Book Review

Facilitating Financial Health: Tools for Financial Planners, Coaches, and Therapists

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Authors: **Brad Klontz, Rick Kahler, and Ted Klontz**
Publisher: National Underwriter (2008)
ISBN 978-0-87218-962-1

Every professional activity goes through progressive change. Financial counseling, as a help-providing profession, is facing one of the most dynamic and important transformations since its inception. While financial counselors have long seen their role as facilitators of their clients' financial health, there has been hesitancy among many counselors to blend relationship therapy with money advice. The view that financial counseling is first, and foremost, a quantitative activity, designed to address specific client deficiencies, is undergoing a radical change. This transformative process has been skillfully documented by Klontz, Kahler, and Klontz in their new book, Facilitating Financial Health: Tools for Financial Planners, Coaches, and Therapists.

According to the authors, Facilitating Financial Health "presents a new model for helping clients achieve balanced and healthy financial lives" (p. xv). Their primary aim in writing the book was to introduce the concept of integrated financial planning. That is, planning and counseling that combines emotional aspects of personal finance with more traditional tools and techniques associated with financial counseling.

Klontz, Kahler, and Klontz introduce new terminology to help describe what is meant by the phrase integrated financial planning. They define financial health from two perspectives. The first is a person's "exterior." This refers to the quantitative aspects of a person's financial life. The exterior components of a client's life include past actions, such as previously filed tax returns; present actions, including a client's cash flow and net worth statements; and future goals, such as retirement and estate planning. The second descriptor is a person's "interior." By this, the authors mean the attitudes someone holds about money and the way they relate to personal financial issues. Interior components include past beliefs and emotions; present issues, which consist of factors such as awareness and authenticity; and future issues, which include a client's dreams, possibilities, and undefined goals. Traditionally, financial counselors have attached greater importance to the exterior position of clients. Klontz and his associates argue that true financial health cannot be established until both the exterior and interior aspects of a person's life become integrated.

It is at this point that Klontz and his associates acknowledge the obvious. Few financial counselors and planners have the necessary training or skills to address the interior aspects of a client's life. Alternatively, the majority of therapists and relationship counselors do have the educational or experiential background to adequately deal with the financial complexities facing many clients. This book is presented as an attempt to help both financial experts and therapists bridge the gap between exterior and interior counseling.

Readers who have no previous experience with the concepts of life planning, integrated financial planning, or financial coaching will immediately find the book of value. The authors do a splendid job of broadly identif-

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ing the key terms and concepts associated with integrated financial planning. For example, coaching is defined as an activity directed at providing “practical considerations in the present and an exploration of the past experiences that may hinder or help clients in setting and achieving their goals” (p. 6). This categorization of coaching compares to the definition of therapy: “Diagnosing and treating clients’ emotional and behavioral disorders, and providing individual, group, couple, or family psychotherapy” (p. 8). What emerges is a definition of the “new” financial counselor, namely, a financial coach. Rather than advocating a medical model of counseling intervention, Klontz and his associates promote an advisory model of financial coaching. This basically equates to providing clients with knowledge and skills that can be used by the client to achieve financial wellness. A coach gives “advice, encouragement, and information to assist clients in changing their limiting beliefs and in optimizing their behaviors to achieve personal and professional growth” (p. 9).

Like all first attempts to conceptually define a new field of inquiry, there are some shortcomings associated with the book. Either because of editorial omission or collaborative missteps, the terminology often changes as the book progresses. While the first two chapters introduce the concept of a financial coach, later chapters rarely mention the term coaching. Instead, the term facilitator is introduced but not defined. Readers may be puzzled by the sudden transformation from a coaching perspective to that of a facilitator whose primary role is to be an agent of change. That is, a facilitator is someone whose role includes supporting change by employing cognitive and behavioral change strategies.

Readers who are familiar with the growth of life planning as a distinct approach in the field of financial planning, will find the Klontz et al. approach very familiar. There are a number of key assumptions that anyone adopting the integrated financial planning model must espouse. Some of these concepts include:

1. The Transtheoretical Model of Change (Prochaska, Norcross, & DiClemente, 1995) defines how effective any financial counseling intervention might be.
2. “People have an inherent right to self-determination” (p. 43).
3. “People have a natural propensity toward growth” (p. 53).
4. Understanding how and why a person views money is an important determinant of change.
5. Diagnosing money disorders is an important element associated with facilitating change.

It is immediately apparent that integrated financial planning, using an internal and external definitional framework, is really a model that blends traditional psychology and psychotherapy frameworks with financial counseling. Interspersed in the method are spiritual values and assumptions. Practitioners who follow a conventional financial counseling methodology may find integrated financial planning to be too qualitative in application. Others may object to the underlying premise that a cognitive-behavioral assessment and treatment method is always the most effective way to facilitate change.

In some respects, the concepts presented in the book are refreshingly unique--e.g., the idea that financial counselors should assess their clients’ attitudes and behavioral intentions. In other respects, many of the concepts seem to be little more than a reformulation of life-planning ideas--i.e., wellness derives from a person’s ability to achieve emotional and spiritual insight. This may leave some readers wondering whether research has been conducted to validate the hypotheses intrinsic to integrated financial planning.

Further, one may ask if an alternative approach that eschews spiritual and cognitive assumptions exists that might achieve the same client outcomes. Financial counselors and planners who are looking for a concise description of integrated financial planning will find this book to be of interest. The last few chapters are of particular importance. Klontz and his associates provide useful assessment tools that can be used in practice to help clients achieve financial wellness. They also provide “homework” exercises that can be assigned to clients as the financial coaching-facilitating process progresses. Examples of homework activities include the “Money Atom,” which is “an exercise to help you gain a better understanding of the beliefs and attitudes about money that stem from your childhood and your experiences in your family origin” (p. 167). Other homework assignments include having a client identify their life aspirations, develop their authentic goals, and having couples synchronize goals.

It is important to note, however, that, although the middle section of the book is intended to provide examples of skills and traits necessary to be an effective financial coach-facilitator, most of the illustrations provide little more than a replication of generally applied interpersonal considerations and skills. Instructing readers to be empathetic and good listeners, for example, does not ensure that these traits can be adapted by readers; nor do these types of directives help readers understand how to become more, say, empathetic. An expansion of the "how to" section of the book is something to look forward to in the 2nd edition.

Saying this, it is equally important to acknowledge that Klontz and his associates have undertaken a major task in writing this book. This is one of the first books that provides clinicians with an integrated practice approach. As the book highlights, the future of financial counseling is undoubtedly moving towards the integration of financial counseling and family therapy. Others have used the term "financial therapy" to describe this conceptual bridge (e.g., Britt, Grable, Goff, & White, 2008). Klontz et al. use the term integrated financial planning. While the approaches may be slightly different, the outcome is similar – facilitating financial health for clients.

References

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