

# Conversations that matter

Clients who feel emotionally connected are twice as valuable as highly satisfied clients.\* But are the normal things you do to help your clients save, grow and protect their money enough to cultivate client loyalty and grow a practice of distinction? The most successful advisors know to leverage these three habits to uniquely deepen and strengthen their client relationships.

## Three habits for cultivating more loyal clients

### 1 Build greater trust

While building client trust takes time and effort, it's well worth the investment. Trust is a powerful force that fosters loyalty. Start by helping clients understand your genuine interest in their well-being:

- Pride yourself on listening as much as you speak. Remember, it's their agenda that matters, not yours.
- Follow the Rule of Three. Before your meeting, ask your clients to provide you with the **three** things they want to discuss, accomplish or achieve. What are their three greatest motivators, concerns about retirement, etc.?

### 2 Make the complex simple

Remember, your words matter too. Focusing on solutions, not challenges; avoiding all-or-nothing recommendations; and keeping discussions grounded in practical terms will help you communicate more effectively about protected income.

Say this ▶	Have enough money as long as you live	Afford to maintain your lifestyle	Have opportunities for market growth while reducing downside risk	Consider investing a portion of your portfolio in an annuity	Provide protected income	Let's break down the costs together
	Manage longevity risk	Manage inflation risk	Manage market risk	Consider investing in an annuity	Provide guarantees	The charges and fees are...
Instead of this ▶						

### 3 Be authentic

Clients like to work with an advisor they can relate to — someone mindful, sympathetic, conscientious and genuine. Make it easy for your clients to learn more about you and understand how you work.

- Speak in common, everyday terms
- Communicate openly and honestly about your rationales
- Strive for transparency and full disclosure

**Clients count on you to help them feel well-prepared and confident about their retirement income plan. By exploring the issues that matter most to them, you'll be able to better anticipate their needs and provide proactive recommendations to protect what's most important to their retirement.**

\*Alan Zorfas and Daniel Leemon, "An Emotional Connection Matters More than Customer Satisfaction," *Harvard Business Review*, August 29, 2016.

# Talk with clients about what's important to their retirement



## Staying invested for retirement

**82%** of pre-retirees are concerned about what will happen to their investments if the market drops.<sup>1</sup>

**Client profile:** Many clients want to protect their assets, but they need to stay invested to keep their retirement income goals on track.

- > Want to protect their savings from market risk
- > May have moved assets hoping to reduce risk
- > Still need to grow their money before they retire

### Having the conversation

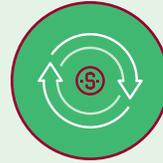
Determine what your clients want to see happen with their savings before they retire: maximize growth potential, experience protection from market losses, or something in between?

- How do you feel about retirement now that you're getting closer to your target date?
- How would you feel about investing if you knew a certain percentage would be protected from losses?

If their answers reveal changes in their risk tolerance or their goals, discuss ways to help them find a better balance of growth and protection.

### Making the connection

These clients may want to consider an indexed or fixed annuity. These solutions offer strategies linked to the market for the growth potential clients want or predictable growth with a Fixed Account. At the same time, they provide a level of protection to help guard against market losses.



## Moving from saving to spending

The power of money in motion: From 2015 to 2017, **\$1.7 trillion** in retirement savings was eligible for rollover.<sup>2</sup>

**Client profile:** Clients know how to save but may not know how to efficiently turn their savings into income.

- > Most of their retirement savings are in an IRA, 401(k), or 403(b)
- > Need income in excess of RMD requirements
- > Plan to draw from these accounts for retirement income

### Having the conversation

Determine what your clients want from their qualified accounts:

- Will withdrawals from your IRA (or qualified account) pay for some of your living expenses in retirement?
- Are you concerned that RMDs alone won't provide enough retirement income?

Help your clients understand the rules and penalties around RMDs, but at the same time, reassure them that it's possible to simplify and satisfy RMD obligations.

### Making the connection

While programs such as IRAs offer tax-deferred savings, annuities offer clients optional benefits that can provide a source of protected lifetime income to satisfy RMD requirements. And for clients who want a source of protected income that also covers their spouse, an annuity can do that too.



## Adding certainty with protected lifetime income

The estimated total demand for guaranteed lifetime income is **\$780 billion.**<sup>3</sup>

**Client profile:** Clients want predictable income in retirement.

- > Facing a projected retirement income gap
- > Concerned that taking withdrawals could deplete savings
- > Want protection from market risk

### Having the conversation

How often do clients tell you they worry about running out of money in retirement? Help them focus less on concerns and more on solutions. For example:

- Have you thought about how you will replace your paycheck in retirement?
- Would you like to know what you can afford to spend in retirement?
- Would you like a reliable source of monthly income that will last as long as you need it?

Help them understand how a source of protected lifetime income can help add certainty to their plans.

### Making the connection

By diversifying clients' income strategies to include an annuity with optional benefits, you can provide them with a source of income that's protected from market losses with the opportunity for growth to help them enjoy a long retirement.



## Preparing for taxes in retirement

**52% of boomers** with \$1M+ would pay more for an advisor who employs tax-saving strategies.<sup>4</sup>

**Client profile:** Clients want tax-deferred growth and tax-efficient income in retirement.

- > Have higher net worth
- > Concerned about how taxes will impact their retirement income
- > Want a strategy to minimize tax exposure

### Having the conversation

It's understandable that clients are concerned about taxes, which can eat up a chunk of retirement income.

- Would you be interested in safely reducing taxes in retirement?
- While we don't know exactly what your taxes in retirement will be from year to year, we can put some tax-advantaged strategies in place.

Having a comprehensive financial plan that includes tax strategies to increase income in retirement can help clients feel confident that they're on the right track.

### Making the connection

Help clients take control of their taxes in retirement by exploring tax-smart strategies, such as an annuity. With an optional living benefit rider, an annuity can provide clients with a source of tax-efficient income and opportunities for rising income.

## Let's keep the conversation going.

For more resources on retirement income planning, contact your Lincoln representative or visit [LFG.com/incomeadvisor](http://LFG.com/incomeadvisor).

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<sup>1</sup> Lincoln Financial Group, "Market Volatility & Retirement Income Study," 2018.

<sup>2</sup> LIMRA, "Retirement Income Reference Book, 2018," applies to individuals (ages 55–69) who retired or changed jobs from 2015 to 2017.

<sup>3</sup> LIMRA, "Retirement Income Reference Book, 2018."

<sup>4</sup> Fidelity Investments, "The Tipping Point: Will the Coming Wave of Wealth Value Advice?" 2017.

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