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## Retirees and pre-retirees satisfied with advisers

Nearly a quarter let professionals make most decisions

By **Lisa Shidler**  
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Pre-retirees and retirees are happy with their financial advisers, and nearly a quarter rely on their adviser to make most investment decisions.

Those are the highlights of a telephone and online survey conducted in October by Boston-based Aite Group LLC that was designed to find out which financial product delivery channel pre-retirees and retirees prefer.

Of the respondents, 251 were within five years of retirement, and 254 had retired in the previous five years.

The six delivery channels re-viewed were advisers, branch offices, call centers, e-mail, interactive voice response systems and websites.

Nearly two-thirds of the near-retirees and almost half the retirees surveyed had assets of more than \$100,000.

Advisers received above-average ratings from 73% of pre-retirees and 66% of retirees.

When asked to rate the quality of their adviser on a scale of one to five, with one being poor and five being excellent, 77% of retirees chose three, four or five, while 13% chose a one or two. Among pre-retirees, 93% chose three, four or five, and 7% chose one or two.

"There aren't huge differences in attitude separating people pending retirement and those who are retired," said Adam Honor, a senior analyst at Aite, a research and advisory firm focused on business, technology and regulatory issues in the financial services industry. "But when people shift from pre-retirement to retirement, their needs change."

When asked how they preferred to make investment decisions, 30% of pre-retirees and 28% of retirees said they made their investment decisions based on advice.

At the same time, 23% of pre-retirees and 29% of retirees said that they managed their own investments, while 23% of pre-retirees and 20% of retirees did their own research.

Advisers say they think that they provide answers and comfort to their clients during retirement and before retirement, sometimes in ways that aren't investment related.

For example, Steve Beatty, an adviser who does business as InVest Financial Solutions for Business in Las Vegas, regularly exercises with a client who is close to retirement.

"We spend a lot of time together, and we were on the treadmills when we came up with some new ideas for him," Mr. Beatty said.

In many cases, Mr. Beatty said, pre-retirees and retirees need emotional support from their adviser. His workout partner, for instance, was preparing to sell his business, which was a very emotional decision for him.

"I think in today's world, there's so much high tech that people are really looking for high touch," Mr. Beatty said.

"They really want that relationship with an adviser," he said. "They want someone they can trust."

Some clients simply need more hand-holding, said Tom Geraghty Jr., a certified financial planner and certified public accountant with Stone-gate Wealth Management LLC in Fair Lawn, N.J.

He said one client insists on having his financial plan completely revised at least twice a year.

"He's a worrier," Mr. Geraghty said, "and we try to make him comfortable and answer his questions. What else can you do but be there?"

Investors five years away from retirement and those five years into retirement are much different, said Ernest Hathaway, an adviser with Financial Strategies Institute LLC in Midvale, Utah.

"When they come in five years before retirement, they're trying to make a killing before retirement. Once they're retired and have experienced their first market downturn, they get worried," Mr. Hathaway said.

He targets pre-retirees and holds five seminars a year for investors 55 and older.

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**Steve Beatty:** *Clients approaching*

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