Book Review

The Client Connection: How Advisors Can Build Bridges That Last

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Author: **Olivia Mellan** and **Sherry Christie**
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The Client Connection: How Advisors Can Build Bridges That Last is a 222-page book that contains a wealth of information to help financial advisors better understand and serve their clients. The co-authors have each written columns for financial services industry trade publications for over two decades. In addition, Olivia Mellan is a nationally known speaker, psychotherapist, and money coach with a private practice in Washington, DC. She has spoken at several AFCPE conferences and most recently at the 2010 AFCPE Military Pre-Conference. Her column for financial practitioners, The Psychology of Advice, appears monthly in *Investment Advisor* magazine.

The Client Connection contains 23 chapters that comprise seven broadly-themed parts (sections) that include two to five chapters each. Each part focuses on a specific topic area. Part I, All in the Family, discusses various types of family relationships and Part II, Dealing with Differences, examines money personality types and gender and cultural differences with respect to handling money. Part III, Changes, provides an overview of how people change their behavior and possible changes that financial advisors can make to improve their practices and Part IV, Managing Stress, provides a toolkit of stress reduction techniques for advisors' personal and professional use.

In Part V, The Right Thing to Do, ethical questions and boundaries in financial planning practices are explored and in Part VI, Who're You Calling Old, characteristics and needs of baby boomer clients are described. The final section, Part VII, aptly titled Passing the Torch, examines the challenge of parents and children talking to each other about money, values, and later life financial decisions.

Following is a chapter by chapter summary of key content, including implications for practitioners. It should be noted that the chapters are enhanced and made much more interesting and informative with the inclusion of case study examples of real people. This is a major strength of *The Client Connection*. Mellan includes stories about the foibles of her clients and clients of over a dozen advisors whose names are liberally sprinkled throughout the book. Other helpful features of *The Client Connection* are sidebars, tables, and bulleted lists that supplement or summarize chapter content.

Part I consists of chapters 1 to 3. Chapter 1, "Like Mother, Like Daughter," discusses the power of mother-daughter relationships. It notes that mothers' fears and anxieties are hard-wired into daughters. Girls tend to pick up their mother's money messages and either adopt them wholeheartedly or reject them outright. For example, "when it comes to investing, many women still mirror their mother's lack of confidence and expertise" (p. 6). Financial advisors may need to help female clients increase their awareness of their "mother-voices."

Chapter 2 is titled "Child is Father to the Man" and discusses the father-son bond. Like mothers, fathers' bad habits (e.g., workaholicism) often imprint upon their children.

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Many sons suffer "father hunger" as a result of divorce, separation, and dads with "non-negotiable job pressures" (p. 16). Money messages are not always communicated verbally; some fathers simply live out their beliefs and children grow up either imitating their behavior or vowing to do the exact opposite. Some dads overgive money to their sons to compensate for their absence although "cash is always a poor substitute for time" (p. 16). Mellan notes "one of the most precious gifts you [a financial advisor] can offer a male client is your assistance in helping him forge a respectful and loving relationship with his son or father" (p. 18).

"Brother and Sister, Where Art Thou?" is the title of Chapter 3, which discusses sibling relationships. Money issues, including childhood jealousies, intrafamily gifts and bailouts, income differences among siblings, and dividing caregiver costs and services for elderly parents are described. The chapter concludes with a discussion of how neutral third parties (e.g., financial advisors) can help families reduce conflicts and brainstorm solutions to difficult issues.

Part II of *The Client Connection* includes chapters 4-8. Chapter 4, "Typecasting," describes various ways to classify people including money personality traits (hoarder, spender, money worrier, and money avoider) and gender, racial, religious, and class stereotypes. The authors urge caution, however, noting that, while "typing" people can provide a valuable shortcut to understanding their attitudes and behaviors, it can also block people from seeing others as unique individuals. They advise "listening deeply, fully, and carefully to your client's concerns, desires, goals, and history" (p. 38).

Chapters 5 ("Impersonal Finance") and 6 ("Gender Matters") both explore the impact of gender on financial behavior. Specific topics discussed in Chapter 5 include women out-earning their partners, establishing a balance of financial power, establishing joint and/or separate financial accounts, and differences in social conditioning between men and women. In Chapter 6, readers learn about differences between male and female brains, gender differences in risk-taking behavior, and the gender gap between male and female incomes. The authors note that a confrontational "in-your-face" approach often works well with male clients while female clients are "apt to be more compliant if you take a positive, we're-in-this-together approach smattered with praise" (p. 53).

Chapters 7 ("Minority Report") and 8 ("Minority Affairs") describe characteristics of various ethnic groups in an effort to help financial advisors reach and relate to clients from different cultures. Chapter 7 focuses on America's two largest minorities: Hispanics and African-Americans. Chapter 8 describes Muslims, Jews, Indians, Japanese, and Chinese. Again, readers are cautioned not to prejudge individuals "who are always more complex than any stereotype" (p. 55). Advisors are reminded to enter relationships with minority clients with an open mind and take time to listen to their desires, anxieties, and family influences.

Chapters 9-12 comprise Part III. In Chapter 9, "Change of Heart," readers are provided with a thorough explanation of the "Stages of Change" (Transtheoretical) model developed by James Prochaska and colleagues. The authors add additional detail about the model's application in financial planning settings. Readers are urged to design recommendations around a client's current stage of readiness to change and its associated change processes. Change can be effectively promoted when change processes (e.g., consciousness-raising and emotional arousal) are used at the right time.

Chapter 10, "Therapeutic Finance," explores successful therapy principles and techniques that financial advisors can use to enhance their work with clients. One of these is listening carefully and fully to clients. Another is asking for feedback from clients (e.g., "Are you getting the kind of help you need?" and "Is there any way I can serve you better?"). Differences between "exterior finance" (traditional financial planning) and "interior finance" (life planning and coaching) are also explained.

In Chapter 11, "Emotional Rescue," the authors describe steps that advisors can take to help clients with "psychological issues." Differences between counseling, coaching, and therapy are also described. Counseling and coaching are oriented toward the present and future. Therapy, on the other hand, deals with past traumas and seeks to resolve earlier conflicts and issues. The chapter concludes with a description of several exercises that Mellan uses to help clients share their deep feelings about money including a Fantasy Autobiography and a Money Dialogue (i.e., a "conversation" with your money).

Chapter 12, "Sustainable Growth," describes the challenges of being a sole practitioner financial advisor and ways to share control with others (e.g., staff or partners). Readers are urged to list parts of their business they insist on being totally responsible for, tasks they want to stay closely involved in, and aspects of their work they are willing to delegate to an assistant or specialist. The benefits of clearly communicated mission statements and technologically efficient virtual offices are also described.

Part IV consists of chapter 13-15. In Chapter 13, “The Present Tense,” the focus is on stresses in financial advisors’ lives. Helping professions are notoriously stressful and financial advisors also face competition, regulation, and other business-related concerns. The authors recommend that advisors shore up their anti-stress reserves with activities such as regular exercise, meditation, writing down daily successes, and spending time in beautiful places (e.g., nature, gardens, and museums).

Chapter 14, “After Shock,” describes how people often make life changes after traumatic events. Specifically, changes made by people after 9/11 are highlighted. An article is quoted that states that roughly half of people who have faced adversity say the experience has improved their lives, a process known as “post-traumatic growth” (p. 127). The chapter concludes by noting that, while we cannot guarantee ourselves a safe future, we can, to some extent, control what we do with the time given to us. Financial advisors can help their clients (and themselves) take stock of what really matters.

Chapter 15, “Thank Goodness,” further expounds upon the strategy of helping clients appreciate the good things in their lives and the power of gratitude. Mellan describes an activity where clients write two lists. The first, a list of life regrets, is ultimately shredded. The second, a list of personal accomplishments, qualities, and experiences that clients appreciate and feel proud of, is saved to be periodically re-read “to feel more soothed, satisfied, and grateful”(p. 135).

Part V consists of chapters 16 and 17. Chapter 16, “Les Liaison Dangereuses,” describes the topic of sexual affairs between financial advisors and clients or between a senior executive and a lower-level employee. As the authors correctly point out, this is a subject that is not covered in the CFP® ethics course but should be. The chapter ends with a helpful table of do’s and don’ts for intimate relationships with clients and colleagues. In Chapter 17, “Pants on Fire,” the authors explore the topics of lying, keeping secrets, and morality in the operation of a financial advisory practice. They note that lying and cheating both have roots in low self-esteem: “When we are very unhappy being who we perceive we are, we tend to become someone else” (p. 150). Readers are urged to ask themselves if there are certain kinds of clients and behaviors that they just won’t tolerate in their practices. In other words, “where do you draw the line and why?” (p. 154).

As a baby boomer, I was especially interested in Part VI (chapters 18-20), which discussed issues germane to working with members of this large demographic group of Americans age 47 to 65 (in 2011). Baby boomers have reinvented every stage of life they have passed through and this trend is expected to continue when they retire. In Chapter 18, “Retiring Minds,” changes in the “aging brain” are described. The chapter also includes a helpful table with “Eight Practical Tips for Older Clients” (e.g., minimize distractions, repeat key information, and build on what they already know). Spending and debt issues of older adult households are also described.

Chapter 19, “For Whom the Bell Tolls,” begins by describing disconnects between the high percentage (80%) of baby boomers who say they want to work in retirement and the modest percentage (19%) of people over 65 who currently do. “Forty percent are too sick and 41% can’t find a job” according to a quoted financial planner (p. 171). The chapter then describes challenges that financial advisors face in persuading boomer clients to make changes that will ensure a more pleasant future. Boomers’ well-documented inability to envision their old age and denial of the aging process and death are described as well as their long hours of work that take the place of neighborly interaction, leading to social isolation. The authors recommend asking boomers what comes to mind when they hear the word “retirement” and eight other questions as entrees for a deep discussion of future plans and challenges.

In Chapter 20, “the Age of Enlightenment,” the authors describe how financial advisors can help change boomers’ attitudes about and preparation for retirement. Specific success stories shared with the authors by financial advisors are described. In one scenario, a client who saw the future as “sitting on a beach somewhere until you die” became excited about retirement when a financial advisor reframed it as “doing what you want, when you want, with whom you want” (p. 181). Boomers’ spending patterns, increases in longevity, and the demise of defined benefit pensions during the course of their careers are also discussed. The chapter concludes with life portfolio guidelines for boomers’ “third age” and a list of print and online third age resources.

The final three chapters, 21 to 23, comprise Part VII, which focuses on intrafamily communication and wealth transfers. Chapter 21, "The Silent Generation," describes various reasons why different generations do not talk about financial issues and the havoc this avoidance can have on both the older generation and their adult kids (called grownchildren). The chapter also includes seven essential issues for grownchildren to raise with their parents (e.g., "Do you have a will?" and "Have you granted someone a durable power of attorney?") and eight guidelines to create a productive dialogue.

Chapter 22, "Passing It On," takes the family financial discussion concept a step further by describing the process of conducting a family retreat to plan and resolve estate planning and wealth transfer issues. In addition to talking about money, parents "have the opportunity to communicate the deeply held values that constitute their emotional legacy, inspiring children and grandchildren to embrace this legacy as a basis for their own empowerment" (p. 206). Family elders can also be guided to tell stories from their past and their impact upon their lives. Specific agenda items are set by the participants and a trained third-party facilitator, and retreats generally take place over a 3-day period.

Chapter 23, "The Age of Giving," focuses on the topic of philanthropy. Topics covered include charitable gifting options that can be used by clients and how philanthropic attitudes and behaviors can be taught to clients' children. Financial advisors often have a teachable moment during discussions with clients about federal estate taxes. The authors note that exposing children as young as 2 or 3 to what their parents, siblings, and other people are doing philanthropically is good role modeling.

As indicated by the chapter summaries above, *The Client Connection* is a very eclectic book covering a wide variety of topics of interest to, and germane to the daily work of financial advisors. Anyone who is teaching or counseling others about their personal finances will benefit from the insights that are provided. The book is well written and held my interest. One reason is its organization into parts, which enables many seemingly disparate topics to be covered without the book appearing to be disjointed. Each part stands on its own with its individual chapters connected to one another.

Financial planners and educators can use this book to prepare for interactions with specific clientele groups (e.g., Hispanics and baby boomers) and as a practice management tool. For this reason, I highly recommend that, after *The Client Connection* is read cover to cover, it be used as a desk reference so that various sections can be re-read as the need arises. The sections on practice management issues (e.g., hiring staff, advisor stress, and ethical issues) will be particularly valuable to readers who are operating a private financial planning or financial counseling practice.