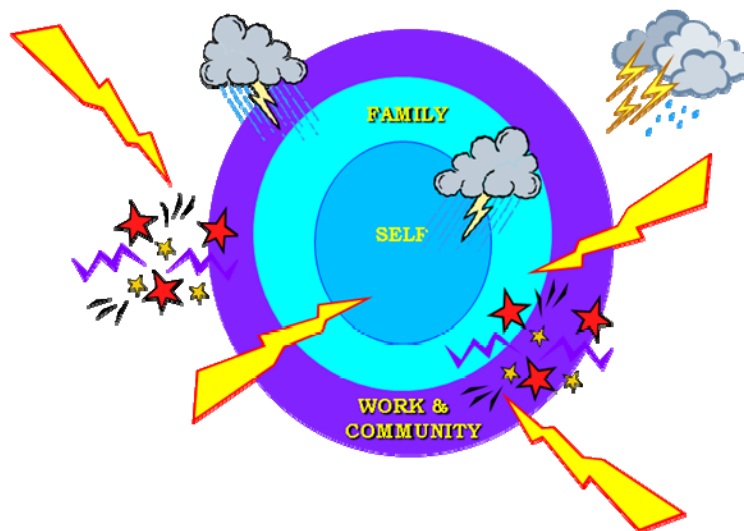


Helping Clients Find Well-Being Amidst Chaos

Bonnie and Mike Hartley

The last several months may have been the most stressful times most of our clients have endured in decades. Economic upheavals, reassessment of career and retirement plans, a sense of betrayal of trust by those they may have long considered “trusted advisers,” severe challenges to philanthropic organizations dependent on individual and corporate giving. All three sources of capital – their financial, human and social capital – may change, causing manageable stress to become barely manageable distress.



As you work with clients, you may notice increased stress levels because their “usual” behavior has gotten more rigid or their usual confidence in their vision of the future has gotten shakier. Being a proactive listener may help you identify the specific areas causing them the greatest distress. As an adviser to business families, one of the ways you may be able to help reduce your clients’ distress is by understanding those stressors that are likely to impact them most intensely because of their position individually and in their family, business and community. If you are part of an interdisciplinary team, you will be able to identify collectively the obstacles your clients face and the strategies each of you may be able to provide for overcoming those obstacles.

Client families may find stressor obstacles on several fronts. On a personal level, the economic upheaval may have called into question their previously anticipated retirement plans because of decreases in the value of their 401ks and investment portfolios. On a family level, challenges regarding their parents’ financial self-sufficiency and their young adult children’s ability to find meaningful work that pays well may increase demands on already stretched financial resources. On a business level, they may have had to lay off employees who have

worked for the family business for decades or they may have watched the current value of their business and their available lines of credit shrink right when they were hoping to sell or expand. On a community level, they may sit on not-for-profit boards that have to address dramatic downturns in giving and they may also receive increasingly urgent requests for support from local, regional and national philanthropic organizations.

One way an interdisciplinary adviser team can help clients move from distress to manageable stress is to provide practical resources to address each of these new obstacles.

Re Their Financial Capital

The adviser team may offer to help clients

- review their portfolios and, provided the parents give their permission, may also be able to coordinate a review of the parents' portfolio with their adviser;
- work on a short and long-term cash flow plan to manage changes in financial capital;
- teach family members how to analyze and track cash flow by providing them with personalized cash flow spreadsheets, showing them how to create and balance a budget;
- prioritize their spending plans by helping them distinguish between immediate needs and wants;
- identify and implement cost savings and reorganization plans for operating companies that will leave them more competitive as the economy starts to recover.

Re Their Human Capital

The adviser team may offer to help clients

- provide perspective about the actual economic environment client families are in and help them avoid the impact of a seemingly constant stream of harsh news;
- review their long term visions and goals and suggest transformative strategies to overcome near-term challenges and obstacles;
- think strategically about ways to take advantage of the economic downturn, including opportunities for:
 - intergenerational wealth transfers of closely held business interests that may be done at lower valuations;

- taking advantage of historically low interest rates on intra-family loans;
- helping a child purchase a home at a bargain price;
- identify resources for stress management, including yoga, meditation, tai chi, traditional exercise programs, and executive health centers such as Duke’s Center for Living and Executive Health Center or the Cleveland Clinic-Canyon Ranch Executive Health Programs;
- identify resources for addiction treatment and rehabilitation programs, such as Hazelden or Aureus Inc, both based in Minnesota.

Re Their Social Capital

The adviser team may offer to help clients

- review client families’ credit scores so that they understand how to protect that valuable asset;
- if the client families’ financial resources are constrained, suggest ways in which they might contribute time, wisdom, experience and other resources to help not-for-profits survive the economic downturn.

These are the times when clients tend to bunker in, worried about fees and focused on day-to-day survival. Take the time to check in with them, if only to offer moral support and to get them out of an “action paralysis” triggered by feeling overwhelmed. What may seem to be huge, insurmountable obstacles can often be broken down into manageable tasks. By helping your client families do that, you will contribute significantly to their well-being amidst all the chaos that surrounds them.

