

# MDRT MINUTE



## “Managing Client’s Financial Planning Stress”

More and more clients are looking for financial advisors who can take psychological and emotional issues into consideration. At the 2003 MDRT Annual Meeting **Eileen and Jon Gallo** described how a basic understanding of clients’ emotions can help you build better client relationships.

Too many advisors view themselves as technical experts whose job consists of four functions:

1. Obtaining and analyzing the necessary financial data.
2. Determining how to transfer the client’s assets to the beneficiaries in a tax-efficient manner.
3. Presenting the alternatives and their advantages and disadvantages.
4. Implementing the clients’ decisions.

### **Stress-Reducing Techniques**

The tax-driven approach exaggerates and intensifies the stressful nature of the topics, which reduces the likelihood of client retention. Advisors who want to establish long-term, proactive relationships with clients should practice techniques that will allow them to communicate better during the planning process.

#### *Listening and Empathizing*

Being empathetic to the unique experience of others can transform your client relationships. Empathy requires us to more accurately understand the thoughts and feelings of our clients, and that requires the ability to truly listen. People can process information at a rate of 300-500 words a minute, but most people speak at a rate of 200-250 words a minute. Impatience causes many advisors to listen only to the beginning of a client’s comments before they formulate a reply.

Because 85-90 percent of all communication is non-verbal, listening is complicated by facial expressions, gestures, voice tone, eye gaze, posture, and the timing and intensity of response. Listening needs to be conscious, with the advisor concentrating on what the client is saying, both verbally and nonverbally.

#### *Normalizing and Reframing*

People seeking counseling commonly begin the process with a negative attitude. How many times has a client said to you, “My spouse has been bugging me to get this done,” or “I really hate talking about this.”

Psychologists deal with this negativity by using techniques known as normalizing and reframing. Normalizing reassures clients by letting them know that their anxiety over the planning process is a normal and natural reaction. Reframing reassures clients by letting them know that this is a temporary situation and that they will feel relieved when they finish the process. These techniques calm clients and gives them a sense of hope that you will guide them through the process and result in a more cohesive and proactive relationship.

**Eileen Gallo, Ph.D. and John Gallo, J.D.**, are the principals of The Gallo Institute, a consulting service that explores the emotional and psychological issues surrounding families and wealth. They wrote the book *Silver Spoon Kids: How Successful Parents Raise Responsible Children*. Their entire presentation “Understanding the Psychological and Emotional Issues of Estate and Financial Planning” is available from MDRT’s Power Center ([www.mdrtpowercenter.org](http://www.mdrtpowercenter.org)).