

8 June 2011

Retirement can lead to feeling of abandonment

It is increasingly recognised that the need for financial advice grows rather than declines in retirement.

Yet many baby boomers will find that their financial adviser will also retire at around the same time they do, and won't be around to give them the additional help they will need during their retirement, warns Mr Phil Galagher, head of wealth management at Equity Trustees Limited.

"A great many financial planners are also baby boomers about to retire, and unless they have been involved in a well planned hand-over, their clients are likely to feel left in the lurch at a time when they most need personal and specific advice.

"Unfortunately, there is a fair amount of anecdotal evidence that this is quite common. Clients are simply passed on to another adviser, not given any sense of continuity, and end up feeling that they've got to start all over again with someone they may not have confidence in.

"People should ask their advisers about their retirement plans to see how it will affect their own circumstances - so that if they are not happy with the planned arrangements they can consider alternatives," he said.

Mr Galagher warns baby boomers whose professional service providers – including dentists, doctors, solicitors or accountants – are all around their own age may find that they are all likely to be retiring around the same time.

"Such service providers should also be warned that baby boomers won't put up with being treated as assets of a business and simply sold on in the way other assets may be.

"Retirees have time available to them to seek alternatives, and are not going to be as passive or lethargic as time-poor clients still in the workforce may be," he said.

Mr Galagher predicted that providing new types of relevant retirement services will be an increasingly important area for professionals such as financial planners.

"Things don't stand still at retirement and indeed the need for more intensive support actually grows during retirement – especially as Australians live longer.

"Many retirees will need more external help and support in managing their finances as they lose interest or capability; monitoring and updating estate plans will be needed as family circumstances change and assets are sold to pay for retirement lifestyle; and personal circumstances might require a change of home – for example retirement living or a nursing home. At the same time, health issues will become an increasing concern and cost.

"Retirees will therefore be looking for new levels of support and advice in all these areas and more, possibly for many years.

"The long term capability of the firm behind service providers such as financial planners can therefore become an issue.

EQT RELEASE

“Continuity and longevity are points of difference that larger, well-established organisations can use to their advantage.

“For example, Equity Trustees has been looking after the needs of high net worth clients for over 100 years and recognises that needs change as clients grow older. We have developed the kinds of services that they will need throughout their retirement years and have been giving this sort of assistance for many decades.

“This assistance even includes family support after death by managing intergenerational wealth transfer – which will be the largest transfer of wealth in Australia's history – and continuing to execute their philanthropic wishes in perpetuity,” Mr Galagher said.

Disclaimer: This Media Release has been prepared by Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975) to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Before making an investment decision, you need to consider (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances. Applications for an investment in Equity Trustees Limited products or where Equity Trustees Limited acts as Responsible Entity will only be accepted on receipt of an application form accompanying a current Product Disclosure Statement (PDS) which can be obtained from Equity Trustees by calling 1300 555 511 or by visiting www.eqt.com.au. Past performance is not indicative of future performance.