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## **Retirement's two phases creates new service needs**

The needs of baby boomers as they transition to retirement could be taking the financial services sector's attention away from the needs of another age group increasing in size and importance – elderly retirees, Mr Phil Galagher, head of wealth management at Equity Trustees Limited, suggests.

“We have to start thinking in terms of the entirely different needs of two types of retirees – the early or Active Retiree, and the less active Elderly Retiree.

“The needs of more Elderly Retirees are quite different from those of Active Retirees and have to be factored in by service providers.

“The first stage of retirement is characterised by being active, independent and seeking experiences or pursuing dreams. Then there is an expanding second stage, characterised by increasing frailty, less activity and more need for day-to-day support.

“For example, the number of Australians aged over 85 has doubled as a percentage of the total population in the last 20 years and at the same time increased in numbers by over 170%.

“The number of Elderly Retirees is only going to increase further as Australians live longer and baby boomers grow older,” he said.

Mr Galagher said that Active Retirees are well served by financial services and other sectors, but Elderly Retirees are not so well served and, as numbers continue to grow, more strain is placed on the resources that are available.

“Indeed, Trustee companies are just about the only entities that have the experience and record of service, products and knowledge, including wealth management, to deliver the across the board help that less active and frail, self funded Elderly Retirees need.”

Mr Galagher says that this can involve the complicated and technical, such as intergenerational wealth transfer and acting under power of attorney, to the mundane.

He uses the example of Equity Trustee clients seeking help in finding of reliable service providers to look after home maintenance and even getting someone to change light globes.

“Trustee companies have been doing this type of thing for years, so we are used to arranging such support for clients,” he said.

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“We are familiar with responding to client needs when they still take an interest in their affairs, setting up financial arrangements to reflect their wishes, and then acting under enduring power of attorney when they are no longer capable.

“People with families can usually rely on them for help, but not everyone in Australia has family nearby for all sorts of reasons.

“At the same time, many older Australians don’t want to be a burden on their children or grandchildren and want an entity they can trust to look after their interests,” he said.

Mr Galagher says that recognition of the need to provide an increasing range of services to clients as they become less active as Elderly Retirees is behind Equity Trustees’ acquisition of two businesses that provide services specifically to the elderly announced this week.

They are **Lifetime Planning**, which provides special financial planning advice and expertise specifically for the elderly, and **Tender Living Care**, an aged care residential placement consultancy which helps elderly clients choose accommodation in nursing homes and aged care centres according to their needs and requirements.

Mr Galagher predicts that providing services to Elderly Retirees will see significant growth in the immediate future in all areas.

“The increased need for medical care and aged accommodation has been well documented. There will be a corresponding increased demand in specialist financial services and hands-on assistance to manage the affairs of people, either no longer able to be, or not interested in being, involved themselves,” he said.

**About Equity Trustees:** *Equity Trustees is a publicly listed company that provides a range of financial services to corporate and private clients. Its businesses include private client wealth management, funds management, responsible entity appointments, and corporate and personal superannuation.*

*The company manages over \$4 billion in its funds management, private client and superannuation businesses and has more than \$19 billion under responsible entity administration. Equity Trustees employs over 180 people in its Melbourne, Sydney and Brisbane offices.*

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