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Collaborating with a Financial Therapist: The Why, Who, What, and How

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Executive Summary

- In this article, the authors, long-term practitioners of a multi-faceted approach to serving financial planning clients, share their process. Their method incorporates a structured collaboration with a financial therapist who has special expertise that enhances the planning experience.
- The growing literature on life planning suggests that planners can be more effective in advising clients by addressing the "whole person"—their hopes, ambitions, life experiences, and relationships (both healthy and unhealthy) with money.
- As life planning has evolved, many planners have adopted new procedures and methods, and have sought out training to gain new skills.
- Many in the financial planning field also have embraced collaboration with financial therapists, but have been stymied in their efforts to find therapists with whom to join forces. Therapists have experienced their own frustrations in their efforts to find financial planners to whom they can refer their own clients or with whom to collaborate.
- The authors share their insights and experience on integrating a financial therapist into a planning practice.
- They offer a primer on how to best team with a financial therapist to maximize the experience for clients and, by extension, for the practice. They explore a variety of approaches to collaborating with a financial therapist; the benefits it provides to the client and the adviser; introducing the idea to clients; finding the best financial therapist with whom to team; working most effectively with each other; and jointly marketing yourselves.

Literature and evidence suggest that benefits of collaboration with a financial therapist include more open communication with clients and better client follow-through.

According to Merriam Webster, the word "collaborate" comes directly from the Latin word "collaborare" and means, "to labor together," especially in an intellectual endeavor.

The concept of life planning, in which we consider the client's whole person, goals, hopes, ambitions, and relationships—both healthy and unhealthy—with money in providing financial advice, is not new. There is a growing body of excellent research, dating back to the 1980s, that validates its worth (Anthes and Lee, 2001; Nixon, 2002; Dilberto and Anthony, 2003; Kinder and Galvin, 2007). What is new, however, is incorporating the services of a licensed mental health professional as a full and equal collaborator in the financial planning process (Taylor *et al.*, 2007). We first came to truly recognize the merits of this concept in the late 1980s, and three years ago, we decided to seamlessly integrate a financial therapist into all that we do. In this article, we'll share our practical perspectives on how readers can make such a collaboration work for their practices.

There currently is not a widely agreed upon definition of a financial therapist, nor is there clear agreement on what to call a financial planner engaged in a process that incorporates the financial, emotional, behavioral, and spiritual components of the client into a whole. What we can relate from our experience is that some common body of knowledge is shared, but that planners and therapists each excel at some—but not all—of the skills, and each have areas of experience and expertise in different aspects of the integrated planning process.

Given today's environment, it is critical that financial planners and mental health professionals *do* collaborate. Previous research has demonstrated the negative effect of stress on financial decision making (Porcelli and Delgado, 2009), physical and mental health (Skinner, Zautra, and Reich, 2004), and even dental health (Genco *et al.*, 1999). Among consumer credit counseling clients, it was found that positive financial behaviors were statistically associated with a decrease in financial stress (Xiao *et al.*, 2006). Folkman and Moskowitz (2000) discovered that positive and negative emotions co-exist during stressful times.

Why Collaborate with a Financial Therapist?

Like us, you will undoubtedly have had experience with clients who behave in unusual ways when it comes to money. Anecdotes abound about people of modest means gambling away sizable inheritances during a single night in Vegas, or wealthy but miserly individuals who deprive themselves and live in deplorable conditions. These stories (albeit somewhat dramatically) illustrate a fundamental and critical fact about human behavior and money—that it is not always a rational relationship.

There are a host of problem financial behaviors, including overspending, underspending, serial borrowing, hoarding, financial incest (defined as lording money over relatives to control them), as well as guilt or shame around poverty and wealth. (Dell'Osso *et al.*, 2008; Klontz *et al.*, 2008; Vohs and Faber, 2007). At the extreme, these behaviors can manifest themselves in a pathological fashion. Currently, for instance, the American Psychiatric Association is debating whether to include compulsive buying disorder (CBD) as a psychiatric disorder in the revised *Diagnostic and Statistical Manual (DSM) of Psychiatric Disorders*. CBD, which can be treated, is estimated to affect 5.8 percent of the U.S. population (Koran *et al.*, 2006).

For most, pathological behaviors are, fortunately, not the norm. However, everyone has a relationship, often a very emotional one, with money. People experience thoughts, feelings, and physical sensations about money, and these can help or hinder their ability to make sound financial decisions (Lerner *et al.*, 2004). Without a full understanding of this relationship and how it affects the client's whole person, it is difficult to provide advice and/or to get a client to act on that advice.

Dubofsky and Sussman (2009), in their survey of 1,374 financial planners, discovered that psychological issues arise in their meetings with their clients. More specifically, in this research, it was discovered that 10 percent of planners have dealt with clients thinking of suicide, 3–5 percent of planners have had clients who use drugs, and 26 percent of planners have had to reschedule a meeting because of a client's emotional state. Financial therapists are trained to deal with these issues:

> I have deep respect for the credentials, training, and intentions of most licensed therapists. Their clinical training sets them apart from others claiming to help people, such as coaches, advisers, and mentors. I am a big believer in the professional training in a clinical field such as psychiatry, psychology, and social work. I believe that this training combined with coaching creates the best results (Siegler, 2009).

Gray (2006) admonishes coaches not trained as therapists to be mindful of their blind spots that may result in them missing critical indicators such as "… depression, anxiety attacks, alcohol or drug abuse, personality disorders, or paranoia."

On the other end of the continuum, beyond focusing on money disorders and pathological behaviors, financial therapists are applying techniques from positive psychology that focus on four core practices: reverse the focus from negative to positive; develop a language of strength; balance the positive and negative; and build strategies that foster hope (Harvard Medical School, 2008). The spotlight is on positive psychology and this is reframing the very definition and purpose of psychotherapy as stated by Seligman (2005) and his research team:

> Psychotherapy as defined now is where you go to talk about your troubles and your weaknesses; perhaps in the future it will also be where you go to build your strengths.

Financial therapy as we practice it embraces this new reality for psychotherapy.

What Are the Benefits?

As the case studies drawn from recent client scenarios below show, there are many advantages to clients, as well as planners, in collaborating with a financial therapist. While these will certainly vary from client to client and situation to situation, benefits generally fall into two categories: (1) more open communications and (2) better client follow-through. Some of these benefits that we have experienced are discussed in the literature, which has shown that a traditional coaching model rather than a therapeutically informed coaching model results in "… serious psychological problems, lack of motivation, unrealistic expectations, and lack of follow-up (MacKie, 2007)," citing the work of Kilburg (2000).

Benefit #1—Opening up communications. To achieve trust, the cornerstone of any productive client relationship, we know that we first need to establish open communications with our client. We also know that what clients say they want *may not be what they actually want.* As George Bernard Shaw stated, "The problem with communication … is the illusion that it has been accomplished." However, by collaborating with a financial therapist, we can communicate more effectively in three ways:

Case Study: Alienated Spouses Learn to Communicate on Common Ground

An older woman, an investment novice and recent recipient of a sizable inheritance, sought financial planning services from our firm. She wanted to involve her husband, a retired stockbroker of the "old school." But he was unwilling to participate as he felt our approach was much too introspective. Needless to say, without the husband present, the process was cumbersome with the wife shuttling data and information requests back and forth between us and home. With coaching, however, and armed with extensive materials we provided, she would present her husband with data and ask questions to keep the discussions moving along. When the husband finally, but rather reluctantly, agreed to participate, it was to attend the plan presentation.

During the presentation, the couple initially sat apart from each other, leaning in opposite directions across the table from the two of us—the planner and the financial therapist. All comments were directed to one of us with little interaction between the couple. Both of us used eye contact and inclusive hand gestures that signaled, "We are all here together," and directed our comments to the husband and wife. After a while, the couple began to lean toward each other, talk directly to one another, and, by the end of the two-hour session, had even pulled their chairs closer together with his hand leaning on her chair and touching her shoulders. They fairly quickly agreed on the way forward and are today working on implementing that plan as a partnership.

Would this breakthrough have occurred without a financial therapist in the meeting? While we and the wife all knew that the husband needed to be part of the planning process in order for it to succeed, we couldn't have made it happen without this collaboration. The financial therapist was able to (1) prepare the wife for her interactions with the husband to let him know how important this was to her, (2) build credibility for our process by advising the wife on how to remain patient and non-emotional as she went back and forth, (3) use his listening and questioning skills to successfully facilitate the initial meeting with the husband, and, finally, (4) apply a family therapy technique called sculpting to model family relationships and help the couple through this impasse.

1. **We are more adept at discussing and processing non-technical information.** A recent paper published by Carol Anderson and Deanna L. Sharpe, entitled "Research: Communication Issues in Financial Planning," found, not surprisingly, that planners must be adept in communicating both what the researchers call the quantitative/technical and the qualitative/functional realms. They conclude that, "Clients want and need planners who can communicate effectively in both realms and are able to integrate the two in financial planning conversations. Communication that is focused on collecting financial data or on delivering financial advice is no longer enough."
2. **Together, we listen better.** Our experience is that working side-by-side with a financial therapist takes listening one level deeper. As a result of what are often some very soul-searching conversations, we have gained some incredible insights, perhaps otherwise overlooked, into our clients' needs.
3. **Together, we read body language better.** Based on our hundreds of hours in face-to-face meetings with clients, we can assure our readers that no matter how good you think you are at reading your client's body language, a trained financial therapist will pick up on nuances that you never before considered.

When it comes to opening up communications, financial therapists are skilled in using tools to help people be introspective, understand their motivations, and increase their awareness of what their relationship to money is all about. For clients, open communication allows them to know themselves better, become better prepared to move forward, and readies them to make decisions that resonate with their whole person. Couples who have undergone this process with a financial therapist often learn more about one another and build a stronger bond with each other. In situations in which couples or families have seemingly conflicting goals, involving a financial therapist can help recognize and resolve the conflicts and thus avoid a communications stalemate.

Improved communications also have great benefits for the adviser. It is virtually impossible to have a meaningful discussion with a client about his or her goals if the client is unable (or unwilling) to articulate them. With the training and expertise a financial therapist brings to the table, we can reach a state of open communications more quickly. Better communications lead to trust being built faster, which, in turn, allows us to make better recommendations so that our clients can launch their financial planning process more quickly. Ultimately, working in this manner provides us with the gratification of seeing our clients' objectives realized. And isn't that ultimately what our profession is all about?

Benefit #2— Improved client follow-through. *Andy Warhol says, "They say that time changes things, but you actually have to change them yourself."* Many advisers find that step five of the six-step financial planning process, "implementing recommendations," is the most challenging one. It is the moment of truth, when clients' motivations and intentions are really revealed. In our practice, we estimate that roughly 25 percent to 30 percent of clients' legacy financial plans from other advisers have never come to fruition before they come to see us. Unfortunately, much of the good work done by planners ends up gathering dust at the bottom of the client's desk drawer.

Here's the rub: we must often ask clients to change behaviors that they have had decades to perfect. Planners are most challenged when faced with helping a compulsive spender learn to save or to convince a life-long procrastinator to finally write a will. But it is possible to alter clients' behaviors by working in tandem with a financial therapist who takes an action-oriented approach. Defined as a "therapeutic" process, the approach seeks to facilitate changes in behavior that are aligned with the articulated goals of clients. Financial therapists who are trained in the science of behavioral change and counseling techniques are well suited to use an action-oriented model to guide clients to adopt and sustain behavior changes that can make their financial plan come to life.

The benefit for clients is that they are encouraged to engage in concrete behaviors that support their decisions. This results not only in achieving a financial objective but also an increased sense of mastery and competence. A skilled therapist can elicit emotional commitment from the client, turn it into cognitive commitment, and then into action that results in change. For example, if the client needs to cut back on spending, the financial therapist has the tools to make that happen so that, four or five months later, there is proof positive that behavioral change has occurred. Granted, this can be tough in uncertain times when financial anxiety can often immobilize people. But a talented financial therapist can also help by offering concrete stress management techniques to help ease the anxiety and keep people moving on the right track.

It is obvious that clients who are mentally better prepared to make changes make our work as planners easier. We can optimize our work (knowing that clients will act upon it), we can see faster results, and experience the satisfaction of seeing our clients move forward toward their personal and financial goals.

Case Study Two: OCD-Challenged Client

An introverted saver, with an apparent obsessive-compulsive disorder, sought our services to develop a plan to invest an inheritance and to test out new behaviors.

It was evident in the very first meeting with our planner and therapist present that the client was nervous in any social context and experienced extreme distress in dealing with money. He was fidgety and showed physical signs of anxiety whenever the conversation focused specifically on money. In addition, the therapist noted that he wrote down every single word as a way of fully absorbing the conversation. Cued in on this, the planner slowed down the conversation and, in future meetings, provided written outlines showing tasks broken down into checklists and step-by-step action items so that the process would be less overwhelming. The client was reassured by both the adviser and the therapist that he was under no pressure; that he could commit to accomplishing one step at a time whenever he felt ready. Remarkably, the client now has a healthy control over his finances and shows few signs of anxiety.

Would this outcome have been as positive without the involvement of a financial therapist at every step? More than likely, the answer is "no." The client revealed that he had already unsatisfactorily interviewed a number of advisers prior to deciding on our collaborative approach. While he recognizes that the financial planning process will certainly not help him manage all of his issues (nor is a "cure" the intent), he is grateful that he has gotten beyond his OCD tendencies to get his financial house in order and to begin to move ahead in other aspects of his life.

How Do You Introduce the Idea to Clients?

With the proliferation of research, books, courses, and seminars on the topic it has become increasingly apparent that collaborative services will become more in demand. In fact, as a firm that has fully integrated "the whole person" into our core approach for several years, we rarely need to convince clients of its value. Moreover, a recent survey found that the top five non-financial issues that clients raise with financial planners are the following: personal life goals; physical health; job/career/profession; death of someone very close to the client; and conflict with children (Dubofsky and Sussman, 2009). Financial planners do not necessarily have to raise the issue but should be open to listening and responding to the non-financial issues when they are raised by their clients.

Still, we do encounter some clients who initially feel awkward or intimidated about working with a financial therapist. Old stigmas about mental health may persist. Certain people have an exceptionally hard time talking about money, the "final taboo." Or, one partner in a couple may embrace our process while the other resists it. However, those barriers can be overcome by "normalizing" the approach— in other words, by describing how everyone can benefit from being more introspective about their financial situation. We position the planner/financial therapist collaboration as a way for clients to learn more about themselves and their money. This approach is equally appealing to those who haven't yet been able to achieve their financial goals, as well as those who have, but are now interested in using their wealth to live a more meaningful life.

We have also found that clients are more receptive to working with a financial therapist in specific situations, whether a career change, early retirement, marriage, birth of a child, divorce, etc. Others are won over when they are introduced to our financial therapist and find that they have access to a trained, specialized professional with the expertise to help them understand and improve their relationship with money for a positive outcome. We have learned that many clients also continue to work with their psychologists, psychiatrists, and other mental health professionals as they work with the financial therapist because the nature of the work is different, but interrelated.

Finally, we find that people self-select when deciding whether to hire us. Those who are uncomfortable with the financial therapy component, which we explain in detail in our initial meeting, will simply seek another adviser. However, those clients who embrace it, regardless of financial acumen, net worth, gender, or stage of life, are convinced of its merits. For them, dealing with their financial matters without the assistance of a financial therapist would be like a doctor treating a seriously ill patient without regard for that patient's emotional well-being.

How Do You Find the Best Therapist/Financial Therapist with Whom to Team?

When embarking on a collaborative relationship with a financial therapist, the first step is to be sure that the therapist has the proper qualifications and licenses. The second, more challenging step is to look for someone with a background and a strong interest in financial planning. Programs at the university level that specialize in financial therapy are, as of yet, nonexistent. However, Kansas State offers a master's program in family financial planning, and Texas Tech offers graduate level courses in personal financial counseling. Business schools that offer courses in financial planning and/or training in behavioral finance/economics and related studies are also good places to recruit. In our experience, partnering with a financial therapist who has an academic grounding in financial planning ensures that you share the same vocabulary as well as a common understanding of the industry.

While there are many different disciplines of therapy, therapists who adhere to an action-oriented approach will often be most skilled in coaching clients to make behavioral changes. Financial therapists with an action-oriented, accountability-focused approach will have had training in cognitive therapy, cognitive-behavior therapy, behavior therapy, brief-therapy, solution-focused therapy, and marriage/family therapy for those who specialize in working with couples and families.

What do these financial therapists share in common? They work to see sustainable changes in behavior, thoughts, and feelings. Therefore, financial therapists with backgrounds working in employer-sponsored EAPs (employee assistance programs), for example, are excellent candidates for collaboration. Likewise, professionals with training in industrial/organizational psychology or in clinical or medical social work usually make good partners for financial planning professionals. Financial therapists who have been trained in counseling, individual therapy, clinical social work, and clinical psychology also have the advantage of more than likely having taken a course in the biological basis of behavior that is critical in working with financial planning clients, given the aging baby boomer population, the re-entry of veterans from Iraq and Afghanistan with traumatic brain injury (TBI), and the finding that there exists "… a good proportion of adults in society with slight (or minimal) damage to the prefrontal cortex system whose financial decision-making may be less than rational (Spinella *et al.*, 2008).

A money coach with a doctorate in psychology argues that the boundary between coaching and psychotherapy is not crystal clear (Horynak, 2002). Given this blurry edge, coaches who are credentialed by the International Coaching Federation are more likely to have received a reliable level of training because coaching, unlike counseling and therapy, is an unregulated profession (Maples, 2008) and there is also not a nationally recognized designation. As such, it is incumbent upon financial planners to conduct a bit more due diligence if they decide to work with a coach rather than with a therapist. This due diligence is critical because of the growth in the coaching profession.

Beyond qualifications, a productive collaborative relationship will also depend on the extent to which you and the financial therapist agree on how to structure your business model, build a joint client process, and share responsibility for the client's outcomes. There is typically a lot of common ground to build on as planners and financial therapists alike are:

- Oriented to advise clients to experience a higher quality of life
- Skilled at assessing the current status of clients and then formulating a process to get clients to set goals and then accomplish those goals
- Taught to establish a relationship with the client prior to addressing the more technical aspects of the process
- Trained as professionals with an established curriculum and licensing/credentialing requirements

How Do You Work Most Effectively with Each Other?

As in any relationship, the planner and financial therapist need to determine their respective roles. How these roles are defined will, to a large degree, depend on the working styles of both parties and individual clients' needs. They may also change over time, as they have in our practice. As we have grown, we have become more comfortable with our model and found more ways to improve it. Under no circumstances, however, should the financial therapist offer financial advice, nor should the CFP practitioner offer therapy. You must also articulate those roles to your client, preferably in writing, at the onset of your engagements. In instances in which a client is also being cared for by other mental health professionals, the financial therapist needs to be extremely careful not to inadvertently interfere with that treatment.

Any coordination of therapies needs to be done with the client's full consent.

Financial therapists who are licensed in their state have to be attentive to the ethical codes of their respective professions. Specifically, attention must be focused on three primary issues. First, financial therapists must only engage in this work after receiving education and training to assure a level of competency. This is a challenge given that this is an emerging field. Second, financial therapists must protect the confidentiality of the client and their records. Third, financial therapists must not engage in dual relationships (Hart *et al.*, 2001).

There are many business models in which planners and financial therapists can work together effectively. Others have discussed ways in which planners and professional counselors may work with one another (Taylor *et al.*, 2007). We have tried a few and are constantly refining and evolving our model. Five are described below to offer a starting point to launch a collaboration that is aligned with the vision, mission, strategies, and business model of your practice.

The Referral Model. As the name indicates, in this model, planners refer clients to a financial therapist and vice versa. This model is similar to the relationship established with other professionals such as tax accountants, real estate experts, business coaches, and estate planners. The advantage of this model is that the client benefits from tying into the referral network of the planner. The disadvantage is that it is difficult to coordinate and integrate services.

The Shared Space Model. In this model, similar to a coffee chain located within a discount store, the planner and financial therapist share space and resources, but keep their businesses separate and distinct. The downside is that the two may not necessarily complement one another in their work with their respective clients. The advantage is that each of the two businesses may benefit from the co-location of the other.

The Alliance Model. A strategic partnership is another option. The advantage of this model is that it can be co-branded to some extent and positioned as unique to distinguish the planning practice from others. The disadvantage is that the service offerings are distinct and perhaps not always completely integrated, which can result in confusion for clients and potentially pose a conflict between the two practices.

The Integrated Model. The goal of this model is to not only join together ideologically as a business entity but, more importantly, to develop an interdisciplinary (if not trans-disciplinary), practice with a set of associated policies, procedures, and services uniquely designed to serve the whole needs of clients. The major advantage is sustainable competitive advantage as this is truly a differentiated service in the marketplace. A major advantage for the client is access to "one-stop shopping" so that he or she benefits from the synergistic expertise of two uniquely trained professionals who are both focused on enhancing the client's financial and overall quality of life. The disadvantage is coming to grips with what the practice model will be with regard to the actual services delivered, with respect to clearly defined roles, and with regard to managing the dynamics of two differently trained professionals working as a team.

The Employment Model. This model involves contracting with a financial therapist as a W2 employee, similar to what a financial planning practice may do with a CPA or even an estate planning attorney. The advantage is that the employed financial therapist is on staff and can assume the role required by the employing financial planner. This role could range from simply working with clients who are referred by the planners to working collaboratively in a trans-disciplinary fashion as was described above in the Integrated Model. The disadvantage is that employment may create a hierarchical relationship between the planner and the financial therapist that becomes a barrier in establishing a collaborative relationship.

The choice of planner/financial therapist collaborative models depends, to a great extent, upon the strategic intent of the planner and the types of clients currently being served or who may be served in the future. Whatever model is adopted, planner/financial therapist collaboration is still new, unique, and fills a certain niche in the market. Accordingly, planners may find that they can command higher fees.

How Do You Best Jointly Market Yourselves?

Over the years, financial planners have successfully relied on a variety of marketing strategies including speaking engagements, publishing articles, sponsoring client seminars, getting involved in therapy groups, etc. But we all recognize that the most direct results come from word-of-mouth referrals from current clients or via other professionals. Our colleagues in the mental health arena tend to find that the same holds true for them. By teaming together and educating the market on all of the benefits listed above that result from collaboration, we all have grown our respective practices for mutual benefit. This has worked extremely well for us when promoting ourselves jointly, such as through our Web site or at client town hall forums.

There are a variety of ways to structure the business relationship between the financial therapist and the financial planners. In our experience, the best arrangement is the simplest, in which the financial therapist is an independent contractor with the financial planning firm and the fee for the financial therapist is wrapped into the financial planning fee. The financial therapist is actively engaged in three of the four financial planning meetings (all except the initial, introductory meeting) and is paid for each of the three two-hour sessions. If the client is in need of other services provided by the financial therapist (such as career management or overcoming overspending), then the client pays the financial therapist on an hourly basis.

The financial therapist plays several combined roles in the three two-hour sessions, including that of an observer, a facilitator, a subject matter expert, an educator, and a

How Do You Structure Client Meetings?

The chart below illustrates how we typically structure our first four meetings with clients. Our process, which has been refined over the years, involves the financial therapist in all but the introductory meeting. There are two good reasons for not including the therapist in the first meeting. First—this initial session can be very overwhelming for the brand new prospect. For many, simply coming to the first appointment is a big step. We are very cautious about not loading prospects up with too much information, so we keep the meeting focused by having fewer people in the room. Second, we use this first meeting to fully explain our process. We allow the prospect the choice to opt out of seeing the therapist. Although few actually do, it is less likely they would do so if the therapist were in the room. We prefer to think of these meetings as flowing conversations, rather than an orchestrated dance. While the financial therapist is present primarily to ask about (and listen to) the client's goals, values, and emotions, we often find that this process is most effective when we do not box ourselves into our respective roles but rather complement each other in learning about the client as we go through the process. The financial therapist is also noting the degree to which money is resulting in the forfeiting of time, the forfeiting of integrity, and the forfeiting of health as described by De Vries (2007).

Figure 1: Sample Structure of Client Meetings

	Initial Meeting (Introductory) Exploration of Fit	Data Collection (Discovery and Inspiration) Client Meeting 1	Data Confirmation (Visioning and Obstacles) Client Meeting 2	Plan Presentation Implementation Checklist (Alignment of Actions) Client Meeting 3
Purposes	• Explore need and fit • Position visitor to decide on relationship with practice (and vice versa)	• Conduct $ data gathering • Discovery: financial history, attitudes, issues • Admin. *Three Scenarios* ** • Inspire a life vision	• Data confirmation • Create vivid picture of life well lived • Evoke and address obstacles to proposed goal plans	• Present financial plan • Align "signals" re: action steps by client, planner, coach • Set stage for success
Agenda (Highlights)	1. Discuss reasons for visit and major concerns: focus on their concerns 2. *Financial Satisfaction Survey** and *Life Transition Survey** 3. Appreciative question 4. Discuss practice: financial planning process; includes financial coach, fees, target client, etc. 5. "Anything else …?" 6. Summary and next steps	1. Review financial documents, status 2. Interview, using Financial History*, Present Financial Life* 3. Discuss Personal Insights: about Life Balance*; about Change*; about Goal Setting* 4. Admin. *Three Scenarios* ** 5. Summarize info thus far 6. Assign homework: *Goals for Life*, Defining True Wealth* (optional), and Money Memories* (optional)*	1. Present and confirm financial summary 2. Discuss *Goals for Life** 3. Administer *Clarify your Goals* referencing *Goals for Life* 4. Identify key goal areas 5. Discuss obstacles 6. Need for change	1. Present financial plan: • Review rationale • Summary of client goals, values, transition issues 2. Co-develop action steps 3. Preview implementation and estate planning meetings
Time	1.5–2.0 hours	2.0–2.5 hours	2.0–2.5 hours	2.0–2.5 hours
Follow-Up	Thank you letter If decision to become client: send document checklist and homework (Personal Insights about Planning and Goal Setting; Personal Insights about Life Balance; Personal Insights about Change)	Enter preliminary financial planning info	Prepare financial plan	Per action plan

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** From book *Seven Stages of Money Maturity* by George Kinder

coach. During each session, the financial planner and financial therapist each will take primary responsibility for half of the two-hour agenda. However, over time, the financial planner and the financial therapist inevitably integrate their respective roles into more of a seamless and fluid interaction with the client.

The benefits of having a financial therapist in the room with the client is that the therapist can also serve as a coach and consultant to the financial planner if, through observation and questioning, it seems that the client is not fully understanding what is being explained, if the client is experiencing frustration or other emotions that interfere with information processing and decision-making, or if the financial planner is not connecting with the client in an optimal fashion. The benefits of having a financial therapist in the room with a couple are also quite compelling in that the financial therapist and the financial planner can model appropriate communication patterns about money, and the financial therapist and financial planner can balance out the energy and power dynamics among couples who are in conflict or in crisis.

In our setting, both the financial therapist and financial planner are seated on one side of a conference table and the client(s) is seated on the other. While either the financial therapist or financial planner is taking the lead, the other professional is observing the process, jotting down notes, and occasionally intervening to offer a different perspective, to reinforce what has been communicated, or to clarify a point that may be confusing. On occasion, the financial therapist will make a statement to the financial planner that is really directed at the client(s), but it saves face for the clients. For instance, the financial therapist might say to the financial planner, "Can you explain that one more time? I did not quite understand that."

At the end of this financial planning process, the financial therapist writes up the beginning part of the comprehensive financial plan. This section is entitled "Goals and Values" and it is the essence of the life-enhancing financial planning process. This section is then communicated to the client during the plan presentation session. During the entire process, the financial therapist and the financial planner are discussing the facilitating and inhibiting factors regarding the formulation and implementation of the client's financial plan and whether a different set of financial behaviors is required for the client to execute their financial plan. The financial therapist also serves as a sounding board and source of support for the financial planner when encountering difficult clients or other issues.

Summary

Humans have an emotional relationship with money. It is often a complicated relationship, rooted in our nurture and perhaps, as cutting-edge economic research suggests, even in our nature. At times, this relationship prevents people from realizing their dreams even though those dreams may be perfectly within their grasp.

As financial planners, we cannot ignore this reality. Instead, we need to work with the whole person to better understand his or her relationship with money. In this context, financial therapists can offer an undeniable and distinctive contribution. They have the analytical skills, the process skills, and the tools to get to the core of our clients' thinking. They can help us facilitate better communication and more effective action planning. But finding the right person to partner with takes time, mutual understanding, and a shared mindset. Likewise, establishing a truly collaborative relationship between a planner and a therapist, no matter how you structure that relationship, can be challenging. In this article, we have shared some of our own experiences— the why, who, what, and how— with the intent to guide you down the collaborative path. The end goal is that we can engage our clients in reasonable thinking, rational problem-solving, and clearer decision-making. And that's good for our clients … and also good for all of us.

JFP

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How/Where to Learn More

For those wishing to learn more about life planning or wanting to take their practice to the next level, the following books and resources may be helpful. We have personal experience with all of the experts listed as resources from having attended sessions of these thought leaders and training providers.

Training and Materials

- The Kinder Institute, George Kinder, www.kinderinstitute.com
- Rick Kahler and Ted Klontz, www.klontzkahler.com
- www.onsiteworkshops.com
- Sudden Money Institute, Susan Bradley, www.suddenmoney.com
- Money Quotient, Carol Anderson, www.moneyquotient.com

Books

- *Seven Stages of Money Maturity—Understanding the Spirit and Value of Money in Your Life* by George Kinder
- *Sudden Money—Managing a Financial Windfall* by Susan Bradley
- *Facilitating Financial Health—Tools for Financial Planners, Coaches, and Therapists* by Brad Klontz, Rick Kahler, and Ted Klontz
- *Financial Planning—The Next Step: A Practical Approach to Merging Your Clients' Money with Their* Lives by Roy T. Diliberto
- *Why Smart People Make Big Money Mistakes and How to Correct Them: New Lessons from the New Science of Behavioral Economics* by Gary Belsky and Thomas Gilovich
- *Your Money & Your Brain: How the New Science of Neuroeconomics Can Help Make You Rich* by Jason Zweig
- *Nudge: Improving Decisions About Health, Wealth, and Happiness* by Richard H. Thaler and Cass R. Sunstein
- *Appreciative Moments: Stories and Practices for Living and Working Appreciatively* by Edward A. Jacobson
- *Stumbling on Happiness* by Daniel Gilbert
- *Happier: Learn the Secrets of Daily Joy and Lasting Fulfillment* by Tal Ben-Shahar
- *The Resilience Factor: 7 Essential Skills for Overcoming Life's Inevitable Obstacles* by Karen Reivich and Andrew Shatte
- *Why Zebras Don't Get Ulcers: An Updated Guide to Stress, Stress-Related Diseases,* and *Coping* by Robert M. Sapolsky
- *Changing for Good* by James O. Prochaska, John C. Norcross, and Carlo C. DiClemente.
- *The Couple's Guide to Love & Money* by Jonathan Rich, Ph.D.
- *Mind Over Money: Match Your Personality To a Winning Financial Strategy* by John W. Schott, M.D.

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