

Behavior Modification:

A Study in Motivating Clients to Execute Change

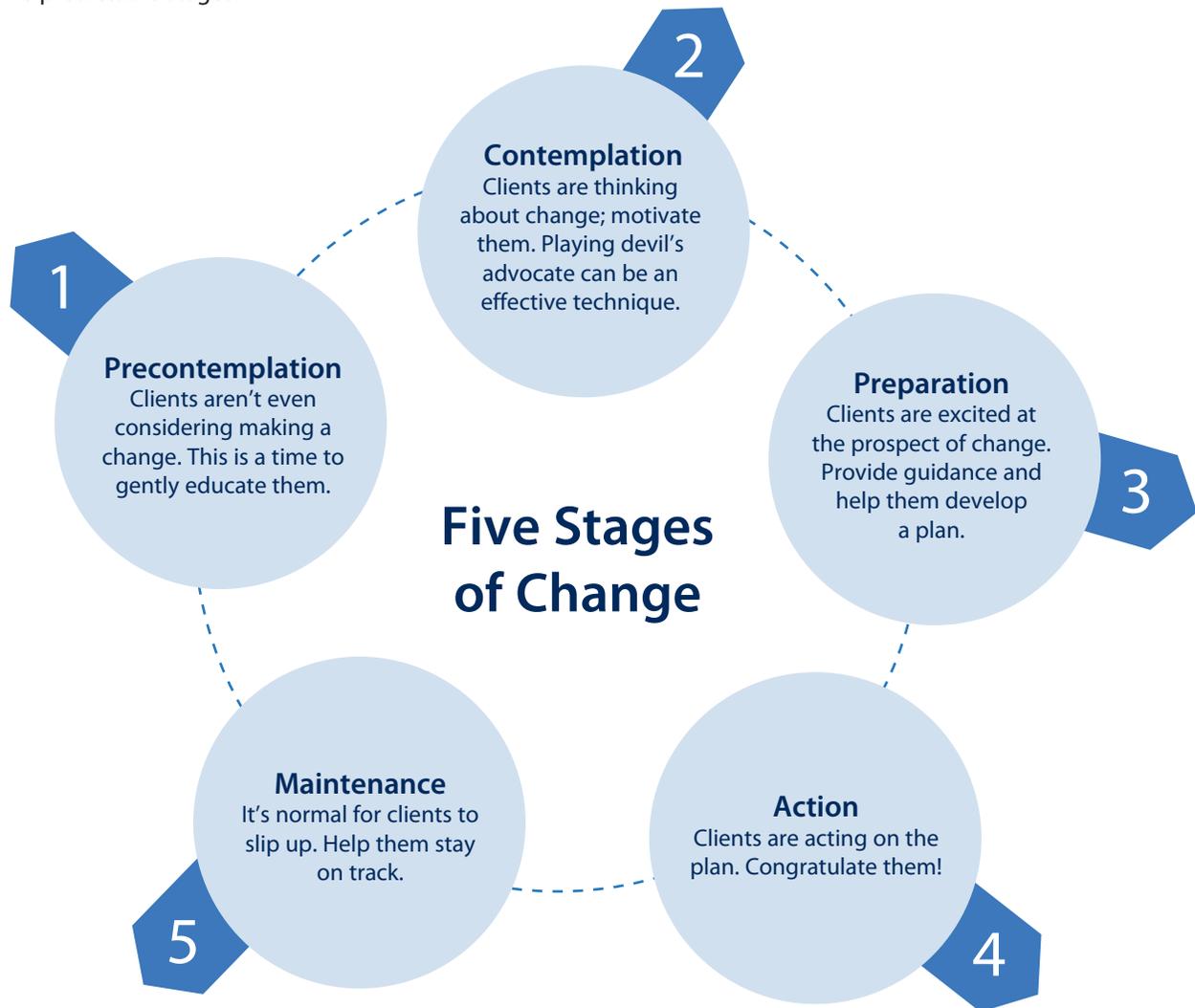
Money is a source of stress for many people. Although a small amount of stress can motivate us to act, too much stress can quickly become overwhelming, harming our physical health and shutting down our ability to execute change in our lives.

If you have clients who are overspending, have lost sight of their goals, or are stuck in a state of inertia, there are several steps you can take to help them regain control of their financial lives.

→ Five Stages of Change

Action requires two ingredients. People must be motivated to change, and they need to be confident that they will be able to change.

A group of social scientists studied the process of change and discovered that people go through five predictable stages:



In helping clients eliminate stress and execute change, the contemplation and preparation stages are where you may be able to provide the most value.

→ But Consider Yourself First

First and foremost, you need to think about yourself and your business. After all, you have other clients who rely on you. And as helpful as you might like to be, if you have concerns about whether you can help a particular client, you may be better off finding someone—or something—else who can, such as a professional therapist, a debt counselor, or maybe a book recommendation.

If you do decide to help, proceed with caution and consider the following suggestions.

Keep your empathy in check—for both your sakes. Showing warmth and consideration, as well as listening and asking caring questions are helpful—up to the point where you become overwhelmed by your concern for the client or you seem to be more invested in a successful outcome than the client is. As a coach, you can't hit the ball for your clients; you can only help them find their own best swing.

Don't expect rational behavior. Humans don't make decisions rationally; we use something called *heuristics*—essentially, mental shortcuts. The particular heuristic your client might be using now—"If I buy myself a new TV, I'll feel better"—may not be helping him or her, but you likely won't be able to change the behavior by convincing your client that the thought is irrational.

So, allow space for this irrationality. You can even suggest that this impulse to self-medicate with a new TV is understandable because, in the past, this behavior has helped the client assuage stress from another situation.

It's okay to tell your client that although this behavior may be helpful in the short term, it's not a long-term solution. Be sure that your client understands that you want to help him or her find a way to retrain the impulse while also addressing the underlying issue—finding a healthy way to relieve stress or anxiety.

Try not to induce fear. Again, while a little bit of fear (i.e., stress) is helpful, as it pushes us to act, if a client is already stuck, adding more fear-based motivation will only reinforce this client's unwanted behavior.

→ Awareness and Action

So how do you motivate a client to take action? It's about creating awareness of the situation—and any potential consequences.

When clients need a wake-up call. Some clients aren't even aware there's a problem. They may be spending as if they hadn't lost their job, or they may be overconfident in their job security. If a gentle inquiry into the situation doesn't go anywhere, there are a couple of psychological tactics you can employ:

- **Reverse psychology.** At least a tiny piece of your client's mind knows there's a problem. The trouble is, that small piece is losing a tug-of-war with the much larger piece that likes spending. You could say something like, "As your financial advisor, I couldn't recommend anything except cutting down on your discretionary expenses, but as a friend, I really get why you'd want to keep spending."

When you plant yourself on the “responsible” side of a tug-of-war, you can inadvertently make clients dig their heels in deeper. But when you hop on their side, even casually, it allows the small part of their brain to get fired up and tug against you. They may surprise you by saying something like, “Yeah, no kidding, but I know I have to stop spending like this.”

When clients make a statement like that, they’ve moved from precontemplation to contemplation. If they then ask for your help, they’ve entered the preparation stage—now you can put your advisor hat back on and help them develop a plan for change.

- **Guilt.** As funny as it may sound, if you’re getting stressed out over the way a person or couple is acting, but you’re not ready to fire them as a client, consider sharing your struggle: “Do you know that every time you leave my office without having an executed will, I spend a few sleepless nights worrying about what might happen if you were to pass away? Is there something we can do to make this a workable situation for both of us?” This sends a clear signal about how important the subject is and lets the clients know their lack of action impacts more than just them.

This scenario requires you to walk a fine line. You’re not actually trying to make clients feel guilty; rather, you’re showing that you care about them and that it’s important to you that they take good care of themselves.

When clients are aware, but still unmotivated. Other clients may be aware of the issue, but they just don’t seem to care. Again, there are a number of angles you can take to motivate these clients, depending on what’s going on in their lives. Here are a few suggestions that may help:

- **Transition bias.** Behavioral research shows that we’re relatively good at predicting how good or bad things will be—that is, how much joy or pain we’ll experience. The problem is, we’re only good at predicting this for periods of change (e.g., going from employed to unemployed). We’re terrible at predicting what life will be like *after* we get acclimated to the change. So, although your clients are right that it won’t be fun to start spending less (and saving more), once they start doing it, it likely won’t be as bad as they expected.
- **Post-traumatic growth.** Although a change in financial habits isn’t necessarily traumatic, it can certainly be painful. But there are some positive side effects to trauma. Two University of North Carolina psychology professors, Richard Tedeschi and Lawrence Calhoun, have found that the vast majority of people ultimately grow from traumatic experiences. They often gain a greater appreciation for life, a better sense of priorities, closer relationships, and spiritual development, and they find new opportunities they wouldn’t have found otherwise. Just knowing about these potential outcomes could help your clients plod through the tough times.

For instance, a family breadwinner may imagine that his family will be unhappy with him for giving them fewer material things, but, ultimately, the family may find that the time they spend together is more valuable and brings them closer together.

- **A better future.** It may be enough to simply help clients imagine a future that is deeply important to them. Most clients have only a vague notion of what they want (imagine that they have a watercolor painting in their head). Helping them find clarity can move them to action (getting them to a photograph of their future).

- **Freedom versus constraints.** Along the lines of a better future, a good amount of indecision and irrational behavior surrounding money comes from not wanting to feel constrained by rules or limitations. You can try to reframe the situation by showing clients that their current behavior is limiting their freedom.

For example, talk about a spending plan rather than a budget. You can explain that “a budget tries to limit you based on what you decide upfront for each category. A spending plan, on the other hand, works to provide you with financial freedom. It is a conscious plan that can help you build financial freedom.”

Helping Clients Build True Confidence

Rather than just giving clients a plan for getting themselves out of a bad situation, help them come up with the plan themselves. You can play a big role, but the more ownership clients take in the process, the more invested they'll be in accomplishing the goal.

If they're stuck, by all means help them think through how to find the answers. If they're floundering, help them structure the plan. The most important takeaway for clients is that they gain a sense of mastery throughout the process as they learn and grow.