

The Eldercare Checklist

There are few industries in the world that have accomplished what the US commercial aviation industry has – an almost perfect record of safety delivering passengers at heights of five miles and at speed in excess of 500 mile per hour – and it has done so year after year. According to aviation consulting firm To70, “large commercial airplanes had 0.27 fatal accidents per million flights in 2020...or one fatal crash every 3.7 million flights.”¹ As someone who has taken several flights both for business as well as pleasure over the years, I find these statistics very comforting.

Two things have contributed to this amazing record of safety, and both concern superior engineering. Decades of experience have led to highly effective manufacturing processes of aircraft and their engines – so effective that the National Transportation Safety Board rarely concludes that mechanical failure caused a commercial aviation accident. The other engineering development has been even more profound: the development of preflight and in-flight checklists that have virtually eliminated human error.

The commitment to checklists in aviation has been so valuable that medical professionals are taking advantage of similar standardizations to reduce or prevent human error. Hospitals are reengineering their processes to include checklists as part of their patient management systems. According to a study published online in May 2020 by JAMA Surgery, “reductions in complications and emergency reoperations occurred when the preoperative Surgical Patient Safety System was added to the surgical checklist.”²

INTRODUCING THE STANDARD OF CARE

Our recommendations as financial advisors are potentially as impactful as those of surgeons or pilots. Our clients trust us with their future well-being, as well as that of their children and grandchildren. We are just as susceptible to mistakes as any other professionals – both mistakes of commission (things we do that cause harm) and mistakes of omission (things we forget to do that also cause harm).

From aviation, we have developed a checklist that has helped us as financial advisors, but more importantly, has helped clients with setting certain guidelines that support their financial health throughout their accumulating wealth and distribution phases over time. It is a practice management tool that encompasses age and wealth related “triggers” to determine a checklist that will guide our delivery of services to each client family.

¹David Shepardson, “Aviation Deaths Rise Worldwide in 2020 Even as Fatal Incidents, Flights Fail,” Reuters.com (January 1, 2021)

²Anette Storesund et al, “Clinical Efficacy of Combined Surgical Patient Safety System and the World Health Organization’s Checklists in Surgery: A Nonrandomized Clinical Trial,” JAMA Surgery vol. 155, no. 7 (July 1010):562 – 570

To enhance our practice, we have created the following checklist by category:

1. DISCOVERY FOR POTENTIAL NEW CLIENTS

- Basic fact-finding.
- Comprehensive personal values and goals discovery.
- Offer a goal-based planning strategy.
- Review of existing investments, retirement expectations and wealth-transfer strategies.

2. PORTFOLIO MANAGEMENT

- Equity investing: understanding a client's tolerance for risk, are active, passive or individual ownership of stocks appropriate? Is a professionally managed portfolio appropriate?
- Diversification of assets – the necessity of.
- Diversification across asset classes; describe the different asset classes and why they are important to understand.
- Describe what ages and wealth levels trigger changes in a portfolio.
- Describe the most effective approaches for taxable and/or tax-free fixed income investing: active, passive or individual ownership?
- How does the role of and reason for volatility management come into play? How is a portfolio designed to respond to extreme volatility?

3. CLIENT CONTACT

- How frequently does a client want to be contacted? How many face-to-face or digital meetings each year?
- What type of communication is important?
- Comprehensive portfolio review.
- Any pertinent change in market behavior that could impact client portfolios.
- Any pertinent change in the investment management of a portfolio.
- Reviewing client goals/life changes at least annually.

4. FINANCIAL PLANNING

- Offer of basic limited plans or more comprehensive plans depending on the complexity.
 - Offer banking, lending, trust services, bill pay.
 - Offer college funding planning for children and grandchildren.
 - Offer retirement income planning.
 - Offer gift planning.
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5. INSURANCE REVIEW

- Review life insurance policies.
- Review Medicare strategies.
- Offer transition income-replacement insurance to estate-planning strategy.
- Review and update all beneficiaries.

6. RECORDS, DOCUMENTATION, INSTRUCTIONS, AND GENERAL INFORMATION

- Does the client have protected passwords and accessible to a trusted contact?
- Are there individuals who you trust aware of any business dealings that are out?



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