

## **An Initial Membership Profile of the Financial Therapy Association**

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### **EXECUTIVE SUMMARY**

The Financial Therapy Association (FTA) was established in 2010 to bring practitioners and researchers together to develop tools and techniques to address emotional, behavioral, relational, cognitive, and economic aspects of financial health. Ultimately, those interested in the new field of financial therapy are most interested in answering the following key questions: Why do people do what they do with money and how can practitioners better help their clients deal with the complexities of the volatile economy that places tremendous stress on individuals and families? Financial therapy is emerging as a unique field that links scholars, practitioners, and mental health professionals in ways that consider these and other important questions. FTA is especially unique because of its diverse and accomplished membership, which includes mental health and financial professionals, educators, and researchers. The purpose of this "Profile" is to highlight how experienced and established professionals from both the mental health and finance domains have joined together to build a new profession, and to provide benchmark information regarding how the practice of financial therapy is occurring in the United States and other countries.

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## **INTRODUCTION: A PROFILE OF THE FINANCIAL THERAPY ASSOCIATION**

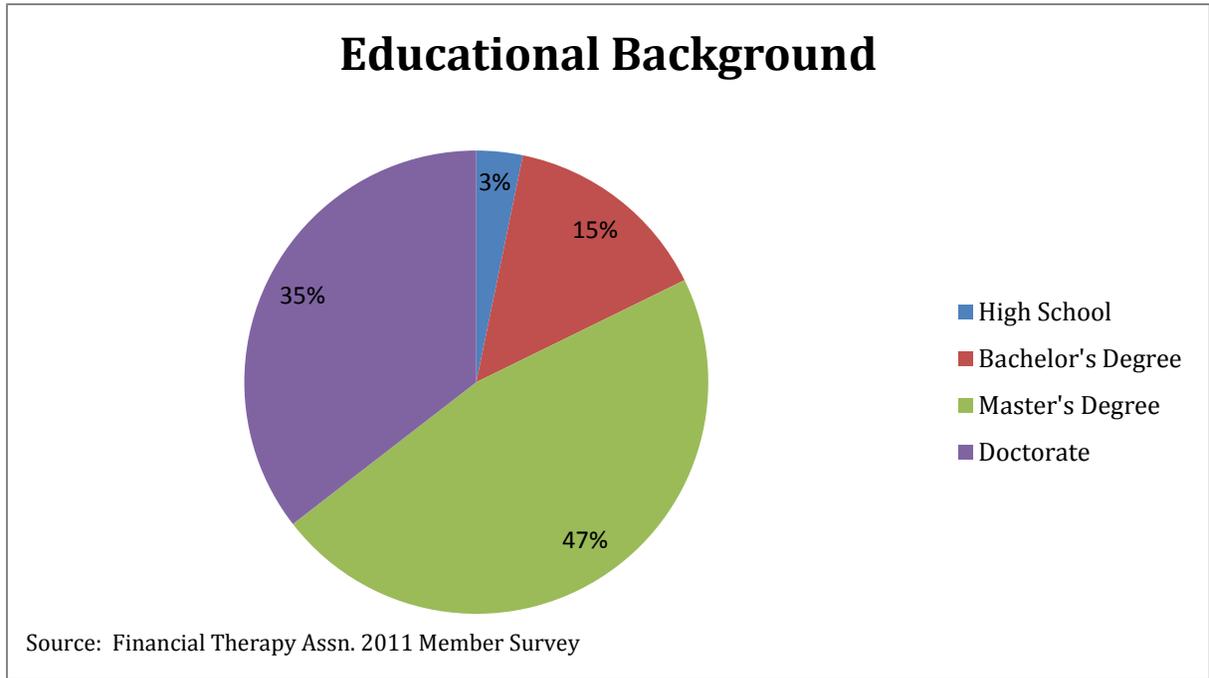
The FTA was established through the efforts of researchers and practitioners who were interested in evaluating various tools and techniques proven useful in the mental health fields for the purpose of enhancing the practice of financial planning and counseling (Archuleta & Grable, 2011; Grable, McGill, & Britt, 2010). At the time of this publication, the Association has grown to nearly 250 members. The Association has held two successful conferences and launched the *Journal of Financial Therapy*. The current objectives of the FTA are to: a) provide a forum for researchers, practitioners, the media, and policymakers to share research and practice methods and models of financial therapy; b) promote methods of training for those involved in financial therapy; c) inform public policy and practice management standards as these relate to financial therapy; and d) stimulate and disseminate clinical, experimental, and survey research on financial therapy.

## **DEMOGRAPHIC PROFILE OF THE FTA MEMBERSHIP**

In order to gain a better understanding of the membership and the practices currently associated with financial therapy, the FTA leadership authorized a study of the current Association membership. This paper uses charts and graphs as a way to report a profile of the existing FTA membership with the aim to establish foundational data on trends of practice, education, and research associated with financial therapy. To gather data, an electronic survey was emailed to the all members (208) of the FTA. Seventy-six members began the survey and 62 members completed the survey. The survey was sent prior to the 2011 FTA's annual conference. In addition to practice and research trends, additional questions asked members whether they planned to attend the conference and what they hoped to gain from attending the upcoming or future meetings. In summary, 58% of respondents indicated they planned to attend the conference. The top three reasons respondents reported as to why they attend professional meetings were (a) networking opportunities, (b) receiving updates on recent research in financial therapy topics, and (c) obtaining new practice skills.

As a representative sample at the time of the survey, the age of FTA members ranged from 24 to 76 years, with an average age of 52 years ( $SD = 12.04$ ). In regards to gender, 44% were male. In general, the membership was well educated. The majority (82%) reported having a Master's or Doctorate degree. Figure 1 illustrates the educational backgrounds of the FTA membership.

**Figure 1**  
**Education background of the FTA membership**

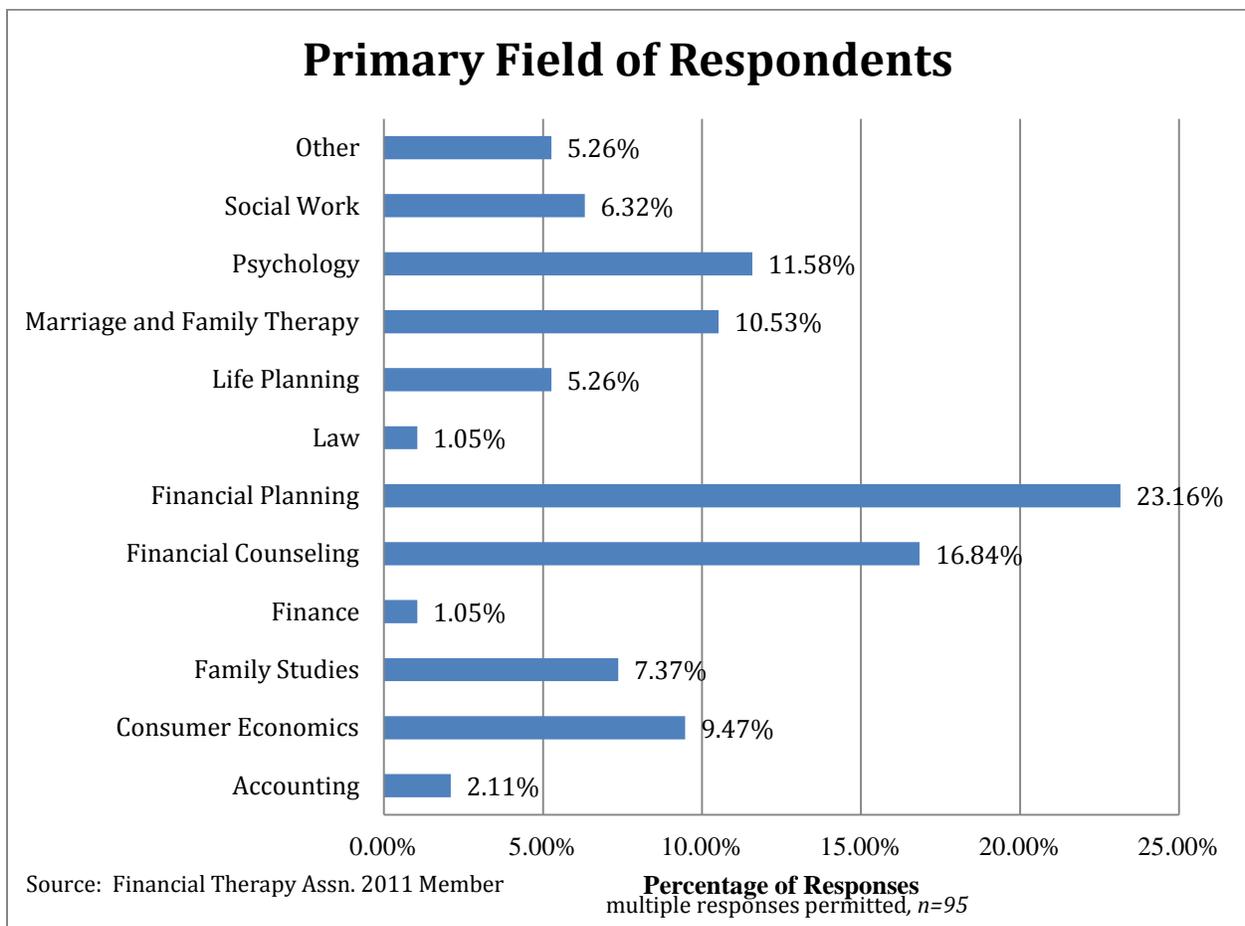


## PROFESSIONAL MEMBERSHIP AND AFFILIATION INFORMATION

### *Primary Field of Work among FTA Members*

Those who responded to the survey were asked to identify their primary field(s) of work. Members were allowed to indicate multiple primary fields, resulting in 95 total responses. Financial planning and financial counseling accounted for 40% of the professional activities reported. Figure 2 depicts the various fields reported, including "other." Other fields mentioned were psychotherapist, financial coach/mentor, and human resources consulting.

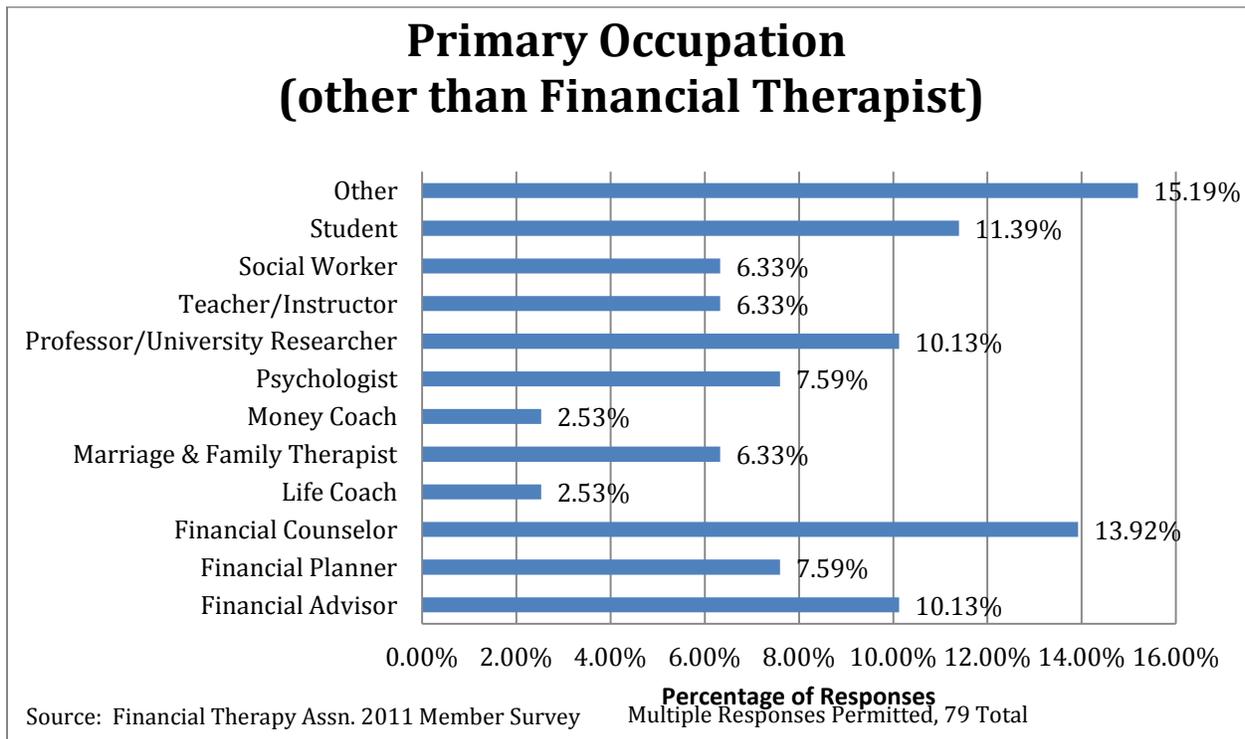
**Figure 2**  
Professional fields of practice among FTA members



**Primary Occupations among FTA Members**

Members were also asked to report their primary occupation other than a financial therapist. Members were allowed to identify multiple primary occupations, totaling 79 responses. The single most popular response was “other;” however, approximately 32% chose financial advisor, planner, or counselor. Figure 3 represents the occupations reported, as well as “other.” Examples of “other” occupations listed included cooperative extension specialist, United States Army, pastoral counselor, and psychotherapist.

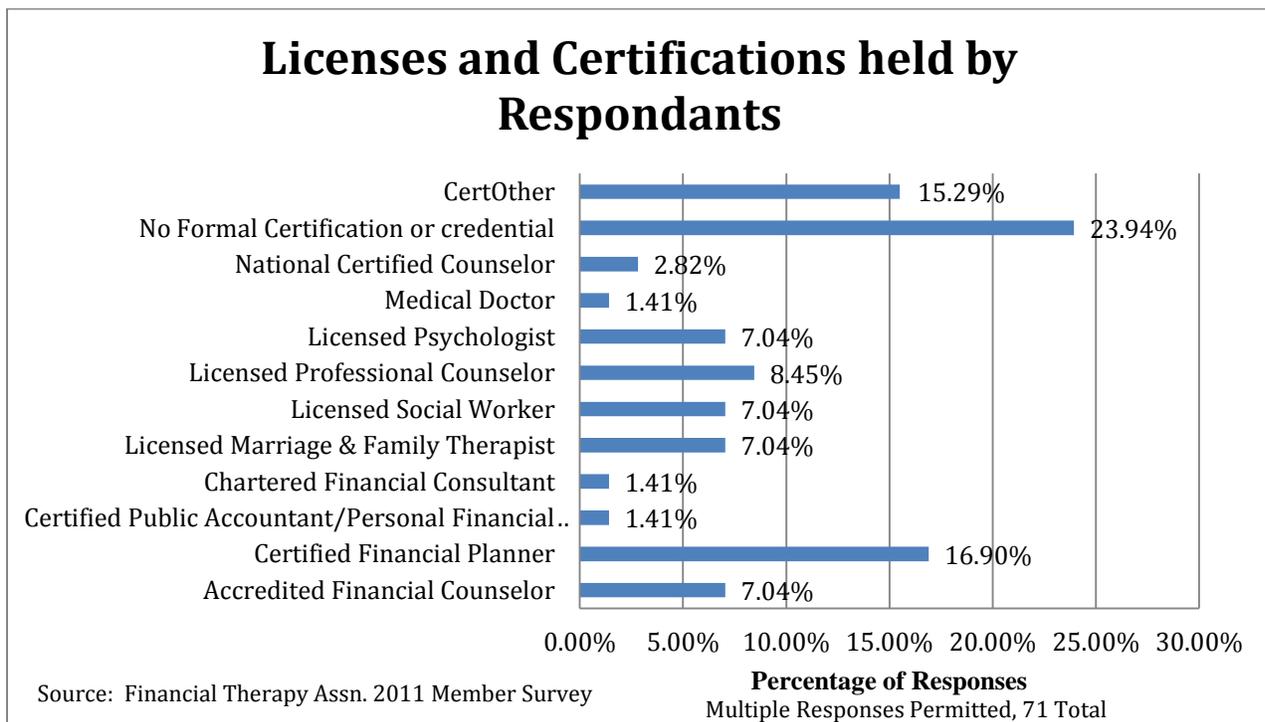
**Figure 3**  
**Primary professional occupations among FTA members**



**Professional Credentials Held among the FTA Membership**

Credentialing and licensure were also assessed. As shown in Figure 4, FTA members represent a wide breadth of interest. When asked to report “what type of license or certification do you hold,” the single largest category was “other,” which included certified financial social worker, life planner, law degree, and enrolled agent. Respondents were allowed to indicate multiple credentials. Figure 4 represents the total number of responses (71).

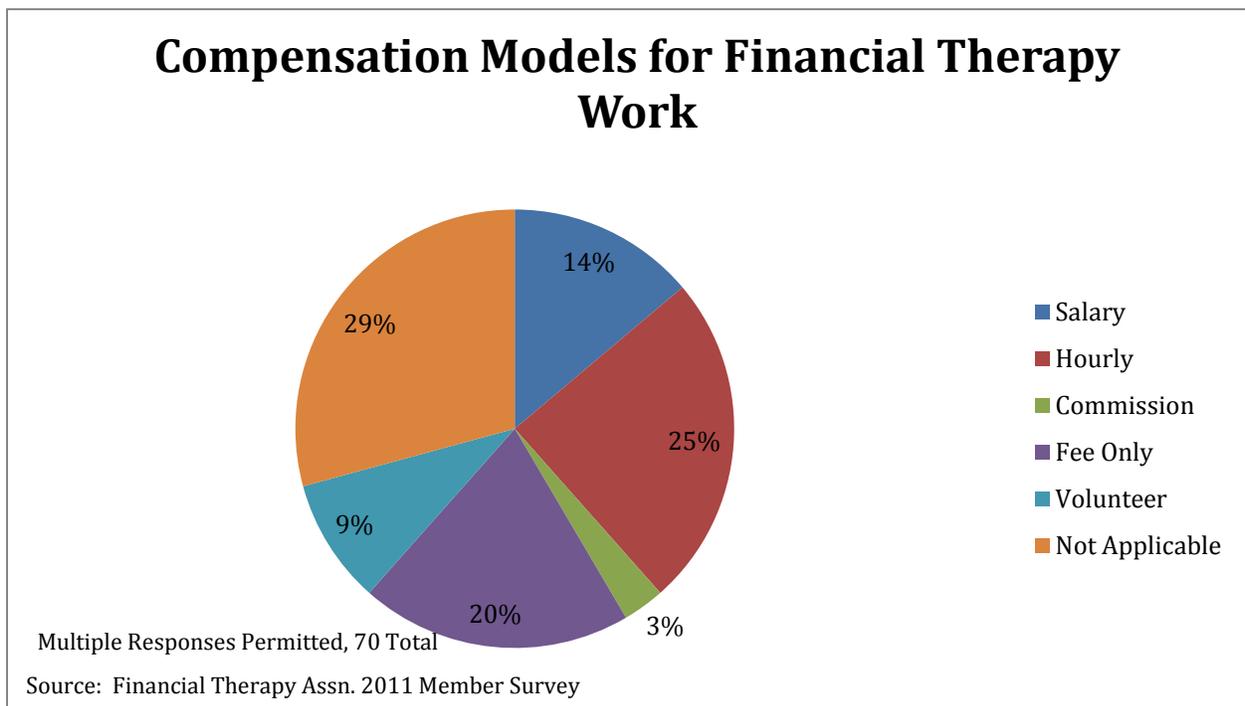
**Figure 4**  
**Professional licenses and certifications held by FTA members**



**Compensation Issues**

The primary compensation models for financial therapy consist of hourly, salary, or fee only arrangements. Those responding to the survey were able to select multiple methods of compensation, which resulted in a total of 70 responses. This means that many within the membership implement multiple compensation models. The high percentage of “not applicable” can be explained by the number of those not practicing financial therapy for pay; this group consists primarily of academicians. Figure 5 is based on the total number of responses.

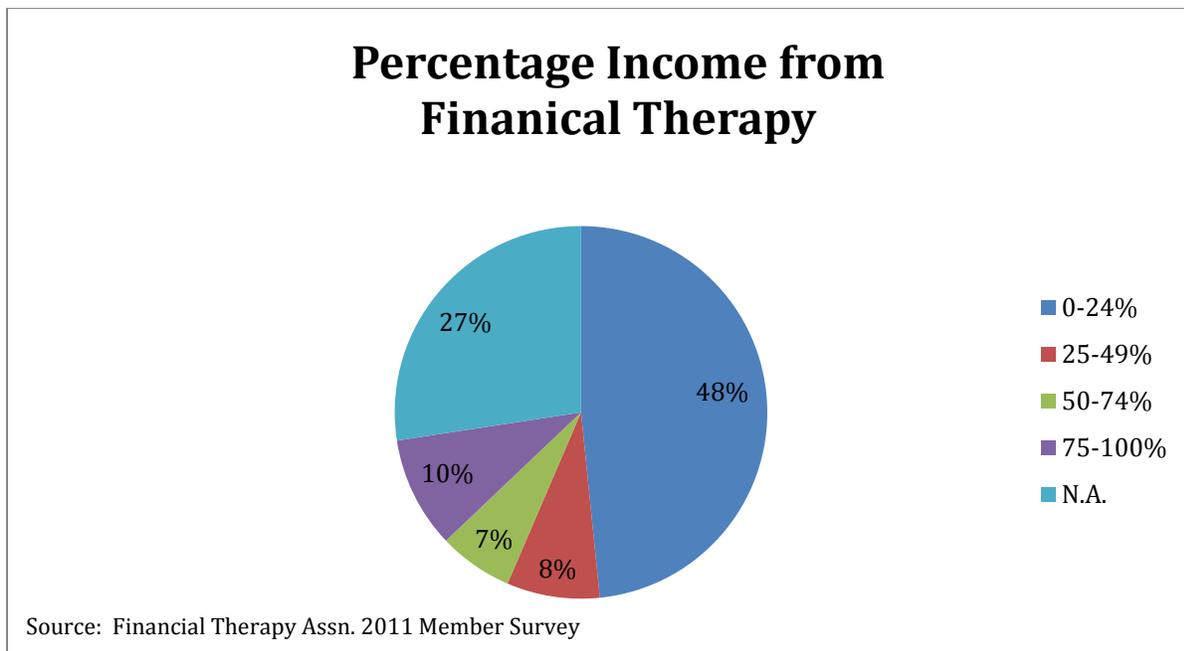
**Figure 5**  
**Compensation methods among FTA members**



***Income from Financial Therapy Services***

Survey respondents self-reported their annual gross income. Survey answers ranged from \$135 to \$1.8 million, although most reported incomes were clustered within a tighter group, with the average gross income being \$143,515 (SD = \$265,222; Median = \$98,000). Respondents were also asked to report the percentage of their total income that was derived from financial therapy services. Almost half (48%) of the sample reported that 0-24% of their income came from financial therapy services. However, 27% reported “not applicable,” due primarily to the population of academics in the survey population. Figure 6 illustrates the percent of practice income derived from what each member defined as a financial therapy service.

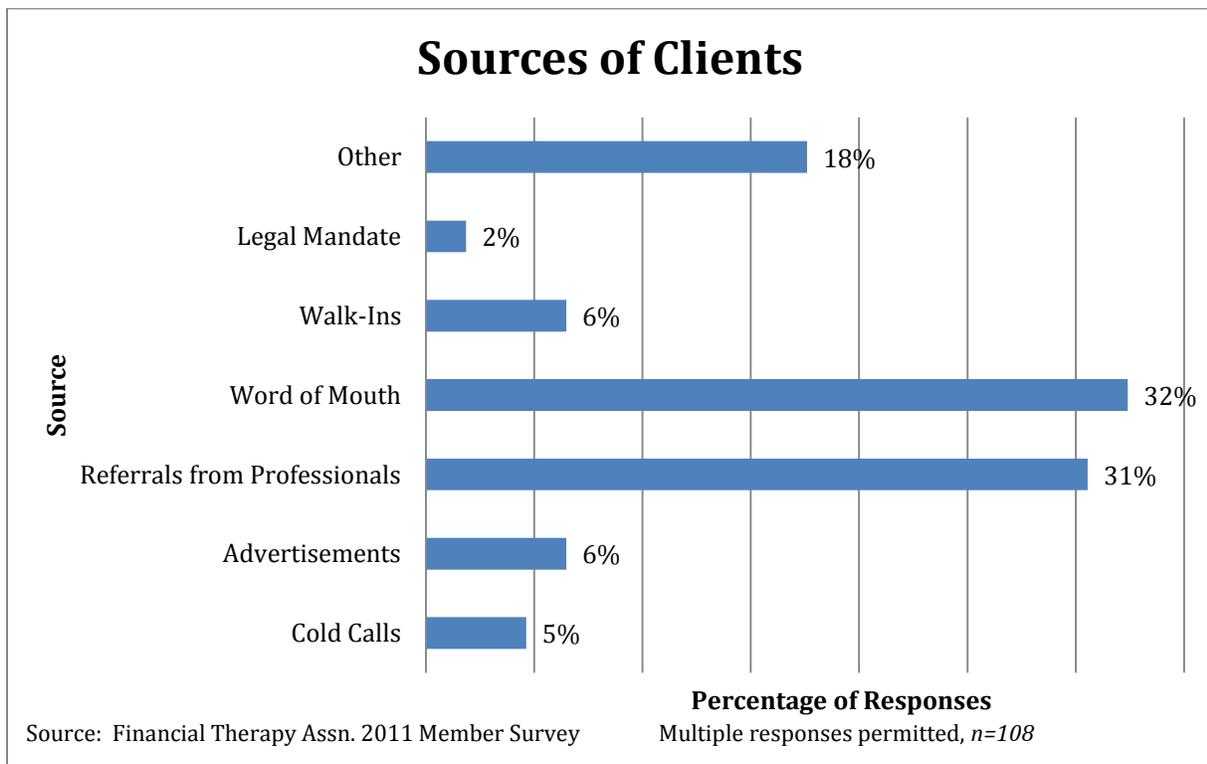
**Figure 6**  
**Percentage of income derived from financial therapy services**



**Sources of Financial Therapy Clientele**

Respondents were asked to identify sources of clients who either are or may be seeking financial therapy services. Figure 7 illustrates that “Word of Mouth” (32%) and “Referrals from Other Professionals” (31%) account for almost two-thirds of new business, although sources not specifically named were also very common (“Other:” 18%). Client sources were not exclusive, and as such, survey respondents often chose more than one answer.

**Figure 7**  
**Source of clientele seeking financial therapy services**



**Supplemental Work/Activities among the Membership**

Respondents were asked to identify other types of work conducted on a daily basis, in addition to financial therapy. Individual answers were very specific and included job titles, descriptions, and explanations. Generally, however, nearly all responses fell within three broad categories: (a) financial professional; (b) educator (speaking, writing, and coaching); (c) and licensed counselor or clinician.

***Percent of Members Who Identify Themselves as a Financial Therapist***

Another survey question asked whether respondents called themselves a “financial therapist.” Most (71%) reported that they did *not* call themselves a financial therapist, with a sizable segment identifying a full range of other titles. Again, nearly all members fell within the three broad categories from above: (a) financial professional; (b) educator (speaking, writing, and coaching); (c) and licensed counselor or clinician. Although it is important to note that a small group (9%) said they use the term “financial therapist” as their professional identity.

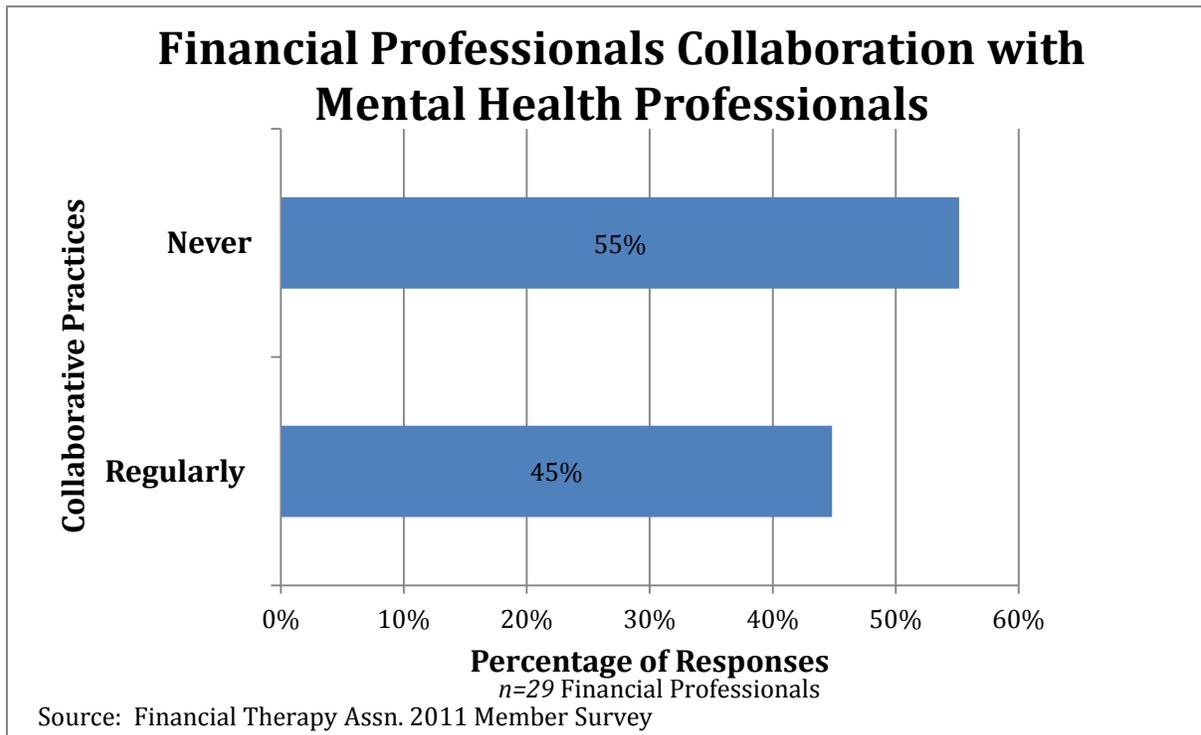
**MEMBERSHIP PRACTICES**

Members were asked about their professional practices, including if they collaborate with the other professionals, such as a financial professional collaborating with mental health professional and vice versa. Other questions were asked to determine how each member utilizes theory in practice and to what extent research collaboration occurs in the field.

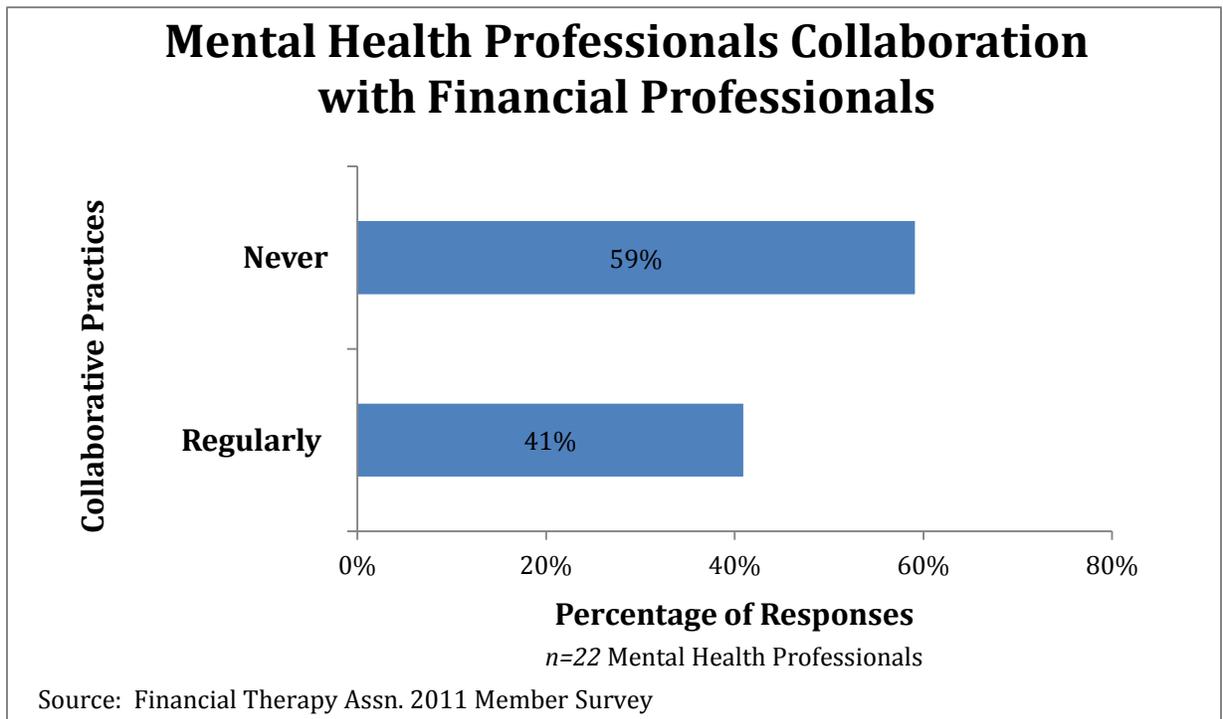
***Academic and Practitioner Collaboration***

The information in the figures that follow (i.e., Figures 8, 9, 11, and 12) describe the collaborative methods employed by members in their respective practices. Figures 8 and 9 display the results showing whether financial or mental health professionals collaborate with other specialists when clients present with issues outside their practice area. The majority of respondents who consider themselves either a financial professional or mental health practitioner (55% and 59%, respectively) indicated not regularly consulting with the other professions if their clients present with issues outside their practice area. The responses do show, however, that financial professionals are more likely to consult with mental health professionals.

**Figure 8**  
Collaboration of financial professionals with mental health professionals



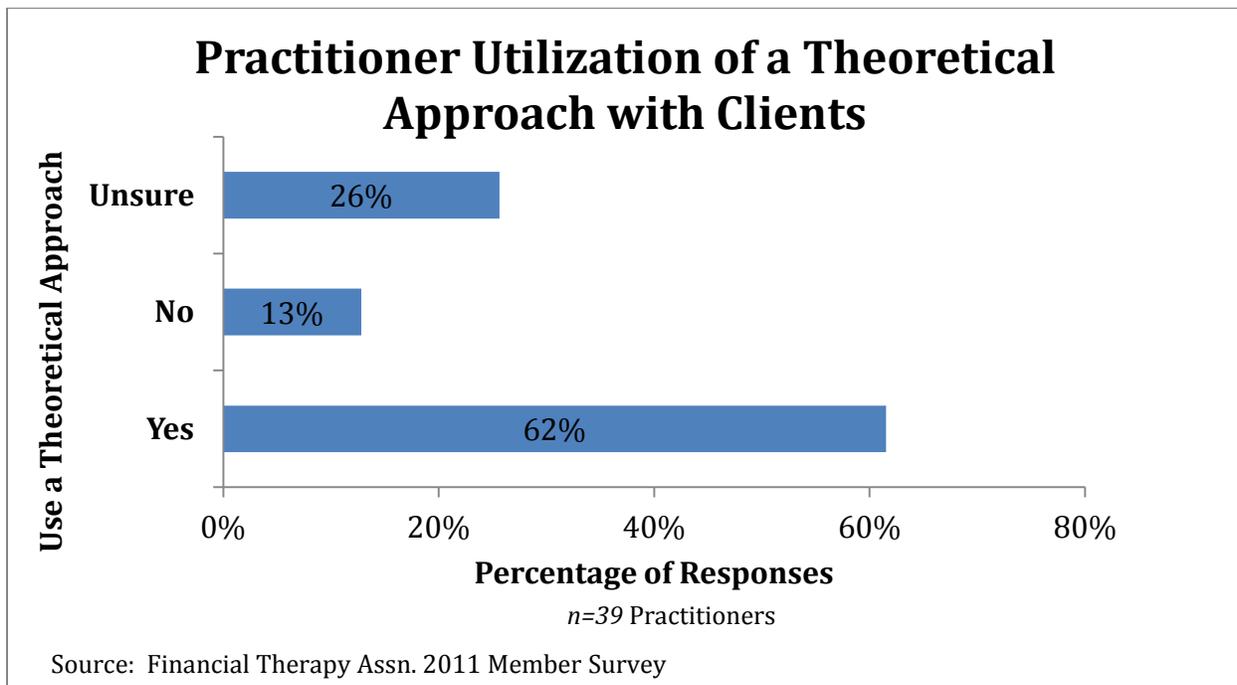
**Figure 9**  
Collaboration of mental health professionals with financial professionals



### **Utilization of Theory among FTA Members**

Survey respondents were asked about their use of a theoretical approach in their practice. Of the practitioners who responded, 62% reported using a theoretical approach with clients. Thirteen percent of the practitioners were not sure whether they utilized a theoretical approach (see Figure 10).

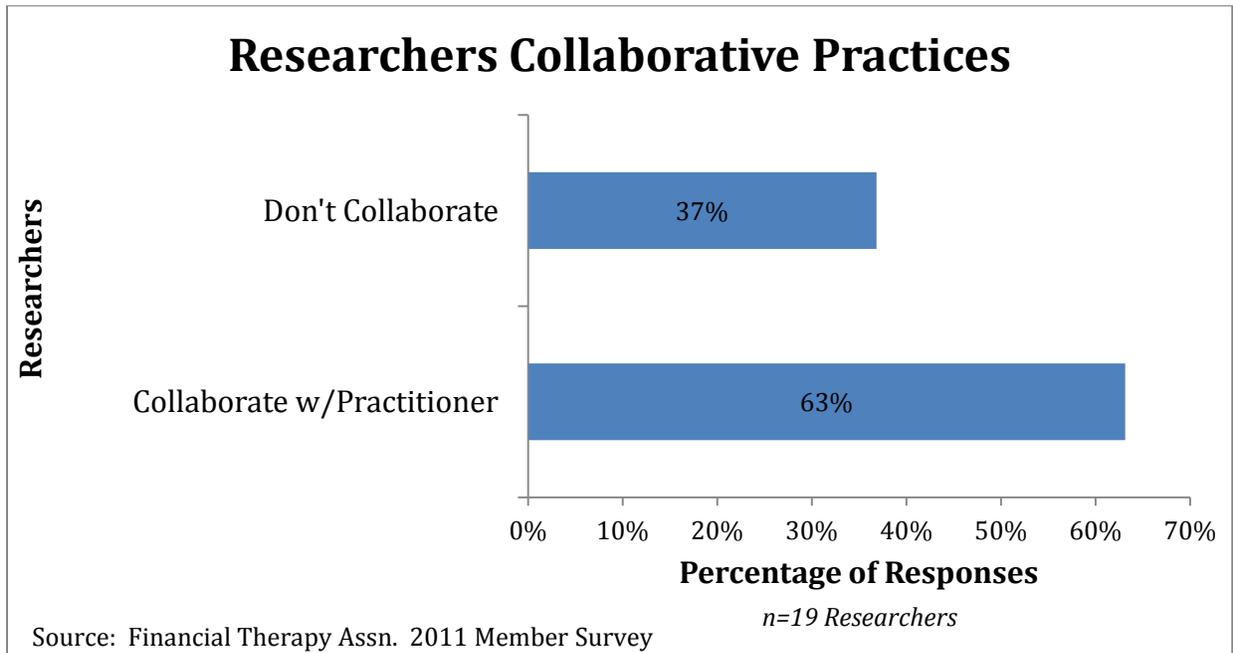
**Figure 10**  
Percent of FTA members who use a theoretical framework when working with clients



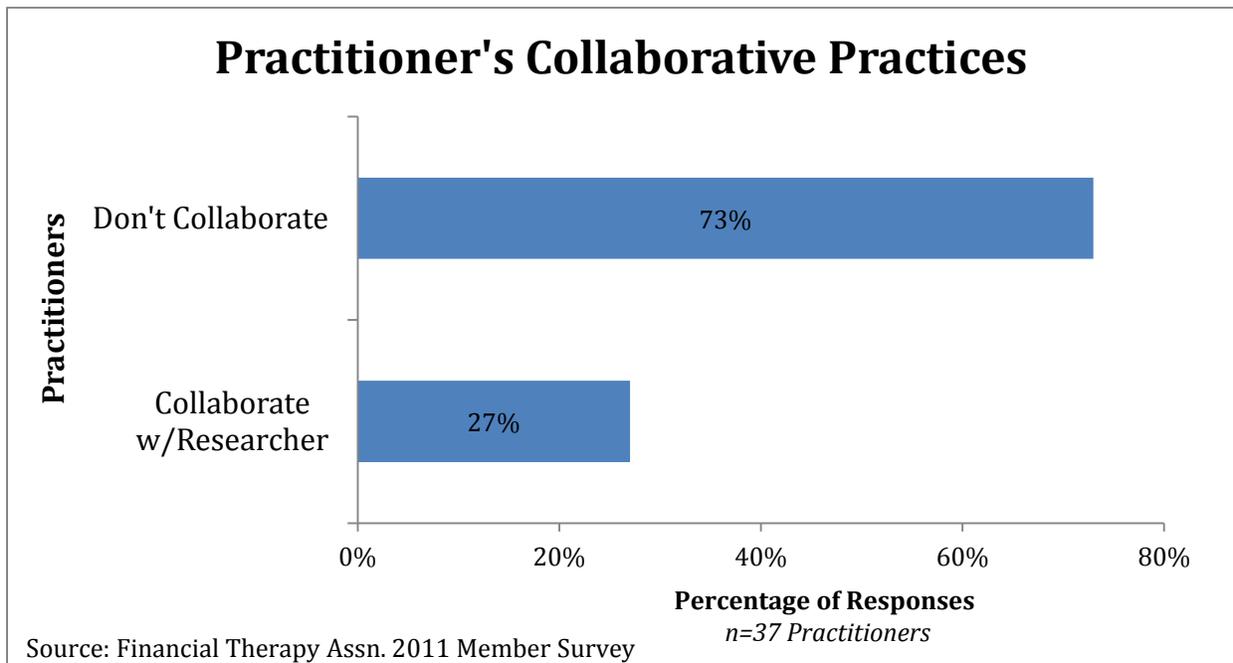
### **Research and Practitioner Collaboration Practices among FTA Members**

Both practitioner and academic members were queried on their collaboration practices. Specifically, practitioners were asked to indicate the level of collaboration they have with those in academia. Academics were asked about their level of collaboration with practitioners. Sixty-three percent of respondents considered themselves researchers who actively collaborate with practitioners while conducting relevant research (see Figure 11). Conversely, while the majority of members considered themselves as practitioners, only 27% indicated collaborating with researchers (see Figure 12).

**Figure 11**  
Collaboration of academics with practitioners



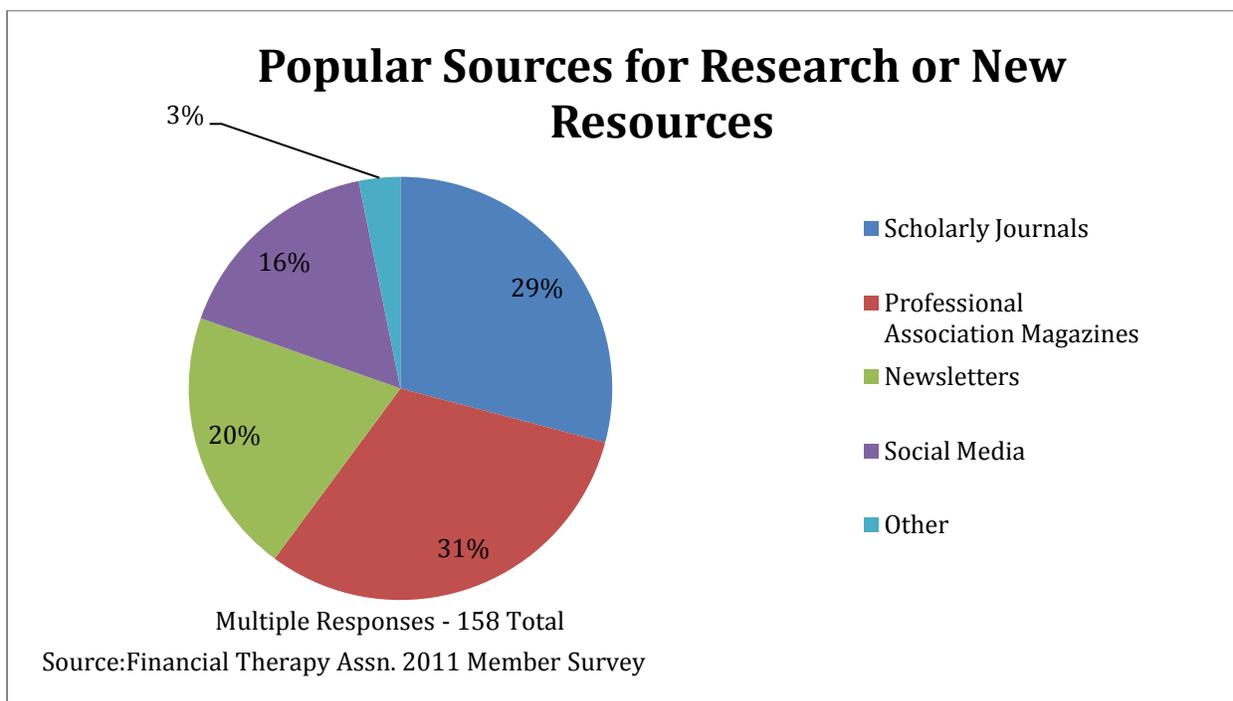
**Figure 12**  
Collaboration of practitioners with academics



### ***Continuing Education Trends***

In relation to how members receive the latest updates in research and learn about new trends or resources, professional association magazines and publications were the most cited source (31%), followed closely by those who stated they reference scholarly journals to stay abreast in their field (29%). Members also reported newsletters (20%) and social media (16%) as popular sources. Sources were not exclusive; members were allowed to choose more than one source. Figure 13 illustrates popular sources based on total number of responses.

**Figure 13**  
**Resources for continuing education among FTA members**



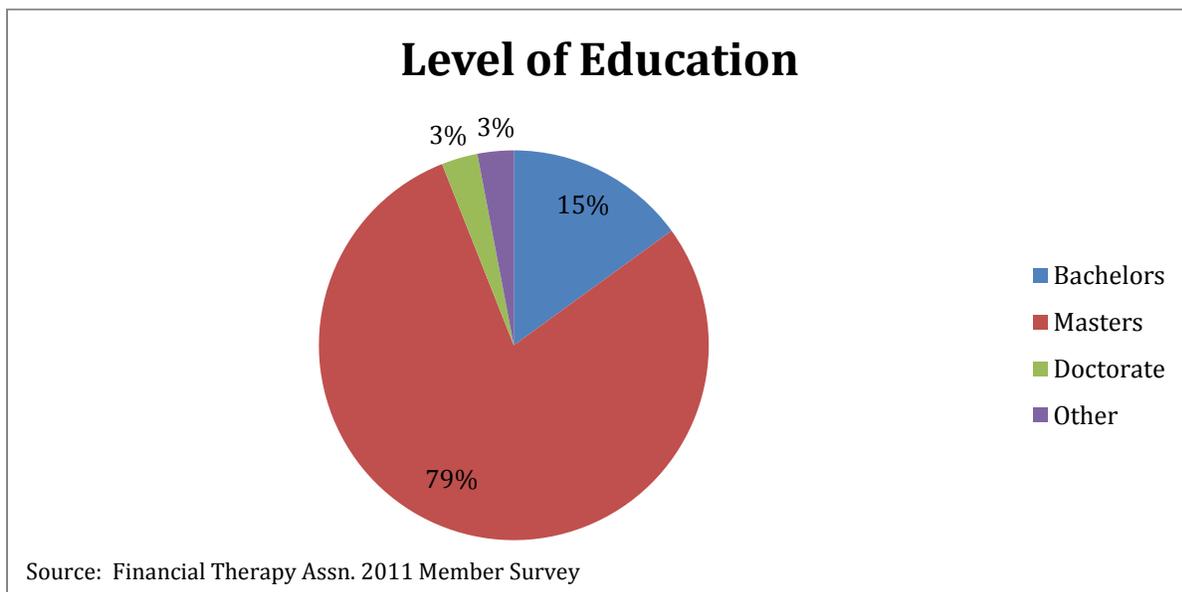
### ***Practitioner Codes of Ethics***

An additional question regarding members' practices asked whether members adhere to a code of ethics. The vast majority (85%) responded in the affirmative. Ethical codes were most often dictated by professional associations or licensure/certification boards. The other 13% reported that they were not subject to a specific code of ethics.

## MEMBERSHIP PERSPECTIVES ON THE EMERGING FIELD OF FINANCIAL THERAPY

Members were asked to provide their views about financial therapy as a field of practice and a future professional field of study. Requirements for becoming a financial therapist, establishing a code of ethics, conceptualizing the term financial therapy, and evaluating the term financial therapy itself were addressed to understanding membership perspectives. When thinking about the future of financial therapy and members' views of the development of this area as a profession, the majority of respondents agreed that a Master's degree was needed for someone who engages in the practice of financial therapy (see Figure 14). In addition, most members (69%) asserted that a code of ethics should be established. The remainder of respondents either reported that a code of ethics was "not applicable" or abstained from answering.

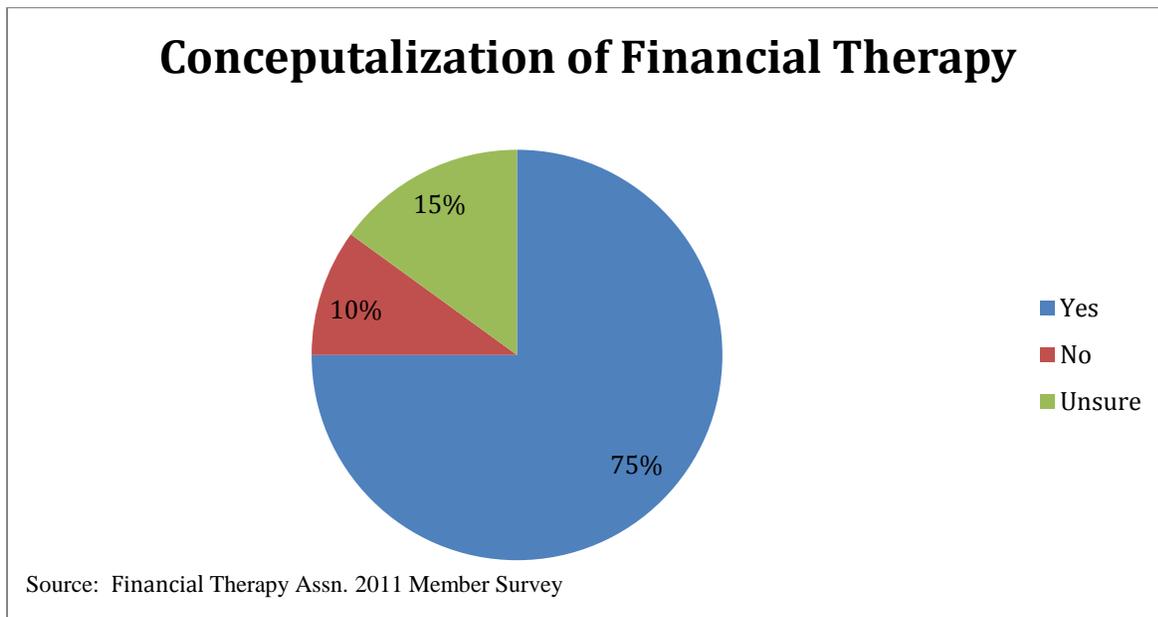
**Figure 14**  
Level of education deemed appropriate for a financial therapist



### ***Opinions about the Definition of Financial Therapy***

Members were also asked to identify the sufficiency of the current conceptualization of financial therapy, which is defined as the “integration of cognitive, emotional, behavioral, relational, and economic aspects that promote financial health” (Financial Therapy Association). Seventy-five percent of respondents believed that the current conceptualization of financial therapy accurately described their work/research (see Figure 15).

**Figure 15**  
**Percent of members agreeing with the current definition of financial therapy**



In addition to identifying adequacy with the conceptualization of financial therapy, members were asked (on a scale from 1 “strongly disagree” to 5 “strongly agree”), to what extent they agree that the definition accurately describes their work or research. Based on this question, members were more likely to favor the conceptualization of financial therapy (M=3.76; SD=1.21). Further elaborating on the sufficiency of the conceptualization of financial therapy and the description of financial therapy as a component of members’ work and research, members were also asked on a scale from 1 (strongly disagree) to 5 (strongly agree), to what extent they agreed that the term financial therapy is related to their work or research. Responses were somewhat mixed (M=3.29, SD=1.22), where 65% “agreed” or “strongly agreed” with the term, 19% were “mixed,” but only 17% “disagreed” or “strongly disagreed.”

## CONCLUSIONS

This 2011 FTA Membership Profile indicates that professionals, scholars, and students recognize the power money yields in interpersonal relationships and on individual well-being. These different groups have identified a need for tools and resources to help individuals, families, and couples achieve financial success that leads to enhanced well-being. The data reported in this paper reveal that those who identify as working in the area of financial therapy have very diverse backgrounds and training and are very highly educated. Nearly all members reported their professional identity as either related to a financial or mental health discipline, whether it was a practitioner, educator, scholar, or student. Based on age and income levels, experienced and well-established professionals appear to have recognized that the way clients think, act, and feel along with their relationships with significant others does have an impact on one's financial situation. Interestingly, financial professionals were found to be more likely to collaborate with a mental health professional than vice versa. Further, a small percentage of researchers appear to be collaborating with practitioners, with few practitioners reaching out to those in academia. In the future, measuring collaboration levels can serve as a benchmark for further partnerships between mental health and financial professionals and between practitioners and researchers. If financial therapy is going to develop into a validated and established field, collaboration between researchers and practitioners is imperative.

To continue the momentum going forward, as it relates to growing a professional financial therapy field, FTA members appear to agree that graduate level training should be completed for professionals to practice in this area. The membership also seems to be calling for the initiation of a code of ethics, but is mixed as to whether a specific credential should be created. Currently, the conceptualization of financial therapy is very broad, but descriptive of the common threads that bring together a group of professionals who might not otherwise have the opportunity to network, work together, or learn from one another. The diversity of the membership may provoke challenges in terms of establishing common educational and training requirements, certification standards, and ethical standards. However, the strength of bringing together professionals who possess extensive amounts of knowledge and skill sets from a variety of disciplines outweighs the challenges. A place for those who might have felt like "misfits" in their primary field or occupation's professional organization, or looking for a place to meet others who share similar interests, can finally call the Financial Therapy Association a professional home.

## FUTURE DIRECTIONS

Exploring how different professionals—financial and mental health—work is important to understanding how financial therapy can establish itself as a field of practice and study. Qualitative research should be conducted that aims to understand what financial therapy is in order to move this area of study and practice forward so that potential ethical guidelines, certifications, and training can be developed. In addition, developing a theoretical framework that can help explain the intersection of the behavioral, cognitive, emotional, and relational aspects of financial health should be a goal of all professionals working in the field. A theoretical framework that a variety of professionals can identify

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with can help set the Association and the practice of financial therapy apart from other disciplines, such as mental health therapy as well as financial counseling, coaching, and planning.

### **SUMMARY**

This profile of the Financial Therapy Association provides a snapshot of the FTA membership as of August 2011. Since that time, membership in the Association has grown, with new annual conferences occurring and being planned in the future. As the FTA develops, there is every reason to expect to see changes in the demographic, cultural, and practice approach within the membership. In order to gauge the scope of this emerging field of practice and study, a follow-up membership profile is planned every two years, at minimum, to continually update the membership's understanding of the field, those who are practicing in this area, and the diversity and changes that the Association encounters.

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