trying to get two people around a table to have this conversation, it's going to take some skill on your part as an advisor to understand this and recognize it and see that this is much more of a question process, a questioning process and listening process than a dictation process perhaps.

SHERRI SNELLING

Yeah. And I also think you're absolutely right. I think, again, no one size fits all. So even in a couple who are experiencing caregiving situations, there's a different conversation maybe going on with the man in that couple versus the woman in that couple. And I think for me, the one thing that I see, that I've focused so much on because a lot of my work is around caregiver wellness, is particularly with women. A lot of women say to me, "But no one can take care of my mom or my dad as well as I can." And I say, "You're absolutely 100% right. No one will ever be able to do that role better." However, we need to keep you healthy. We need to make sure you've got balance in your life so that you can continue to be that great caregiver. And what that's going to require is a little bit of flexibility in kind of asking for or accepting certain help in areas that you don't necessarily need to be the one on the front line. And so I think, again, those conversations become really important. And for advisors what I love about this opportunity is that advisors can really be the ones to facilitate these conversations and help guide them. And I got to tell you, particularly I think for women, anyone who listens to us and what's going on with us is going to be not only a trusted friend but somebody that's going to be in your life for a long time.

SHERRI SNELLING

Just quick anecdotal story. You referenced the celebrities that I've interviewed who've gone through caregiving. When I first started writing my book and doing these interviews, a lot of people said to me, "Oh, those celebrities will never open up to you. They will never tell you about their personal stories and all of that." And I said, "Okay. Well, I'm going to try." So when I originally reached out, I would ask for only 30 minutes. "Can you spend 30 minutes on the phone or I'm even willing to come to you in person" - I live out here in LA, so I'm close to a lot of them - "and do that interview." And what I found is that there was not one interview that I have done in this whole course now of interviewing celebrities that has been less than three hours. And the reason for that is the minute you get somebody to open up about not just the financial side, but the emotional side of caregiving, it all comes pouring out. And if you could be that trusted ear and just a good listener and then also a good advisor based on what you've heard, I think that's gold for financial advisors.

BILL COPPEL

Agree. It really is an opportunity and one I think we need to embrace. Okay. So I think we've established a case for really wrapping our heads around this as professionals and engaging with

families. And it's never too early for sure. And to your point, particularly when you're in a caregiving place, your comment around the work you do in helping caregivers stay healthy, better to have that conversation at the beginning of the caregiving process than at the crisis point. But with that as a backdrop, what can advisors or any of us do to understand more or what we should be doing next relative to this topic?

SHERRI SNELLING

Sure. Well, one of the things that we write about-- so you can get a lot more detail if you go and you read that paper, but we talk about this Gen C method that I've kind of come up with. And Gen C means generation caregiver. And the concept of generation C is really about no matter what age you're at, so it's age-agnostic kind of approach, there are different ways to apply certain C words, if you will, in your role as an advisor. So the first one would be to connect. One of the things I think is really important for listeners to know is that there've been now several studies that have shown that on average, 6 in 10 caregivers want financial advice. They really don't know what they don't know. And this is where an advisor who has a little bit of, you know they're equipped with that knowledge and a little bit of understanding of what's going on, can really help a caregiver to kind of not hit that panic button and kind of take a breath and understand, "Okay, this is what I'm looking at financially." So that's a huge one. And I think that that's, again, a great opportunity. So we just need to connect and make sure that we're giving good information, as an advisor, to someone who's in a caregiving role.

SHERRI SNELLING

The second thing is you want to really curate your role around caregiving. And we know that this is a huge market. I mentioned earlier all the technology that's being developed. But if you think about all of the housing developments and the changes in communities and transportation, it's a huge market. And there really isn't any industry now that isn't planning on an aging society, which is exciting for me as a gerontologist because now that makes me more valuable to a lot of people out there. But when it comes to financial advisors, I think what you need to do is you need to not only be on top of the information, and there's a lot of different resources that we can give you for that, but at the same time, you also want to connect with people who are already serving that role for caregivers and for an aging population. And whether that might be an elder law attorney who is somebody who really understands the nuances of Medicare and Medicaid, just making connections with those people who could possibly be a referral source. There's also geriatric care managers now who put together care plans for family. Maybe there's connections with those people in your community. But whatever it is, looking for the people who are already working in these aging services that you could either come speak to their group, maybe you go and you do a session with the Alzheimer's Association caregiver support group in your community. I mean, again, Alzheimer's is a very expensive disease. And a lot of those caregivers are wondering, "What should I be prepared for?" That's a perfect role for a financial advisor to play.

SHERRI SNELLING

And then I think the third C is collaborate. So what we want to do is we really want our advisors to-- as I said, we want to get you out there into these communities and being able to do speaking on this. This should be part of your repertoire now. Again, we're hopeful that we'll get you to the point where we can call you a financial gerontologist, a financial gerontology advisor because you're going to have the wealth-knowledge that will be extremely valuable. And you can start to share that now with different groups as well as your own client base. And then the fourth C is going to be communicate. Again, we want to be able to have the right conversations in the right context with our clients. We have to embrace that emotional intelligence that comes with these conversations around aging that can sometimes be really sensitive to our client base, and we want to create that trusted environment. Because at the end of the day, if we could be one of the few people in a caregiver's life who makes them feel that they're not alone in this and could be a trusted person who's empathetic, it's going to go a long way, I think, to build the bottom line of your business. So I think it's all just very important to kind of embrace this whole world of aging and caregiving and how that really impacts your business and your daily life.

BILL COPPEL

And I also think it's important to say this is that start with your own life and your own family because this is new and it's different for a lot of folks that are in our business today. And I've always found that when you begin to focus on yourself and your own situation, you begin to understand what that is all about, it becomes more authentic in the long run when you as a

financial professional are trying to help your clients and their families solve for this problem. Sherri, I want to thank you very much for joining us today. As always, very, very insightful, very informative, and I know our listeners will take a great deal of information away from this. So thank you.

SHERRI SNELLING

Well, thank you. It's great talking to you today, Bill.

BILL COPPEL

For listeners who are interested in learning more about Sherri, you can find her information as well as links to her previous episodes and her latest paper, Meet Gen C, generation caregiver, 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. It's also a way to challenge you to think differently about your business and the role you play. And together, we can change the conversation. Thanks for listening, and until next time, be well.

Outro

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