

Elder Care

By Dr. Jim McCabe

Smitty is a gentleman from my home town. When I was growing up, our families got together every Christmas Day to celebrate Smitty's birthday and my father's. While Smitty and I have never talked about estate planning or legal affairs, we have talked about nearly everything else—like how to snag a catfish and the best way to mow a lawn. Smitty taught me how to repair a flat tire on a bicycle. He should know since he sold me my first bike, a cool Schwinn ... the kind with the fat tires!

I catch myself thinking about Smitty a lot since my father called to tell me that Smitty had passed away just days short of his 90th birthday. I think about how everyone in town knew him and liked him and how, up until the end, he had a great sense of humor, talked proudly about his family, and was still giving good advice.

Smitty ran an old fashioned dry cleaning business. You may remember the kind. He would not only pick up and drop off your clothes; he would know how to treat them. He knew how much starch the shirts needed and when a garment needed mending even if you were not aware of the needed repair. And if you were not home when Smitty came by to deliver the cleaning, he would just hang it in the hall closet.

Almost all of my senior clients would do business with Smitty, even if he was more expensive than the cleaners down the street. Older clients like that personal touch. The fact that Smitty came to their home and took an interest in their particular needs sent a very strong message that he wanted and appreciated their business. As the years passed and it was time for the kids to begin looking after their mother and father's laundry, they would insist that their son (or grandson) give the business to Smitty. After all, he had been providing quality service for years. Smitty could brag



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that he had lots of customers who were second- and third-generation customers. You cannot build a referral base much more effectively than that!!

There are a number of modern day Smittys (estate planners, trust officers, accountants) with whom I do business in my eldercare consultation activities. Not surprisingly, they use the same approach as Smitty did. They go to their clients, and they pay attention to what matters to their clients. These professionals press their clients to talk about their goals and dreams and involve their family members in these discussions so that there is an understanding across the generations of how the clients want things done (easy on the starch). They anticipate what the client needs even when the client is not aware of these needs (just like Smitty replacing that missing button).

I work closely with many of these professionals because they take a comprehensive approach to the planning process. Their focus is not limited to financial issues; it also incorporates discussions about health and long-term care concerns. They initiate frank discussions about eldercare challenges and even end-of-life issues. Clients interpret this approach to mean that the planners are not only interested in managing their estates, but want to see their dreams and expectations realized, even after they are gone. These planners also ensure that family members understand the planning so that upon the death of the first spouse, the other spouse can continue to manage the estate and implement the plan. In the event the surviving spouse decides to make changes in the plan, these trusted advisors are ready to assist in the change.

Cornell University economists estimate that \$10.4 trillion will be transferred to the Baby Boom generation *via* inheritance from their parents over the period from 1990 to 2044.¹ The scope and nature of that opportunity is almost beyond the imagination. This transfer will take place in large part based on the plans created by Smitty's generation. This sort of intergenerational plan-

ning requires special skill given the differences between generations. These distinct differences include such things as the way decisions are made, the time it takes to complete the process, and the communication methods that are used to exchange information. Do not expect to use your Blackberry or even your fax machine with many of Smitty's clients. They want that personal, face-to-face experience when doing business. You will have many more questions from older clients that have to do with "why" something is being done a certain way. For the younger family members, they simply want to know "if it is done yet?"

In my practice, 99 percent of the cases require managing the various expectations of multiple generations. In a few cases, the expectations are the same, but there are very different ideas about how to get there. It can be gratifying to be able to speak the language of various generations in the process of successfully addressing the wants and needs of both older and younger family members.

Are you positioned in such a way that people are willing to trust you with their financial "garments"? Would you say that they have confidence in you not to over-starch their cherished possessions? Have you developed a relationship with the generation that is on the receiving end of this massive transfer in order to build and maintain an ongoing relationship across generations?

I thought a lot about Smitty over the holidays. I will miss him. I called my father to wish him a happy birthday, and we took a moment to offer a long distance toast in honor of both their birthdays. After I hung up, I wondered why they don't make those bikes with the big fat tires anymore. Probably just as well. It was really hard to change a flat tire on those things.

ENDNOTES

¹ Robert B. Avery and Michael S. Rendall, *Estimating the Size and Distribution of Baby Boomers' Prospective Inheritances*, American Statistical Association, Proceedings of the Social Statistics Section, at 11-19 (1993).

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