

FINANCIAL ADVISOR

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The Paradox of Plenty By Mitch Anthony

Why your clients are afraid of affluence.

Daniel Handler has made multimillions of dollars as Lemony Snicket, the author of a series of children's books that feature unfortunate events. As of 2006, he had sold something like 50 million books, and with a royalty of over a dollar a book, he is doing much better financially than the average author. In fact, he has made so much money that he and his wife had to decide when their young son Otto (two years old in 2006) would get a chunk of it. Mr. and Mrs. Handler went into a lawyer's office and began discussing when Otto should come into money. The first age the lawyer suggested was 15, but the Handlers replied, "God, no!" The ages discussed grew higher and higher until they were higher than the age of Mr. Handler, who believes, "People of 33 should not be handling this sum of money. That's absurd!"

—From Wise Up! by David Bruce, Athens News contributor

People say they want to be wealthy, but do they have any reservations? People say if they had a little more than what they have now they would be content, but would they? People say money cannot buy the things that matter most, but do they really believe it? Suffice it to say, people are conflicted on matters of money.

At times we all have a hard time reconciling our beliefs and behaviors regarding our handling of money. We want wealth, but down deep, many of us fear that having wealth will negatively affect our attitudes and relationships. We have seen those who have struggled to find contentment as their assets grew. We say that money can't buy the things that bring true happiness, but down deep we wonder. What we are facing is the paradox of plenty.

Did Money Make The Man?

Because people are sometimes conflicted on money matters, their behaviors often fail to align with their intentions. This situation ends up confusing their mates, their advisors and themselves. In order to bring clarity to the financial life planning process, it is important for the advisor to understand that these conflicts are universal.

I once heard someone say that a paradox is truth chasing its own tail—two opposing ideas framing a truth somewhere between the tensions they create. In the pursuit and management of wealth, many such paradoxes exist. To better connect with your clients and empathize with their walk into and through the building of wealth, you need to be able to relate to the emotional tensions they may be experiencing.

A primary paradox your clients may be facing is, "Will the achievement of wealth contribute to making me someone that I won't like? Is there someone in me that prosperity will unleash?" A study commissioned by the AARP entitled Money and the American Family, revealed this paradox playing out within members of our society. When asked what they would do with their money if they became millionaires overnight, survey respondents stated that they would help family and friends, save for their own future and donate to charity. But, in a response that illustrates the duality of many Americans' views toward the wealthy, respondents overwhelmingly stated that they believe that wealth is likely to make people insensitive and greedy, and give them a feeling of superiority over others.

If you read between the lines, what Americans are saying is that although they want to become millionaires, they do not want to be given the stigma of other wealthy people. This paradox possibly is one of the reasons for the commercial success of books on how ordinary people became wealthy. Maybe

people want wealth with the assurance that they can maintain their values and attitudes toward others. They also want others to view them as unchanged.

Do people question the effect of plenty because of what they have seen in others or is it because of what they have seen in themselves at times? If people are afraid of feeling superior to others, is it because they have felt the brunt of conceit, or because they have at times felt superior toward those below their stations in life? If they fear being less kind after they have money, is it because an insensitive rich person bullied them or made them feel inferior, or is it because they have, at times, been kind toward others only for the purpose of getting something? If greed is perceived to be a problem that comes with wealth, is it not also a problem now? Is greed not a ubiquitous temptation at any income level?

Many if not most people have at some time or another felt the bitter sting of condescension at the hands of a successful individual who was dismissive or rude toward them. As badly as they want the comfort that wealth brings, they loathe the idea of anyone seeing in them the character they saw in the individual that looked down upon them. Consequently, not every person has becoming wealthy as a primary goal.

In fact, the AARP study revealed that one-third of Americans say they do not want to be wealthy. This is especially true with the mature crowd, in which roughly 60% said they do not desire to be wealthy. Is this because they have experienced more of the wealth-induced condescension in their lifetime? Or, is it possibly because they have learned to be more content with less? Most likely, it's a combination of both.

A Dialogue In Prosperity

Some advisors may draw the conclusion that the only people who say they do not want to become wealthy are those who have no chance of doing so. Certainly some people fit that characterization—but not all people do. An advisor's job is to optimize the clients' earning potential within their parameters of risk. It is not so much the plenty that these individuals are uncomfortable with as it is the characterization that goes along with it. No rational person would turn away additional income because he or she could always give it away. It may merely be a matter of you choosing the description of prosperity that your clients are most comfortable with, or even better, let them choose it for you.

No matter where clients place their goals, they have indicated the definitions of prosperity that they are comfortable with, and have offered you a springboard for developing a plan to meet their goals. Some questions to get the conversation going may include:

- How do you define prosperity in your life?
- How much money is "enough? "
- If you woke up one day and found out you were worth \$100 million, what would your greatest fear be?
- What would your greatest fear be regarding your children?
- It has been said that money can bring out the best and worst in people; what do you think is the best it can bring out in you?

No matter where your clients place their goals, they have their own definition of prosperity, and have offered you a springboard for developing a plan to meet their goals. Each answer leads to a question of, "How much will it take to get you to this place?" If a client is conflicted about having too much, he or she is best working out that conflict in a counselor's office, not yours. Your efforts simply need to assume a context and description of prosperity that will connect you with the client. If you are on the same page, you will have a better chance of helping them complete their entire financial picture and maintaining them as a client for life.

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