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## © WHERE FINANCIAL PLANNING MEETS PSYCHOTHERAPY

Not long ago Rick Kahler, a CERTIFIED FINANCIAL PLANNER™ professional based in Rapid City, South Dakota, had a client whom we'll call Brenda. Brenda had an excellent job, making a couple hundred thousand dollars a year. She wanted to start saving money but consistently spent every penny she earned, so by the end of the month she was always broke. After working with Brenda for a while, Kahler realized that no chart or graph he could produce was going to help her save. There was something else going on. So he suggested Brenda have a talk with his colleague, Ted Klontz, a psychotherapist.

Klontz led Brenda through an exploration of some of her beliefs about and past experiences with money. Gradually, Brenda came to realize that her inability to save was driven by an unconscious fear that her money would be taken away. As a child, she scrupulously stashed cash in her piggy bank. But when her perpetually penniless family members needed funds, they raided it. When she was in her twenties, Brenda put away about \$10,000 but had to blow it all to bail her brother out of jail. Her past had taught her that if she managed to save any money, someone would come along and take it. So as an adult, when her family called looking for cash, she wanted to be able to honestly say, 'I don't have any.' Since her sessions with Kahler and Klontz about a year ago, Brenda has cut her family off, saved \$100,000, and is starting her own business. Kahler is convinced that Brenda's story is evidence of how what he calls "integrated financial planning" — planners collaborating with therapists for the benefit of clients — can deliver results that neither discipline can deliver alone.

Kahler is one of a small group of financial planners actively seeking partnerships with therapists in order to address clients' psychological as well as financial needs. "Dysfunctional behavior around money comes from the same place as any other dysfunctional behavior," Kahler says: "a deep wound from the past that you're running from or trying to medicate. Financial planning goes to the heart of what we think and feel and believe about money. But I don't have the skills to go there with my clients. That's when working with a counselor can be exceptionally powerful."

In April of last year, a team of Canadian psychologists wrote an article for the *Journal of Financial Planning's* Web site called "[How Financial Planners Can Collaborate with Professional Counselors.](#)" The group interviewed some 30 Canadian financial planners about the intersection between their profession and that of psychotherapy. Everyone agreed there was a close connection between financial and psychological health. Clients seeking financial advice are also frequently in the midst of stressful emotional situations, such as addiction, divorce, job loss or health crises. Planners rarely have the training or the time to adequately deal with these issues. But the Canadians found that few financial planners referred clients to therapists. Why? Because they didn't know any psychologists in their immediate areas, had a limited awareness of what psychologists could offer, and were put off by the stigma clients might attach to such a referral.

The team concluded that it was high time financial planners and therapists got to know one another better. "If psychological barriers exist," the authors wrote, "all of the financial tools in the world will not benefit the client. In that case, the planner must consider the psychologist as an alternate tool." They suggested that planners and therapists educate each other about what they do and explore how "holistic financial planning" could benefit clients.

Cicily Maton, a CFP® professional and founding partner of Aequus Wealth Management Resources in Chicago, has been taking the holistic approach for the past 20 years. Back in the late 1980s, just after she started her practice, Maton had a female client who was in the middle of a divorce. Having gone through a similar experience herself a few years before, Maton could relate to the trauma her client was experiencing. So she recommended she see a therapist—and she did. "Money is attached to a lot of emotional stuff," Maton says. "With professional help, you can detach all that emotional stuff and help clients make decisions that will enhance their financial welfare."

After that first referral, something strange began happen — Maton started getting referrals from therapists, too. Dr. Louis Weiss, a Chicago psychotherapist, has been referring clients to Aequus for years. "Often people are afraid of money or feel helpless when it comes to managing it," Weiss says. "For some, this sense of helplessness and confusion pervades other important parts of their lives, such as relationships, employment and lifestyle." Weiss describes one client, a recently divorced woman in her mid-fifties, who was faced with managing her own money for the first time. He referred her to Michelle Maton, a CFP® professional and Aequus partner (and Cicily's daughter!), who put a plan in place that helped the client feel clear about her financial situation. The financial plan "offered her a sense of security and also stimulated her to take more control of other aspects of her life," Weiss explains.

Kahler takes the planner-therapist collaboration one step further: He actually has a certified therapist on staff to provide counseling and coaching services to clients. Together with Klontz and Klontz's son Brad, a clinical psychologist, he's also written a book — *The Financial Wisdom of Ebenezer Scrooge: 5 Principles to Transform Your Relationship with Money* — that takes Charles Dickens' classic tale *A Christmas Carol* as a model for how to uncover and overcome problematic beliefs about money. The Klontz-Kahler approach mixes financial planning basics with insights from psychology to change what Kahler calls "money scripts, internalized messages about money often formed by some financial trauma in the past."

"Clients need a better understanding of themselves in order to identify and meet their financial goals," Kahler says. "So successful financial planning means working with financial tools as well as clients' emotions and beliefs about money. Blending these 'exterior' and 'interior' aspects is what integrated financial planning is all about."

Kahler provides a list of therapists and financial planners who work according to these principles on the website dedicated to his book, *Conscious Finance*. The authors of the Canadian report recommend consulting the [American Board of Professional Psychology](#) if you're interested in working with a certified therapist. Planners know a client's cash box and brain box must be aligned if they are to achieve their financial goals. Therapists could provide welcome reinforcement in the effort to unite heart and mind.

— James Geary