THE NEW CLIENT CONVERSATION: FINANCIAL SECURITY AND THE KEYS TO EFFECTIVE DECISION-MAKING

CHALLENGE: Conversations about retirement can be harder than we'd like because a combination of unspoken client emotions and values, unique personalities, and industry jargon often interfere with good communication and decision-making.

Successful client conversations are more likely when we recognize:

- Importance of "Financial Security" and the role of values and emotions in decision-making
- Conversation must use clear, jargon-free language
- Messages must be tailored to clients' unique personality types

Alliance Research Goals, 2019-present:

- What motivates consumers to make decisions about retirement?
- How to improve industry language when describing investment and savings solutions?
- How to talk to consumers given their unique personalities and decision-making styles?

KEY #1

GROUND YOUR RETIREMENT CONVERSATIONS IN "FINANCIAL SECURITY." THEN DISCUSS CLIENTS' VALUES AND EMOTIONS BEFORE MOVING ON TO BENEFITS AND FEATURES.

- "Financial Security" drives American decision-making about retirement
- Starting the conversation with benefits and features is starting the conversation in the middle
- 7 in 10 investors follow the same train of thought when thinking about retirement goals
- 4 conversation inputs: Values, Emotions, Benefits, Features
- We persuaded through reason, but we motivate through emotion
- Discuss Values and Emotions first...Then Benefits and Features

01.

Key Values of living the Full Life:

- I will be secure
- I will be free to live as they choose
- I will be independent
- I will enjoy my life; and
- I will have peace of mind.

02.

Key Emotional combinations associated with Financial Security:

- Safe & Secure
- Optimistic & Proud
- Smart & Responsible

03.

Key Benefits that support Financial Security:

- Safe Income
- Good Retirement Lifestyle

04.

Key Features that help achieve Financial Security:

- Flexible Investments
- Steady Investment Returns
- Professional Advice

CONVERSATION TIP
Ask clients:

- "What do you want out of retirement?"
- "What are your goals and aspirations?"
- "What does Financial Security mean to you?"

KEY #2

USE SIMPLIFIED LANGUAGE TO BUILD A FOUNDATION OF TRUST AS YOU EDUCATE CLIENTS ABOUT RETIREMENT SOLUTIONS INCLUDING PROTECTED INCOME.

Language Simplification Study Goal:

- Make the words we use around annuities and protected income more familiar and intuitive to consumers
- We want to use words that work
- More than 100 terms have been simplified

ALLIANCE RESEARCH **Confusion = Mistrust**

Clients often don't understand us:

- "I don't want to put my money in something that I don't understand."
- "It's often unclear and feels complicated."
- "It's all this financial language, a bunch of jargon."

INSIGHT

64% said annuities are the most difficult financial product to understand **because of how they are described**, not what they do or how they work.

SIMPLIFICATION EXAMPLES

NEW (use this)	OLD (stop using)
✓ Optional benefit	✗ Rider
✓ Market ups and downs	✗ Volatility
✓ Beneficiary benefit or family benefit	✗ Death benefit

KEY #3

CLIENTS HAVE DIFFERENT FINANCIAL PLANNING PERSONALITIES AND YOUR MESSAGE SHOULD BE TAILORED TO THEIR UNIQUE CHARACTERISTICS FOR SAVING AND INVESTING FOR RETIREMENT

Five Financial Planning Personality Types

PROBABLE CLIENTS	POSSIBLE CLIENTS
✓ Cautious Preparer	✗ Uncertain Strugglers
✓ Ambitious Risk Takers	✗ Optimistic Dreamers
✓ Purposeful Planners	

Consumers differ by:

1. Retirement outlook,
2. Personality and decision-making styles
3. Level of retirement preparedness

Key questions to ask yourself about your clients:

- Where does your client fit?
- What type of saver are they?
- What kind of investor are they?

Once you know their personality, you can better engage them

EXAMPLE: Ambitious Risk Taker Profile

- Slightly younger, better educated
- Socially busy, want an active retirement, middle of the accumulation phase
- Confident in their planning, yet open to new ideas

Financial Professionals should:

- ✓ Acknowledge their aspirations
- ✓ Clarify what protected income means
- ✓ Tie risk discussion to portfolio management
- ✓ Help them see the possibilities

SOLUTION

Get Started and Learn More About the New Client Conversation

THE NEW RETIREMENT INCOME GUIDE

A Practice Management Toolbox for Financial Professionals from the Alliance for Lifetime Income (Resources.ProtectedIncome.Org)

VISIT THESE RESOURCES

- www.protectedincome.org/financial-planning-personality-quiz
- www.protectedincome.org/tools-guides
- xxxxx for Talk Tracks

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