

Training on How to Finance Longevity

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It sounds like a bad joke: The good news is that we're living longer. The bad news? We're living longer ... and society's infrastructure has not caught up with this "problem" of longevity.

Two out of five Americans - and many are in their 50s and 60s themselves - have to act as caregivers for elderly relatives or friends. As the population ages in this decade, you can expect that number to jump to something like three out of five.

As yet, however, there is little formal training for the average person struggling to navigate the myriad additional complexities of aging - everything from the details of Medicare and Social Security and pension payouts to the vagaries of medical issues, insurance, reverse mortgages and the like.

But here's some more good news, minus the punchline: A new educational organization is aiming to fill the gap on the financial side, providing holistic training on financing longevity to financial planners, insurance brokers, caregivers and social workers - basically anyone who advises older consumers and their families. The American Institute of Financial Gerontology, founded in New York City a year ago, offers a "Certified Financial Gerontologist" designation to professionals who complete the requirements of courses offered both online and at locations around the country.

Why ask professionals - most of whom already work with seniors - to get additional education? James Valentino, a former insurance company executive who co-founded the AIFG and serves as its chairman, says that finance pros typically specialize in just one type of income or insurance product. They probably aren't familiar with other options that might truly be a better fit for the senior citizen who comes in for advice. Although many of these pros are the primary source of information for elderly clients, they are not equipped with referrals to medical, government and social programs to assist seniors.

"A person who is living with illness managed by medication may really need long-term-care insurance, but they consult with a financial planner selling annuities, who is not really conversant with insurance or other options that are in the client's best interest," Valentino says, giving an example. The certificate program aims to fill in the gaps, providing information on various financial products,

how-to advice on navigating government programs and familiarizing professionals with the social and psychological issues that confront seniors. It also offers an educational track for caregivers, teaching them about the options for financing longevity.

Both programs emphasize developing a code of ethics for interactions with seniors, who can be particularly vulnerable to making bad financial choices at a time in their lives when they are unlikely to recover. Teaching the professionals to routinely include the adult children in their clients' financial planning is important to Valentino - personally as well as professionally.

"I'm 60, and I care for my 84-year-old mom in New Jersey and my 84-year-old and 90-year-old aunts who live together in a rent-controlled apartment in Greenwich Village," he confides. "As smart as my relatives are, I would be concerned about them making financial decisions without some help understanding the complexities involved. A good financial professional would ask if they could talk to me before they sold them anything."

The AIFG is just beginning to graduate its first students, but eventually, Valentino plans to develop a database of professionals who have earned the certificate, so that if someone is looking for a financial adviser or caregiver who is fully trained in senior issues and options, he or she can find contact information on the AIFG Web site. The organization, while not a nonprofit entity, will make its revenue from student tuition alone, Valentino says, and will not endorse any particular financial product or company or accept sponsorships from financial institutions.

To read previous installments of this column visit www.newsday.com/act2.

Where To Learn More

The American Institute of Financial Gerontology (AIFG) is online at: www.aifg.org.

For additional information about its program, see this article on its site: www.aifg.org/display.cgi?page=pr10feb2003

The group's ethical guidelines are profiled at: www.aifg.org/display.cgi?page=ethics

The American Society on Aging, www.asaging.org is partnering with the new group, as is Widener University www.widener.edu.

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