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Contribution

Helping Clients Change: 21st Century Tools from a 19th Century Fable

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Executive Summary

- A fundamental tool in working with "difficult" clients is accepting that their past experiences affect their behavior in the present.
- *A Christmas Carol*, by Charles Dickens, is a useful metaphor for helping clients understand this truth. In the story, Ebenezer Scrooge was not a miser by conscious choice; he was acting in accordance with hidden beliefs about money, or money scripts.
- Destructive financial behavior is not about money, but grows out of unfinished business from the past; the Ghost of Christmas Past helped Scrooge come to this realization.
- *Integrated financial planning*, which combines the emotional, or interior, aspects of finance with exterior financial knowledge, provides an expanded set of tools for working with these difficult clients. A fundamental precept of integrated financial planning is that understanding the past leads to clarity in the present, as the Ghost of Christmas Present helped Scrooge see the truth of what he had become.
- Strategies to help clients change include using the story of Scrooge as a metaphor, asking them about the past, considering clients' possible money scripts, sharing your own experiences, communicating emotionally as well as factually, focusing on what matters most to clients, and avoiding blame.
- Acting as an effective change agent includes taking advantage of crisis points, establishing your credibility as an expert, building a relationship of trust with clients, being persistent, and following the lead of the client.
- Sharing Scrooge's story may be a first step toward helping clients achieve their own transformations.

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All financial planners are familiar with the following scenario: You and a client sit together to go over the financial plan you've carefully created. He nods as you go over each new point, each of which appears to be in sync with his stated goals and objectives. He tells you yes, he will reduce his spending, increase his saving, and revise his will. He said the same thing at your last meeting and the one before that. Yet, year after year, as he rationalizes and excuses his inaction, the bottom line is the same: nothing happens.

Most financial planners would call such clients "difficult" or "resistant." We believe, instead, that these types of impasses arrive when financial planners run out of tools for helping these clients change.

It has long been clear to planners that we deal with more than just money. We understand that all the financial tools in the world will not benefit clients if they are psychologically unable or unwilling to respond to those tools. Exactly how we are supposed to help them overcome such psychological barriers has been much less clear. We may know that clients are repeatedly sabotaging their financial plans, but we haven't had the training to know how to help them change that behavior.

Integrated financial planning, which combines the emotional or interior aspects of finance with exterior financial knowledge, gives us an expanded set of tools for working with these difficult clients. One of the most fundamental of those tools is founded on the understanding that one's past experience shapes one's present behavior.

A powerful metaphor financial planners can draw on to help demonstrate that truth to their difficult clients is found in *A Christmas Carol*, by Charles Dickens.

Ebenezer Scrooge: The Poster Child for Financial Dysfunction

Dickens's classic fable can be broken into four parts:

1. Scrooge's miserly and miserable life
2. The intervention that gets his attention
3. The process (the three ghosts of Christmas) responsible for his awakening
4. His transformation

In the beginning of the story, Scrooge is living in total denial. True, he has a lot of money. He also has many dysfunctional ideas about how money works. Much of what he thinks and believes about money isn't serving him well.

Despite his well-publicized failings, Scrooge has positive qualities. He is certainly thrifty and good in business. He also has such attributes as honesty, discipline, intelligence, and persistence. Even so, at the start of *A Christmas Carol*, Scrooge is a miserable human being. He didn't consciously choose to be a miserable old miser. He is like many other people who live their lives in a significant amount of pain caused by hidden beliefs about money that are not serving them well.

Our work with clients has repeatedly demonstrated that beliefs drive behaviors. All financial behaviors, no matter how illogical they may seem, make perfect sense when we understand the underlying beliefs about money that drive them.

We call these beliefs "money scripts." Most money scripts are unconscious, lying beneath our awareness. We typically form them in childhood, and we unconsciously follow them without even realizing they exist.

A given script works perfectly well in the right context. If, however, you deliver the lines for Eliza Doolittle in *My Fair Lady* in place of Martha's lines in *Who's Afraid of Virginia Woolf?* you have a disaster. That's exactly what we do with our money scripts. When it's time to make financial decisions, we make them according to our money scripts, regardless of whether the scripts fit that particular situation.

Several years ago, we developed an approach to working with resistant clients that expands financial planning to include elements of experiential therapy and coaching. In our work we help clients whose money scripts have led them into a variety of destructive money behaviors: those who compulsively overspend, underspend, take irrational financial risks, are afraid of any risk whatsoever, sabotage their successes, worry obsessively about money, or seem stuck in financial chaos. In each case, when we uncover clients' underlying beliefs about money, their behaviors make perfect sense.

Consider a few of Ebenezer Scrooge's money scripts:

- You must work hard for money.
- You can never have enough money.
- Don't spend money on yourself or others.
- Money will give you meaning in life.
- The more money you have, the happier you will be.

Because Scrooge carries these beliefs, it makes sense that he lives and works in cold and miserable surroundings, hoards his money, refuses to pay his clerk, Bob Cratchit, a decent salary, and abhors the thought of giving to charity.

On Christmas Eve, Scrooge's nephew comes with an invitation to Christmas dinner, a caroler comes to wish him joy, and charitable volunteers come to give him an opportunity to help the less fortunate. They all give him a chance to do things differently, and he turns them down. The intervention that finally makes him take notice is a visit from the ghost of his former business partner, Jacob Marley. Dickens describes the chains Marley carries as representing the trappings of his behaviors around money. Marley warns Scrooge

that he is forging similar chains for himself. Scrooge resists this intervention, minimizes it, and tries to laugh it off, but finally it gets his attention and he understands that this is his last chance. He has hit bottom. In essence, Scrooge asks Marley, "What is it that I don't know?"

The Burden of Unfinished Business

Financial planners often find themselves in the role of Marley's ghost. Many of our clients come to us because of financial concerns—or at least concerns that they perceive as financial. They are asking, "What is it that I don't know?" They think it's all about the money. When they discover the solution is not just about more knowledge and not only about the money, they may become impatient and frustrated.

Historically, our profession has operated as if it were all about the money. Our love for and knowledge of the mechanics of money brought many of us to this profession to begin with. We were as happy as kids in a candy store putting together portfolios. Emotions, what we now call the interior aspects of finances, had nothing to do with the financial planning process.

Today, however, we understand that financial planning is about helping our clients achieve fulfilled and balanced lives, or attempting to at least give them that opportunity. Really, that is what they're asking for when they come to us, even though it's their perception that they have a money problem. To help them meet their goals, it's important for us to understand how their past shaped their current behaviors. We can learn a lot about helping clients change their behaviors around money from the wisdom shared by the three ghosts who come to visit Scrooge.

The Ghost of Christmas Past, Scrooge's first visitor, appears with a clear jet of light, representing illumination of the past. Scrooge, like many of us, is terrified of digging around in his history. He asks, "Why do I need to go there?" The ghost replies, "For your welfare."

Those of us who practice financial life planning do what we call "discovery" with our clients. This process guides them to look into the future, understand what living a fulfilled and authentic life means to them, and set goals to achieve that life. At times we encounter clients who struggle with the discovery process.

Some of these clients are blocked and haunted by unfinished or unresolved issues from their past. Unfinished business consists of difficult emotions attached to an event or relationship from the past that one was unable to express or deal with at the time. This unprocessed emotion is transferred, unconsciously and often inappropriately, to events and relationships later in life. Before we can become fully present in the here and now or go forward into the future, we need to dismantle the barrier created by past unfinished business.

Carrying the burden of unresolved issues from the past keeps us from living in the present. It blocks our ability to see and hear things objectively and clearly. Our senses provide us with the opportunity to see and experience what is happening around us. If we have unresolved financial trauma or painful experiences from the past that we have not processed, we may, as a result, have shut down the full effect of our sensory systems. Recalling these memories can enable us to be more fully present for what is happening around us today. Feeling and expressing those repressed emotions allows our senses to reawaken and enables us to take in new information.

When we begin to identify the source of our money scripts—the past—and become open to feeling the emotions surrounding them, we can start to see the present more clearly. Once we separate money scripts from the difficult and unfelt emotions that hold them in place, they no longer have power over us. Then we can begin to modify them so they will better serve us in the future.

For Scrooge, looking at the past meant re-experiencing many of the events that had shaped his beliefs and his lifetime of behaviors. He experienced them vividly, with intense feelings of hope, joy, terror, sadness, and anger. The process reawakened his senses.

Understanding the Past Leads to Clarity in the Present

One of the key responsibilities of financial planners is to help clients accept the reality of their financial situations in the present. This is essential if they are to plan effectively for the future. Our best efforts at

presenting that truth, however, continually fall on deaf ears for those clients who are blocked by unfinished business from the past. They cannot take in new information, or even apply what they already know, until they've had a chance to journey into the past and understand their own hidden money beliefs. This is why they seem to disregard our wise counsel about their current financial situations.

Scrooge's next visitor is the Ghost of Christmas Present, with a bare chest and bare feet, a fur-lined robe, and clear, sparkling eyes. These aspects represent authenticity, abundance, and clarity—three of the goals our clients typically seek, consciously or unconsciously. The ghost asks, "Have you ever seen the likes of me before?" Scrooge says, "Never."

For Scrooge, looking honestly at the present is at least as difficult as looking at the past. The ghost helps him see the painful reality that he is disliked, unloved, and alone. He is able to see the ways in which his life is lacking integrity, is inauthentic, and lacking in abundance. He is able to hear how others perceive him, to observe his customary behavior, and to see clearly what his life has become. Reluctantly, he accepts that truth—an acceptance that is possible only because he has looked at the past.

By the time he is visited by the Ghost of Christmas Yet to Come, Scrooge is able to see the future he is creating. Because he has visited his past and has obtained new information regarding the reality of the present, he is able to understand that he has the power to reshape his future. He has the understanding, knowledge, and energy to begin doing things differently.

Example: How Eileen Changed

The story of Ebenezer Scrooge is a useful metaphor for integrated financial planning. It can help you work more effectively with clients who appear to be stuck and who seem unable or unwilling to change their financial behaviors.

Sharing Scrooge's experience helped a client we'll call Eileen to change a pattern of financial self-denial. A widow in her late sixties, Eileen lived far more frugally than her circumstances required. She had an investment portfolio more than sufficient to provide a comfortable income. Instead of using any of that income, she lived solely on her Social Security payments. She wasn't getting the dental work and new glasses she needed, and her house was deteriorating for lack of maintenance. Yet she was adamant about not touching her investments. That money, she insisted, was her children's inheritance, even though her two sons were financially secure and both had tried to talk her into spending some of her money on her own comfort.

When we helped Eileen look at her own past, we discovered she was carrying some deep sadness and anger from unfinished business. Her grandfather had died when she was a young woman, and she was the only grandchild who inherited nothing from his estate. Years earlier, her grandfather had helped her father start a business by giving him a substantial sum, with the understanding that the gift was in lieu of an inheritance. The grandfather's will, therefore, left nothing to Eileen's father or to her. This may have seemed fair to her grandfather and her father, but it left Eileen deeply hurt.

Her insistence on providing an inheritance for her own children was a response to this past experience. She had unconsciously vowed never to cause her family members the kind of pain her grandfather's action had caused her. Sharing Scrooge's story opened the door for Eileen to look at the past and begin to resolve her unfinished business. It helped give her a more balanced perspective, and she was able to start using some of her investment income to enjoy the present without jeopardizing her children's future.É

Strategies for Change

Scrooge's visit to the past is much like the process of counseling, especially in experiential therapy. This approach uses tools such as role-playing, re-enactment, art, and visualization to unblock and reawaken a person's ability to live in the present.

One of the most powerful of those tools is psychodramatic re-enactment. Therapists often employ role-playing or "sculpting"—setting up symbolic representations of situations from the past. An example of sculpting might be having someone stand behind a wall of cushions to represent isolation. Role-playing, of course, is just that—re-enacting significant memories by having clients, often in a group setting, identify

and act out the parts of significant people from their past. Such techniques, when guided by trained therapists, are powerful tools for helping clients release painful emotions and gain new understanding and insight.

At this point, many of you are probably going to say, "Wait a minute. I'm a financial planner, not a therapist. I'm not trained in this kind of work, I'm not comfortable with it, and I'm certainly not going to start doing therapy with clients in my office."

Nor should you. Trying to do this kind of work without the necessary training can do more harm than good. If you are interested in adding therapeutic tools such as these to your financial planning practice, there are options you can pursue. One choice, which a few planners are doing, is to obtain training in psychology. Another choice is to refer clients to a counselor. You can also add a counselor or coach to your staff.

Even if you are not interested in changing your practice to such an extent, you can still add some strategies to help you work more effectively with clients who seem stuck in destructive or ineffective financial behavior. Simply increasing your own awareness of the value of understanding clients' pasts can be a valuable tool. It can do a great deal to help you work more effectively with those resistant clients who seem unable to follow even the most carefully crafted financial plans.

You can also help clients discover how their past may be influencing their current financial behavior. Encouraging clients to explore the past does not automatically require you to do therapy with them or refer them to a counselor. There's a simple way to begin looking at the past—all you have to do is ask about it. Here are some strategies you might use for that purpose.

1. **Learn clients' stories.** As you build your relationship with clients over time, make a habit of talking to them about their past. You don't necessarily need to use therapeutic language that may not be comfortable either for you or your client. Just get to know clients' stories. Ask about their financial situations and experiences from childhood and earlier adulthood. Help them discover their own money scripts by writing down everything that comes to mind when you say words like "money," "retirement," and "wills."
2. **Examine money scripts.** When working with a client who seems stuck, ask yourself what experiences from the client's past might be shaping this behavior. Consider possible money scripts that may underlie a client's destructive money patterns.

For example, someone who seems unable to control impulse spending may be acting in response to a money script such as "I deserve this" or "I have to get mine while I can." It's also possible that this behavior is based on scripts such as "Live for today because the future is uncertain" or "There's always more where that money came from."

A client's apparent inability or unwillingness to try to understand the basics of money management might be based on a script such as "Women can't understand finances," "I'm too dumb to understand this," or "Creative people can't manage money." Identifying these money scripts and shedding light on where they came from is often enough to help clients begin modifying their beliefs and behaviors.

Depending on your relationship with the client and your own comfort level in dealing with interior finance, you may be able to talk with the client about money scripts. If you do, the story of Ebenezer Scrooge may be a useful way to open that discussion. With clients who are less open to this type of exploration, you may only be able to consider some of their possible money scripts only in your own mind. In either case, remember that all you are doing is suggesting or speculating about possibilities. At this stage, you are opening the door to considering options; you aren't making a "diagnosis." Don't be too quick to assume that a client's behavior is based on a particular money script. Simply consider the possibility or ask the client whether a particular money script might be true, rather than assuming it to be so.

3. **Share your own stories.** Keep in mind that you don't always have to be the "sage on the hill" or the detached "expert." Some

your own experiences, even (or especially) your past mistakes, can be a valuable way to build a relationship of trust and an

atmosphere of safety with clients and to encourage them to explore their own past.

4. **Appeal to emotions.** As you talk about the past with clients, you can use techniques that appeal to

their emotions. This isn't

practicing therapy, it's just effective communication. Part of your role as a financial planner is to make clear to clients the

consequences of their destructive financial behavior. You can do so with much more impact when you communicate at an emotional as well as a factual level.

For example, if a client has lost relationships, property, or opportunities because of poor money choices, one powerful approach is to have photographs or other representations of each of those things put up on a wall. Then, as you talk about each one, you can take down the picture, tear it up (or have the client do so), and throw it away. This type of experiential activity can have much more emotional impact than just having a client talk about what he or she has lost.

5. Focus on priorities. As you try to explain to clients the consequences of destructive money choices, concentrate as much as

possible on whatever matters most to the client. Perhaps an overspender is at risk for losing the home where she grew up;

this is likely to be a powerful lever. An underspender is likely to be motivated by fear of not having enough or of losing what she

has; it may be useful to show her ways that her fear-based saving is actually causing financial losses and risking her security.

6. Suspend judgment. Avoid scolding or blaming clients who seem to be stuck in financial chaos or ineffectiveness. Working

with such clients is one of the most frustrating aspects of our profession, and it is easy to blame them, dismiss them, or label

them as difficult. Such blaming doesn't accomplish anything useful; all it does is damage the relationship of trust you need to

have with the client and significantly limit your ability to be effective. Such clients are probably already blaming and scolding

themselves, and it serves no purpose for you to do the same.

At the same time, however, you aren't helping these clients by excusing, ignoring, or rescuing them from their destructive behavior. Your job, challenging as it might be, is to encourage and support them as much as you can, while at the same time motivating them to face the consequences of their behavior.

Even for clients who are not ready to even consider changing their financial behavior, talking about the past can be useful. For one thing, it gives you information that might be useful to help them move toward change. Even more important, it can help you begin to work with such clients in a different way. As you shift from labeling these clients as resistant to understanding that they may be stuck because of unfinished business from the past, the dynamics of your relationship with them will change, and you may be able to work with them more effectively.

It would be wonderful if we had the powers of Dickens's three Ghosts of Christmas and, in a similar fashion, could magically help our financial planning clients achieve overnight transformations. Lacking such powers, we need to concentrate on what we as mere mortals can do.

Crisis Points As Impetus for Readiness

It's valuable for us as financial planners to understand the transformational power of helping clients explore the past and address the interior aspect of their relationship with money. It's just as important to understand that we can do such work only when the client is ready to change. Interior work requires the willingness and active participation of the client. No matter how knowledgeable or skilled you may be, you cannot force, bully, or manipulate clients into more constructive financial behavior.

Clients have an opportunity to change each time they are faced with emotional pain associated with their financial behavior. Many have encountered such pain time and time again, but continue to resist change, remaining caught in a cycle of financial suffering.

A crisis point is often the impetus for people making the choice to do something different instead of

continuing in a familiar pattern of dysfunctional behavior. This is the time when, for one reason or another, the pain of staying the same becomes greater than the anticipated pain of changing. Old behaviors don't work anymore, and one can't find a way out. This is what the addiction recovery field calls "hitting bottom."

It is difficult to define this crisis point because it varies widely from person to person. The essential component, though, is that the pain becomes intense enough to make people abandon what they have been doing. Dysfunctional money behaviors may have been causing significant distress in a major area of life for some time. Either something externally has changed to increase that distress, or the level of pain has built up internally over time until it is no longer bearable.

If you have built a relationship of trust with such a client, you may be in a position to intervene more actively when the person reaches a crisis point. If you are prepared, it's relatively easy to make the most of a point of change in a client's life when it is the result of an exterior crisis, such as the threat or reality of ending a marriage, losing a business or a job, facing bankruptcy, or a major lawsuit.

In the absence of such an obvious crisis, your role as a change agent might be less active. Your wisest strategy may be to move slowly and to focus on the quality of your relationship with the client.

Intervention: Your Patience Required

Like Scrooge, clients who are stuck in financial ineffectiveness or dysfunction will not necessarily be ready to respond immediately to new information or an attempt at intervention. Just because we as financial planners have the interior tools to help them does not mean they are able to accept that help. Remember that the first three attempts to intervene with Scrooge—by the men soliciting for charity, the Christmas caroler, and his nephew—all failed.

Even Marley's ghost accomplished his intervention with Scrooge only after repeated attempts. Jacob Marley tells his old partner as much: "How it is that I appear before you in a shape that you can see, I may not tell. I have sat invisible beside you many and many a day."

There are three reasons why Scrooge finally can respond favorably to Marley's intervention. The first is that Marley, during his lifetime, had been just like Scrooge. He walked the same path of miserliness and financial dysfunction. Scrooge realizes that Marley knows what he is talking about and recognizes the authority behind his intervention. We might say that Marley has earned the right to confront Scrooge.

Second, Scrooge trusts Marley—as much, anyway, as he is capable of trusting anyone. Writes Dickens: "Scrooge and he were partners for I don't know how many years. Scrooge was his sole executor, his sole administrator, his sole assign, his sole residuary legatee, his sole friend, and sole mourner."

A third reason is Marley's persistence. He has made repeated attempts to reach Scrooge, showing up time and time again until his old partner finally is able to hear and see him.

In trying to help clients, we may need to follow Marley's example and "sit beside them many and many a day" before they are ready to accept interior help. We need to learn how to just *be* with a client. *Being* with a client is not something most of us do easily; we are far more comfortable *doing*. Before we can successfully help clients change, we need to do the following: (1) establish our credibility and the right to intervene, (2) earn the client's trust, and (3) persist in our efforts.

We can accomplish these objectives by following clients' leads and allowing them to set the pace. Part of our job is to wait for the right time for *clients* to hear us and to understand that a successful intervention is based on the *client's* timing, not ours. Our role is to keep showing up, keep providing interior information, and to watch for clues that clients are ready to accept intervention.

There are some other important principles to remember when we are attempting to encourage change. Most importantly, you must follow where the client leads rather than actively pushing or confronting. Research shows that confrontation and pushing actually decrease the likelihood that clients will change. Research also shows that three conditions must be met before someone is motivated to change:

1. A perceived need to change

2. A perceived ability to change
3. Readiness to change

Your job is to encourage the development of those conditions. You can help create a perceived need to change by continually providing information showing the difference between clients' current situations and the goals they have for the future. Much of this might be exterior information, such as, "You are taking \$5,000 a month out of your portfolio to give to your children. At this rate, your retirement fund will be gone within seven years."

To help clients understand that they have the ability to change, you can encourage them and build their confidence, in part by focusing on and providing examples of times when they have changed successfully. For example, "Three years ago you made a commitment to fully fund your 401(k) every year. You have done that two out of the past three years, and you partially funded it the third year."

Perhaps the most difficult of the three conditions is the client's readiness to change. Much of your role here is simply to be patient and to stay with the client. It is important to recognize that ambivalence and getting stuck are normal, and that resistance is not a sign of stubbornness or failure on the part of the client but instead is an indication that things are moving too quickly. Some of the most important qualities for an effective change agent are empathy, warmth, and genuineness. Focusing on building a relationship of trust with clients is one of the most important things a financial planner can do to help them move toward wiser financial behavior.

Ebenezer Scrooge, the Unexpected Agent of Change

Ebenezer Scrooge, so well-known for his meanness that his name appears in the dictionary as a synonym for "miser," may seem an unlikely ally when it comes to persuading clients to make wiser financial choices. Yet the unforgettable characters and timeless insights of Charles Dickens give us an effective tool for helping clients move toward financial and personal fulfillment. We have found *A Christmas Carol* so valuable that we used its metaphors as the basis for our book, *The Financial Wisdom of Ebenezer Scrooge: 5 Principles to Transform Your Relationship with Money* (Health Communications Inc., 2006).

As financial planners, we may not be able to achieve the miraculous overnight changes performed by the three ghosts of Christmas. Yet the story of Scrooge's transformation is a powerful metaphor to help clients begin to look at the past. Sharing that story with clients can be a first step toward their own transformation.

