You don't have to hang out at shuffleboard courts to find wealthy retirees.

THE INVISIBLE RETIRED

By Bryce M. Sanders

"INVISIBLE RICH," AN ARTICLE I WROTE FOR *Wealth Manager* last October, looked at how financial advisors can use the Internet to identify wealthy geographic areas to prospect, along with cautionary advice on "when public information is not public information." But advisors may need to be even more specific, especially when wealth can take many forms. It may be time to consider identifying wealth in terms of retirement assets.

Let's assume you already know how to explain to current retired clients the advantages of bringing their assets into your firm through an Individual Retirement Rollover Account (IRRA) versus keeping them in their previous employer's retirement plan. You also understand how to approach current clients and prospects about planning for retirement. And you want new prospects.

RELOCATING SENIOR EXECUTIVES

The logic is very simple. Senior executives leave the old firm and take new jobs in your city. They probably have a retirement plan that could be rolled over into an IRRA with you. How do you find them? You know to check the business journal for your city or the business section of the major newspapers. How can you check that information for nearby towns without driving there and buying a newspaper? Try www.hometownnews.com. This Web site features a map of the United States. Click on your state. A list of newspapers will appear. The names are hyperlinks to the online versions of the newspapers. Most online newspapers are

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free to access. Flip to the business section, look for a a column titled "People on the Move" or "People in the News" to learn who has relocated to the area.

FORMER EMPLOYEE ALUMNI GROUPS

Many firms have experienced downsizing over the past 10-plus years. Large companies "retired" many former employees. You are familiar with the alumni association of your college. What do members have in common? They attended the same school. "Former employee groups," the corporate equivalent of alumni associations, have also sprung up. Sometimes, these are not formally affiliated with the previous employer, although some groups are even organized by the former employer. There are many ways to find these groups on the Internet. For example, you might go to a search engine and enter the name of the company with "alumni" or "former employees." Another route is to go to www.yahoo.com. In the search field, enter "Business and Finance Companies Former Employees." One of the choices in your result set will be "Yahoo! Groups: Directory Former Employees." Some 962 organizations were listed, as of November 2006! What do these folks have in common? Most of them probably had a retirement plan or 401(k) with their former employer. Look at the names of companies on the list. Do you have friends who used to work for any of the firms (and, perhaps, belong to the group)? Could they connect you with the local officers to begin a discussion?

PROFESSIONAL ASSOCIATIONS

Every financial advisor has probably heard a story about a top producing FA who built his entire book by prospecting a specific niche through the professional organization. And you've probably wondered how they found that group in the first place. Here's how to get started learning about different professional organizations. Go to www.yahoo.com/economy/organizations/professional. This site contains multiple categories of professions or fields of study, each with a list of professions. Some, such as "law," contain sub-groups, each with their own list of professions. The site also shows the most popular choices.

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What strategy would you follow? With former employee alumni associations, you started by looking for people you knew who were former employees or people with contacts. Use the same strategy. Once you are in contact with officers, ask questions such as: "Do local chapters feature speakers at meetings?" "Can you host a meeting for a local chapter in your conference room?" "Can you contact members via email?" With email, be aware of the compliance issues; your firm probably has policies. You could not contact a member in a state where you were not properly licensed to do business, for example. You can ask the officers about conventional prospecting. Have they ever worked with a financial advisor before?

DOWNSIZED EXECUTIVES WITH LARGE ROLLOVERS

When mid-level managers lose their jobs, rolling over their 401(k) is undoubtedly low on their priority list. What's important is finding a new job. Some may even use this turn of events as an opportunity to start their own business. When a company downsizes, they sometimes offer the services of an outplacement firm to help executives find new positions. The local [outplacement] firms should not be difficult to find. Start by entering words like "outplacement firm," your city and state into a search engine.

You will not be the first financial advisor to call and ask to talk with their recently downsized executives. What can you offer that is different? Can you put together a seminar addressing "Concerns of the Downsized Executive"?

And they have major concerns. For example, they probably need to address health insurance going forward. They may be able to remain in their former company's plan, but for how long? Borrowing money is another issue. Salary and cash flow are important to mortgage lenders when making loans. They may have become accustomed to easy credit when they were employed. What strategies should they use now? What do they need to know about exercising their stock options?

Another issue to discuss is 401(k) rollovers. Although seminar content must have compliance approval, this can be a lucrative market. Most of these folks will probably find other jobs. People remember who helped them when they needed it.

401(K) IN SERVICE NON-HARDSHIP WITHDRAWALS

You understand why a person who has left a firm should seriously consider moving their retirement assets into an IRRA. But what about those who are still employed? Under certain circumstances company employees may be able to take advantage of the 401(k) in-service non-hardship withdrawal. Companies usually indicate in the plan summary document whether this feature is available. Your company may have a list of local firms with this provision.

SELF-EMPLOYED BUSINESS OWNERS

Most financial advisors know business owners make great prospects and clients. They make decisions quickly, and if they are successful, they have money to invest. They also understand they must provide for their own retirement and are interested in maximizing their contributions.

But when you start to prospect local business owners, you learn that they don't have any money! How can this be if business owners have all the money? How can they have it, yet not have it? Target business owners who have been in business for 10-plus years. One way to locate them is through the pages of your local chamber of commerce magazine. (You probably belong to the CC anyway.) Periodically the organization recognizes businesses that have been chamber members for 10 years, 15 years, and so on. That's a good way to find some of them.

Self-employed professionals in your market present another opportunity. Between professional directories, the Internet, articles and walking around town you should be able to find them. Doctors, lawyers and accountants come to mind first. Also think about professional engineers, dentists, architects and other professions requiring a license to practice.

Consultants are another good market. Remember Y2K? Almost every information technology consultant experienced full employment! They often work on contract, put in long hours on projects and take in large amounts of money in a short time. Smart people know they need to save for retirement while the money is coming in quickly. IT consultants should not be too difficult to find. Most people probably know a few socially or through their college alumni association. They could probably introduce you to others.

RETIREES WITH LARGE ROLLOVERS

On January 6, 2007, the 401(k) plan turned 26 years old. You know from experience that sometimes the best way to get money to grow is to invest it properly in some managed products such as mutual funds and leave it alone. When we think of large retirement rollovers, we think about senior executives; but they are not the only ones who have amassed big 401(k)s.. Consider the following example: Two company employees, an HR manager and the company president, each started a 401(k) when they were first offered. They each put in the maximum allowable contribution and invested in an index fund that tracked the S&P 500. Who would have more money today? Logically they should both have the same amount of money, because they each would have faced the annual contribution caps.

You know how to approach companies to speak with retiring employees. Lots of competitors are trying the same strategy. Who is helping federal, state and local employees by providing educational seminars? You may find this area less crowded. Start by identifying some federal offices in your area and make an appointment to sit down with the manager of the field office. Discuss offering retirement planning education for people approaching retirement. Has this been done before? Are there do's and don'ts?

The retirees are out there, in ever-increasing numbers. You just need to know where to look.

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THE FINE PRINT

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