Obesity and Its Role in Retirement Planning

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by Sara Grillo

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If you tell a story long enough people start believing it. The more I hear advisors talk about what the future of wealth will be for Americans, the more it sounds like Greek mythology rather than a realistic scenario.

Here is the number one lie that advisors tell themselves and the rest of the world about retirement. Just like Zeus, Poseidon, and Hera, it's pure fiction. Here's the fairy tale, why it's false, and what advisors should do about it.

The biggest retirement myth known to mankind

We've all said it before.

"Nowadays people are living until they're 90!"

Come on, you've said it, or some variation. Everyone is living longer, many of us are going to live until 90 or you could be retired for the next 30 years. It's great to say if you're an advisor trying to make a case to some unsuspecting pre-retiree or retiree about how they need to buy a big ole' annuity or buy your financial planning services so they know how much cash flow they'll need in a gazillion years.

But there's one fact, one teeny tiny morsel of data, this itsy bitsy truth staring America in the face that blows up the entire diamond-studded marketing pitch.

The reality:

The simple fact that 39% (or more, in some cases) of US adults are obese means that many Americans aren't going to live as long as everyone says they are.

Now before you go on a Twitter rant about me (which happens regularly, by the way), let me be clear that I'm not knocking anybody for being overweight. I'm talking about the numbers here, and they are well-documented.

The facts are the facts and they clearly indicate that obesity is an epidemic in America. *Nearly 43% of Americans between 40 and 59 years of age are obese*, according to a survey by the National Center for Health Statistics. I'm not going to drill down into the demographics but the data shows that there are higher rates amongst certain cohorts. The CDC data shows that a little shy of half the population of up-and-coming retirees are obese and the side effects, as we all know, are pretty serious (heart disease, stroke, diabetes, and cancer, to name a few).

I don't believe for a second that if over 40% of pre-retirees are obese that retirement will be as long as everyone says it's going to be.

Financial wellness advisor – Join the movement?

If retirement is shorter than we think, it calls for a change in the way that advisors treat clients. There would be less of a focus on preventing retirement shortfall. Long-term care insurance? Fewer people than you think are going to need it.

But here's what will serve them better.

I've seen advisors who are marketing themselves as "financial health advisors" or "wellness advisors." The branding pitch is that they help you maintain financial and physical health. It's a little bit too feng shui for me, but it seems like everyone is becoming one all of a sudden! Lifestyle advisors are becoming the next financial advisor cliché – remind me to include them in my next cliché rant! It's just like impact investing. Now everyone is pretending to be the next ESG specialist because it's "hot."

But those advisors are onto something. It makes good business sense. Any client you can help and who is open to your advice is a good client. It will behoove you as an advisor to find the ones who value a healthier lifestyle.

If you're looking to join the financial wellness advisor movement, staff up your support networks to be able to offer clients resources such as a nutritional consultant, health insurance consultant, fitness coach and debt counselor (specialized in medical debt).

Learn how to talk to millennials

The other aspect of wealth management that is increasingly important in this scenario is the millennial children of those retirees. If they are going to be the ones inheriting the wealth, advisors would do well to learn how to market and serve this client base.

Hint: there's a different set of rules that apply when you're marketing to a millennial. If you want to retain your affluent families, you're going to have to contend with the roboadvisors. I'm not sure they're that substantial a threat, but they do have a certain appeal to the younger generations.

Here are some tips about talking to the millennial children of your clients:

- Ditch the buttoned-up banker look and go tieless or adopt more casual dress.

- Instead of meeting at the traditional mahogany rectangular desk in your conference room, style your office to contain modern elements such as a café, huddle room, or game area.
- Social media is a must instead of those cheesy brochures.
- Abandon the tired financial advisor clichés (comprehensive financial planning, client-centric approach) that are laughable to a skeptical Gen Y'er who has had it up to here with the whole industry.
- If you're offering food or snacks, include healthy options and beware that some people have dietary restrictions.
- Maybe forgo the leather furniture because that may offend those animal rights activists/vegetarian/vegans.

Sara's upshot

If you're thinking about the future of financial advising, consider the role that health is going to play. My advice for a good place to meet your next client: try jumping on the treadmill at the gym. By the way, I talk more about these and other topics on my financial advisor marketing podcast that you can download here.

Sara Grillo*, CFA, is a top financial writer with a focus on marketing and branding for investment management, financial planning, and RIA firms. Prior to launching her own firm, she was a financial advisor and worked at Lehman Brothers. Sara graduated from Harvard with a degree in English literature and has an MBA from NYU Stern in Quantitative Finance.*