



"Giving" Advice



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ABOUT YOUR FOUNDATION

Since 1973, the **Toledo Community Foundation** has provided individuals, families and businesses interested in the well-being of our community with an *efficient, effective, low-cost, professionally managed* mechanism to achieve their charitable goals.

For philanthropists wishing to maximize the impact and life of their charitable gifts, the Foundation provides *resources for thoughtful giving*. Using its expertise and personalized services, **Toledo Community Foundation** helps donors

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The Big Shift

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By Stephen Gresham

Is your practice retirement-ready? As you may have heard, in the coming years nearly 80 million Americans will bid farewell to their careers. In so doing, they will end the wealth accumulation phase of their financial lives, and begin the wealth distribution phase. Many of them will seek the help of a financial advisor for the first time. There seems to be an unspoken understanding among financial advisors that the industry will enter a golden age as boomer retirees turn to them for assistance. But these individuals have special financial needs that are very different from the ones you may have been providing to younger clients. If you aren't ready to fill these new needs, don't expect to reap the rewards of the giant baby boomer wealth transfer. In fact, rather than win new business, you may actually lose old clients.

The 2007 Phoenix Wealth Management survey of high-net-worth households (liquid net worth in excess of \$1 million) found there is significant interest from clients for more services beyond what their primary financial advisors already provide. In particular, respondents said they wanted their advisors to provide tax planning, estate planning, wealth transfer techniques and health care planning. The same survey found that one in four clients looking for a new advisor is doing so because the current advisor "does not offer the products and services that I need."

Learn From Detroit

transform their philanthropic impulse to measurable community impact. Beyond the gifting of assets, the Foundation helps donors identify issues of importance to them and *inspires engagement* with community organizations addressing these issues, thereby maximizing the impact of charitable gifts and creating a greater sense of fulfillment.

The protracted and painful decline of the U.S. automobile industry makes for a good cautionary tale here. At one time, General Motors was the largest automaker in the world; today, its bankruptcy seems inevitable. Why? Have people stopped buying cars? Of course not. But there came a point when consumers wanted a different kind of vehicle than the one Detroit could provide. By the time the giant automakers were able to respond to the changing marketplace, their customers had already grown accustomed to buying vehicles from other manufacturers—manufacturers who could give them what they couldn't get from the Big Four (yes, there were four at the time, and they were big).

Many financial advisory firms are in the same situation now that U.S. automakers were in then, but with one key difference: The automakers had little advance notice that massive change was about to occur. The decline of the American automobile industry can be traced to the Arab oil embargo of the early 1970s. Automakers (along with the rest of Americans) were unprepared for the sudden disruption in the fuel supply. Gas prices soared, long lines stretched from service stations, and frustrated consumers demanded more fuel-efficient vehicles.

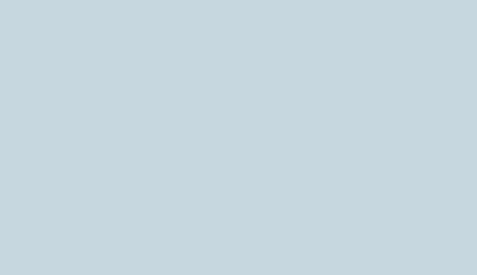
Eventually, the automakers realized they would have to give the car-buying public what it wanted if they were to stop surrendering market share to foreign competitors. But by the time they responded to changing consumer demand, it was too late. The tipping point became their tripping point. Don't let the same thing happen to you. It's easy to get comfortable with the kind of practice you have set up, and the services you provide. The prospect of providing a host of new services to all of your clients might seem overwhelming, but there are a couple of things you can do to ease the burden.

For one, rather than trying to be all things to all clients, look for ways to narrow your focus and distinguish your practice among a smaller, more select group—people who belong to a certain profession, for instance, or who are pre-retirees at a particular employer. This can simplify the job of expanding your services, and potentially help you draw more referral business as you become known as a specialist in that particular niche.

You don't have to be a CPA or an estate-planning attorney to provide the additional services many of your clients are (or will be) seeking. You can partner with other professionals who have expertise in elder care, health care planning, wealth transfer techniques and many other issues.

The important thing is to start making changes now, before change is forced upon you. Toyota didn't wait until the Arab oil embargo to start manufacturing fuel-efficient cars; it had been building them long before and when it saw an opportunity, it was favorably positioned to act. Your practice should be similarly prepared, because opportunities for greater professional success are already on the way.

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