



Serving the Needs of Senior Clients

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Senior Client Attributes and Characteristics

“Senior Citizens” are not who they used to be. Many seniors successfully delay the aging process with active lifestyles and healthy living. Advisors who understand this new normal, including how senior clients perceive themselves and the aging process, are expanding their business with a specialization that focuses on addressing potential health changes.

The ideal time to help clients think through their needs and aspirations for advanced years is when they have full mental capacity. This can be as early as their mid-fifties and no later than early sixties. An advisor best practice for clients in this category is a formal, repeatable process that incorporates this planning discussion into the service model for advisors’ pre-retirement age clients. This will help to ensure their objectives are documented and trusted contact name(s) are included.

Encourage clients to discuss their estate plans and other important financial decisions with their children while they have full mental capacity. When preferred, this allows parents to communicate the plan they design, and some parents take the next step—inviting their children to ask questions for further understanding. Clients often welcome an offer to help facilitate the conversation. Advisors can gain a better understanding of family dynamics while initiating relationship development and trust with the family members.

Once a client plan is documented, schedule annual meetings to revisit their intentions. Confirm the plan is current and that documents accurately reflect their wishes.

Digital acumen can vary widely among the senior age groups. While the technology gap is closing, many seniors have privacy concerns about the internet. It is important to understand how each client prefers to receive and access information—traditional methods or digital communication.

By the time a client reaches age 75, there is likely some degree of mental and physical decline. Advisors with senior clients often take a critical look at their office and make adjustments to the physical space to accommodate their specific needs.

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Top 10 Scams Targeting Seniors¹:

1. Medicare/health insurance scams
2. Counterfeit prescription drugs
3. Funeral & cemetery scams
4. Fraudulent anti-aging products
5. Telemarketing/phone scams
6. Internet fraud
7. Investment schemes
8. Homeowner/reverse mortgage scams
9. Sweepstakes & lottery scams
10. The grandparent scam

Financial decision-making is one of the first skills to deteriorate as we age and our cognitive abilities naturally decline. In fact, financial decision-making peaks for most people in their early- to mid-50s.² Investing skills can start to decline sharply in one's 60s and 70s.

Fraud is prevalent among seniors. Advisors can play an important role by helping senior clients identify scams targeted toward them. Advisors can also help spot ill-intentioned family, friends and caregivers.

Decline in financial skills is often one of the earliest symptoms of dementia. For this reason, an advisor may notice signs before family members or friends. If you suspect symptoms of dementia, it is important to talk with the client or their designated representative to ensure that care is provided when and if necessary.

Making recommendations and investment decisions for clients with cognitive impairment leads to the possibility of lawsuits and regulatory enforcement actions. Consult your compliance department to assure you have the appropriate authorizations on file.

Stages of Senior Aging

Those under the age of 50 may not be aware that a month or two before a fiftieth birthday, an invitation will be delivered to join an organization specifically for “seniors” or retired persons. This can be startling. Most 49-year-olds do not self-identify as a senior, and they can't begin to imagine presenting a membership card for a senior discounts. This popular saying reflects our outlook today on milestone ages, where “50 is the new 40.” Services providers, stores and entertainment have different ages to qualify for senior discounts. Associations, groups and government agencies define seniors differently. The definition for this client category is broad and varied.

Seniors tend to be lumped into one big group. For the United States government, it is anyone over the age of 65. When we consider our growing centennial population, 100 years old, the senior age spans 35 years. We know there is a big difference in the financial, emotional and physical needs of a 65-year-old compared with a 100-year-old.

For this reason, information will be segmented by three age groups:

- › Young-senior 60-75 years old
- › Mid-senior 75-85 years old
- › Old-senior 86 years old and forward

The New Old: They Aren't Who They Used To Be

Today, those considered seniors are not who they used to be. In the 1970s, a popular beauty product ran an ad with the slogan “You're not getting older, you're getting better.” Today's seniors do not reflect the stereotypes of rocking chairs and compression socks. Instead, they approach retirement as a new beginning or next chapter. Many are launching new careers or taking up and learning new hobbies. Many push back against the natural aging process with regular exercise and healthy nutrition. Celebrities who seem to defy aging, like Goldie Hawn (71), Jane Fonda (79) and Sean Connery (83), invite us to embrace that 50 may in fact be the new 40. According to a Pew Research survey, the typical Baby Boomer believes that old age does not begin until age 72 and typically feels 9 years younger than his or her chronological age.

Advisors who are sensitive to these changes as well as how their senior clients perceive themselves and aging have an advantage with communication, meetings and planning strategies.

¹ <https://www.ncoa.org/economic-security/money-management/scams-security/top-10-scams-targeting-seniors/>

² <https://www.ssga.com/investment-topics/defined-contribution/2016/The-Impact-Of-Aging-On-Financial-Decisions.pdf>



Start the Conversation Early

No one likes to think of him or herself as getting old. When we are very young, we are “forever young,” not able to imagine ourselves in the shoes of our parents and grandparents. As we age, we slowly yield to the realities of mortality as we witness the generation before us slowing down and some becoming increasingly dependent on their children and caregivers. Traditionally, people postponed having end of life discussions with family and professional service providers until a crisis has occurred. Today, we know the ideal time to help your clients think through their needs and aspirations for future years is when they are fully functioning and have complete mental capacity. This can be as early as their mid-fifties to early sixties. At this stage, old age is far enough away that conversations can be approached with less emotion. Clients can clearly and realistically plan for the future and complete the proper documentation in the event there is diminished mental and physical health. Pre-retirement age clients may be surprised when advisors bring up this planning strategy earlier than expected, which offers advisors the opportunity to discuss the timing and importance of the planning process.

Important Documents to Have Completed Pre-retirement Age

- › Power of attorney (finances, general affairs)
- › Durable power of attorney (medical and health care decisions)
- › Standard will
- › Living will/medical directives
- › Trust documents

Conversation Strategies

- › Position the conversation by providing context. Let your clients know this conversation is part of your formal planning process conducted with all clients when they reach a certain age. We recommend starting these conversations as early as a clients mid-fifties. Explain that the purpose is to ensure that both of you need to be prepared for whatever events occur in the future.
- › Use a relevant story or example that will emphasize the importance of having these conversations early. Sharing a brief personal experience with a family member, friend or an unnamed client can help provide context.
- › Acknowledge that this is NOT about now; it’s preventative planning. Alert them that you will revisit the topic each year as part of your annual conversation to make sure it reflects the client’s current wishes.

“I was always her favorite”

Feuds among siblings and other heirs are common when settling estates. To avoid potential problems, encourage clients to discuss their estate plans and other important decisions with their children while they have full mental capacity. This allows parents to provide the amount of information they determine will be helpful to manage their children’s expectations of the future. If parents are inclined, they can offer the opportunity for their children to ask questions and seek understanding for the rationale behind their plans. While not a fool-proof approach, this step can prevent arguments and obstacles for all concerned. When signs of dementia are noticed, a diagnosis of Alzheimer’s is determined or death occurs, emotions may be particularly heightened.

Some advisors offer to help facilitate the client-family conversation. Meeting with the children will give you insight into potential issues that may impact the client’s plan. If you haven’t developed relationships with a client’s children, this is an opportunity to get to know them and start conversations that will help them facilitate their parents’ legacy.



Keeping It Current

Once a plan is in place, it is important to review it periodically with your senior clients to confirm their intentions or circumstances haven't changed and the documents still reflect their wishes. A best practice is to revisit this conversation at each annual meeting with your client.

Senior Age Category Special Considerations

Working With Young-Seniors

Young-seniors are generally between the ages of 60 and 75, placing them in the Baby Boomer generation. While they are late-comers to the digital revolution, they are closing the technology gap with the younger generations. Internet use continues to climb, and the proportion of older adults who own a smartphone has increased substantially in recent years. Texting is quickly taking over email as the favored form of communication. It's important to note that technology use and proficiency can vary widely among this age group. Taking time to understand how individual clients prefer to receive and access information will support advisor engagement with clients. Baby Boomers are less confident about data privacy online and in the cloud, research studies indicate that people ages 50 and older are less confident than younger generations that online data is kept private.³

Discussing the topic of aging can require a more delicate and tactful approach. Advisors have found referencing phrases such as "full mental capacity" helps reduce emotional reactions. Words and phrases that evoke strong emotion include dementia, convalescent homes and assisted living. When people have strong reactions to words and phrases that describe needing help, losing control and being vulnerable, they may disconnect from the conversation. Using open-ended questions can keep conversations moving forward:

- › What, if any, concerns do you have relating to your future health, finances and lifestyle?
- › What conversations have you had with your children or anyone else about these concerns?
- › At this point in your life, what does "peace of mind" mean to you?
- › What do you consider to be the most comfortable living arrangements looking forward to the next 10, 20 and 30 years?

Working With Mid-Seniors

Mid-seniors are between the ages of 75 and 85. At this stage, there is certain to be some physical and/or mental decline. With some, the decline may be minor, while for others it may be extreme. Hearing and vision loss are likely, and some mid-seniors will begin to show signs of memory loss. Declining mental acuity is a normal part of the aging process. Clients may appear to be confused or exhibit problems with short-term memory. Do note that there are other causes of these same symptoms—medication, insufficient sleep or emotional stress. Getting more information by using open-ended questions will provide insight on whether aging alone is causing signs of dementia or other sources.

The way advisors arrange meeting space impacts how productive meetings can be with mid-seniors. Assess your office to determine if it is senior-friendly and makes clients feel safe and welcome. Ease of access for those with mobility challenges will assure clients that their advisor is considerate and accommodates for any limitations. Seating is important. For seniors to sit and rise without struggle, consider sturdy, firm-padded chairs with arms. The lower and softer the seating options, the more difficult this will be for seniors. Noise and proximity are also key. Reduce background noise and sit where you are sure senior clients can hear you and see your face.

³ 2015 study by Pew Research, *Americans' Attitudes About Privacy, Security and Surveillance*



Effective Meeting Techniques

- › Suggest to clients that they invite a trusted family member or caregiver (Be sure you hold the proper privacy paperwork in place to have these conversations)
- › Send written information in advance so that they can prepare for the meeting
- › Schedule meetings early in the day when seniors are generally more alert
- › Avoid jargon, speak clearly and deliberately
- › Meet in a location with good lighting and acoustics
- › Keep the total number of people involved in the meeting to a minimum
- › Be patient while waiting for responses
- › Summarize the meeting at the end
- › Provide written summaries for clients to depart with and follow up with them to confirm understanding

Working With Old-Seniors

A client who is over the age of 85 is likely to need more attention and guidance than younger, more active senior clients. Many will have lost their spouse/partner/significant other and may be feeling lonely and afraid. Common fears include outliving their money and others taking control of their finances and affairs. Advisors' increased sensitivity to old-seniors' emotional needs and fears are appreciated by clients and their family members.

Old-seniors are most vulnerable to fraud. According to Consumer Reports, there are about 5 million cases of financial abuse each year. Only about 1 of every 25 cases is investigated by law enforcement. Advisors can play a critical role in helping clients identify and avoid financial abuse. Among the most common forms of fraud are scams targeted at the seniors, such as:

- › IRS Telephone Scam: calls claiming the senior owes back-taxes
- › Email Scams: emails promoting investment and insurance products that are too good to be true
- › Lottery Scams: calls claiming they have won a lottery in a foreign country
- › Senior Online Dating: false identities created only to commit fraud against seniors

There are many ways to stay in the know, including monthly email subscriptions describing current scams, some even include maps showing instances of financial fraud in different states. With this information, advisors can alert clients, family members and caregivers to specific scams in their area.

Despite the perception that strangers are the most likely suspects committing financial abuse, more often family members are responsible. Stories of relatives and/or caretakers taking advantage of clients are frequent. It may be difficult to distinguish financial abuse from well-intentioned advice. Complicating the situation may be that both the senior and the perpetrator feel the perpetrator is in some way entitled to the senior's assets. Be on the look-out for large and or frequent gifts, changes in estate documents at the urging of someone else and unsolicited financial advice.

Alzheimer's disease and dementia are ranked as the scariest among six age-related debilitating conditions (compared with arthritis, diabetes, heart disease, stroke and cancer), regardless of the age of the respondent.



Clients With Alzheimer’s and Dementia

Dementia is a general term for decline in mental ability severe enough to impact daily life. It includes symptoms such as loss of memory, compromised judgment and reasoning skills, difficulty communicating and problems with vision. Alzheimer’s is one form of dementia and the most common.

Alzheimer’s and Dementia: The Facts & Figures⁴

- › Alzheimer’s is the sixth leading cause of death in the United States
- › One in three seniors dies with Alzheimer’s or another form of dementia
- › Almost two thirds of Americans with Alzheimer’s are women
- › Less than half of Americans diagnosed with Alzheimer’s are aware of their diagnosis
- › Patients can survive with Alzheimer’s for up to 20 years
- › Alzheimer’s is always fatal

Warning Signs That a Client May Have Alzheimer’s or Dementia⁵

A decline in financial skills is one of the early symptoms of dementia and Alzheimer’s, so it is possible that an advisor may be among the first to notice that something is wrong. Family members may be in denial and either consciously or unconsciously avoid the subject. Because many who suffer from dementia become adept at disguising their symptoms, identifying the signs of decline is more difficult. In early stages, it can be difficult to distinguish between dementia and changes that are typical of aging. The following chart provides general guidance.

Signs of Alzheimer’s	Changes Typical of Aging
Memory <ul style="list-style-type: none"> › forgetting important information › neglecting necessities for daily life › repeating the same questions 	Sometimes forgetting a name or appointment and recalling it later
Daily tasks <ul style="list-style-type: none"> › difficulty following a familiar recipe › inability to keep track of monthly bills › difficulty solving simple problems 	Minor mistakes with numbers
Time <ul style="list-style-type: none"> › losing track of dates › unable to identify seasons › passage of time is unclear 	Forgetting which day it is then remembering later

⁴ Alzheimer’s Association <http://www.alz.org/>

⁵ Alzheimer’s Association <http://www.alz.org/>



Signs of Alzheimer's	Changes Typical of Aging
<p>Train of thought</p> <ul style="list-style-type: none"> › stopping in the middle of a conversation › unable to figure out what to say next › having trouble with vocabulary › repetition of thoughts, stories and ideas 	<p>Searching for the right word periodically</p>
<p>Surroundings</p> <ul style="list-style-type: none"> › not returning belongings to usual places › unable to retrace steps › getting lost in transit to frequently visited places › not knowing where they are in familiar surroundings 	<p>Losing things from time to time</p>

Additional Signs of Alzheimer's

- › Withdrawal from or avoidance of family, friends and social events
- › Frequent changes to will or beneficiaries
- › Indirectly answering questions by responding with another question or joke
- › Changing the subject in an attempt to hide memory loss
- › Personality changes

When advisors notice changes with a senior client, it is important to talk with the client or their designated contact person (assure you or your OSJ have properly completed documents on file) in order for your client to obtain the care they need. Advisors can expect changing dynamics with clients diagnosed with dementia and Alzheimer's as the disease progresses.

Dementia and Alzheimer's symptoms have a profound impact on the person with the diagnosis and on their loved ones. This can result in family members trying to avoid reality. Engaging with the family member or caregiver designated by your senior client to review and confirm the plan and wishes of your client will contribute to an organized implementation of the plan.

Focusing Your Practice on Senior Clients

With Baby Boomers aging, the senior population is expanding rapidly. Advisors who choose to focus on the unique needs of seniors have the opportunity to serve an underserved client category. Creating a client experience with communication strategies designed for the unique attributes of senior clients will be a differentiated business model. There are resources and associations that offer specialized education to develop advisor proficiency working with senior clients. Many advisors compile lists of local, regional and national service providers and other resources, descriptions and contact information. Senior clients, their family members and caregivers find this valuable.

Building a specialization focusing on planning for the unique needs of seniors can be professionally and personally rewarding for advisors.

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