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I write about how to build, manage and enjoy your family's wealth.

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How To Solve The Special Needs Financial Puzzle -- Merrill's Soft Sell

If you have a special needs child—21 million U.S. families do—[Bank of America](#)'s Merrill [Edge](#) wants your business. Since 1999, [Merrill Lynch Wealth Management](#) has been catering to affluent families with special needs kids, and now some of those same services are available to Merrill Edge's mass market clients—folks with assets in the \$50,000 to \$250,000 range. For these folks, paying for special needs kids' care is a major stress point as they have fewer assets to spread around, so having a new avenue for financial planning is good news.

"These families have a number of competing priorities for the same dollars," says Alok Prasad, head of Merrill Edge. "Do you want to save that dollar for retirement, your other kids' education, or your special needs child? It's a tough decision we try to help clients make."

The starting point for a discussion is Merrill's revamped online [special needs calculator](#) and [workbook](#). Both are available free online whether or not you are a Merrill client. The calculator has been made simpler, with built-in assumptions (that you can adjust for your situation) about income and expenses for the parent/guardian and the child, expected rate of return on investments and inflation. This leads to a calculated gap or "shortfall amount" that you'll need by retirement and the additional monthly savings you'll need to get there. Don't be surprised if the number is in the seven figures. A worksheet in the workbook helps you go through items in greater detail to make the guesstimate more personalized.

“The calculator doesn’t have all the answers, but it gets people to the table; they’re so far ahead of people who aren’t doing anything because it’s so daunting,” says Bernard Krooks, a New York trusts and estates lawyer with a focus on special needs planning and a Forbes contributor who has been a speaker at Merrill advisor training programs. “Merrill takes this seriously,” he adds.

Merrill Lynch Wealth Management launched its special needs program back in 1999, and in 2007, it started in-house training to certify its financial advisors as “certified special needs advisors” (there are more than 2,300 with the CSNA designation). Last month, Merrill Edge started training its investment advisors in the special needs curriculum, and so far 35 advisors—in Bank of America branches and manning a hotline—have been certified, with a national rollout ongoing this year.

One important difference between Merrill Edge advisors and Merrill Wealth advisors is that the former do not sell insurance while the latter do. Instead, they will gather information about existing insurance policies the special needs family has, or refer those with complex needs to Merrill Wealth. Insurance is an important piece of the puzzle for special needs families. “You have to worry about dying early,” says Krooks. All the Merrill advisors can help with investments and discuss the esoteric such as the advantages of setting up a special needs trust and estate planning issues like how an inheritance could jeopardize your child’s eligibility for government benefits.

Feeling overwhelmed? “In the world of special needs, for the most part, all families can think of is getting through the day or the next day, never far into the future,” says Chris Sullivan, who founded Merrill’s special needs program. The key is to start the conversation.

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