Better Than a Box of Chocolates

With the post-transition deck stacked against advisors, don\'t forget about your clients' families and heirs at holiday gift-giving time.

Every year around holiday season, financial advisors turn to their assistants and begin to solicit gift ideas. Out come the catalogs—Harry and David, Omaha Steak, See's Candy, etc. Once again, the struggle to decide what to give your clients and prospective clients begins.

This gift-giving process arises in part because client retention and client acquisition are critically important to advisors. Private wirehouse surveys show that financial advisors tend to retain their clients when the first parent passes on, but they are more than 90 percent certain to lose the client's heirs when the second spouse passes on and the estate transitions. The industry continues to report that, "Upon receiving their inheritance, [more than] 90 percent of heirs change (away from their parents') advisors."

This loss of the heirs often follows lengthy, costly and sometimes unproductive marketing efforts. An advisor has to replace the clients whom old age has taken from him or her just to stay even. Then, if the advisor has failed to develop a relationship with the client's family, the opportunity to retain the client's heirs is usually gone as well, and the advisor begins trying to recruit strangers to build a book of business.

Relationships are critical, but advisors are often stymied by the details of opening new relationships with affluent, sales-resistant prospective clients. Advisors begin to attend art shows, offer to sit on community boards of directors, serve as trustees … all in the hope of doing some good and making some good contacts. Then comes the holiday season and with it an opportunity to contact—in a low-key way—some of their affluent clients and their children on a more thoughtful and seasonal holiday note.

Often, fearful of offending some unknown dietary or religious constraint, we end up sending a box of chocolates to let the client know that "We remember you during this holiday season and appreciate your business"—or at least appreciate having a shot at their business, for those who are prospective clients.

Even that's not easy anymore, as advisors run the risk of offending the client's and prospective client's dietary sensibilities, or their planetary sensibilities if it comes in the wrong type of nonrecyclable box.

What, then, are some surefire gifts that send the message of "I care about you and your family … not just your assets"? Here are a few ideas:

Books: Looking for a gift your client will appreciate and use year-round? Why not send a book about the family's future, the family's role in transition planning or the importance of family philanthropy? Include a brief inscription inside the cover. The client will be reminded of your caring thoughts every time he or she opens the book.

Key Takeaways

- Private wirehouse statistics show that advisors tend to retain clients when the first parent passes on, but there's a 90 percent chance they'll lose the client's heirs when the second spouse passes on and the estate transitions.
- When it comes to client gifts, families don't necessarily care that you're thinking of them. They want to see evidence that you know something about them.
- Top advisors relate to the events in the lives of clients and potential clients, and let them know that they care about them personally, not just about their investments.
- Consider thoughtful gifts with long shelf lives and financial literacy themes.

Banks: What about sending clients three- or four-compartment piggy banks for their younger heirs? At any age it's a wonderful reminder to SAVE some, GIVE some and SPEND some. And you can have your name or a plaque placed on the pig … in an appropriate location.

Baby gifts: Especially upon the birth of a new grandchild, you can send a thoughtful gift such as a hand/foot impression kit that can be used when the baby and mother come home from the hospital. (The user places the baby's handprint or footprint in soft material and then hardens it in the oven or microwave so it's preserved for many years to come.)

The bottom line is that you should "seek to engage other family members." We have learned that affluent family members don't really care about how much you know until they know how much you care. Small and thoughtful indications of care will beat a box of chocolates every time!

Now, how to find those "perfect" holiday gifts. The most straightforward way is to go online and search under such keywords as:

- "Preparing Heirs" (amazon.com)
- "Philanthropy Heirs and Values" (amazon.com)
- "Piggy Banks" (piggybankworld.com)
- "Impression Kits" (castingkeepsakes.com)
- "Silver Spoons" (silvergallery.com)
- "New Baby Jewelry" (photojewelrymaking.com)

[Disclaimer: Neither the authors nor the Elite Advisor Forum has commercial interests in the online retailers mentioned in this article.]

The point here is to relate to the events in your clients' and potential clients' lives, and let them know that you care about more than just their investments. Over the long term, you really want to connect with their entire families. As family coaches and researchers, we find that wealthy families are protective of their children (heirs) yet want something special for them: education, opportunities to meet other heirs, instruction in managing financial matters, and even opportunities that haven't been discussed here to be of help to Mom and Dad. What the growth-oriented advisor wants is a range of opportunities in order to connect with the entire family. Ultimately, you want to be an advisor to the entire family, which means taking on all the responsibilities that may be required for those in a wide range of age groups.

Any way you can personalize a seasonal gift with your name or phone number, or a "best wishes" card, will be helpful as well. Get in the habit of being remembered as someone who sends unique, thoughtful seasonal gifts—some times for the entire family. For memory's sake, many things beat out that traditional box of chocolates!

About the Authors

This article was contributed by Vic Preisser and Roy Williams of the Institute for Preparing Heirs, located in Pasadena, California. The institute trains professional advisors and provides coaching for heirs and affluent families. The institute does no investment management, offers no tax or estate planning advice, and sells no insurance or financial products.