



The Business Case for the Special Needs Market - Part 2

How is the Special Needs Market a Good Area of Focus for the Financial Professional?

By Mary Anne Ehlert

There are a growing number of individuals within the special needs market segment and fulfilling their needs is becoming an increasingly valuable opportunity for financial professionals. These families are asking for help in a number of areas and savvy financial professionals are beginning to recognize the tremendous business potential open to those who serve them well. This is the second in a series on the impact of special needs for the financial services professional.

Families who have members with special needs are increasing in their importance to financial professionals. For the first time in history, children with disabilities will outlive their parents, leading to a real need to make sure their child is taken care of after the parent or elderly caregiver dies. Seventy-six percent of individuals with developmental disabilities live at home. In 25% of these households, the family caregiver was age 60 or older and the average age of the individual with the disability was 38 years; so families now have a longer period of caregiving responsibilities¹. Financial professionals will play an important role in the lives of these families. Consider some financial dilemmas people with disabilities face in adulthood. Seventy to 80 percent of individuals with disabilities of working age are unemployed; of those who do work, the median salary is \$26,700². Thus, thorough planning and matching the right products or services with the more affluent parents of these individuals is critical while the parents are still living. It is also important to keep in mind that the cost of residential care (without medical needs) can average \$45,000 per year³, further stressing the importance of creating an effective financial strategy early.

Additionally, individuals who have special needs are commonly underserved by those who can help while the families of these persons tend to be highly loyal to advisors who can make a difference in their situation. Despite all of the challenges, many families still are not getting the help they need. But, importantly, they are willing to pay for these services once they have information they can trust. A survey conducted by MetLife⁴ shows that of the parents questioned, 88 percent do not have a special needs trust and 84 percent have not written a letter of intent. The questionnaire also revealed almost three-fourths have not identified a trustee to take care of the child's finances and more than half have not selected a guardian in the event of their death. Survey participants said their inaction primarily was due to the lack of available information and difficulty in accessing what little exists. A financial professional with the expertise or resources to help will be highly valued to that household, especially since these families are so



emotionally involved in their challenges. Any ray of hope breeds even greater loyalty to their advisors. Since disabilities do not discriminate by income, these opportunities are seen throughout all income levels, even wealthy households.

The value of individuals with special needs to financial professionals cannot be overstated. With the rise of developmental disabilities such as autism, more young families will see the need to look to experts to help ensure their future; and with an increase in such cognitive disabilities like Alzheimer's disease, older families need to create mechanisms for long-term care from a different perspective. More professional expertise is needed in the special needs community as more Americans are born or become disabled. Financial professionals can help these families as they deepen their client relationships with these loyal consumers and build their own business.

¹ University of Illinois at Chicago Department of Disability and Human Development, 2006

² U.S. Census Current Population Survey, 2003

³ U.S. Dept of Health & Human Services, 2008

⁴ MetLife's Division of Estate Planning for Special Kids, "The Torn Security Blanket: Children With Special Needs and the Planning Gap," April 2005

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™. 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 or visit www.protectedtomorrows.com.