

A man and a woman are in a professional setting, possibly a meeting. The man, on the left, is wearing a dark blazer over a light blue shirt and is gesturing with his right hand while speaking. The woman, on the right, is wearing a light blue shirt and has her hair in a ponytail. They are both looking towards the camera. The background is slightly blurred, showing a window and some office equipment.

Fostering trust in your client relationships

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Developing and Maintaining Client Trust & Commitment

- Provided by the Financial Planning Association (FPA®) and Allianz Life Insurance Company of North America (Allianz Life).
- McCoy, M., Machiz, I., Harris, J., Lynn, C., Lawson, D., & Rollins-Koons, A. (2022). The Science of Building Trust and Commitment in Financial Planning: Using Structural Equation Modeling to Examine Antecedents to Trust and Commitment. *Journal of Financial Planning*, 35(12).
- Data will soon be available to use!





Why trust is essential?

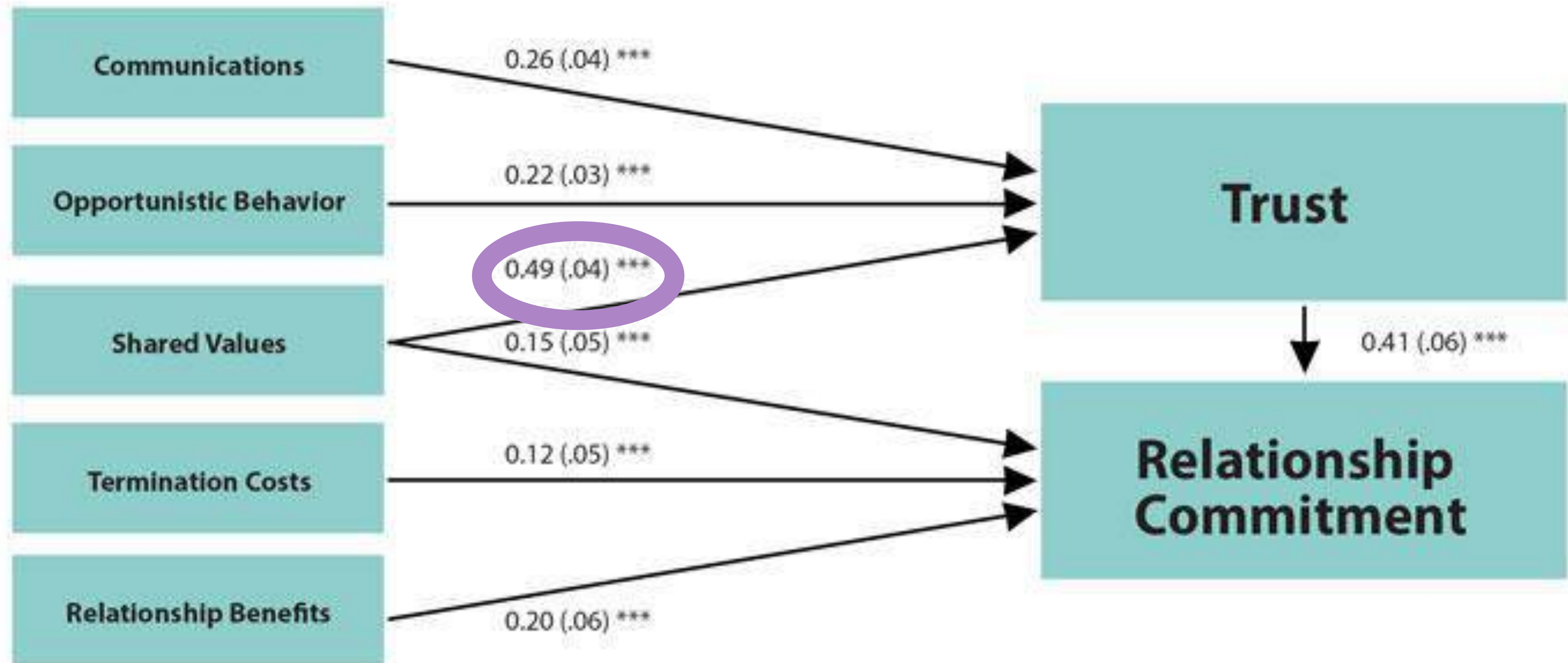
- Defined as believing the planner to be reliable, honest, and competent.
- Trust improves likelihood that clients:
 - Are honest about their financial situation
 - Will seek a planner's advice
 - Follow through with recommendations

A small, fluffy bird with grey and white feathers stands on a mossy rock. A human hand is visible in the foreground, reaching out towards the bird. The background is a blurred natural setting with more moss and rocks.

Difficulties associated with building trust

- The complexity of financial planning
- The emotionally laden issues involved.
- A client being transparent with financial assets, debts, habits, and goals can make a client feel vulnerable.
- 79%+ hadn't talked to anyone about their finances in the previous year (White et al., 2022).
- “Financially naked”

Figure 1: Path Diagram with Standardized Coefficients (Standard Errors)



*** $p < .001$

$\chi^2[4] = 58.568$; $p < .001$; $RMSEA = 0.18$; $TLI = 0.87$; $CFI = 0.95$; $SRMR = 0.03$

Results



The development of financial planning skills centered on building and maintaining relationships.



The pathways prescribed were all statistically significant, and the R^2 for trust and commitment were 0.77 and 0.65, respectively.



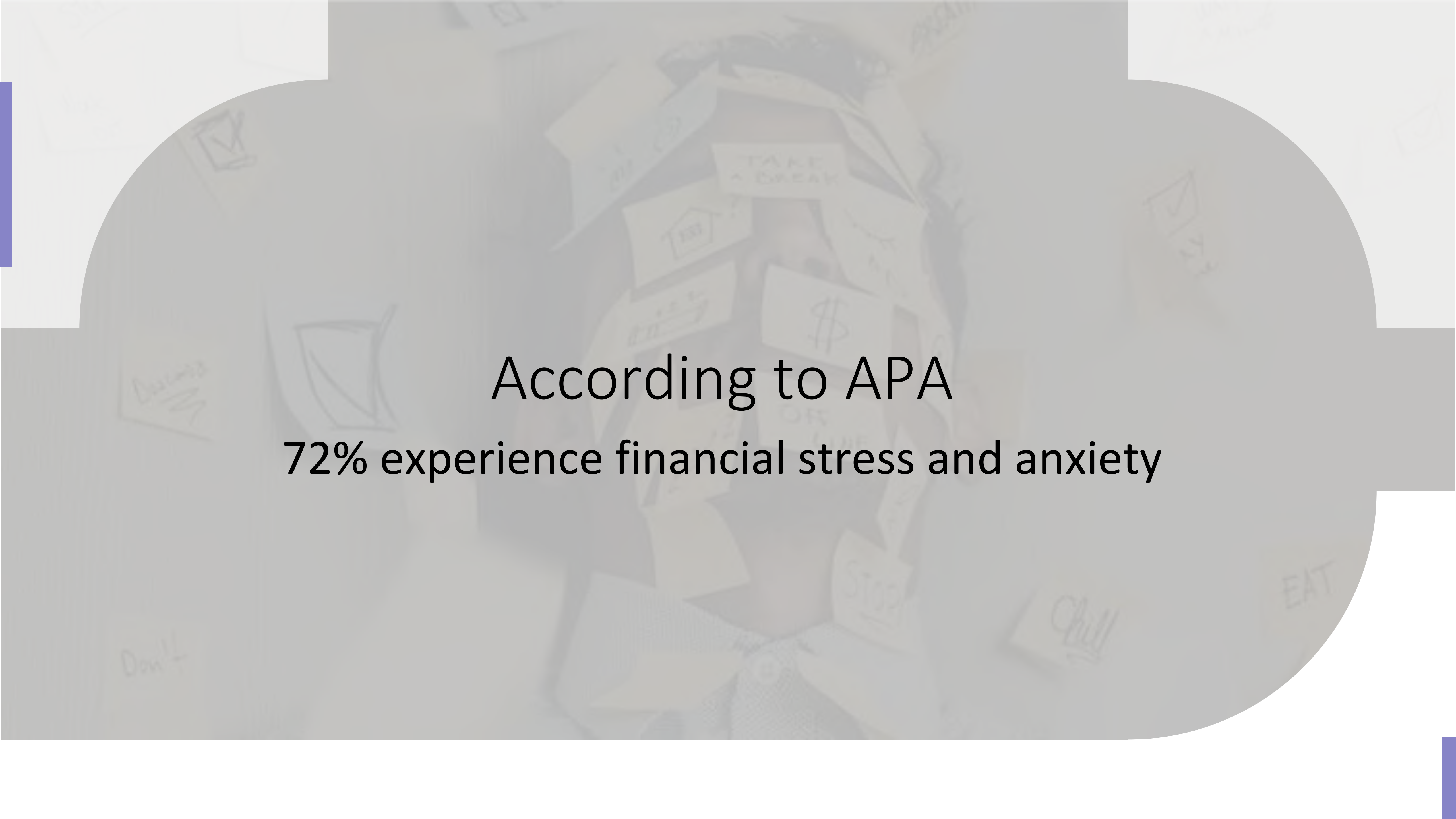
These are strong R^2 for social science, as some have claimed an R^2 of .09 is sufficient to conclude in this field.



Technical skills alone may not be sufficient to build trust and commitment.

The background of the slide is a dark, textured surface composed of interlocking puzzle pieces. The pieces are a deep charcoal or black color, and their edges are slightly raised, creating a three-dimensional effect with soft shadows. The lighting appears to come from the upper left, highlighting the ridges of the puzzle pieces.

But we know from prior
research financial anxiety
shapes outcomes too

The background of the slide is a light gray corkboard. It is covered with numerous yellow and white sticky notes of various shapes and sizes. Some notes have handwritten text, including "TAKE A BREAK", "STOP", "Chill", "EAT", "Don't", "Decide", "Test", and a dollar sign "\$". There are also some simple line drawings, such as a house, a leaf, and a checkmark. The overall aesthetic is that of a busy, cluttered workspace or a mind map.

According to APA
72% experience financial stress and anxiety

Even in our clients

- One would think that clients would have lower levels of financial stress.
- Yet, clients of financial planners reported similar levels of financial stress (71%).
- But planners underestimated it thinking that less than 40% of their clients were experiencing financial anxiety.

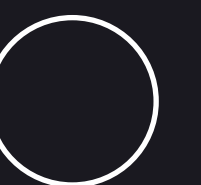


But let's take a second to break stress and anxiety
down further



What is financial stress vs. anxiety?

- Stress due to an external variable and is usually time bound.
- Anxiety is defined by persistent, excessive worries that don't go away *even* in the absence of the stress event.



Why recognizing it is important?

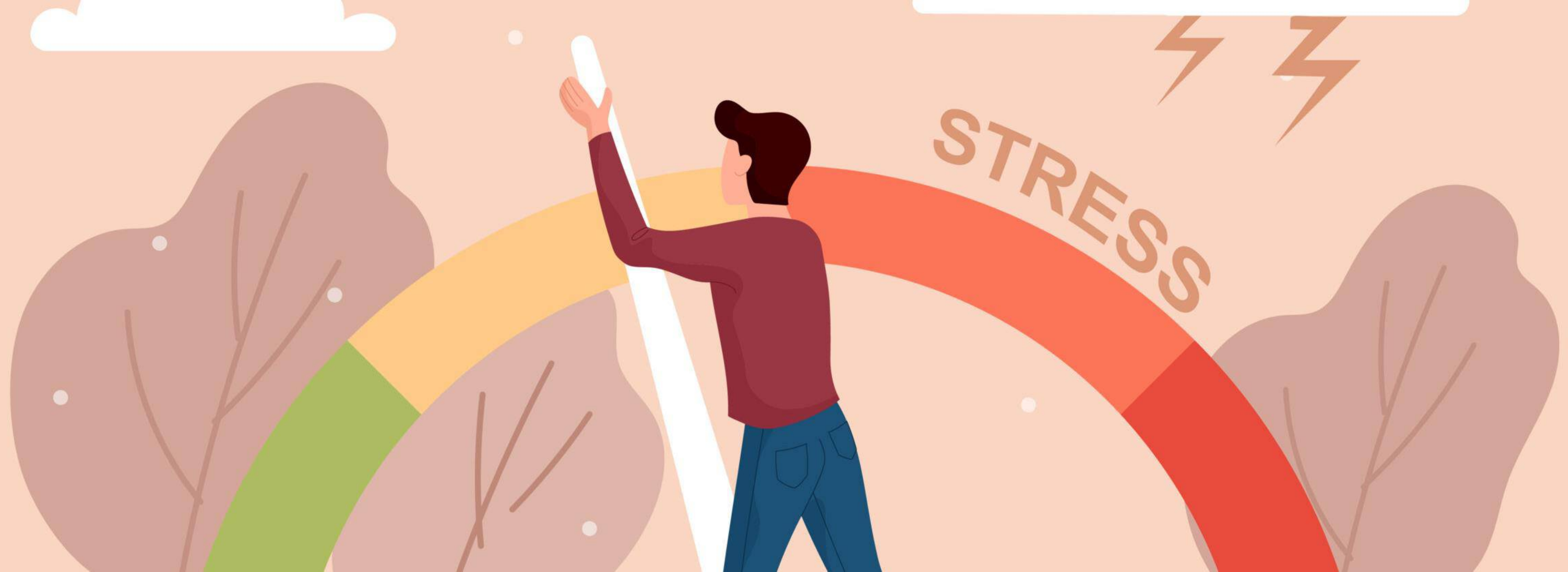
- Financially anxious individuals avoid dealing with situations as a defense mechanism.
- Physiological arousal creates a flood of stress hormones (e.g., adrenaline and cortisol), which prevents the ability to use higher-level coping skills to think logically or to take action.



Psychophysiology in planning

- Stress decreases one's ability to understand information and decreases desire to continue seeing their financial planner (Grable et al. 2015).
- Impacts the client's ability to trust recommendation(s) and to fully commit to their planner.





But some
stress is good!

- Stress is normal and sometimes even helpful to us (eustress)
- The initial results found that low levels of anxiety are best for trust and commitment...but high levels of anxiety are statistically significantly better than medium levels of anxiety.

Potentially if clients are not stressed enough...

- They may not care enough to focus on improving their finances or reaching their financial goals.
- It's important to engage with both clients.
- Help them recognize they are not saving for saving's sake...but rather for their dreams, their goals, and their future.

Okay, so now we
know some of
the important
factors that feed
into trust...what
do we do about
it?





Let's get some tools and techniques

- Evaluation of office environment and virtual meetings
- Active listening and communication skills
- Understanding and dealing with client stress and anxiety
- Helping client's articulate goals
- Moving clients towards behavioral change
- Exploring a client's money story
- Assessing for money scripts and disorders
- Creating a framework for collaboration and/or referrals with attention to scope of practice

A photograph of three people (two women and one man) sitting around a table in a meeting. The woman on the left has curly hair and is wearing a green shirt. The man in the middle is wearing a plaid shirt. The woman on the right has her hair in a bun and is wearing a plaid shirt and glasses. They are all looking at each other and talking. There are papers and a tablet on the table. The background is a simple office setting with a whiteboard.

New Clients

- Some individuals experience financial anxiety merely as a result of meeting with a financial.
- With new clients especially, planners should be aware of how technology use, office temperature, use of plants or natural light, background music at the reception desk, and even wall color can influence clients' anxiety or even their physiological responses to stress (Grable and Britt 2012).

Eight Elements Constitute the Financial Planning Environment



OFFICE
ACCESSORIES



COLOR



FURNITURE



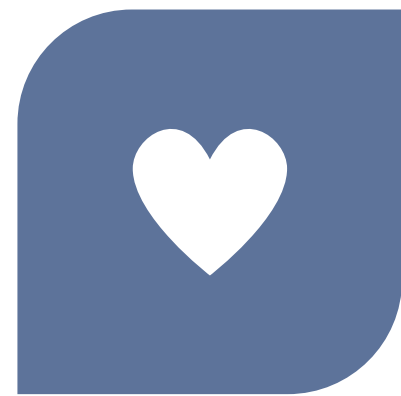
LIGHTING



SMELL



SOUND



TEXTURE



TEMPERATURE

Comparing Furniture Arrangements

Figure 2.1. Traditional Financial Planner Office Space

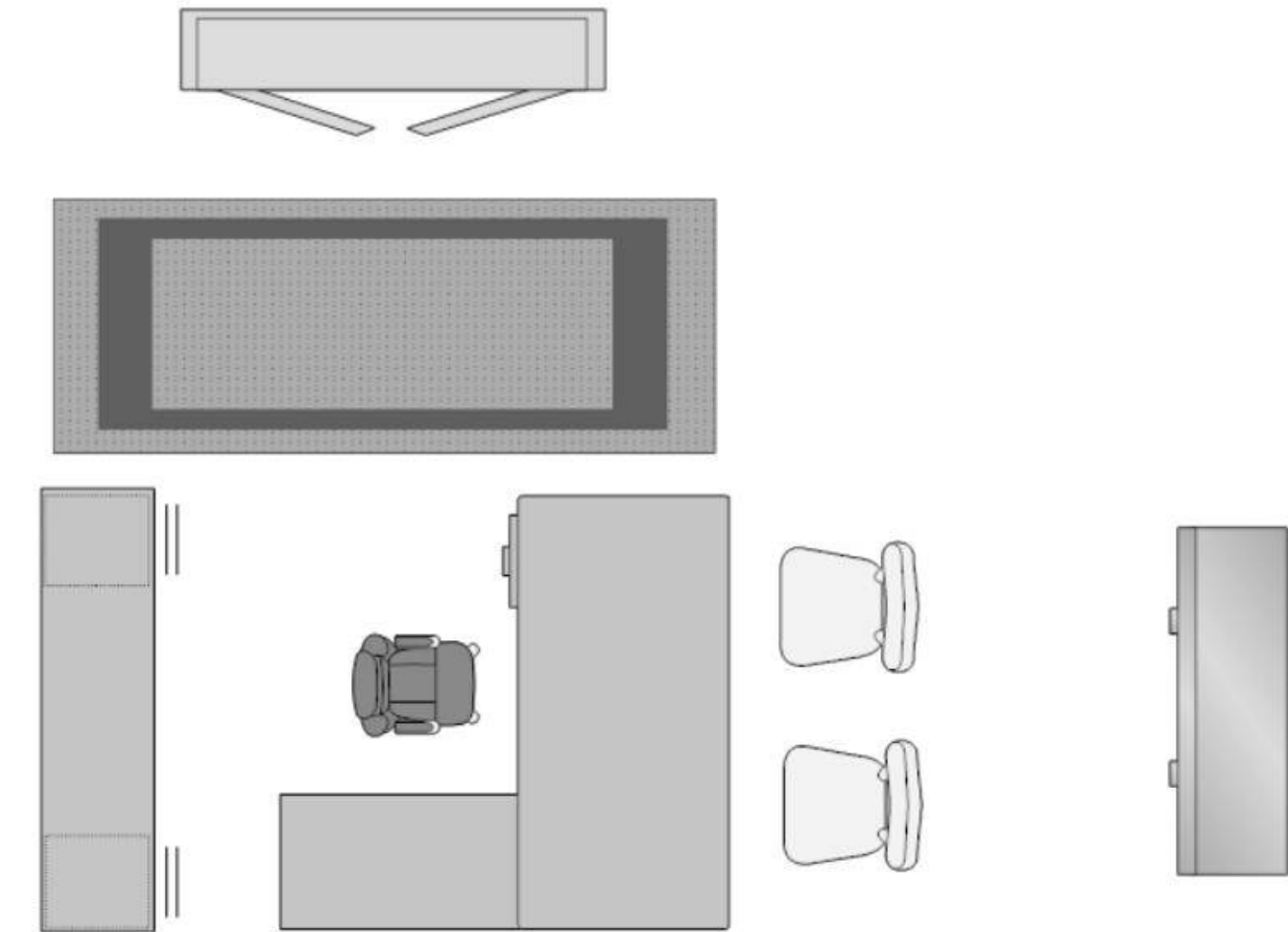
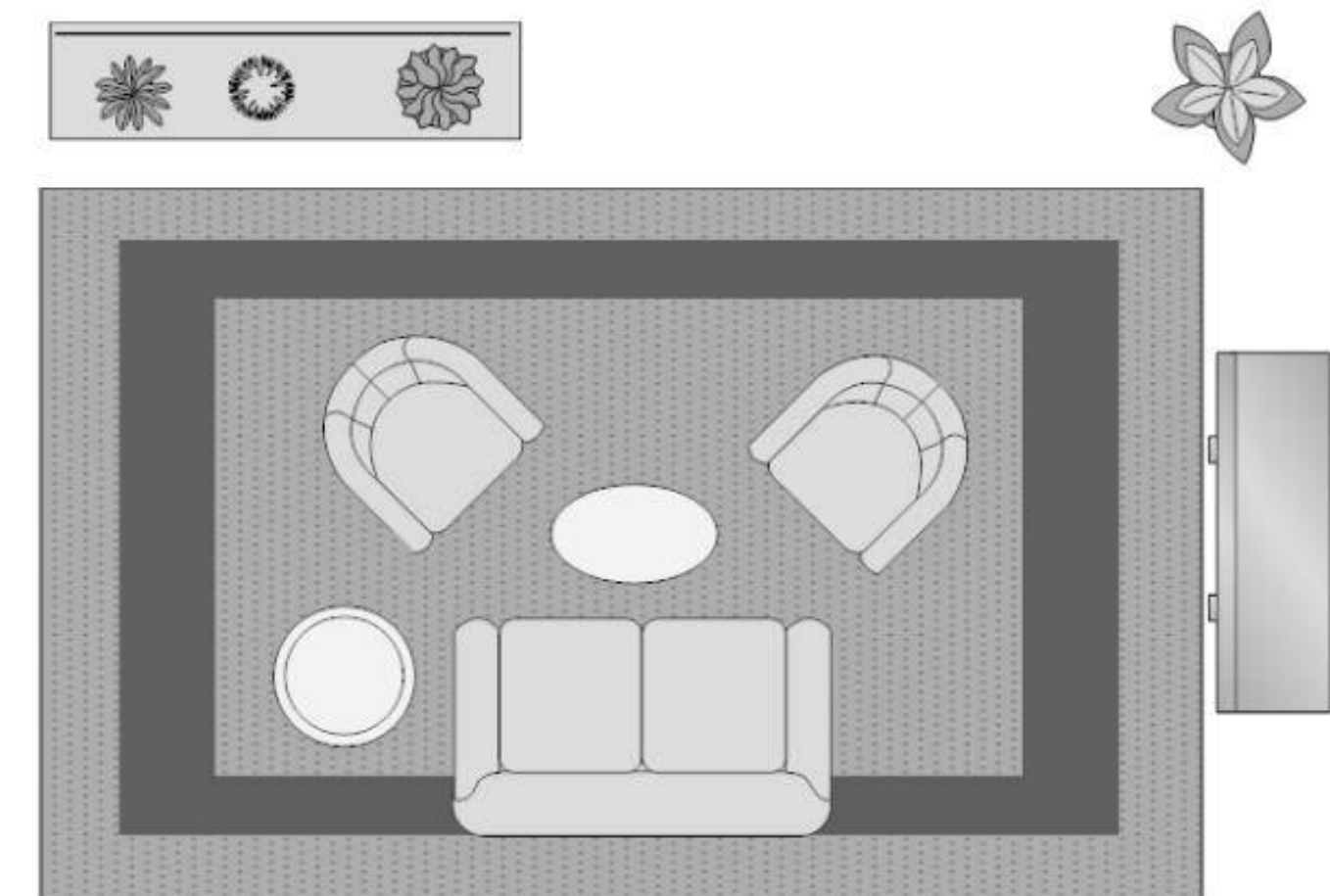


Figure 2.2. Therapeutic Financial Planner Office Space



The Online Meeting Environment

- Use active listening skills such as summarizing and asking questions.
- Avoid avoiding muting or turning off one's camera even if the intent is to reduce distracting noises or background surroundings as these practices can be distracting and contribute to a sense of disconnectedness.
- Show a real background rather than a fake or virtual background because virtual backgrounds can generate more distractions.
- If a virtual background is not used, the environment seen via video should be quiet and as distraction-free as possible.





Active Listening and Communication Skills

Reflective Listening



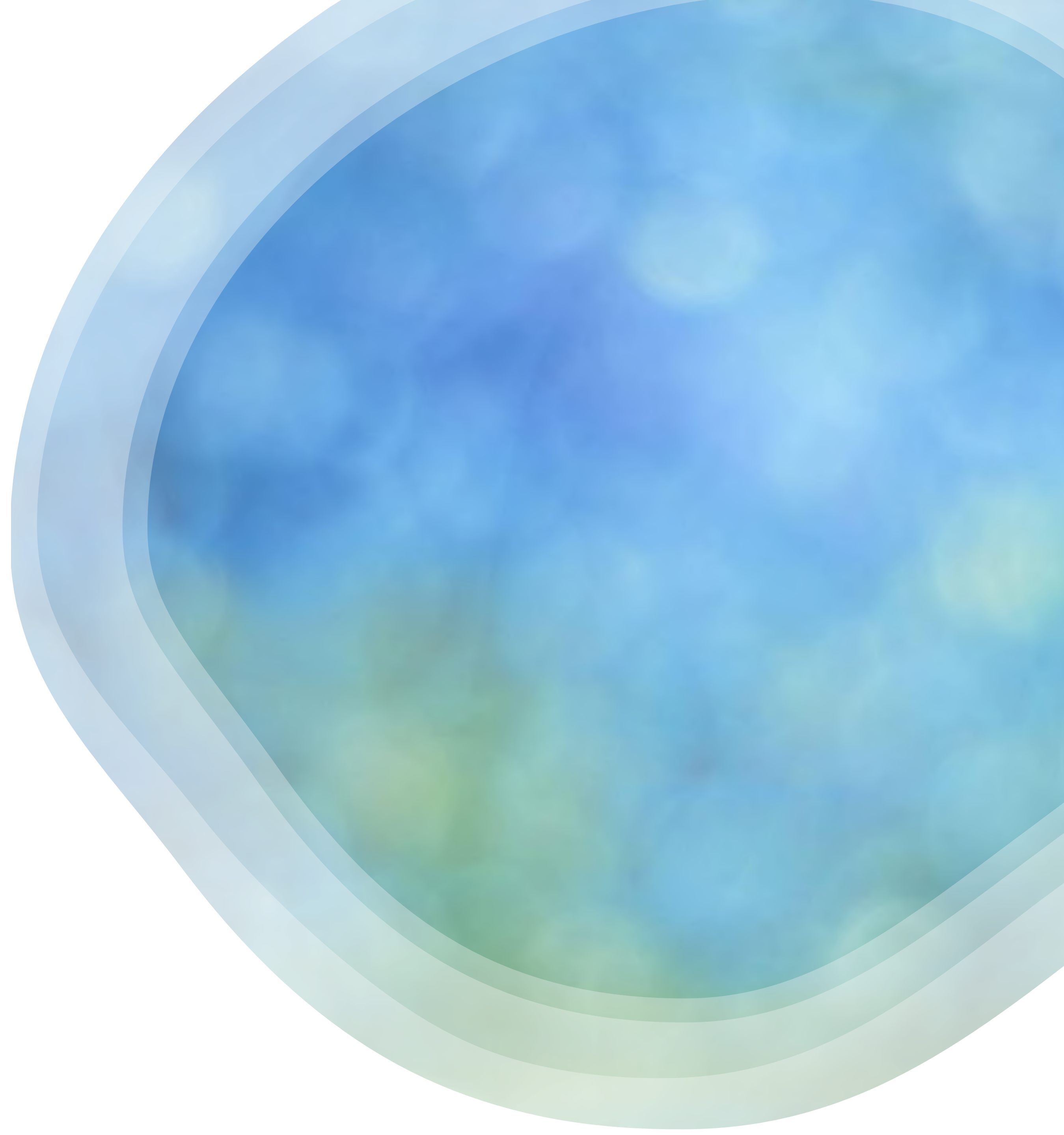
Pay attention not only to the words used by a client but also to the content and feelings associated with a client's words, hearing and understanding.



Reflective listening allows a financial planner to gain information, understand the entirety of a client's situation, and then reflect back to the client what was heard in a way that confirms understanding.



When a client feels that their financial planner not only understands but also empathizes with them, both rationally and emotionally, trust increases and clients will be more receptive to suggestions.



Using Nonverbal Communication


- Assess the client's body language. Does the client seem guarded? Has the client crossed their arms (i.e., a sign of discontent)? Is the client sitting stiffly? Is the client tense (tense jaw) or distracted and fidgeting?
- Use strategies such as facing the client, leaning in when speaking, maintaining eye contact, mirroring the rhythm and pace of the client's speech, and nodding in agreement.
- Use silence as a tool to prompt a client to think and respond at a deeper level to provide space for the client to expand further.



Silence



Can cause discomfort but can be used to help a client continue processing and discussing a difficult, emotional, or important topic.

A background image showing a group of people with their hands raised in a gesture of support or agreement. The image is dark and slightly blurred, with a semi-transparent dark overlay. The text is white and positioned on the left side of the image.

Understand empathy versus sympathy

- You may not be able to empathize with the situation, but can you empathize with the underlying emotion.

A woman with long brown hair is shown in profile, gesturing with her hands as if in conversation. She is wearing a light-colored jacket. In the foreground, the back of a person's head and shoulders are visible, looking towards the woman. The background is a blurred outdoor setting with trees and a fence.

Nonverbal communication

- Body language
- Voice qualities
- Posture
- Facial expressions
- Gestures

- Tone
- Pacing
- Cadence
- Inflection
- Mirroring



Information Processing Preferences

- **Visual** – benefit from visual aids
- **Auditory** – benefit from clear and concise explanations
- **Verbal** – benefit from giving and opportunity summarizing/paraphrasing
- **Kinesthetic** – benefit from creating checklist or walking while talking



Questioning Skills

- Level I vs Level II Probes
- Open vs Closed Ended vs Multiple Choice

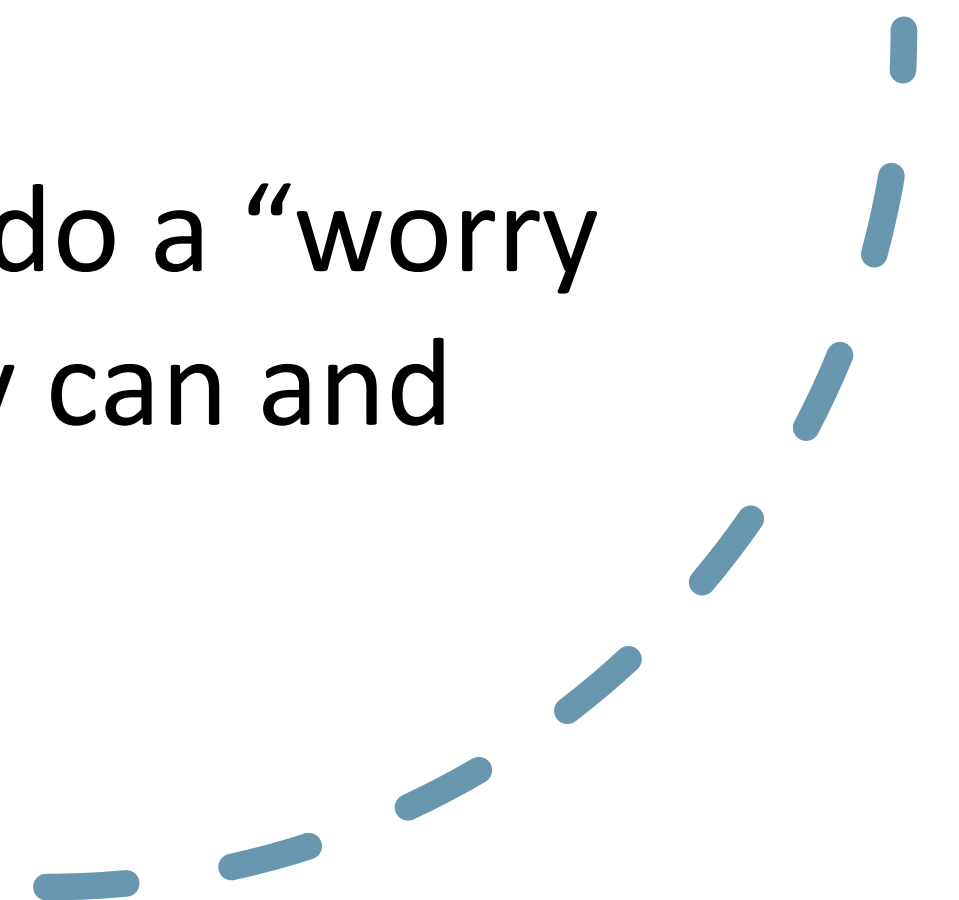
Financial stress and anxiety

- Identify the source and recognize the difference between perceived and actual financial stress.
- Take a not-knowing stance and use active listening techniques to encourage openness.
- Use scales like the Financial Anxiety Scale
- Encourage a “worry” opener



More tips for stress and anxiety

- Let clients express what they are feeling don't run away from difficult emotions
- Don't minimize (don't worry about it)
- But do remind clients of past triumphs when they overcame a similar issue
- Be problem-focused with stress but recognize all the other ways of supporting clients with anxiety (e.g., listening, venting, validation, asking them what they need)
- Grab a piece of paper and make them do a “worry time” exercise. Differentiate what they can and cannot control!





Understand their money story

- Use experiential maps, heuristics, and money scripts to understand a client's money story.
- Recognize through empathetic listening the emotions behind resistance.

Money scripts

- Unconscious, partial truths about money that form at a young age.
- Often highly aligned with a client's attitudes and behaviors—and even a client's expectations regarding the outcomes associated with the financial planning process.



These can
result in
money
disorders

Compulsive Shopping

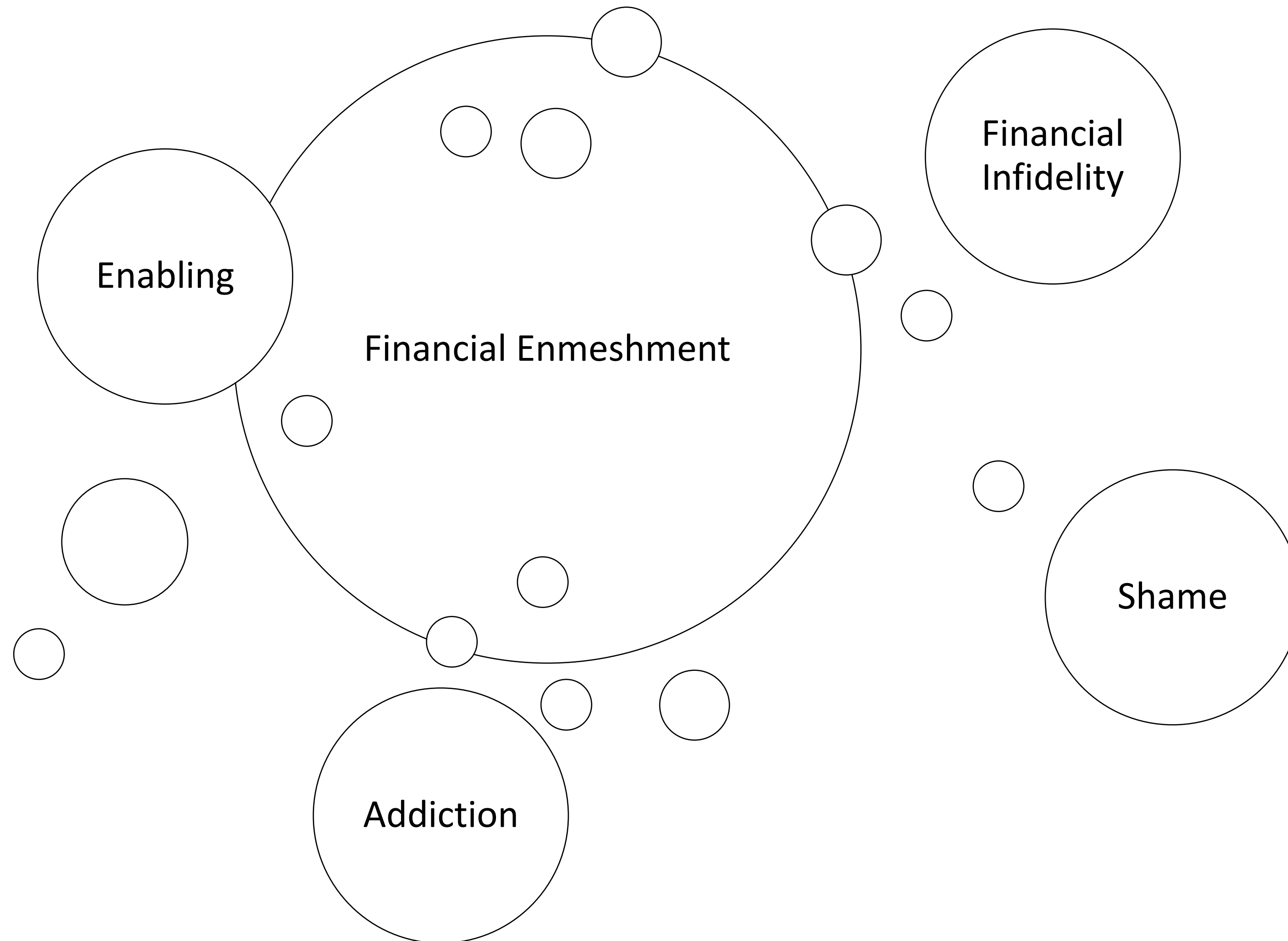
Gambling

Workaholism

Hoarding

Financial Denial

Relational Money Disorder Framework.





I know it can be difficult...

- A client check
- A session check
- A self check

Building referral network

- Visit [PsychologyToday.com](https://www.psychologytoday.com)
- Find some mental health practitioners: psychologist, psychiatrist, counselor, therapist, financial therapist
- Call them and vet them
- Learn about different forms of therapy
- Meet them in their office



The background is a teal-blue gradient with a repeating pattern of speech bubbles in various colors (red, yellow, pink, white, and grey). Each bubble contains a large, dark blue question mark. The bubbles are scattered across the entire frame, creating a dense, textured effect.

Questions or comments

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