

Building Relationships Across the Age Spectrum

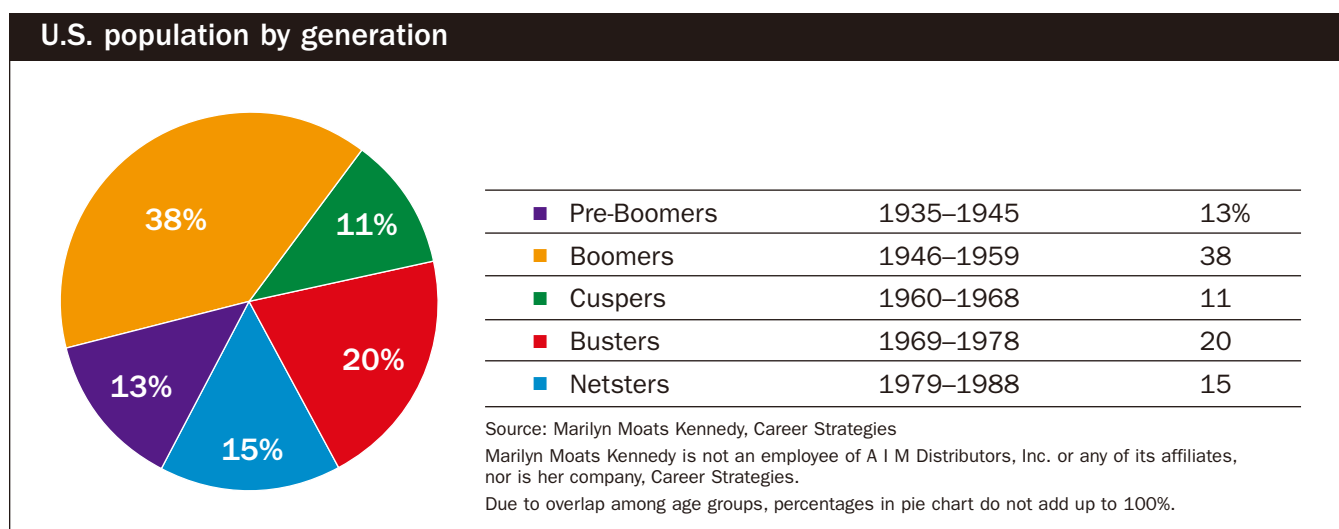


AIM Generations

Why Generational Marketing?

With the general population living longer and younger generations inheriting wealth, understanding cross-generational differences may be a critical factor in improving the longevity and success of your business. Generational marketing is an age-sensitive approach to improving client relationships, getting new referrals and gaining an edge over competitors who remain unresponsive to generational research and its impact on their clients' financial needs. This program is designed to help you improve communication, service and sales skills with five different age groups, or cohorts.

By studying the five cohorts and considering the impact of each group on your practice, you should be better able to customize your message for each one and provide solutions designed to meet their unique needs. Start by reading our five-step process for taking a cross-generational approach with your clients (pages 2–3). Then study the at-a-glance table to compare and contrast each generation (pages 4–5). Finally, review our conversation starters and tips for improving communication with members of each age group (pages 6–7).



Five Steps to Building Relationships Across the Age Spectrum

Step 1

Evaluate the generational segmentation of your current book of business.

To understand the potential impact of generational marketing, you need to evaluate your current book of business in this context. By segmenting your business by age group, you can determine which groups dominate and which are poorly represented—where you're overweight and underweight in terms of generational market share.

Organize your book by date of birth. Who are you doing business with? Is there a trend you need to capitalize on? You'll likely find that much of your practice involves working with clients in one or two generations. Focus on ways to work more effectively with groups you already do business with and attract clients in age groups with whom you've done little business.

AIM Tools

Use AIM's profiling flyers to segment your business and record the percentage of your business represented by each generation.

Step 2

Consider your clients' outlook and lifestyle.

Understanding the differences among age groups—including personal relationships, social attitudes and professional or financial characteristics—is critical. The more you know about your clients, the better rapport you will have with them and the more likely you will be to create and maintain long-term success—for you *and* them.

AIM Tools

When analyzing each generation, look at the "Consider your clients' outlook" section of our profiling flyers and the table on pages 4–5 of this guide.

Step 3

Communicate more effectively by customizing your message.

To build stronger client relationships, you must customize your messages—modifying your approach with each target generation. An age-specific communication style should help you improve your methods of selling to and obtaining referrals from each generation.

AIM Tools

Use the conversation tips on pages 6–7 of this guide.

Step 4

Offer solutions by introducing various products and services.

To provide solutions, it's important to identify which products and services would best suit your clients' age-specific needs. Your clients' concerns are likely to bear some generational similarities, so focus on solutions that can help clients within each age group maximize their financial strategies.

AIM Tools

Look at the "Offer solutions by introducing various products and services" section of our profiling flyers.

Step 5

Reallocate and diversify your business.

When it's time to target groups with whom you'd like to do more business, use what you've learned to prospect and gather referrals across generations. Rather than limiting yourself by focusing only on one age group, put our prospecting tips to work in diversifying the overall age mix of your business.

AIM Tools

Use the prospecting tips in the "Reallocate and diversify your business" section of our profiling flyers.

Be a good listener

Making generational marketing work for you involves listening to the clues your clients and prospects give. Remember, listening is the catalyst for building relationships and communicating with each age group.

Being a good listener leads to being a good communicator. And communicating well may allow you to build relationships across the age spectrum, improve your ability to provide appropriate financial solutions, increase current client satisfaction and expand your business for the long term.

Generations at a Glance



Distinguishing Attributes

Pre-Boomers

Born 1935–1945

- Subscribe to the “steady as she goes” theory—regular investing can lead to success
- Driven by money, responsibility and accomplishment

Boomers

Born 1946–1959

- Big consumers and minimal savers
- Leaders who are status conscious and motivated by money
- Flock with likeminded people; care deeply about what others think
- Highly competitive and controlling with ideological work ethic
- Strive for recognition

General Concerns

- Financial well-being of children and grandchildren
- Maintaining standard of living
- Staying healthy and providing for family after they pass away

- Aging—prefer to think they’ll live forever
- Possible lifestyle changes later in life
- Family obligations—debt reduction, college education
- Wealth accumulation

Plan/Product Solutions

- College savings accounts for grandchildren
- Roth IRA conversions
- Long-term care and permanent life insurance
- Annuities
- Wills, trusts, powers of attorney and beneficiary designations
- Systematic withdrawal plans

- IRA rollovers and catch-up contributions
- Long-term care and permanent life insurance
- Annuities
- Portfolio consolidation
- College savings accounts

Ways to Reach Other Generations

- Form relationships with their children and grandchildren now.
- Offer to help set up college savings accounts for their grandchildren and other relatives.
- Meet with their children to discuss beneficiary designations and long-term health needs.

- Build relationships with their children; they may have more assets than you think.
- Offer to help their parents set up wills, trusts and powers of attorney.
- Demonstrate knowledge and trustworthiness; if they like and trust you, they’ll tell others.



Cuspers

Born 1960–1968

- Seek to balance savings, investments and consumption
 - Spend in moderation; simple material wants
 - Value job satisfaction over monetary rewards
 - Enjoy time with family—work hard, play hard
 - Are or expect to be self-employed
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- End of Social Security and Medicare
 - Current income taxes and future retirement needs
 - If self-employed, lack of time to research investments
-
- Maximized IRA/401(k) contributions
 - College savings accounts for children or themselves
 - Mortgage refinancing
 - Small business or solo-employer retirement accounts
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- Drive home the importance of long-term goals like retirement for them and those they care about.
 - Offer to work with people in different areas of their lives—friends and family members, chiropractor, owner of favorite restaurant, etc.—and leverage the rule of reciprocity.



Busters

Born 1969–1978

- Save money; think cheap is good
 - Work to live—not other way around
 - Care little about what others think and develop opinions based on research/facts
 - Two in five expect to be self-employed; three in five believe it will happen within five years
 - More conservative and cautious because they watched parents get down-sized in late '80s
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- Not enough time to research investment opportunities
 - Parents' and grandparents' lack of planning to meet their financial obligations
-
- Maximized IRA/401(k) contributions
 - College savings accounts for children or themselves
 - Small business or solo-employer retirement plans
 - Short-term investments for purchase of home
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- Friends probably have children or expect to, so propose college savings solutions.
 - Offer solutions to help their parents and grandparents achieve their financial goals.
 - Include friends and families on event invitations and meetings.



Netsters

Born 1979–1988

- Want to start building wealth today but tremendously underserved
 - Gather information from Web, research and mentors
 - Enjoy time with family and a small group of friends
 - Prefer to work alone and don't value a team approach
 - Will work hard if job provides satisfaction on many levels
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- End of Social Security
 - Not prepared for a comfortable retirement even though started saving early
 - Paying off college loans and reducing debt
 - Needs of multigenerational family; probably care more about parents' and grandparents' financial health than other relatives do
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- Rollover IRAs to consolidate 401(k) plans and IRAs
 - Short-term investments for purchase of home
 - Small business or solo-employer retirement plans
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- Build on their close relationships with parents and grandparents by proposing solutions for older investors.
 - Get to know their colleagues—if one likes you, it's likely they all will.
 - Promote small business and solo-employer plans to grow your business with other entrepreneurs.

Customizing Your Message

Because each age group thinks, acts and speaks differently, you should adapt your communication style accordingly. After talking with you, your clients should feel as though you understand them and that you're the right person to help

them reach their financial goals. The following sample conversation starters may help you be better prepared to approach members of each generation.

Pre-Boomers	
If you hear ... Why is this product the best one for me?	Consider responding ... It can help you begin transferring wealth, and it fits your risk tolerance.
I don't need to make a large amount of money. A reasonable return is okay.	I understand your position, but we need to make sure your investments are positioned to offset inflation and taxes as much as possible. A well-diversified portfolio can help you accomplish this.
Have you had much experience in retirement planning? What strategy should I use if I don't plan to retire soon?	I have been assisting clients with retirement plans for many years, and I take pride in helping them plan for their future. It's important to start planning now, so let's take a closer look at your financial goals for retirement. When do you want to retire?

Boomers	
If you hear ... Are others buying this product?	Consider responding ... We're looking for investments tailored to <i>your</i> financial profile—products that we feel will help you continue to accumulate wealth.
What if I don't retire for 20 more years? How would my portfolio be different?	No matter how much time you have before retirement, it's important to plan ahead. Let's talk about how we can work together to make your portfolio consistent with your time horizon.
What are your typical clients like? Are they like me?	Many of my clients have the same concerns you do, but I think it's important to customize your financial strategy based on your specific needs and goals.

Cuspers

If you hear ...

Why is it important for me to consider investing now?

Consider responding ...

I like to help people think long term. Financial strategies tend to work better when you start early.

I don't think I want to spend that much at this point in my life.

Let's look for ways to balance your current financial obligations with planning ahead. It may seem difficult to carve money out of your budget to invest, but it's important to prioritize investing now so you and your family can live comfortably in the future.

I am so busy that I don't have time to plan my investments as carefully as I once did.

It's my job to watch your investments, evaluate your needs and goals, and discuss the most appropriate solutions with you.

What will happen if ... ?

Let's work through a variety of scenarios.

Busters

If you hear ...

How long have you been in the financial industry?

Consider responding ...

I have been helping clients with their financial goals for some time and get satisfaction from helping them plan for their future.

I have several retirement accounts. Can you help me consolidate my IRAs? Are my plans eligible for rollover?

A rollover IRA may be a great way to consolidate your accounts. What types of plans do you currently have? If you think a rollover makes sense, we can discuss beneficiary designations and asset allocation as well.

Do you have anything less expensive?

I realize you have some financial concerns right now, but together we can find ways to save for the future while staying within your means.

Netsters

If you hear ...

I want to start building wealth today.

Consider responding ...

What products/plans have you considered so far? Tell me about your experiences.

I'm already committed to regular investing. How do you suggest I allocate my 401(k) plan assets?

Tell me about your short- and long-term financial goals. We should consider your other investments to determine the best way to allocate your 401(k) assets.

Can my account be viewed online? Can I receive e-delivery of account statements and portfolio-specific information?

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Note: Not all products available through all firms.