

# 3 Roles of the Retirement Planner: Listener, Connector, Resolver

by Marty Martin, Psy.D.

Since the dot-com crash, the terrorist attack on the World Trade Center, and the financial meltdown of 2008–2009, the mood in America continues to be pessimistic not optimistic, fearful not adventure-some, cautious not confident. According to the American Psychological Association<sup>1</sup>, the top three causes of stress for Americans are money, work, and the economy.

To top off this general financial malaise, retirement confidence in 2011 and 2012 is at an all-time low<sup>2</sup>. Some of your clients may be better off than these statistics suggest, or at least appear to be better off. Yet others may be suffering silently, worrying if decades of playing by the rules, working hard, and saving will allow them to realize their retirement dreams and aspirations.

## 6 Questions That Keep Clients Up at Night

Your role as a financial planner is much more expansive than in the past. Calculations and projections are important, but that's not what keeps your clients up at night. Your clients are having trouble sleeping, finding it difficult to concentrate, and are wrestling with making decisions because they are more than likely asking themselves these six questions:

1. Do I have enough to retire?
2. What if my money does not last throughout my life?
3. What happens if I get really sick (or my partner gets really sick)?

4. Who will take care of my children (and grandchildren) because they are not in great financial shape?
5. What if I have to keep working to save more for retirement?
6. What if I have to go back to work (after retiring) because I don't have enough to last my lifetime?

One of your priorities as a financial planner is to help your clients separate fact from fiction. You also must tell the truth with compassion.

For instance, if your client is not saving enough money for retirement, then you need to give him or her the facts and communicate the feared but often known reality: *You will outlive your money.*

When working with pre-retirees or retirees, you take on three distinct roles: listener, connector, and resolver.

## Listener: Uncover Facts, Discover Emotions

As the listener, the goal is to uncover the facts and discover the emotions.

For example, a client may say, "I keep making calculations to see if I will have enough to retire, but it does not seem like I have or will ever have enough."

By assuming the listener role, you would sit down with the client and walk

through the numbers (i.e., uncover the facts) and probe to elicit the range and depth of emotions (i.e., discover the emotions). Most individuals respond emotionally to financial facts. If the facts change, often the emotions change, too.

As you listen, be careful not to minimize the client's feelings by remarking, "Don't worry. You'll be okay." This may be true from a factual point of view, but the reality is that your client

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may be worried. Instead, say, "Help me understand what troubles you about these retirement projections."

When your client tells you the source of his or her concern, then you switch to the facts and, if appropriate, normalize

the feelings by saying something such as, “It is not unusual for people to feel a bit nervous about retirement.”

**Connector: Piece Together the Retirement Puzzle**

As the connector, the goal is to help the client connect the dots of his or her retirement financial puzzle. It may not seem like a puzzle to most financial planners, but it feels like a puzzle to most pre-retirees and retirees.

For example, a couple consults with you to find out the timing of claiming Social Security benefits and making IRA withdrawals. The pieces of the puzzle include their ages, Social Security account balances, IRA account balances, access to health care other than Medicare, and a host of other data, all of which when tied together creates the intricate retirement safety net. Not only are you connecting the financial dots, but you also are connecting your clients with other professionals, such as estate attorneys to draft living wills and powers of attorney.

When assuming the connecting role, it may be helpful to use scenarios. Returning to the example of the couple inquiring about timing withdrawals, you could share with them three scenarios illustrating different dates for when they could begin taking Social Security. Presenting your clients with scenarios shows them that there is seldom one right answer. More importantly, scenarios give clients choices and a feeling of comfort knowing that they are not stuck with one solution.

Exhibit 1 shows what three scenarios may look like for a client. This illustrative exhibit assumes the individual client was born in 1960 or later.

Of course, your scenarios may have different content depending on the types of retirement plans, investments, assets, and expenses client have. After co-creating the scenarios, use them to facilitate decision-making with your

**Exhibit 1: Examples of Scenarios Illustrating Timing of Social Security Benefits**

Retire at age 67	Retire at age 62	Retire at age 70
<ul style="list-style-type: none"> <li>• Full normal retirement age (Social Security).</li> </ul>	<ul style="list-style-type: none"> <li>• The retirement benefit is reduced by 30%.</li> </ul>	<ul style="list-style-type: none"> <li>• Retirement benefits are greater than in the first two scenarios.</li> <li>• Credited 8% per year for each year that retirement is delayed.</li> </ul>

clients and to show them that there are options.

**Resolver: Guide Clients to Decisions**

As the resolver, you have two goals. The first is to guide your clients to solve their own problems and seize their own opportunities with the benefit of your expertise and the comfort of your support. The second is to strongly suggest that your client make a specific decision realizing it is the client’s decision, not yours.

An example of how the second goal works is a case in which you and your client know that his retirement account balance is \$3 million, and he has negligible bills with his house fully paid off.

Your client, age 62, asks, “Should I begin taking out Social Security early, because I really need that money when I stop working?”

Of course, as the financial planner, you must consider how much the client spends, but it is fair to assume in most cases that the client would not be advised to take Social Security early due to a \$3 million retirement account balance. To increase your client’s knowledge, you would go back to the scenarios.

In contrast, imagine another client asking, “I know I only saved \$175,000 for retirement. That’s all I have. My realtor told me that my house is worth \$125,000. I don’t expect any money from any relatives. Should I take Social Security early because I’ll be eligible in a year when I stop working?”

The facts in this case are quite different. This client only has \$175,000 for

retirement. As the resolver, after listening and connecting, you may suggest that this client broaden the question beyond when to take out Social Security, to whether he can continue to work and save more money for retirement.

**Conclusion: Clients Catch Your Emotions**

This brief article offers you three roles and some specific techniques you can use with clients who are lacking retirement confidence, worried about whether they can retire, and concerned about outliving their money. When clients are distressed about their financial lives and their retirement lives, they not only benefit from your knowledge and your expertise, but also from your compassion, empathy, and ability to connect. Make sure that clients catch your professional and caring emotions. Good financial advice is both factual and emotional.



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**Endnotes**

1. American Psychological Association. 2012. *Stress in America: Our Health at Risk*. Washington, D.C.: American Psychological Association.
2. Helman, R., M. Greenwald, C. Copeland, & J. VanDerhei. 2012. “The 2012 Retirement Confidence Survey: Job Insecurity, Debt Weigh on Retirement Confidence, Savings.” *EBRI Issue Brief*, March, 369: 1-12.