

# Being the Change ...

by Bonnie A. Hughes, CFP®



*“Whatever I think is right for me to do, I do. I do the things that I believe ought to be done. And when I make my mind up to do a thing, I act.”*

—Theodore Roosevelt

**T**hese words are meaningful to me because I believe that a fundamental expression of great leadership involves taking the risk of taking action even with less than perfect information. We live in times when great leadership is in very short supply. Based on this idea, I posed the following question to planners who are now, or have been, in leadership roles in our industry: In the context of practice management, what do you believe is the right thing or things to be doing for your practice and/or your clients? And can you confirm that you are doing it?

## Stick to Proven Practices

Elissa Buie had this to say. “I believe the right thing to be doing for our business and our clients at this time, is sticking to the empirically supported best practices in our profession. This is not the easy thing to do, as the easiest thing to do would be to go with our (and our clients’) emotions and run for the hills. But we have science supporting the decisions and recommendations we have made in the past and that underlie our clients’ financial planning and

investment decisions. The fact that we are in an outlier situation does not mean that things have changed or that science is somehow no longer supported or useable. The right thing to do is to stand firmly grounded in our best practices and do the best we can to help our clients understand and be able to continue to have faith in those best practices.”

Elissa is a past chair of the Financial Planning Association. She is a co-founder of the International Training Center for Financial Planners, which is a not-for-profit dedicated to developing successful financial planners around the world through mentoring and training.

Elissa was named one of the Washington, D.C., area’s top financial planners in the January 9 issue of *Washingtonian Magazine*. The *Washingtonian* developed its list by surveying hundreds of experts, asking “Whom would you trust with your own money?” Elissa was one of only 33 financial planners named.

## Putting Money in Perspective

Richard Salmen offered the following, “I believe one of the most important things we have done since last fall (and continue to do) is help put money (and by extension investments) in its proper place in our clients’ lives. Late fall is what we call our ‘Goals & Financial Independence’ meeting

season with our clients. We get together to calculate net worth, revisit and revise their goals, and do projections about where they are in meeting those goals. Obviously, from a numbers perspective, the numbers outcomes looked dreadful compared to the previous few years. But, we had some amazing conversations with our clients

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around what was important to them, what the positives were and are in their lives, and about how their world had not just ended.

“In some ways, this time feels to me like a ‘financial 9/11’ to many people. After 9/11, everyone was afraid and questioning many of the assumptions they had taken for granted about their physical security. There was a dramatic reduction in their perceived safety. After the credit market meltdown, the Madoff ponzi scheme, the bank failures, the auto bailouts, and the drop in housing values, people are questioning many of the

assumptions they had taken for granted about their financial security. This fear generates behaviors that will be less rational than during normal times.

“Our job as financial planners is to remind and assist our clients in focusing on the parts of their lives they do have control over. We are talking with them about their spending patterns, their savings rates, how they can still prudently enjoy their use of money, and even how they should be focusing on taking care of the health of themselves and those they love. These endogenous factors are the ones to focus on right now, not the exogenous ones that are outside of their control.”

Richard is a CFP certificant, CFA, CTFA, and EA. He serves on the national board of the Financial Planning Association as president in 2009.

### Speak Your Truth Loudly

Dave Yeske shared this: “From the standpoint of serving clients, we need to remain steadfast in keeping our clients committed to their financial and investment plans. From the standpoint of business survival, we need to take the initiative and share with clients and prospective clients our belief in the evidence-based best practices we follow. We should tell them that now is the best time to hire a planner, now is always the best time to develop and execute a financial plan, and that now is an excellent time to commit long-term money to the financial markets. Don’t apologize; don’t cringe before fearful clients and know-nothing prognosticators; instead, speak your truth loudly and with conviction. The fearful and confused will be drawn to your certainty and your clients will be comforted by it.”

Dave is a past chair of the Financial Planning Association and currently represents FPA in the area of international standards for financial planning. He has been named a top adviser by *Bloomberg Wealth Manager*. He is currently a doctoral candidate in finance at Golden Gate University.

### Communicate with Compassion

Karin Maloney Stifler had a very open response:

“More than ever, financial planning clients deserve candid and compassionate communication about how this downturn has impacted their ability to meet their goals. Clients need honesty about what they can and can’t do to survive the financial storm, about what we as advisers know and especially ... what we don’t know. As difficult as our messages are at times like this, it’s no time to sugar coat the truth to protect clients or our own egos. The sooner clients know they can’t afford to retire on schedule, send their children to private schools, or keep up the family vacation tradition, etc., the better they can adapt and move forward.

“I struggle with this. I always strive to bring a sense of possibilities and optimism to clients’ lives. There’s such fulfillment in fixing things, making life better for clients. It’s so much easier to be the source of answers, solutions, and good news.

“To help, I recently reread *Difficult Conversations* by Douglas Stone, Bruce Patton, and Sheila Heen. Among other things, the authors coach on how to deal constructively with tough topics while strengthening relationships. The authors admit, ‘Delivering a difficult message is like throwing a hand grenade. Coated with sugar, thrown hard or soft, a hand grenade is still going to do damage. Choosing not to deliver a difficult message is like hanging on to a hand grenade once you’ve pulled the pin.’” (Introduction, page xvii).

“Like the Wizard of Oz behind the curtain in Emerald City, advisers don’t have to pretend to be the all-knowing, great, and powerful source of answers in a time of crisis. But with forthright communication, guidance, and compassion, we can help clients discover the true desires of their heart, their best rational thinking, and the courage to take action.”

Karin is a long-distance runner and has been working as a planner since 1990. She serves several nonprofit organizations: FPA’s

Board of Directors, Ohio Tuition Trust Authority, Ohio 529 College Advantage Plan, and Northeast Ohio’s Educational Compact: Family & Consumer Sciences.

### Walking Together

In answer to my own question, what do I believe is the right thing or things to be doing for my practice and/or my clients, I would answer this way: for both my practice and clients, I am tending to their planning needs and investment accounts as diligently as ever, particularly paying attention to the basics. Reading a wider variety of primary sources than I’ve ever read is helping me have fuller conversations with staff and clients. I rarely watch electronic media, so I have missed that part of what clients are reacting to since last fall. It’s always purposeful that I do not tune in television, and in this particular time, it may be helping that I do not share the often manically expressed views they see and hear. I gather what I see as the strongest sources of researched information and share them with staff and clients.

I am asking clients about their biggest fears, what they are most grateful for, the gifts they believe the future holds—both great and small. And I am listening. I’m using humor wherever possible—because, like the leaders represented here, I believe these are amazing times in terms of how we live and that there is actually a lot to celebrate in every economic environment. In the few client cases of true hardship, I am asking them how they are getting by and, to a person, they share stories of small victories, loving interactions, or hopefulness that things will improve. And so we are walking through these times together, in practice and in the lives of my clients.



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