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MarketWatch

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Holistic financial planning for retirement

Here's a big market opportunity for financial advisers: make financial planning part of "an integrated, ambitious, adaptable life plan" that will take clients from their 60s into their 90s. So author and consultant George H. Schofield writes in a piece on the PBS Next Avenue site after a meeting with a pair of tone-deaf advisers.



Seeking a plan for retirement beyond fishing and golf.

The advisers pitched their "retirement financial planning" on a goal that didn't resonate with Schofield, one of a retirement filled with all play and no work. (Read "[What Financial Planners Don't Get About Retirement](#)" on Next Avenue.) Schofield, who describes himself as happily self-employed at 65, is hardly alone in rejecting a vision of endless golf for his golden years. Many boomers either can't afford or don't want to stop working. And yet, few advisers today are equipped to provide Schofield with the kind of life plan that he's seeking.

The structure of the financial services industry is partly to blame. Of the 307,000-plus retail financial advisers in the U.S., four out of five work at least partly on commission, according to Cerulli Associates. That means their advice is often tailored to the products they sell, which in turn pay them a commission: Scared of outliving your savings in retirement? This annuity might be able to help. That compensation model doesn't always lend itself to the kind of deep conversations that could form the basis of a life plan.

Clients who want a more holistic approach to life and finances might consider a so-called "fee-only" planner. These planners don't take commissions, instead billing a percentage of assets under management or on an hourly or per-project basis. Clients should also ask about a prospective planner's background to gauge how receptive she might be to go beyond investments. **Rand Spero, a fee-only planner in Lexington, Mass., worked as a strategic consultant before he became a planner, helping companies handle organizational change. His says his background makes him very comfortable coaching clients through career and other transitions.**

Some industry professionals are already at work on a more integrated approach to life and finances. The Kinder Institute of Life Planning, a Littleton, Mass.-based organization, trains advisers in "financial life planning," an approach that involves asking clients questions such as, "What do you want to accomplish or attain so you will feel that you've had a life well-lived?" Not all Kinder-trained advisers are fee-only, but

clients interested in that model can search for fee-only life planners at <http://www.kinderinstitute.com/dir/>.

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