

Age shouldn't make a difference in financial planning

by: Andrew Main from: [The Australian](#)

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Laura Menschik says age does not matter with most strategies, although James Gerrard says new technologies help with presentations. Picture: Tomasz Machnik Source: The Australian

SHOULD you consider age when you go to a financial planner? Yours or theirs? Is it a nonsense for a person close to retirement to rely on a person under 30 for advice, and vice versa?

The Australian asked two financial planners at different stages of their careers for their views, and came away reassured that there's room for a wide range of ages in the business. And that there are advantages and disadvantages on both sides, but not always the ones you would expect. Not only that, but having spent weeks reading about how financial planners are cast as a bunch of commission-hungry product pushers, both made it clear they thought such people were the exception and not the rule.

LAURA Menschik, who is "in her 50s", has been in financial planning since 1987, after a position as national finance director for a major advertising group.

She comes from Flushing in New York's Queens, home of the US Open, La Guardia Airport and a place where, as she admits, words like "dog" and "coffee" can get a bit stretched out.

She says she fell into financial planning after discovering she liked helping people. For instance, she assisted advertising colleagues with their car leases. "Some successfully, some less so," she laughs, remembering a tendency of colleagues to choose cars for reasons other than economy.

So, does she have many clients her own age? "I have clients from their 30s to their 90s," she says, noting that in her business, WLM Financial Services, she has one colleague in his 30s and one in his 40s. She says that although there was a small gravitation of clients to advisers because of age compatibility, it wasn't significant, and many of her clients brought children and even grandchildren in because of trust structures.

On the issue of compatibility, she admits it is an advantage for planners to have the same sort of worries as their clients. "In this recent market I've been dealing with anxious clients, then going home to see my own portfolio suffering," she says, but notes that a lot of financial advice

statements now are so likely to take a similar line, no matter the age of the adviser, that the issue of the planner's age is barely relevant. "We have procedures we have to go through and meanwhile we recommend strategies -- that may involve paying off the home loan or putting more money into superannuation -- that probably won't differ much from adviser to adviser," she says.

But, she adds cautiously, "experience may matter".

"I have been around long enough to sometimes be able to draw out answers from clients, by drilling that little bit deeper and sometimes asking questions that can be uncomfortable, that will allow me to give them better advice," she says.

Maybe it's a feminine thing too, but she smiles at the recollection of dealing with a female client who said she had "a friend" who was thinking of getting a divorce. "I think I knew who the friend really was." she says.

"Someone who has been around the block more times than others may have the ability to draw out more answers from clients," she says, but stresses that it doesn't always work out that way.

She says there is a lot of interaction and exchange of information between planner colleagues. She has mentored younger colleagues by starting them with her less active clients and maintaining a watching brief. "That's been one of the biggest satisfactions of my job," she says.

JAMES Gerrard, 28, is from the other end of the career spectrum, but points out he has been in the financial services industry for 10 years since leaving school at 18.

He joined the Public Trustee as a trainee, reuniting individuals with their lost money, and studied part time. He then joined the Protective Commissioner, whose main role is to help administer the finances of people who in many cases have suffered brain injuries and have been given settlements for lifetime care of up to \$10 million. "Full-time care can easily cost over \$100,000 a year," he says.

He says he did those jobs "not for the money -- it was to help people".

Quite how much he studied is an eye opener. "I did a Bachelor of Applied Finance at Macquarie University, then an MBA by distance education at Deakin in Melbourne," he says. "Maybe I've been trying to compensate for my age."

He is now studying for a a Doctorate of Business Administration.

He says quite a few in his planner cohort have MBAs and the biggest single change in the industry has been the level of education of recent arrivals.

This is not just by choice. "They changed the rules about two years ago," he says, noting that the widely recognised Certified Financial Planner qualification can be awarded now only to people with undergraduate degrees.

Older planners have done courses and had their experience recognised retrospectively. "These levels of education are virtually a necessity to take in the amount of new legislation that's coming through in our industry, " he says.

So, how does he deal with being the second youngest of 35 planners at PSK Financial Services?

"If someone's a bit hesitant, I can tell them I'm going to be there to help them all the way through with their retirement," he says, noting that more clients are living into their 80s and 90s. "If you go to an adviser who's got some grey hair or not much hair, they might be retired before the client is."

Perhaps his killer application is his use of technology although, as he points out, that is more about reducing the cost of advice, by saving time, than about making it any better. "I use an iPad to show proposals to clients, which saves on paper," he says.

Then he unveils his secret weapon: a "smart" pen that, when used with specially encoded microdot paper, allows him to download versions of his handwritten documents to his computer for editing and retransmission back to clients.

"It's a lot quicker than one process I've seen in the past, where a planner writes notes out in longhand," he says.