

# The Clients We Don't Even Know We Have



*By Mary Anne Ehler*

As financial professionals, we work with families of all types. Many of the families we work with have a family member with a disability. Asking the right questions is critical to the planning that is needed for these families. An estimated 15 to 20 percent of Americans have a permanent disability. Younger families need to plan in a certain way for the future, while older families (and their adult children) need to plan for long-term care from a different perspective. We need to be asking our clients the question, "Does anyone in your family have a disability or need special care?" Because things change, it is a question we need to ask at every annual review.

The number of persons with disabilities is increasing each year, and this significantly impacts the advice we give. For purposes of this article, disability is defined as a physical or mental impairment that substantially limits one or more major life activities for that individual. More than one-third of American households either report a member with a disability or are impacted by disability. (National Disability Institute, REI Tour Annual Report, 2007-2008). Most persons with some type of disability require special planning. It is important to remember that not only are those with disabilities (the 15 to 20 percent) impacted, but their extended families need to financially plan differently as well. In my own family experience, my parents and my other four siblings were impacted both financially and emotionally. How we thought about our own future security was tied into caring for my sister.

Due to medical advances, children now survive illnesses and live with conditions that were usually fatal years ago. The increase in the survival rate of premature babies has in turn increased the number of children at risk for disabilities. As more women give birth later in life, the risk of genetic disorders in their babies has increased. Conditions such as ADHD, depression and autism are being more readily diagnosed, as well. (U.S. Dept of Health and Human Services, the National Survey of Children with Special Health Care Needs, 2005 -2006).

For the first time in history, children with disabilities will outlive their parents, resulting in a real need to plan for their future care. Seventy-six percent of individuals with developmental disabilities live at home. The family caregiver in one-quarter of these homes was age 60 or older, and the average age of the individual with the disability was 38 years old. Consequently, families now have a longer period of care giving responsibilities. (University of Illinois at Chicago Department of Disability and Human Development, 2006). These statistics are critical in the role financial advisors play in the lives of these individuals.

As an Advocate for families with special needs for more than 25 years, I have seen many families who have not been asked the right questions. In a discussion with one family, I was told that I was the first one to ask them to think beyond their own life expectancies! While many advisors have the best



intentions at heart when working with families, they often make very simple, often costly, mistakes. Understanding the unique needs of the families, and ensuring that you are thoroughly educated in key areas, will help you avoid these mistakes.

Below are several key mistakes that even the most well-meaning advisors often make:

### **1. NOT VALUING AUTHENTICITY**

Establishing authenticity with your client is critical to building a successful and lasting relationship, and could be the difference between keeping and losing a client. It is essential to show each family that you truly UNDERSTAND the journey they are on and can relate to their unique experiences and requirements. Two of the most important skills you must possess are LISTENING and CONNECTING. Your goal is to create a meaningful relationship with each family. Demonstrating authenticity is the first step toward becoming a member of that family's "team".

Every family wants a financial advisor who is highly qualified and knowledgeable in their field to provide them with the best advice possible. Just as important to them, however, is someone that they can relate to on a personal and emotional level.

### **2. NOT ACKNOWLEDGING THE FAMILY MEMBER WITH SPECIAL NEEDS**

Advisors cannot, and should not, rely upon the family to discuss the fact that they have a family member with special needs during an initial meeting. Clients don't always realize that this sensitive and emotional topic is key to preparing a comprehensive financial plan.

Asking the right questions will open the door to discussing relevant information in detail. Every advisor needs to ask one key question of every client: "When looking up, down and around at your family, is there anyone for whom you provide emotional and financial support who we have not already discussed?" This question is non-threatening and encourages the client to think about parents, children, siblings and any other responsibilities they may have. If you have established a meaningful connection to your client early on, the family you are working with will be at ease, feel a level of trust with you, and will be more likely to discuss a family member with special needs.

### **3. LETTING FAMILIES BECOME OVERWHELMED**

Families with individuals with special needs must manage ongoing appointments with doctors, therapists and social workers; fill out endless government paperwork; and seek out recreational, social and even employment opportunities for their loved ones on a daily basis. Balancing all of these tasks can quickly overwhelm the best-intentioned family.



Advisors need to guide their clients in a firm, yet gentle, manner. Many families have a tremendous amount on their plates, and advisors must find the best way to work with them to ensure that necessary tasks are completed without the family becoming overwhelmed by the process. Being sensitive to this, we take one step at a time, utilizing our 8-step process along the way. This allows the client to see exactly which step we are on while managing the many other complexities in their lives.

Many families bring their children to our meetings, which gives us a unique snapshot into their lives. Parents spend their days dealing with doctors, school specialists, and social workers, yet they know estate and financial planning are important as well. Rather than overwhelm parents with a complicated list of things they need to do, use your snapshot to identify the first critical step to take, and then hold their hands through that step. Having done that, your clients can then move on to Step 2 with confidence.

#### **4. WORKING WITH THE WRONG ATTORNEY**

Few things are more important in creating a comprehensive special needs plan than establishing a properly drafted special needs trust. Having the trust drawn up by a client's family friend or business attorney is a bad idea. Hiring an attorney who lacks the needed expertise in this area can have a devastating effect on the long-term financial security of an individual with special needs. In every field, it is difficult to know everything, and it is virtually impossible to know what you don't know. It is critical for financial advisors to develop relationships with attorneys who have specific expertise in this area. As this is one of the most critical pieces to the special needs plan, advisors must emphasize the need to have the right attorney perform this task, regardless of cost.

#### **5. LACK OF UNDERSTANDING OF LIMITATIONS ON ASSET OWNERSHIP**

Government rules and regulations are complicated and constantly changing. Making the wrong financial move when advising clients can cost a great deal of money in lost benefits. It is critically important for advisors to understand the implications of where funds are established and maintained.

Well-meaning relatives and friends may want to contribute to the present or future care of an individual with special needs, but putting money into an account in the name of the individual can spell trouble. Advisors need to have an intimate knowledge of all government rules and regulations in this area. This information is not part of the training financial advisors typically receive. Again, it is difficult to know what you don't know. That is why we at Protected Tomorrows have developed an online training system to specifically educate financial advisors in this area, as well as give them valuable access to those who work in this field every day.



## 6. FAILING TO VERIFY BENEFICIARIES

An inheritance gone awry will cause unneeded expense and may even require a payback to the government. Verifying all beneficiaries in a client's estate is critical. Well-meaning family members or friends may bequeath funds to a loved one with special needs, not realizing the financial implications this will have. Families must carefully set up inheritances so as not to accidentally penalize the very individuals they are trying to assist.

## 7. NOT INCLUDING THE EXTENDED FAMILY

Once a special needs plan has been developed, it needs to be shared with the extended family. Advisors must convey to the family the importance of sharing this information, as it is a safeguard to ensuring that future mistakes do not occur. Every detail in a special needs plan has intrinsic value, and not sharing every piece with future caregivers degrades the effectiveness of the overall plan. Advisors need to remind families that sharing this information will ensure that their loved one receives consistent, comprehensive care.

Avoiding these pitfalls is not difficult and can make all the difference toward building a successful special needs plan and a lasting, meaningful relationship with the families you serve.

We at Protected Tomorrows recognize that not every financial advisor has extensive special needs expertise. What advisors can do is acknowledge the entire family, ask the right questions, and know the challenges these families face. Bring in the right team to help the family, and your client will know that you truly have their best interests at heart.

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*Mary Anne Ehlert is the founder and president of Protected Tomorrows, Inc., the leader in enhancing the lives of families with members who have special needs. By guiding families through its comprehensive, proprietary planning process, Protected Tomorrows helps ensure the well-being of a loved one by creating a Future Care Plan<sup>TM</sup>. Through their work with clients and the family's advisors, and alongside of other advocates and legislators, Protected Tomorrows addresses many concerns of families with special needs such as: future care funding, government benefits, legal considerations, residential options, employment opportunities, recreational choices, education options and family communication. For questions, contact [info@protectedtomorrows.com](mailto:info@protectedtomorrows.com) or visit [www.protectedtomorrows.com](http://www.protectedtomorrows.com).*