

NAPFA ADVISOR

The Journal of the National Association
of Personal Financial Advisors

w w w . n a p f a . o r g

Taking Time to...

Define Your Priorities

Create an Exit Plan

Communicate with Clients

Discover Your Strengths

December 2009

Communications



Helping Clients Talk About Money

As an executive coach and speaker about the psychology of money, I routinely recommend that my coaching clients work with a financial advisor. Money is a metaphor for life, and when people feel comfortable and confident about the way they manage their money, they feel more comfortable and confident. Financial planners are in an excellent position to facilitate breakthroughs in this area; when they do, my coaching clients are very happy, and the companies that are paying for my services are happy, too. After all, a fiscally sound executive is a better executive.

However, getting my clients to make that initial call to a financial advisor can be a really tough sell. Often, they say that they don't have the time—but what they are really saying is, "I would rather sit through another meeting and work until midnight than go talk to a stranger about my finances." Although most of my clients are making very good salaries, they share the same anxieties as others who earn considerably less.

What are those anxieties? Fear, for one. Talking about money is tough. Money represents control, power, security, acceptance, love, success, status, freedom, and many other emotional hot buttons. Typically, people aren't even aware of these connections; subconsciously, they will do anything to avoid opening up the Pandora's box of money feelings.

Just sharing basic financial information with a planner can feel like giving up control and power. It requires really trusting someone whom you (typically) know only through a referral.

Sharing hopes and dreams for the future (made more complex if a partner, children, or other family members are in the picture) is nothing to be taken lightly, either. It means thinking about failing health, running out of money, and mortality. Clients need to believe that their thoughts will be heard and respected, especially when they are uncomfortable expressing the thoughts in the first place. Comfort requires trust and rapport.

Clients need to believe that their thoughts will be heard and respected.

First Impressions

What happens when I refer someone to a financial planner, and they finally make that call? Sometimes, it's a great connection. Other times, unfortunately, they report a disappointing and frustrating experience. An advisor may be doing what seems reasonable and proper from his or her perspective, but it might be the wrong tactic for reaching out to a prospective client who is hesitant to talk about money.

Here's an example of a common

interaction that went awry. One of my clients is a very successful, Type A senior executive who takes on most challenges without blinking. She had randomly scattered investments, and neither she nor her husband had any idea where they stood in relation to their retirement goals (and those goals were not well defined, either). My client hated dealing with money, and her dread had increased during the 2008-'09 financial crisis.

Recently, she made the call to a financial advisor after having had it as a goal for three months. When we spoke about her call to the financial advisor, my client reported that the advisor was welcoming when she contacted him on the phone. She set up an appointment for herself and her husband, and the planner sent her questionnaires to assess their money personalities, along with a thick packet to fill with all their financial information so that he could hit the ground running when they met.

But at that point, things stalled. My client was insulted by the personality quiz, which seemed too narrow and limited to be relevant to her issues. Her husband flatly refused to do the quiz. Both were very busy people; they were overwhelmed by the amount of time and effort it would take to fill out the other paperwork, and they argued about who should do it. They never did make it to an appointment.

What happened? I assume the financial

Continued on page 20

Continued from page 18

planner was trying to be responsive to my client's direct, waste-no-time persona on that initial call. If that was true, he may have thought that having the couple complete the questionnaires in advance would enable them to get right to business when they met. If so, he assumed wrong. Making that call and beginning a conversation about money was immensely difficult for my client—but the advisor didn't pick up on her cues. He had not developed any rapport or trust, and he never talked with her husband. He knew nothing about their values, fears, and hopes before getting right to the facts.

Another person whom I coached avoided seeing a financial planner because he admitted that he felt it was best for his wife not to know how much they were worth. He feared that it would release her selfless tendencies; and that she would give more to their children than he felt was appropriate and would become even more generous with her donations.

We worked through this situation to the point where he finally made an appointment

with a financial planner. Knowing his style, I can guess what happened at their meeting: He dominated the conversation, while his wife, true to her personality, said little. In a subsequent interview with his wife, I learned that she considered her husband controlling and stingy, and they had very different views about giving back to society. She also confided that she felt invisible in the meeting with the financial planner and that his occasional questions to her seemed patronizing. Consequently, her needs were not addressed and, in the end, she quietly sabotaged going forward with this planner and his plan.

Build Rapport

What can you do to successfully engage potential clients once they finally get to your door?

It begins with understanding your own habits and attitudes about money and how they influence your relationships. For example, you are probably very focused on reaching financial goals. But do you have the patience to go slow and really listen to people who lack such certainty? Or, if you love numbers and enjoy researching every decision to death, do you overwhelm your clients by providing too much information, instead of giving measured amounts in response to their needs?

Know your own values about money and how they can affect your communication with clients. I was dismissed and laughed at when a financial planner didn't respect my preference to not invest in a company that blatantly conflicted with my values. Conversely, another financial planner turned off a potential client couple I'd referred by strongly suggesting philanthropic goals in their long-term plan. Neither planner understood or respected our priorities.

Use questionnaires properly. They are valuable tools for learning about your clients. However, don't rely on them to reveal the underlying issues, unless you have the skills to go deeper than the quick assumptions that can be made by looking at check marks. Remember that many

people equate questionnaires with tests and do not like taking them. There are options other than questionnaires that might yield the information you are seeking (see box on this page).

Consider what resources in your community could make life easier for your clients. That could be a dog-walking service, a dry cleaner that delivers, or a personal trainer. When you hear clients talk about stress, be prepared with resources that can reduce their pressure, even in small ways. It's even better if you've contacted those providers in advance and have negotiated a discount for your clients.

Always include a list of local and national mental health support services and hotlines in your packet of information. Financial concerns don't happen in isolation and may be indicators of bigger issues. (This is not to imply that you should be providing therapy. Instead, you can listen, set limits, and recommend that your client talks to someone who has appropriate expertise.) You won't necessarily know if gambling, alcohol, controlling behavior, or other emotional issues are at play, but a resource list gives the message that you care about more than their money.

The new focus on truly understanding clients as people, not simply crafting financial plans, means really being present, listening, and giving them the opportunity to talk about money in ways that meet *their* needs. This is especially true during your first meeting. Building relationships in this manner helps foster the trust and rapport that attracts and retains clients for the long term. NA

Syble Solomon is an international speaker on the psychology of money, an executive coach affiliated with the Center for Creative Leadership, and the creator of the award-winning Money Habitudes™ cards (www.moneyhabitudes.com). She can be contacted at syble@lifewise.us or 910-399-2200.

Money Habitudes Cards



Money Habitudes™ cards can quickly engage individuals and couples in insightful conversations about money. The playing-card format is non-threatening, yet it allows the financial planner to easily see where couples may agree and may be in conflict about their financial priorities. Often, when clients take the cards home, they report having the best conversations about money they have ever had.