

OUTSIDE EDGE

BY

MARK HALPERN, CFP, founder and president of illnessPROTECTION.com Inc.

He has been an independent advisor since 1991, specializing in living benefits. editor@advisorsedge.com



A NEW ERA

The downturn ushers in new opportunities for advisors to assist clients.

The year 2008 won't be fondly remembered—it was a cruel year that hobbled the global economy and brought governments to their knees. And it gives me no great pleasure to inform you challenging times are here to stay.

Our comfortable world crashed quickly and there's no road map for getting back to the days our parents knew. The quaint notion of lifetime jobs is gone, so too is the commitment of employers to take care of their people into retirement and beyond. Relying on a pension fund now amounts to wishful thinking.

So what's ahead? Retirement will look older—70 or 72 is the new 65. Many people have already pushed back retirement, or voiced plans to do so to their advisors. They simply can't afford to stop working. At the same time, our aging population is straining an overworked and underfunded healthcare system. Statistics Canada projects by 2021 almost seven million seniors will represent 19% of our total population and by 2041 that will rise to more than nine million seniors representing an estimated 25%. This will be

the healthiest group of seniors in our history. They'll live longer because of better lifestyles, superior treatment options and improved medications for chronic care. By doing that, they'll push the health-care system beyond its limits.

According to a Canadian Council on Learning report: "Our current healthcare system is in grave danger of perishing and we need to see the early warning signals. This deterioration will be brought on by the decreased level of financial support and commitment by the government to fund and maintain quality within the healthcare system overall. There is mounting concern that healthcare providers won't be able to deal with increasing chronic illness with existing resources and decreasing numbers of people entering the healthcare professions."

Until now, many assumed their family wealth would be passed on to them by their parents. That's fast becoming the exception rather than the rule. People need to ensure they're adequately prepared for a longer life and a higher level quality of care (which means there will be a lot of people long on life and short on money).

People need wisdom and knowledge to make informed decisions about managing their futures. Our clients want to know if they'll be able to meet their long-term financial needs. We have an obligation to help clients prepare for the future. Now, more than ever, they need our input. Many are financially humbled (perhaps for the first time in their lives) and are more inclined to listen.

Many clients and prospects are reaching out for help. We were recently contacted by an affluent lawyer who responded to our radio ads after realizing his portfolio had shrunk by a million dollars; assets he had counted on passing to his family. He called to buy more life insurance and such calls have increased dramatically in the past few months.

This downturn presents a win/win opportunity for us to earn trusted-advisor status while helping our clients make the best choices for their futures. There has never been a better time to be an advisor. We should rally to our clients' sides and provide desperately needed information with the wisdom of our experience. After all, happy clients—confident and secure about their family's future—are our ultimate reward. **AE** **HALPERN**