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Advising Clients Under Stress

Tailor your communication skills to best serve clients in crisis

by Thomas C. West, CLU®, ChFC®, AIF®; and Steven A. Starnes, CFP®

Thomas C. West CLU®, ChFC®, AIF®, is a partner with Signature Estate and Investment Advisors in Tysons Corner, Va. He holds an MBA from the University of Pittsburgh's Katz Graduate School of Business.

Steven A. Starnes, CFP®, is a principal with Grand Wealth Management in Grand Rapids, Mich. He holds an MBA from the University of Virginia's Darden School of Business.

Sooner or later during the client-planner relationship, some clients will need long-term services and support because of a cognitive or physical health condition. Such a period of care is often very stressful for clients and their families; that stress can impede planning and the ability to make good decisions.

Financial planners can tailor their communication skills for clients who are experiencing a period of care—either as a patient or as a caregiver—and take additional proactive steps to effectively advise clients under stress.

Understanding Clients in Crisis

Consider the following scenario: *Alice and John have enjoyed working with their financial planner, Sarah, for many years. When Alice cancels the couple's appointment for the third time, Sarah wonders what to do. Alice says she feels overwhelmed by her many obligations and a sense that their finances cannot be protected. Sarah is frustrated because she made several important recommendations at their meeting six months ago, and Alice—wanting to think things over—left without making any decisions. John seemed unable to follow the conversation. Sarah knows John has dementia, and she is concerned because John and Alice have been spending more money lately without modifying their financial plan. Sarah feels Alice needs both professional and personal help and wonders how best to communicate with her.*

Sarah is not aware that Alice and John have been seeing a neurologist and neuropsychiatrist to better understand John's condition and the treatment options available. They are confused, exhausted, and have a hard time understanding what this all means for their future. John's doctors are working to frame the medical prognosis to be more understandable and to help the couple make better-informed decisions.

Families with little experience navigating long-term services and support (LTSS) are often required to coordinate advice from many sources with some urgency at a time when their decision-making abilities may be compromised. The emotional and physical stress of caregiving is well documented.[1] Additionally, families who have never discussed their preferences for care often find it difficult to define what they want.

Joel Bednoski, former executive director of the Insight Memory Care Center in Fairfax, Va., and founder of Harpeth Consultant Advisory Group in Franklin, Tenn., explains that when someone becomes a caregiver or decision-maker for a loved one, it's often done in a time of crisis.

"Often, caregivers can only assume what their loved ones want because most people do not plan for that crisis and haven't had the difficult discussion of, 'If something happens to you, what are your preferences for care?'" Bednoski shared in a correspondence for this article. "Without explicit guidance on care and living preferences, families often are forced to make decisions reactively based on the most current health circumstances, which can change very quickly and very frequently."

Without effective communication, it is unlikely clients will make wise decisions.

And unfortunately, prior planning does not guarantee effective decisions. Frequently, clients in need of LTSS may be unaware of or unwilling to acknowledge their own reduced ability to make good decisions. Clients are more likely to accept the planner's advice if they feel important and included in the decision-making process.[2] Research indicates that financial capacity declines in later life (even before the need for LTSS), simply as a function of age, and this decline leads to irrational decision-making.[3]

Financial planners are rarely trained in the communication skills needed to work with clients who are cognitively impaired from illness or stress. But without effective communication, it is unlikely clients will make wise decisions. The following practices can help produce fruitful financial discussions with stressed or grieving clients and their families.

Build a Network

Families managing long-term services and support (LTSS) need help with medical, legal, financial, emotional, and practical issues. No one professional can address all these separate, yet interconnected, areas of expertise.

Financial planners should have trusted CPAs, estate attorneys, and other professionals to whom they can refer their clients. Planners should consider expanding their networks to include care managers, primary care physicians, home care providers, and bill-paying services. This extensive network will save time and enable planners to help clients make more-informed financial decisions and receive better care.

A professional care manager can help clients determine what assistance they need and then help them find a provider. A care manager may visit a client's home to do a one-time assessment or provide ongoing consulting.

Both the Aging Life Care Association (**aginglifecare.org**) and local area agencies on aging (**n4a.org**) can help clients find a professional care manager.

—T.W. and S.S.

Listening, Engagement, and Attention Span

Long-term caregiving and the need for LTSS often involve grieving, sometimes in anticipation of a loss. Financial planners can best communicate with stressed and grieving clients by:

Identifying different types of grievers. Intuitive grievers cannot act until they process what the change means for them. Instrumental grievers process grief through action. Intuitive grievers need much more time and should be given the smallest number of to-dos.[4]

Setting short appointments. Short appointments work well if a drop-off in attention or energy is anticipated.

Listening. Clients may appreciate the opportunity to tell the story of their current situation with minimal interruptions. Older clients, like most clients, are more apt to implement decisions if they feel they are understood.[5]

Amy Florian, author of *No Longer Awkward: Communicating with Clients Through the Toughest Times of Life*, advises that the best way to talk to grieving clients is with open-ended, non-judgmental questions that allow for a range of responses. She offers the following examples:

- "What do you wish your family or friends knew about your situation right now, and especially how they could be most helpful to you?"
- "As you look ahead to a month from now or a year from now, what does that look like for you?"
- "Everyone has fears, especially as they get older. I'd like to ask you something that I ask all my clients so we can honestly address any fears that may exist: What is the worst thing you could imagine happening to you right now? What are you most concerned about, for yourself or for those you love?"

Managing Difficult Conversations

References to perceived commonalities the client shares with the financial planner or others, such as, "I went through something just like that," or "You are like other senior clients of mine," are generally unwelcome. Most clients, regardless of age, want to feel they are experiencing their own lives, not a facsimile of someone else's.

"Although sometimes people want to hear that they're not alone, they also don't want to feel like they're being grouped in with others who may or may not be similar," says Cynthia Sullivan, Ph.D., a neuropsychologist in Fairfax, Virginia, who treats individuals with various cognitive impairments and their families. "I think it's important for financial advisers to get to know the individual circumstances and personalities of their senior clients. In the field of psychology, we refer to this as developing and maintaining a 'therapeutic alliance.' Senior clients need to feel that they are being heard and they need to develop trust in the people with whom they're working."

For clients facing difficult, but necessary, financial decisions, planners may find it helpful to make connections to difficult decisions that the client or family members made in the past. Clients may be able to see that current choices are another chapter in their own life story, which generally has included other difficult choices (for example, moving away from family and friends for a better job). Remembering previous challenges and the related decisions may help clients accept the new situation.

Planners should be aware that family members who have been assigned a financial decision-making role (through a durable power of attorney or trust) may be unwilling or unable to serve in the intended capacity. Lack of financial sophistication and the stress of caregiving, along with guilt, depression, denial, and so on, may keep a spouse or adult child from acting in the best financial interest of an impaired senior.

Protecting Seniors, Protecting Planners

Abrupt changes in financial priorities can be a warning signal that clients have been targeted for exploitation.

Detailed notes are critical when a planner is working with a client who may have impaired decision-making abilities.[6] Good records protect the client and the planner. Clients, like everyone else, have bad days, but planners should consider tactfully telling clients of any evidence of impairment and advise them to consult a physician. Planners should ask for permission to contact trusted relatives, friends, or other professionals (more on this later).

Coaching Decision-Makers

Planners should anticipate that older clients (and their advocates) may have compromised judgment, even if dementia has not been diagnosed. Older adults, regardless of their health, are particularly vulnerable to making poor financial choices.[7] And research indicates that stressed people—no matter the age—have a decreased ability to process information and make decisions.[8] Impaired judgment, coupled with an older client's often complex financial picture, complicates decision-making. The client or advocate may understandably have trouble making a financial decision, especially if the planner presents a lot of information and asks for an immediate decision.

The goal is not just to provide good advice, but good advice the client will follow. The planner can increase the odds of clients reaching a decision by presenting information clearly and simply, perhaps with graphics that visually highlight the recommended path. Rather than presenting everything in one meeting, the planner can prioritize items and address them slowly over several meetings.

When working with a client with dementia, planners should consider using closed-ended questions, such as "Do you want tea or coffee?" instead of "What would you like to drink?" Give clients time to express themselves beyond closed-ended responses and use formal names for people and places rather than pronouns.

When Help Is Needed: Naming an Advocate

The planner may determine that a client's difficulty making good decisions is so severe that help is needed. A 2016 advisory to financial institutions from the Consumer Financial Protection Bureau recommends account holders be offered, in plain language, the opportunity to consent to disclosure of information to third parties. And medical research indicates that effectively managing personal finances is one of the first challenges people face in the very early stages of dementia.[9] It is now common for financial planning firms to ask clients to name a trusted person the firm may contact if it is believed doing so is in the client's best interest.

Consider the following scenario: *Alice has noticed that her husband John is less agitated and more alert after six months of new medication and treatment at an early-stage Alzheimer's support program. The fog of dementia occasionally clears, and she glimpses her "normal" husband. These improvements strengthen her determination to take whatever steps are needed to insure his quality of life, including moving from the home they have shared for 40 years, if necessary. She knows she needs to discuss these decisions with her children and her financial planner, Sarah, but caregiving leaves her with little time or energy.*

Sarah knows her clients Alice and John are vulnerable and in an uncertain situation. She proactively calls Alice to explain why meeting regularly about finances is important. She also suggests Alice's out-of-town daughter, Margaret, join the conversation by phone. Sarah needs to consider how to communicate effectively in this meeting. She knows that just being a good listener probably isn't enough.

The introduction of a new decision-maker should be handled with an appropriate process—similar to any other new client engagement—including the requisite affirmations of fact-finding, planned expenses, and authorizations.

A quick note of clarification: while a "caregiver" often focuses mainly on health-related tasks, an "advocate" (sometimes, but not always, the person who has been legally designated a "responsible person") focuses principally on financial, health care, and legal decisions.

Who to Communicate with and How

Much has been written in the last few years about the psychological impact of aging and disability on seniors.[10] The best laid financial plans are little help if a family cannot communicate about the current situation or the choices that lie ahead. There is an important distinction between communicating with clients (agreeing on facts and identifying choices) and coaching clients (helping with judgment, decision-making, and action). Sound communication with relevant parties is a necessary first step to any effective decision-making.

The planner may interact with the client, other professionals, and the client's family members and friends, who have a variety of roles that sometimes overlap. Stress, cognitive impairments, family relationships, and new group dynamics can hinder the abilities of all participants to understand and to act.

The advocate may be a spouse, child, friend, or the primary family caregiver. If the latter, the planner should be aware of how time consuming and stressful the family caregiving role can be.[11] A client's advocate may suffer financially because of missed work and, like the client, may also have health problems. By overseeing finances, the financial planner can reduce some of the burden on advocates and caregivers while helping clients achieve better financial outcomes.

Because financial planners and advocates may not already have a relationship built on trust and developed over time, working together may be challenging. Before an acute need develops, planners should encourage clients to introduce them to their chosen advocate. Later, if necessary, the client can be asked to bring this person to a meeting to help listen. Many clients may be familiar with this approach, as patients often bring a friend or family member to a doctor's appointment to help listen.

Assess Decision-Making Abilities

Ideally, decision-making priorities are in place before LTSS are required. But in reality, most families without previous experience with LTSS will be unprepared in several predictable ways, according to the National Alliance for Caregiving.[12] Contingent decision-makers identified in legal documents including medical directives, durable powers of attorney, and revocable trusts may not understand their new responsibilities or may be unable to act for a variety of reasons.

Financial planners can assess the decision-making abilities of a client's family using this checklist:

Who does the family believe is responsible for health care and financial decisions?

Does the responsible party have: (1) the legal authority to make decisions for someone unable to do so; (2) the legal capacity to make decisions in the current circumstances; (3) the competence to make decisions in the current circumstances; and (4) sufficient information (legal, health, financial) to make effective decisions?

Is the responsible party willing to make decisions required in the current circumstances?

Is the responsible party's authority accepted by the rest of the family or will the authority be challenged?

Support Client Independence

Initially, clients may feel uncomfortable having a family member or friend help with finances, particularly as, in Western culture, people often feel judged about finances.[13] More importantly, the financial planner and the advocate should be aware that a person with declining mental or physical health is understandably concerned about losing independence. They should make every effort to support the client's sense of independence and honor his or her preferences. To do so, the planner and the advocate should have a shared, clear understanding of the client's values and preferences regarding care and finances.

Although the advocate may disagree with aspects of the client's day-to-day financial choices, the planner must focus on the client's desires. Rather than telling the client what to do, the advocate should help navigate care needs and concentrate on the big decisions aimed at safeguarding the client's financial security. It is often unhelpful to be judgmental about smaller spending details. Supporting the client's sense of independence and honoring preferences will help both the advocate and the planner build trust so the client will be more likely to accept help.

A period of care is an incredibly stressful time for clients and their families. Planners who adapt their communication accordingly, and best connect with advocates and caregivers, can increase their value to clients in crisis and under stress, as well as ease their burden. ■

Endnotes

1. See the MIT AgeLab and AARP Public Policy Institute Issue Brief 2014–5, "An Exploratory Study of Caregiver Stress, Fatigue, and Worry in the United States," by Dana Ellis, Ari Houser, and Joseph Coughlin at docplayer.net/29109228-An-exploratory-study-of-caregiver-stress-fatigue-worry-in-the-united-states.html.
2. See "Is Your Firm Prepared for Alzheimer's? How to Communicate with Clients with Dementia," by Steve Starnes in the December 2010 *Journal of Financial Planning.*
3. See "Financial Capacity in an Aging Society," by Daniel Marson and Charles Sabatino in *Generations* at asaging.org/blog/financial-capacity-aging-society-0.
4. See Amy Florian's book, *No Longer Awkward: Communicating with Clients Through the Toughest Times of Life.*
5. See endnote No. 2.
6. See "How to Protect and Help Clients with Diminished Capacity," by Sandra Adams and Peter Lichtenberg in the April 2014 *Journal of Financial Planning.*
7. See "The Age of Reason: Financial Decisions over the Lifecycle with Implications for Regulation," by Sumit Agarwal, John Driscoll, Xavier Gabaix, and David Laibson, prepared for the *Brookings Papers on Economic Activity* at dash.harvard.edu/bitstream/handle/1/4554335/Laibson_AgeofReason.pdf?sequence=2.
8. See the University of Iowa doctoral dissertation, "The Effects of Stress on Decision-Making and the Prefrontal Cortex Among Older Adults" by Georgina Laurybel Moreno at ir.uiowa.edu/etd/1703.
9. See "Declining Financial Capacity in Mild Cognitive Impairment: A One-Year Longitudinal Study" by K.L. Triebel and co-authors in *Neurology* at ncbi.nlm.nih.gov/pmc/articles/PMC2754335.
10. See "Old Age and the Decline in Financial Literacy" by Michael S. Finke, John S. Howe, and Sandra J. Huston at ssrn.com/abstract=1948627.
11. See "Caregiver Stress and Mental Health: Impact of Caregiving Relationship and Gender," by Margaret Penning and Zheng Wu in *The Gerontologist* at academic.oup.com/gerontologist/article/56/6/1102/2952858; and "Family Caregivers, Patients and Physicians: Ethical Guidance to Optimize Relationships" by Sheryl Mitnick, Cathy Leffler, and Virginia Hood in the *Journal of General Internal Medicine* at dx.doi.org/10.1007%2Fs11606-009-1206-3. See also endnote No. 12.
12. See the 2015 report "Caregiving in the U.S." at caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WEB.pdf.
13. See endnote No. 2.

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