

Podcast Transcript

Synergize: Unscripted Conversations to Help Guide Advisor Growth

Episode 13 – Julie Littlechild: Working Across Generations to Drive Sustainable Growth

INTRO:

Welcome to Synergize, unscripted conversations where we explore the evolving role of the financial advisor in an emerging AI-driven world. Join us as we bring together thought leaders across a range of disciplines and industry experts, sharing insights designed to help RIAs thrive in the industry of tomorrow.

BILL COPPEL:

Hi, I'm Bill Coppel, Chief Client Growth Officer at TradePMR.

RYAN NEAL:

And I'm Ryan Neal, Senior Editor at TradePMR, and welcome to the Synergize podcast.

BILL COPPEL:

So, Ryan, I think the fact that you and I are from different generations is going to make this episode especially interesting.

RYAN NEAL:

Yeah, that's right, Bill. This is one I'm really excited to have here. We're going to be unpacking some of the myths across Baby Boomers, Gen X, Millennials, such as myself. I'm 1987, the textbook definition of Millennial, and even the younger generations coming up behind me, really about the different ways advisors can engage and interact with them. We also want to be talking a little bit about the great wealth transfer and the different kind of experiences that advisors can build into their firms to work across different generations in a single household.

BILL COPPEL:

This is an important topic because as an industry, we tend to do things the way we've always done them. Regardless of what generation we're talking about, advisors may want to reflect on whether they're delivering advice and guidance in ways that are most beneficial to the clients they serve today, and more importantly, those into the future. And if anyone hasn't figured it out, I'm a Boomer. So, this is why having Ryan and I together makes this even more interesting.

You know, Ryan, one of the things I find interesting is something I've experienced as a Boomer. Consider this. Boomers may be the first generation in recent history that rather than mold the generation that comes after us, it's the other way around. The generations coming after Boomers have done more to mold Boomers than Boomers have done to mold them.

RYAN NEAL:

That's right, we like it that way.

BILL COPPEL:

Well, don't get too excited about that.

I believe that wealth management, I believe the industry basically has been really slow to recognize the realities of this and slow to evolve an approach that reflects how each generation thinks about wealth, what's important to them and how they approach setting priorities around their money that often influence the way they make decisions. These are important issues as we contemplate the impact what wealth management will look like in the future.

Our guest today, Julie Littlechild, is here to help us peel back the layers on this topic.

JULIE LITTLECHILD QUOTE:

“The core issue is that we let assumption drive the experience, as in I'm making assumptions about what all of my clients need on the basis of what some of my clients need. And that's a dangerous place to be.

So just getting too locked in to how we've always done things, getting too locked into this idea that the majority of my clients might be older, but that is not going to be the case at some point. Again, if I'm building that sustainable business. And I think that that's the thing that seems to get in the way, just getting stuck.”

BILL COPPEL:

Julie is founder and CEO of Absolute Engagement, a firm that helps enterprise clients and individual financial advisors define, refine, measure, and execute their ideal client experience to help drive deeper engagement and growth. Julie, thanks for joining us.

JULIE LITTLECHILD:

It's wonderful to be here. Can't wait to talk to you both.

BILL COPPEL:

Well, likewise, Julie, you've been working and studying and researching the value and importance of the advisor-client relationship and the client experience for a while now. What have you seen change over the last decade, particularly in the context of generational attitudes towards money and what different generations expect from their advisor?

JULIE LITTLECHILD:

So much has changed. By the way, I'm Gen X, so we've got everything covered here today. So, I'm thrilled about that. But to some extent, even the question is one of the most significant changes. And that is to say, we're actually talking about client experience now as a true differentiator. That has changed over the years that we see the importance of it. Advisors rate that very highly.

And one of the biggest changes overall that we've seen, and I think it's driven both by strategy and technology is this shift toward much greater personalization. And a personalized experience always begins with a deep understanding of what people want, what they need, what they expect. And I think that's where we see the connection to that next generation experience.

When we are thinking about an experience that will be helpful to, meaningful to that next generation, we've got to recognize that they think about the future differently, they think about retirement differently, if they think about retirement at all. Their needs and expectations are very different.

And to me, that's the biggest question, even though we focus a lot on the wealth transfer question. To me, the issue is, are advisors building sustainable businesses that will be attractive to the next generation going forward? It's big question.

BILL COPPEL:

Yeah, both I would assume what you're talking about here is both clients and advisors that may be joining them.

JULIE LITTLECHILD:

Yeah, exactly. And I think it's when we're talking about that sustainable business, it is the experience that we're talking about, but it's also the team that you've got in place. It's the process that you've got in place. It's the entire business, really.

RYAN NEAL:

What does that look like? Can you think of any specifics? Is it just a matter of having modern cloud-based tools and social media and texting or is there something deeper there? Is there something about whether it's appealing to investors or appealing to advisors of a younger generation. What are some of the shifts you've seen?

JULIE LITTLECHILD:

So, I think what you referred to is probably the most obvious difference. There's more digital. But I would say that what we're seeing in the data is also a difference in how younger clients experience advice. Everything from preferring shorter, more frequent meetings to preferring them digitally. I think all of that. But I really honestly believe that the biggest difference is what's in their hearts and minds.

What are they thinking about? What's keeping them up at night? What is the experience that they need? Because that should impact the communications that they receive, the events that are run, the conversations that are held. That's much more than just digital. It's about really meeting them where they are and delivering a more meaningful experience.

BILL COPPEL:

So, Julie, going back to the theme I mentioned at the top of the conversation about how Boomers, like myself, are learning more from our children and in some cases grandchildren, than perhaps they're learning from us.

What I'm thinking about here is that as an advisor, I could be literally dealing with three, maybe four different generations at the same time. How do you coach advisors around a client experience that is going to work across that generational difference or those various generations?

And what I was referring to is that I'm likely to be a Boomer who would prefer shorter meetings and more digital things. So, think about it from that standpoint. How do you begin as an advisor to think about setting your client experience up to deal with multiple generations?

JULIE LITTLECHILD:

Well, it's interesting because in a way you've said it there, we tend to go to segmentation, right? I'm going to have an experience for this group of clients and this group of clients and so on. But the reality is we don't all fall into a segment that easily, especially now.

Just the example you gave, I think is a perfect example. And so, the idea of personalization comes back. It's really about, are you prepared to capture the right data from your clients to understand those needs and then to be able to deliver a more personalized experience. If you're doing that, you've automatically covered your bases.

I still think businesses need to focus and need to try to focus as much as possible, but they can deliver across a variety of generations if they're focused on what they need and expect.

RYAN NEAL:

It's interesting you say that because I think about my own personal experience with the wealth management industry sort of on twofold. One, my mother works for a financial advisor, and I've talked to him once. He's really made no outreach to me at all. I've made outreach to him, would love to talk to him and get a meeting and never really heard back maybe because I don't have the asset minimums or something. I just find that odd.

But then, you know, I'm younger. Hopefully getting married over this next year, we're expecting our first child, and we're just have questions. And we're out there trying to get answers to our questions and it's hard to find them. It's hard to find those answers sometimes. And we've even had experiences of advisors almost like talking down to us that, you haven't done this yet, tisk tisk. So, it's just strange. So, from that experience, I'm wondering if you've seen that stuff and if you can tell our audience what out there are advisors doing or not doing that's not helping them to work across generations and drive growth and what's the opportunity for them?

JULIE LITTLECHILD:

Well, I guess that the core issue is that we let assumption drive the experience, as in I'm making assumptions about what all of my clients need on the basis of what some of my clients need. And that's a dangerous place to be. You are a good prospect for an advisor. And if they are not delivering an experience that's reflective of that, clearly, you're going to leave.

So just getting too locked in to how we've always done things getting too locked into this idea that the majority of my clients might be older, but that is not going to be the case at some point. Again, if I'm building that sustainable business.

And I think that's the thing that seems to get in the way, just getting stuck in an older way of doing things and not maybe being open to the fact that you don't care to talk about those things that their older clients do, and they better be ready for that.

RYAN NEAL:

Gotcha, so just plain old inertia.

JULIE LITTLECHILD:

Well, it's a remarkable thing inertia in our industry. There's no doubt about it.

BILL COPPEL:

Julie, building a little bit on Ryan's story because I don't think it's atypical. And I think part of the challenge is as advisors we're not sure the kinds of questions we ought to be asking and, more importantly, what we should be listening for as it relates to the next generation's concerns.

Based on your work what kind of guidance would you give an advisor today to better prepare them to hear, listen, and learn what's important to that next generation?

JULIE LITTLECHILD:

Yeah, I think it's a skill that has become so important and it's to some extent just showing up curious and without assumption.

Where we're seeing some of the biggest differences in how the next generation is thinking are things like, how do they think about the future? When they think about what is most important to them, are they thinking about retiring at a certain age with a certain amount of money?

Well, of course, financial security is important to everyone. However, what we're seeing much more from the younger generation is that they're talking about having different experiences, maybe gliding into retirement and doing things a little differently.

They're concerned about different things. And I think that was Ryan's perfect example is what might keep Ryan up at night is going to be very different than what keeps me up at

night. So inviting questions, and we've seen this done incredibly well. A lot of our clients do this before a prospect comes in for a meeting. Inviting input from both partners separately to ask about, you know, how concerned are you with these particular issues? How would you rate your level of confidence in your financial future on a range of factors?

What are the things that worry you most? What do you want to talk about? By inviting that kind of input before you sit down, what you end up doing is co-creating an agenda with a prospective client. And that agenda is going to be very different for a younger client than it is for an older client.

BILL COPPEL:

And you do that with each individual attending the meeting separately, I'm assuming.

JULIE LITTLECHILD:

Yeah, exactly. The idea of the differences within couples is fascinating and should drive a very different conversation. Too often, what we see is advisors who have focused so much on the experience, the process of here are the things I'm going to discuss in my meetings and here's the follow-up. And they've worked at removing friction and creating efficiencies. And that's a great thing.

But what sometimes you stop doing is hearing what people need to talk about. And so, I think creating that space, not only for the advisor to hear it, but giving the prospect or the client time to think it through in advance of sitting down, maybe talk with their partner about it. I think this is a very different approach to agenda setting and something that'll become increasingly important.

BILL COPPEL:

And oftentimes those concerns are not directly connected at all to their investment portfolio. Am I right in saying that?

JULIE LITTLECHILD:

Yeah, that's exactly right. The second biggest concern is usually around health. Now, I think all of these things in some way tie back to how you think about planning, but it's health, are the kids going to be okay? Are they going to make good financial decisions? Is my partner going to be okay if something happens to me? Again, they're all money adjacent, but they're not necessarily about money.

RYAN NEAL:

Right. And it comes back to what you said earlier is that personalization. I know for me and others I've talked to, I sometimes don't even know, like we talk about goals planning, for example, when you have that first meeting. I don't even know necessarily what questions I should be asking or what goals I should be setting. So, it's a very different conversation.

JULIE LITTLECHILD:

It is very different. To me, the greatest gift an advisor can give is helping their clients articulate those things, giving them the space and asking the best possible questions so that you actually walk away with a better definition of what your future might look like. We assume it's easy. It's not.

RYAN NEAL:

I love this idea about personalization and assumptions. My dad used to have the phrase about what "assuming" is. I won't say, it's probably not appropriate for podcasting.

Well, I'd to talk about this idea of personalization and assumptions. We've talked about younger clients. What about older clients? Retirement is changing. I look at my grandparents, how they retired. And then I look at my mother. It's totally different. She is traveling, she's healthy, she's active, she's exercising, she's on vacation all the time, She's coming to New York in three days to visit me. So, it just looks very different. And I wonder, are advisors also making some outdated assumptions about their older clients as well? And do we need to be talking about that differently?

JULIE LITTLECHILD:

I think they are. Again, we tend to just lean into when are you going to retire, and do you have enough money? And frankly, most of their clients do have enough money. That isn't the issue at that point.

What is less comfortable for a lot of advisors, but I would argue critically important is going two or three levels deeper. I was just chatting yesterday with a good friend of mine who works for someone who's sold businesses multiple times. He's, I think, just turning 60 or 62, but he's so concerned about how he's going to spend his time. He's so concerned about the impact on relationships in the household. And these are real fears.

So, to the extent that advisors can go there with their clients and tease that out and not assume that this is as positive as they're thinking about. Help them create that vision for how they will spend their time and where they will find purpose and then create the path to get there. I think that's a very different approach.

BILL COPPEL:

And I think Julie, that's a great point you're raising because we've been great at creating paychecks for people in retirement. And as Ryan pointed out with the example of his mom, there's more to life than simply walking away from a career, sometimes 35 or 40 years long, and not have a purpose or a meaning.

And I think that's an opportunity the industry has in front of it to create even more value is helping people figure out what comes next. And in some of the research you've done, has that issue surfaced?

JULIE LITTLECHILD:

Yeah, it really has. One of the questions we often ask is fairly simple. Which of the following are you interested in learning about? And we'll provide a list of different topics. Inevitably, the top, if not the second, is crafting a vision, a meaningful vision for my future. It resonates with people because I think it hits at the question that they're not asking or the statements they're not making. But again, advisors can do such great work in exactly what you're saying.

BILL COPPEL:

Let me just change gears for a second because something dawned on me when Ryan was sharing the story about his mom in retirement. And it's that whole dynamic between parents and children when it comes to money. I can tell you as a Boomer, the closest thing that my dad spoke to me about with respect to money was in the first grade when he handed me a quarter and said, there's a banking program at school, so take your quarter in each week and put it in the bank.

Has that changed much? Are parents engaging children? And maybe Ryan, I should ask you the same question. How often are parents having meaningful conversations with their children? And I'm not talking about teenagers, I'm talking about adult children, about money and what's next for their parents in terms of this whole issue of generational wealth transfer? Are those conversations taking place?

JULIE LITTLECHILD:

We're seeing a huge disconnect there, and particularly in our most recent data, we asked people about their wealth transfer and to what extent they talk to their adult children about key issues. And then we asked younger people to the extent to which their parents had asked them. And you see a vast difference.

The things they're talking about sometimes is how much there is, maybe, and when you're gonna get it. But what was coming out was issues like, do you recognize signs of cognitive decline? How do I want to live if I can't live as fully and as actively as I am today? These are the deeper conversations that I think families need to be having. And it would appear, at least from our research, that they're not. They're not because it's uncomfortable.

My dad was the same. I mean, he would never talk about impending death. mean, that would never come up because we just don't talk about those sorts of things. But we needed as a family, someone to come in and to facilitate those conversations for us. That would have been incredibly beneficial for our family. And we've worked with some advisors who are doing that, who are inviting input from the adult children to have better estate planning meetings, better conversations. And I think that goes a long way to engagement, as well.

BILL COPPEL:

So, Ryan, how about you? How's it going with your family?

RYAN NEAL:

I don't think we're the norm for so, so many reasons. I wouldn't even get started on that. But we actually do talk about it. My dad was very into investing in DIY stuff when I was younger and taught me all about that stuff.

Then my mom is more kind of managing things as they age. And she's very open about it. We have very, very open conversations. But again, I don't think we're the norm.

BILL COPPEL:

So, Julie, based on your experience working with advisors and the research you've been doing, how would you guide an advisor to begin to have the kind of conversation with a client that, what I like to say, brings in the entire family universe as opposed to just dealing with typically, the dominant voice in the relationship? How's that?

JULIE LITTLECHILD:

Well, I can give you examples of what we've seen. I'm more limited to our clients and how they're using certain tools, but I can think of a recent example where an advisor was having meetings with the primary client and that was it.

He was dealing with the couple. And for the first time in advance of that estate review discussion, we sent out a link to the adult children and said, can you just share your input in advance of this meeting that your parents are having.

And they weren't attending in this case, but we asked them questions around, to what extent do you understand these different aspects of the relationship? What do you wish your parents would share with you? What are some of the lessons that as a parent, they want to share with the child? So, it was a really interesting thought-provoking exercise for the family. And then that came together to form the basis of a deeper conversation, a very different conversation for the first time.

BILL COPPEL:

Well, that's interesting because I'm assuming that obviously the primary account holders gave the advisor permission to send that survey out. But what it does do, it might do, is it takes a lot of stress off the parents to have that conversation.

JULIE LITTLECHILD:

It does, and they don't know what to discuss. That's why the beauty of a well-crafted question teases out all sorts of things, that there was no shortage of discussion points, I can tell you, when you start looking at how that data comes in.

BILL COPPEL:

Well, it goes back to what you said earlier, I'm probably paraphrasing, but when you enter a conversation like that, be curious, leave your assumptions at the door, and allow the conversation to go in whatever direction it needs to go in. And to me, that's a very powerful way to bridge that generational gap, perhaps.

RYAN NEAL:

That sounds pretty good. I was going to do our wrap up. We usually ask our guests for three things that advisors could do. I think Bill, you did a pretty good wrap up right there. But I will throw it to you, Julie as we close up the conversation here. Anything else you would add? Some actual intelligence. Let's go with three bullet points for our listeners, advisors, and firm leaders out there, what can they start doing today to better drive that personalized client engagement and that sustainable growth for their business.

JULIE LITTLECHILD:

I think the first thing I would do is a business audit of sorts. I'd get in a room, and I'd make sure there were some young people around that table. And I'd look at every aspect of the client journey and just start with those questions. Is this appealing to our younger clients? Do we need to do things differently? Is our team representative? Does our office feel modern and relevant?

Just to start with a clear sense of what may need to change in future. The second thing I'd consider doing, which we've seen done very successfully, a little along the lines of what I talked about, is getting permission to send out a general survey to the adult children of your clients to understand their expectations, their preferences, what they're working, what they read, what topics they're interested in, and use that to begin to add some value through content. And start that now. And I guess that would probably be my third point is to start to build those relationships with the next generation with something that's relevant and meaningful to them.

BILL COPPEL:

And maybe advisors can start with their own parents.

JULIE LITTLECHILD:

Yeah. Just ask the questions.

RYAN NEAL:

Fantastic. Well, that's really great, Julie. Thank you so much for joining us. It's always great to talk to you. Thanks for stopping by.

JULIE LITTLECHILD:

Thanks so much.

RYAN NEAL:

So, for a quick recap, Julie recommended business audit, start with some of the questions and find out is your firm appealing to next generation clients. Two, get permission to send a survey to the adult children of clients. And three, start to build those relationships, figure out content, figure out how you can approach those things you find out.

We hope you enjoyed today's conversation. If you like what you heard, please take a moment to like and subscribe, follow us on social media, and thank you for joining us.

BILL COPPEL:

And I'd also like to mention the fact that if you'd like to learn more about the work that Julie and her team are doing, please visit her website, absoluteengagement.com. A lot of great stuff out there.

I also want to add my thanks for listening. And watch out for our next episode where we'll bring you even more insights and actionable ideas to help you grow your business. And remember, the challenge is yours to capitalize on what the future offers.

OUTRO:

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