

## Financial DNA® White Paper The Humanization of Financial Planning

*"Every time you build into the life of another person, you launch a process that will never end."  
- Howard Hendricks*

The nature of financial planning has started to change dramatically in the past 10 years with the movement towards "financial life" planning. Financial life planning is about more consciously integrating both your life and money into the financial plan and investment portfolio. Some leading financial planners will say they have always helped clients plan for their life as a matter of course. They have never labeled it this way. On the other side, the wider public perception is still that financial planning is about investing and planners do not care beyond the money.

Once consumers know they can find a more "humanized" financial planning approach then there will be much greater pressure on financial planners to expand their role and processes from financial management to coaching, mentoring and life planning.

On the basis that helping clients reach their goals is fundamental to financial planning then helping them understand who they are and their life plan is critical. These aspects are fundamental to a role which involves a greater emphasis on the non-financial issues. Sounds basic but why do so many planners not perceive addressing the life and human issues to be part of their role?

The results of a survey conducted in February 2009 by David Debofsky and Lyle Sussman indicates that 89% of financial planners who are members of the CFP Board and/or Financial Planning Association do at some point engage in non-financial coaching and counseling, and 74% of these planners say they have increased this work over the last 5 years. Further, advisors are indicating 25% of their time is spent on the non-financial issues. The non-financial issues that come up the most include 81% personal life goals, 66% career and 44% physical health. Then add to this clients are now bringing up 10 to 20% of the time with their planner emotional issues like divorce, addiction, mental health and spirituality.

What all of this is showing is that the role of the planner is changing towards dealing with the life and human issues at a greater level even if the advisor is not deliberately changing his or her process. Based on our research in February 2009, we found that 50% of planners are still only spending 1 to 3 hours up-front in the client discovery phase addressing your needs as a client. This is clearly not enough to properly address the life issues. Of course, not all planners will accept that their role is beyond financial analytics and also not all consumers will want to address personal issues with a financial planner. Notwithstanding, the practical issue is that many of you as clients are going to encounter situations or needs which require the planner to address the non-financial issues as part of providing financial advice. A financial planner is ideally positioned to help you on the non-financial issues because money is naturally integrated to them. Luckily, there is an increasing amount of quality training for advisors to go down the coaching, mentoring and life planning path.



The primary benefit of a financial planner becoming your coach or mentor is that it will help in building a deeper long-term relationship based on trust and a higher level of mutuality. This is vital for helping you make significant and long-term financial decisions. Walking the road of life with a financial planner will enable:

- Clear guidance to be obtained on both the financial and life issues.
- Wisdom from one who has both financial and life experience.
- Learning from the success and mistakes of another.
- A true partnership based on sharing who they are.

If you are going to choose a planner to go beyond the numbers and be a central point in your life journey then it is important you choose a person who is capable of:

- Developing a safe, mutual and structured environment for the coaching or mentoring.
- Developing a clear coaching or mentoring process with protocols established, including for engaging you in the discussion of the non-financial issues, asking the right questions with empathy, and facilitating difficult discussions.
- Engaging in a personal development process for him or herself personally through using a coach or mentor of their own. A planner cannot guide a client to a place where they have not been themselves.
- Using robust assessment and facilitation tools that will provide a more objective and reliable understanding of who you are and personal development to meet your unique needs.

### ***Start Humanizing Your Financial Planning and Increasing Your Financial Life Performance***

So, whether you are an investor, entrepreneur, executive, financial advisor or a student, take action with the following steps:

1. Complete the Financial DNA® Profiles to discover the core of who you are.
2. Develop your own goals based on a clear life purpose.
3. Define what a quality life means to you.
4. Identify the resources in your personal and professional life you need to grow.
5. Start working on the steps needed for getting to the next level of success.
6. Make part of your growth plan having a financial planner who can provide guidance in all the dimensions of your life.

For access to mentoring and coaching programs on an individual and group basis refer to the Financial DNA Resources website for more information: [www.financialdna.com](http://www.financialdna.com)

To learn more about how a financial planner can be your coach or mentor, we suggest you read Hugh Massie's book: *Financial DNA: Discovering Your Financial Personality for a Quality Life*.