

## **What is Financial Therapy? Discovering the Mechanisms and Aspects of an Emerging Field**

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### **2012 Financial Therapy Association Outstanding Paper Award**

*Very little research currently exists specifically on the topic of financial therapy. In this emerging field, it is important to lay the groundwork for future practice and study. The purpose of this study was to answer the question, "What are the mechanisms and aspects of financial therapy?" Using qualitative methods, eighteen members of the Financial Therapy Association were interviewed by members of the research team. The participants included six financial professionals, six mental health professions, and six researchers/educators all engaged in financial therapy. Six categories emerged from the analysis of data, including: (a) integration, (b) complexity, (c) help-seeker issues, (d) helper issues, (e) process, and (f) research. The analysis resulted in a conceptual framework and ten theoretical assumptions of financial therapy.*

*Keywords: financial therapy; Financial Therapy Association*

Financial therapy is a rapidly growing area of research and practice. While literature on financial therapy is scarce due to the infancy stage of this area of practice and study, literature on mechanisms and aspects related to the concept of, but not specifically the term financial therapy, are more readily available. The literature varies in the opinions and

findings of how financial therapy or similar aspects can be and should be viewed. This paper will outline: (a) the history of financial therapy, (b) literature related to the conceptualization of financial therapy and current approaches to financial therapy, (c) methodology and results of a qualitative study targeting the mechanisms and aspects of financial therapy, and (d) a proposed conceptual framework of financial therapy.

### ***History of Financial Therapy***

The Financial Therapy Association (FTA) has its roots in creating a place where mental health practitioners, financial practitioners, researchers, and educators can collaborate and explore a common ground (FTA, 2010). In 2008, at the initial “Financial Therapy Forum,” individuals from across the U.S. gathered to explore this vision and share their personal insights on whether this concept should be further pursued. The results of the forum led to additional exploration in which the FTA was established in 2009. Soon after the FTA was founded, the *Journal of Financial Therapy* was launched to provide a forum for scholars and practitioners to communicate with one another by sharing research, theoretical pieces, and professional insights. Other monumental events for the FTA, as of this writing, include hosting three annual professional conferences.

The purpose of FTA includes: (a) sharing a vision of financial therapy; (b) providing a forum for researchers, practitioners, the media, and policymakers to share research and practice methods and models of financial therapy; (c) promoting methods of training for those involved in financial therapy; (d) informing public policy and practice management standards as these relate to financial therapy; and (e) stimulating and disseminating clinical, experimental, and survey research on financial therapy (FTA, 2012). One of the missions of FTA, since its inception, has been to conceptualize what is meant by the term “financial therapy.” As part of this endeavor, the FTA Board of Directors chose to conceptualize financial therapy broadly, believing that it is the “integration of cognitive, emotional, behavioral, relational, and economic aspects that promote financial health” (FTA, 2012).

### ***Knowledge, Education, and Training***

There is a great need for an understanding of what financial therapy means for professionals in the financial and mental health fields, as well as its benefits to clients. A lack of communication and understanding between the two fields has caused a deficiency in openness to collaborate. This is partly because the education and training of practitioners, educators, and researchers working in one field often lack an exposure of knowledge and ideas from the opposite field, and vice versa. However, clients have demonstrated a need for integrated services that address both mental health and financial issues. For example, Aniol and Snyder (1997) found that couples appeared confused as to what type of service they should seek when they encountered financial and relational distress due to the complexities of the issues they were facing. Their study indicated that of the couples seeking marital therapy, one-third conveyed difficulty related to their finances and about one-third who sought financial counseling were also facing relationship issues.

There is no doubt that most mental health and financial professionals have developed expertise in their own fields; however, it is the cross-over of issues that has made providing effective services to some clients difficult and complex. For example, researchers from the University of Georgia stated:

“Couple and family therapists have expertise in helping clients with relationship issues while financial planners are experts in helping clients improve their financial literacy and money management. However, both service providers share challenges when client’s relationship and financial needs are intertwined and knotted. Couple and family therapists are not trained to address client’s specific financial difficulties, which can lead to missed opportunities for positive, relational change. Financial planners are not trained to attend to emotional, relational difficulties and dysfunctional communication patterns, which, in turn, can limit their success with clients” (Kim, Gale, Goetz, & Bermudez, 2011, p. 230).

While many mental health and financial professionals lack cross-professional training, it has become increasingly common that their clients expect them to be helpful in areas that go beyond traditional bounds of training. Consider a study on the changing roles of financial planners, in which 89% of the study’s participants admitted to having engaged in counseling or coaching of their clients on topics that were not related to household finance topics (Dubofsky & Sussman, 2009). In their study, Dubofsky and Sussman (2009) showed 40% of respondents had not taken any courses related to counseling topics, 39% had taken one or more courses, 6% had a related undergraduate degree, and 3% had a related graduate degree. The results of their study suggest that financial planners may be practicing in professional activities that are beyond their scope of expertise or engaging in practices in which they have little to no training.

Durband, Britt, and Grable’s (2010) study of Marriage and Family Therapy (MFT) programs’ views related to offering personal and family finance courses or training demonstrates how cross-training in financial concepts is seldom seen as a primary topic of importance in the training of MFT graduate students. Their study indicated that 38% of students reported finances were rarely discussed in a practicum or supervision setting. Fifteen percent said financial topics were never discussed, and 27% said these topics were sometimes discussed. Their study showed that none of the programs that participated in the study required a personal or family finance course. At the time of the study, only two master’s degree programs, two doctoral programs, and one post-graduate program specifically offered a personal or family finance course as part of the elective coursework options students could take. Interestingly, over 60% of student participants reported being open to taking a financial course because they saw it as a beneficial topic to help them become more effective clinicians.

Unfortunately, there is little room for students to take electives in accredited MFT programs due to the rigorous guidelines set forth by the field’s accrediting agency (i.e., COAMFTE). The findings from Durband et al.’s (2010) study do not appear to be

uncommon among mental health training programs (e.g., marriage and family therapy, psychology, social work), in general. Financial problems are often treated similarly to other symptoms of negative behaviors, cognitions, emotions, or relationship problems, rather than as a unique issue. However, treating finances like any other mental health problem is concerning because therapists are generally inadequately equipped with the necessary skills and knowledge to offer appropriate or accurate financial consultation, which could potentially cause harm to mental health clients. As a suggestion for future training of financial therapists, Maton, Maton, and Martin (2010) stated financial therapy would be best provided by a person who has been trained in “action-oriented” approaches, such as “cognitive therapy, cognitive-behavior therapy, behavior therapy, brief-therapy, solution-focused therapy, and marriage/family therapy” (p. 66).

### ***Approaches for Financial Therapy***

Approaches to financial therapy vary, including differing forms of collaboration and a single cross-trained practitioner. Varying strategies of collaborations between finance and mental health professionals have been noted throughout the financial therapy literature; however, there is little theoretical or empirical evidence that supports one collaboration approach over another. The literature tends to highlight two main collaboration strategies. The first involves two professionals in different fields (i.e., a therapist and financial planner) working with a client simultaneously in the same session. Kahler (2005) posed the notion that having clients meet with a financial planner and therapist at the same time can be the most beneficial use of collaboration, offering clients maximum support and assistance. In his proposed model, each professional uses their own expertise in the room with the client; good boundaries must be in place so each professional knows what their role is (and what it is not). The other model is based on two professionals in different fields consulting with each other, but not meeting with the client at the same time (Falconier & Epstein, 2011). In this model, a financial planner may work closely with a therapist by regularly discussing the client’s case and progress with the therapist.

As an alternative collaboration strategy, practitioners should have outside professional resources readily available for those clients who need more directional assistance from an expert in the field which the practitioner has limited knowledge about in order to make referrals that are appropriate for the needs of the client (Aniol & Snyder; Anthes & Lee, 2001; Britt et al.). Kinder and Galvan (2007) promoted the concept of having a network of outside sources, such as therapists, in which they can refer clients to, as well as continue working with the client themselves, so the client’s full needs can be met.

Services provided by a practitioner who is cross-trained in mental health and finances is another approach to providing financial therapy. Gudmunson’s (2011) view involves placing importance on creating training to help people become financial therapists. He argues that new practice models need to be developed in order to encompass the differing forms of credentialing.

Regardless of the approach, Kinder and Galvan (2007) and Britt, Grable, Goff, and White (2008) indicated that it is important for financial professionals to know their professional boundaries and be aware of clients who may need help from someone who has expertise in areas that they do not. Britt et al. discussed the uncertainty therapists, financial counselors, and planners face when presented with a client who is experiencing issues outside of their training expertise. Aniol and Snyder (1997) suggested both financial counselors and marital therapists should possess basic information from the other's discipline so they can more effectively help clients who present both relational and financial issues.

### ***Client-Counselor Relationship***

One area of consensus across disciplines is the importance of the client-practitioner relationship as a vital part of establishing a trusting environment in which the client can feel comfortable sharing very personal details of their life. Lambert (1992) reported that the therapeutic relationship between therapist and client was the most important factor, besides extra-therapeutic change (i.e., changes that take place in the client's life that are beyond the therapist's control), in clients' ability to change. In the financial planning and counseling literature, Maton and colleagues (2010) stated that a trusting relationship between a therapist and client should be established before embarking on a discussion of financial issues. An example of trust was demonstrated by Dubofsky and Sussman (2009) who found that many financial planners have had clients who told them a secret they had not previously shared with anyone else. As an alternative, trust can be formed when a practitioner leaves the direction of the session up to the client. This approach allows the client to feel a sense of control over what and when issues will be discussed. This helps keep a client's needs as the focus of the session (Kinder & Galvin, 2007).

Kinder and Galvin's (2007) suggestion is similar to a proposal from Kim et al.'s (2011) study of relational financial therapy, in which they demonstrated the importance of a client-focused approach where clients' individual needs and circumstances are taken into account when developing goals. Maton et al. (2010) described financial therapists as being attuned to clients' needs and goals and able to help the client find ways they can reach their objectives. Kinder and Galvin emphasized the importance of leaving space for clients to process issues they are not ready to discuss and to make sure clients give consent before moving to these tough issues. Utilizing a client-focused approach helps maintain a comfortable environment for clients in which they feel in control.

### ***Awareness of Cognition, Emotion, Behaviors, and Relationships***

The literature points out several areas in which a financial therapist should act cautiously when working with their clients, including cognitions, emotions, behaviors and relationships. Falconier and Epstein (2011) stated the being aware of clients' cognitions related to their finances and exploring these cognitions over multiple sessions is important to better understand underlying views and thoughts related to the person's experiences with money. They suggested this can be done by observing clients' non-verbal cues, such as

facial expressions or emotions, and how these expressions differ among multiple areas of conversation. If a change in expression or emotion is evoked by a particular topic, this triggering event should be further explored to fully understand what the client is experiencing.

Portrayal of emotions is another aspect of financial therapy in the literature. Maton et al. (2010) identified emotions as often being connected with finances, which Dubofsky and Sussman's (2009) study of financial planners supported. They found that 26% of respondents reported dealing with a client becoming very emotional in a session, which led to the rescheduling of that session. Kinder and Galvin (2007) discussed the importance of being trained to deal with clients' emotions surrounding money to reduce the likelihood that a client will feel humiliated or self-conscious about becoming emotional in front of a practitioner.

Behaviors can be a vital part of understanding why a client acts in one way or another. Financial behaviors can be documented in an array of situations, such as overspending, avoiding, or hoarding of money (Klontz, Kahler, & Klontz, 2008). Maton et al. (2010) promoted the presence of behavioral changes for financial therapy clients as a way to help clients reach their goals. They described how the therapist should be aware of current behaviors and aid the client in working towards desired behaviors that can make the financial plan more concrete. They also suggested financial therapy has the ability to make positive changes in financial behaviors, which can give the client a sense of accomplishment and motivation to maintain newly formed behaviors. They also proposed financial therapy will not only help clients discover more about their finances, but also themselves as people because they are changing their behavior.

From a relational standpoint, finances can be an area of heated arguments and disagreements in couples (Kim et al., 2011). Papp, Cummings, and Goeke-Morey (2009) found that couples' fights about money were more intense, longer lasting, and more frequent than arguments about other topics. Similarly, Dew and Dakin (2011) found disagreements about financial issues often lead to intense arguments. Britt, Huston, and Durband's (2010) research suggested that insufficient communication between couples is a bigger predictor of arguments about money than power or available resources. Falconier and Epstein (2011) promoted the importance of practitioners' awareness of how financial issues can affect the couple and what their roles are around money. They also discussed the practitioner's duty to explore clients' roles around money to see what roles are being demonstrated currently, their standards of what the roles should look like, and how those two may be different.

### ***Complexities of Implementation***

While there are a variety of thoughts and ideas that have been discussed in terms of what financial therapy is and how it should be approached, the question of how to overcome challenges of implementation remains unanswered. Maton and colleagues (2010) bring to light some of the issues that likely will be faced by this emerging field of

financial therapy, such as a social stigma surrounding therapy, which may make some clients feel uncomfortable. This stigma may lead them to avoid financial therapy because of their preconceived notions as to what therapy in general means. They also mentioned some people still find money as a forbidden topic and should be kept private. Therefore, it is an issue that may be difficult for clients to initially open up about, or even seek out the help of a financial therapist in the first place. This may be an obstacle in reaching individuals, families, and couples who could benefit from the services financial therapy can provide. With the complexities of merging mental health and financial fields, it is important to begin understanding what financial therapy is and the current characteristics associated with it.

### **METHODOLOGY**

The purpose of this study was to explore the mechanisms and aspects of financial therapy with the desired outcome of identifying basic concepts that could be useful in developing a conceptual framework of financial therapy. Because financial therapy is practiced and studied by professionals from diverse disciplines, it is imperative that financial therapists begin to understand the common practices, approaches, and concepts currently in place to further enhance and establish the field. It is a common belief among financial therapists that without a central theoretical lens, the field may not be able to flourish and expand with respect and credibility by related disciplines. It will also hinder the ability to establish ethical guidelines, nationally-recognized certification, and training and education opportunities. This study is an initial attempt to understand those commonalities that separate financial therapy from other areas of study and practice.

Members of the FTA were surveyed on topics, such as professional characteristics, collaboration or referral models, etc. (see Archuleta et al. (2011) for more information). As part of this survey, participants were asked if they would be interested in participating in an in-depth interview about financial therapy. Of the 76 people who completed the original survey, 48 volunteered to participate in the interview. Based on the respondents' descriptions of their primary professional identification, they were placed in three groups (i.e., financial professional, mental health professional, or researcher/educator). There were 13 financial professionals, 12 mental health professionals, 17 researchers/educators, and 6 with insufficient information about their professional identification. For each pool of professionals, six were randomly selected to be interviewed, resulting in a total of 18 participants selected to be interviewed. Because of the diverse nature of the conceptualization of financial therapy and the composition of FTA itself, this sampling method ensured that each group of professionals was represented equally.

Each randomly selected participant was interviewed by one of three trained interviewers who were members of the 'Financial Therapy Qualitative Research Team' (FTQRT), which was comprised of a cross-trained (i.e., trained in Marriage and Family Therapy and Personal Financial Planning) faculty member, one Marriage and Family Therapy M.S. graduate student, and nine Personal Financial Planning Ph.D. graduate students from a university in the Midwest. Most of the team members worked or previously worked full- or part-time in the financial services industry or in a mental health

clinic. Six of the 18 interviews took place in person at an annual FTA conference; the remaining interviews were conducted by phone. Interviews were in-depth and semi-structured. The same questions were asked of each participant, but the interviewer was allowed flexibility to use follow-up or probing questions related to the interviewee's responses and the same terminology as the interviewee in order to more fully relate to the interviewee. Sample questions included: (a) How do you describe your profession and/or the scope of services you provide in your professional work? (b) What does financial therapy do? (c) What is your approach to working with clients? (d) What are future challenges this area of practice or study will face?

### ***Analysis***

Once interviews were completed, they were transcribed by a member of the team, checked for accuracy by another member of the team, and then coded collaboratively as a team; codes were then entered into NVIVO, a qualitative software package. Each team member read the interview transcription carefully and coded line by line the relevant statements related to the major research question, "What are the mechanisms and aspects of financial therapy?" The team met once per week to discuss the coding of each interview and then discussed how codes should be collapsed, formulated categories and themes, and postulated assumptions and hypotheses for an emerging conceptual framework.

Grounded theory methods were employed to guide the analysis of this study. The purpose of grounded theory methods is to generate theory through coding procedures that provide standardization and rigor. In grounded theory, building blocks of theory emerge through the concepts generated during analysis (Strauss & Corbin, 1998; Patton, 2002) and collection and data analysis occur simultaneously (Corbin & Strauss, 1990). However, in this study, data collection occurred prior to analysis because many of the interviews took place at the same time, which did not allow for data analysis to co-occur with data collection.

Grounded theory employs three types of coding that are crucial in generating theory: (a) open, (b) axial, and (c) selective. Open coding helps to gain new insights into the data and allows for interpretation of the phenomena (Corbin & Strauss, 1990). Axial coding refers to relating categories to their subcategories or linking categories at the level of properties and dimensions (Corbin & Strauss; Strauss & Corbin, 1998). Selective coding builds a story to connect the categories by unifying the categories around a central category. This central category represents the main phenomenon of the study. Because this study is currently in the initial stages of analysis, results from the open coding and axial coding processes and major themes that appear to be important in this phase of the analysis will be discussed. A first attempt at selective coding and the development of a financial therapy conceptual framework is proposed. Further analysis and results will be presented during the conference presentation.

### **Quality Checks**

Several quality checks were performed during the design and analysis of the study. First, three members of the FTQRT were trained to conduct interviews and interviewed all participants. This allowed for consistency of the implementation of the semi-structured interview process. Second, investigator triangulation was employed where multiple investigators (i.e., FTQR Team) reviewed each transcript and then convened to discuss the coding results (Patton, 2002). This allowed for multiple perspectives from a variety of disciplines.

Third, most investigators were well-trained in their fields and had several years of practical experience, allowing for increased credibility of the researchers (Patton, 2002). On one hand, this level of practical experience may have created bias in the results of the study due to the close connection to the professional lives of the participants. On the other hand, the diversity of professional credentials and experience among the researchers created a more objective approach to the analysis. Finally, rigor to the methodological approach and intellect as described by Patton was adhered. Patton described not only the importance of methodological rigor, but also the intellectual rigor, which refers to the importance of doing one's best to make sense of the data with professional integrity and methodological competence.

## **RESULTS**

The interview sample consisted of 50% males and 50% females. Age, education level, and primary ancestry were measured using categorical variables. For age, the highest percentage (47.6%) of the sample was over 55 years of age. A majority of the participants reported having attained a Master's degree (28.6%) or a Doctorate degree (33.1%) as their highest education level and 100% of the sample reported their primary ancestry being White. Average annual income was \$128,833, ranging between \$10,000 and \$300,000. The mean years the participants have been in their profession were 13.56 years, with a range of 2.5 to 39 years. Additionally, the study looked at the number of years participants have been integrating financial therapy related aspects; the average was 11.53 years, ranging between 2 and 35 years. Sample characteristics for the eighteen interviewees are shown in Table 1.

**Table 1**  
**Sample Characteristics**

Sample Characteristic and Code	%/Mean	Range
<i>Gender</i>		
Female	50	
Male	50	
<i>Age</i>		
18-25	0	
26-40	9.5	
41-55	28.6	
Over 55	47.6	
<i>Highest Education Level</i>		
High School	4.8	
Associates	0	
Bachelors	14.3	
Masters	28.6	
Doctorate	33.1	
<i>Primary Ancestry</i>		
White	100	
Other	0	
<i>Annual Income</i>	\$128,833	\$10,000– \$300,000
<i>Years in Profession</i>	13.56 years	2.5–39 years
<i>Years of Integration</i>	11.53 years	2–35 years

Results from the analysis of 18 interviewees engaged in financial therapy are discussed in relation to the guiding research question, “What are the mechanisms and aspects of financial therapy?” The analysis resulted in a conceptual framework, theoretical assumptions, and hypotheses that are also described. In presenting the results, the identities of the interviewees are kept confidential and are instead identified by their self-described primary profession and an identification number assigned by the research team. Six categories emerged from the data including: (a) integration, (b) complexity, (c) help-seeker issues, (d) helper issues, (e) process, and (f) research. The following sections describe each category and its sub-categories as obtained through open and axial coding processes.

### ***Integration***

The central theme of financial therapy was integration. Although this theme was not a surprise, the results confirm that integration is indeed the center phenomenon, occurring in financial therapy where neurological, cognitive, emotional, behavioral, and relational aspects are inseparable from finances. Participant 70, a financial professional, said,

“It’s (i.e., financial therapy) a more holistic approach...it is integration and it takes into account the well-being of the individual whose needs are addressed.”

Another example comes from Participant 100, a researcher/educator, who said,

“I think financial therapy kind of brings the realization or brings the idea forward that today’s relationships all involve money and close personal relationships in terms of romantic relationships, all involve money. So it’s an area we need to study because the two, relationship and financial, are inseparable.”

### ***Complexity***

An interesting theme that surfaced during the coding and analysis process was the complexity and challenges of conceptualizing and implementing financial therapy either within respective disciplines or with the public. For example, Participant 50, a financial professional said,

“There’s such high value to just having a space in which therapists and planners and researchers can just talk and get to know one another... There’s such a gap in our understandings, our perceptions, our beliefs...Let’s start getting a body of knowledge together...let’s talk it out completely before. I really think that is an extremely high value in this particular instance because there’s so much, it’s all so complex and it’s merging two worlds, very complex worlds, and trying to find something find something that combines both of them; it’s very complex.”

Researcher/educator 100 stated that establishing a professional identity can be confusing for professional and consumer communities. This educator stated,

“...nobody, you know, apart from this financial therapy group, really knows what to make of me...they’re not sure if you are a relationship researcher or are you a consumer finance person.”

This same researcher alluded to the communication among diverse professions complicating financial therapy when he stated,

“...I’ve seen it happen where two groups, both relationship therapists and financial counselors, really don’t know how to communicate or work together.”

In summary, the multi-layers of complexity and challenges that face the financial therapy field are not targeted to just one profession or discipline or one aspect of financial therapy, but to all mechanisms and aspects of financial therapy.

### ***Help-Seeker Issues***

Help-seeker issues can be described as presenting problems or goals that are brought into the financial therapy process, awareness of a problematic financial issue or behavior, or wanting to learn about how to better incorporate money into their lives. In some cases, there are mental health problems or challenges (i.e., underlying issues) that are impeding on a help-seeker's ability to make sound financial decisions. Initially, the help-seeker issues category was identified as "client issues," but because of the diversity of the professionals in the study who work in the area of financial therapy, the term "client" seemed too narrow. Therefore, the "client" was replaced with the term "help-seeker." A major component of client issues that appeared central to achieving clients' goals was client readiness to change. For instance, financial professional 030 stated,

"As an advisor, some of the indicators are, client comes in the office and says 'okay, I'm ready to do this'..."

Mental health professional 10 stated,

"...the pattern that they've developed is what they're familiar with. To do what would be healthy and right for them is unfamiliar and scary. And, so to get them to change or try to convince them to change isn't going to work. It's about how do we help them create an emotional safety in a container to create the emotional shift they so that they want to make it. But if I try to convince them, it just doesn't work."

In addition, financial professional 50 said,

"I think it's just people who really can't acknowledge the value of human relationships. That's sort of what I perceive my type A clients have a hard time acknowledging. "I don't need anybody. I can make this happen all by myself!" And that's a real challenge to get past. But the folks who are "I'm not sure what to do here." Ok, well let's walk together for a while and maybe we'll see something."

### ***Helper Issues***

Helper issues, coined initially as "practitioner issues," is comprised of a set of subcategories, including roles and boundaries, and specialized training where helpers have a duty to respect the boundaries and ethics of their own profession and other collaborating professions and know when they are practicing beyond their scope or professional abilities. Most of the interviewees stated that they were very conscious of their role and careful not to cross boundaries where they were not appropriately trained.

Practicing appropriate boundaries was a topic of ethical concern for some of the professionals. Mental health professional 80 commented,

"I am very clear about the difference between the kind of information that an accountant, a financial planner, and a bankruptcy lawyer would provide and the kind of information that I would give to people. I have a verbal disclaimer that differentiates the work that goes on in my office from financial advice that would come from a financial professional."

When discussing helper issues, financial professional 900 said "...I've learned at the conferences I've gone to is that psychotherapists don't have a lot training around finances and at the same time, financial planners and advisors don't have a lot of training around interior money issues. I think a challenge is providing adequate training and I see a lot of value in well-trained financial planners and financial therapists working as a team."

### ***Process***

It appears that integration of the aspects and mechanisms of financial therapy is a process with the desire to achieve a certain goal or outcome. In this study, process is described as the interpersonal transactions between help-seeker and helper or intrapersonal transactions that happen within a person that lead to anticipated outcomes through assessment and implementation. Mental health practitioner 80 described financial therapy as a process,

"Financial therapy is a process that helps an individual or couple become aware of their relationship with money and how it is used or misused. Financial therapy also helps the individual or couple develop a plan to address both their external financial problems and their relationship with money."

Educator 500 said,

"My view of financial therapy is that it's part of the therapy process, to diagnose the problem and then treat the problem and then follow up on the problem."

In this study, process does not necessarily mean the steps needed to take in order to achieve desired outcomes. Mental health professional 60 described process like this,

"To me financial therapy is a process in which you can engage in to deal with difficult issues around money."

Although this conceptualization of process is abstract, common events to help clients achieve their goals appear to take place during client meetings. These stages seem to be the development and maintenance of the help-seeker and helper relationship, assessment, and implementation of interventions, tools, and approaches, which are presented as sub-categories.

**Help-seeker and Helper Relationship.** The help-seeker and helper relationship appears to be at the heart of the financial therapy process and instrumental in achieving

clients' goals. Like previous literature in the fields of mental health and financial planning and counseling have reported, the relationship between help-seeker and helper must be well-established, where a help-seeker can feel safe and comfortable and feel as though the focus is on their needs and wants. Financial professional 40 described this client-focused approach by saying,

"I'm very collaborative. I view it more as a partnership, it's relatively informal, I typically try to meet people where they are when they walk in the door, so I don't have...to force people into that model, which would be a lot easier for me but I didn't find it effective...I don't really have a one size fits all approach."

**Assessment.** Assessment is another important mechanism of the financial therapy process. Assessment appears to be formal and informal and helps in determining what the help seeker's needs and wants are, establishing goals, and diagnosing problematic behavior. As an example, educator 200 stated,

"I want to get demographic information about them. Why they are here, their medical background, mental health issues. A little bit of family origin....Really, it's kind of their cognitive abilities to processing, their communications, sense of safety...at times I may do a genogram if that seems relevant and useful to the case."

Additionally, mental health practitioner 010 said assessment includes,

"...watching how the client actually interacts with money. What are the accents that they bring to the table, where do they shine, and recognizing those? What are the obstacles? What are the beliefs or scripts? What are the emotional triggers associated with money that cause a person to create the patterns that they have created."

**Implementation.** Financial tools, therapeutic tools, comprehensive plans, and education were originally four categories that were collapsed due to their common meaning of "doing" something with/for the client. The type of implementation used by a helper largely depends on the goal of the help-seeker; a few examples include prescribing homework or exercises, developing a comprehensive plan, empathizing with the help-seeker, and complimenting. The orientation and training of the professional determined the type of approach, intervention, or tools that may be utilized, which may be broadly defined as financial or therapeutic. Some were theoretically-driven, but most were, primarily, behavioral, emotional, cognitive, relational, intuitive, and neurological in nature. Behavioral or emotional approaches/intervention/tools tended to be used to create client change. Cognitive approaches appeared to help a client become aware of personal interactions or relationships with money, in addition to learning information or changing how one perceives a situation. Relational approaches and interventions were used to create harmonious interpersonal relationships. Some professionals described using intuition as a way to guide what they did next or how they determined which interventions should be

used with clients and how to implement them. Educator 300 described the challenge of implementation by stating,

“The primary issues are loss of income, increase in debt load and so they have credit issues. I have families that want to buy a home, but they know they have credit issues and they want to take care of those before making that next big step. And unfortunately some of them just need help on putting a spending plan together, they've never used one and now they realize that they should have been using one all along.”

**Outcomes.** The primary objective of financial therapy appears to be assisting help-seekers in achieving some sort of outcome or goal. Interviewees expressed differences in desired outcomes, but the common theme was, as one might expect, to work for the common good of the help-seeker in achieving a goal that is mutually agreed upon to improve their overall quality of life. Outcomes ranged from supporting help-seekers in becoming aware of their relationship with money, creating behavior change or an emotional shift, bettering their mental health, producing a final product like a comprehensive financial plan, to improving quality of life. For example, financial professional 040 summarized the outcome of financial therapy well by stating,

“They (clients) start making changes in their lifestyle that contribute to my observation that they are improving their long-term life with its success in quality of life and sustainability.”

Mental health professional 700 discussed some of the outcomes that should be looked for, which include:

“...healthy financial behaviors, the things that are sort of universally viewed as the part of what a financially literate person does. So living within their means, having funds set aside for emergencies, long-term safety, retirement, and those kinds of things. We look for less conflict in relationships, more confidence, and people's sense of being financially competent. We look at a breaking of avoidance patterns that may have built up over time and people who indicate that they are now spending their money in a way that reflects their deepest needs and desires for their life, instead of spending that happens because of emotional pain.”

Additionally, financial professional 70 stated,

“It's helping clients to overcome a barrier that they may not even know exists, but that prevents them from leading a more fulfilling life.”

## **Research**

Research is important to the development and sustainability of financial therapy at a number of different levels and is called for not only by researchers/educators themselves,

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but also practitioners. Research topics that could be considered related to the mechanisms and aspects of financial therapy include the effectiveness in integration of diverse disciplines, help-seeker issues, helper issues, help-seeker and helper relationship, the development of assessment instruments, effectiveness of interventions, tools, and approaches. For example, educator/researcher 200 stated,

“I think research is always helpful to help us understand what do we mean by financial therapy? You’ve already got different people saying here’s what it is...What are maybe some of the boundaries? What are effective ways of sequencing the layering of offering financial services and clinical services and therapy services?...And then research about gender issues. Issues of race, culture, power, all of those topics are relevant to this, too. And, you know, studying all of that as well. Dealing with these issues of these economic times when people are really suffering and struggling. Uh, how can we reach out to people who don’t have many resources, but who could benefit from financial therapy?”

Mental health professional 400 described the challenge and importance of research by stating,

“Getting the research done and getting it distributed in ways that can be meaningful. You can’t be too technical for psychotherapists and you probably can’t be too touchy/feely for the people in the world of finance. Making the bridges between those two areas of concern, that’s a challenge... People have their money stories and those stories are important. So making that bridge, which is I think what you guys are up to, is just amazingly wonderful and I also think it’s full of challenges...I think it’s a wide open field...Research would be helpful because money issues come up on a constant basis. Counselors, on the whole, are not equipped, they haven’t done the reading, they haven’t taken one single course in it...The implications are very broad. When you said that, I just saw a whole curriculum that needs to be produced.”

Financial professional 50 alluded to the types of research that should be conducted and could be helpful by saying,

“what modes of communication, like pictures, charts, stories, modes of communication are most effective in helping clients to comprehend complex concepts...They’re not just interesting statistics, but they’re people, and this stuff is going to impact them humanely, individually. We can lose sight of that so easily.”

In terms of how financial therapy should be conducted, researcher/educator 200 stated that a topic of particular consideration was to research whether or not one person could be a financial therapist, one that is doing both financial planning and therapy simultaneously.

### ***Generating a Theoretical Framework of Financial Therapy***

As a part of the analysis process, the research team generated a conceptual framework, using results of the study to help explain the mechanisms and aspects of financial therapy. Figure 1 illustrates the theoretical model that conceptualizes the mechanisms and aspects of financial therapy. The central category appears to be the concept of integration, where there is an intersection of money, interpersonal, and personal issues. The model appears to be complex and multi-layered, where financial therapy joins help-seekers and helpers to form a mutual relationship and enter into a process of assessment and implementation using aspects of cognitive, behavioral, emotional, relational, and financial to meet a goal or produce an outcome. Research should be conducted to evaluate each area of this model and produce additional resources and tools that are more conducive to the integration of financial therapy.

From the results and formalization of a theoretical conceptualization of financial therapy, the researchers pose the following assumptions and hypotheses that could potentially result in best practices for financial therapists:

- 1) Integration of cognition, behavior, emotion, relationship, and finances is central to the mechanisms and aspects of financial therapy.
- 2) Money and intrapersonal and interpersonal aspects of one's life are inseparable.
- 3) Within the financial therapy process, the help-seeker and helper relationship is positively associated with help-seeker outcomes.
- 4) Financial therapy is complex.
- 5) Helpers must maintain appropriate boundaries and clear expectations and roles with help-seekers, collaborators, and themselves.
- 6) Cross-discipline integration and collaboration is positively associated with help-seeker outcomes.
- 7) Multiple implementation methods, approaches, and tools are associated with positive help-seeker outcomes.
- 8) Assessment of help-seeker readiness is positively associated with help-seeker outcomes.
- 9) Specialized training, education, and understanding of professional roles and boundaries are necessary to implement a financial therapy process.
- 10) Research on the integration of aspects and processes of financial therapy will inform helpers to enhance help-seeker outcomes.

### **DISCUSSION**

The results of this study are instructive for the development of financial therapy as a profession. Findings can help FTA members understand that the foundational mechanisms and aspects of financial therapy are mostly congruent with the current conceptualization of financial therapy—"the integration of cognitive, behavioral, emotional, relational, and economic aspects of financial health" (FTA, 2012). There is no question that financial therapy looks at an individual, couple, or family's financial situation from a holistic

perspective, where all parts of the person are considered. However, there does appear to be a debate among the interviewees in this study on the outcomes of financial therapy. Not all interviewees understood the FTA's conceptualization of financial health. In fact, it appeared that the overall goal of financial therapy was to improve quality of life by enhancing some aspect of it, rather than improving strictly financial health. A general agreement appears to be that if, for example, one's behavior can change or an emotional shift can occur, one's financial situation will improve in some way, which has an effect on one's quality of life. It may be of interest to reconsider the conceptualization of the outcome of financial therapy and consider a broader term like quality of life. In addition, thinking of the holistic nature of financial therapy, little emphasis has been placed on biological concerns, which was brought to light in this study through the mention of neurology. It might be of interest to explore biological and physiological aspects of financial therapy since there are established associations between mental health and biology and physiology.

The results of this study also highlight assumptions and hypotheses that have been formulated and have implications for the state of financial therapy. It is important for practitioners and researchers to understand that financial therapy is multi-faceted and there is no one right way to deliver interventions, tools, and approaches. However, like previous researchers (e.g., Archuleta & Grable, 2010; Ford, Baptist, & Archuleta, 2011; Archuleta et al., 2011) have noted, research should be conducted to test the effectiveness of the approaches, interventions, and tools that are currently being employed so that clients are ensured the best possible services. As noted in Figure 1, not only should research be conducted at the implementation level, research should also be conducted on all aspects of the financial therapy model. Similar to mental health and financial planning literature, the help-seeker and helper relationship remains at the helm of financial therapy services. Establishing a trusting, safe, and comfortable environment for the help-seeker is essential to positive outcomes.

### ***Implications***

One might ask, "How can this research be useful to my own practice?" The answer to this question is important. This study helps lay the groundwork to form a common language among financial therapists so that financial therapy practices and research can be effectively communicated among financial therapy professionals and potential financial therapy consumers. Although the professions represented in this study are traditionally seen as distinctly different fields, the core message from this study is that many commonalities exist. First, each works with clients with similar issues that are related to money. Second, the primary outcome is to increase a person or family's quality of life. Third, and also mentioned previously, the helper and seeker-helper relationship is central to positive outcomes, regardless of the implementation methods. Finally, ethical boundaries are important; however, how to navigate the complexities of the various professions and credentials' ethical guidelines is difficult.

### ***Limitations***

No study is without limitations and this study is no exception. First, this study uses qualitative methods. Although the goal of qualitative research is not necessarily to provide results that are generalizable, the limitation is that the results are not generalizable. There is much to learn about the practices of financial therapy that are currently being employed and effective ways to train future generations. Second, the sample size is small. Due to the time intensiveness of this type of research, the sample was limited to eighteen. Finally, grounded theory methods were employed. Although grounded theory data collection and data analysis typically occur at the same time, an intentional decision was made to analyze the data after the collection process was mostly completed due to the timing of the interviews and meeting schedule of researchers.

### ***Future Directions***

There are many directions that future research can take. Because this is the first study of its kind, additional research regarding the practices and approaches of financial therapy is necessary. Exploring the biological and physiological aspects of money could be of interest to practitioners and researchers/educators to further understand in the context of financial therapy. Like mentioned in the results, research pertaining to the collaboration of models or implementation of financial therapy by a single person trained in both areas is critical. Is it possible for a cross-trained professional to effectively provide both financial and therapeutic counsel? In addition, and not previously mentioned, studies that further explore theoretical underpinnings will help catapult financial therapy into a realm of an independent field.

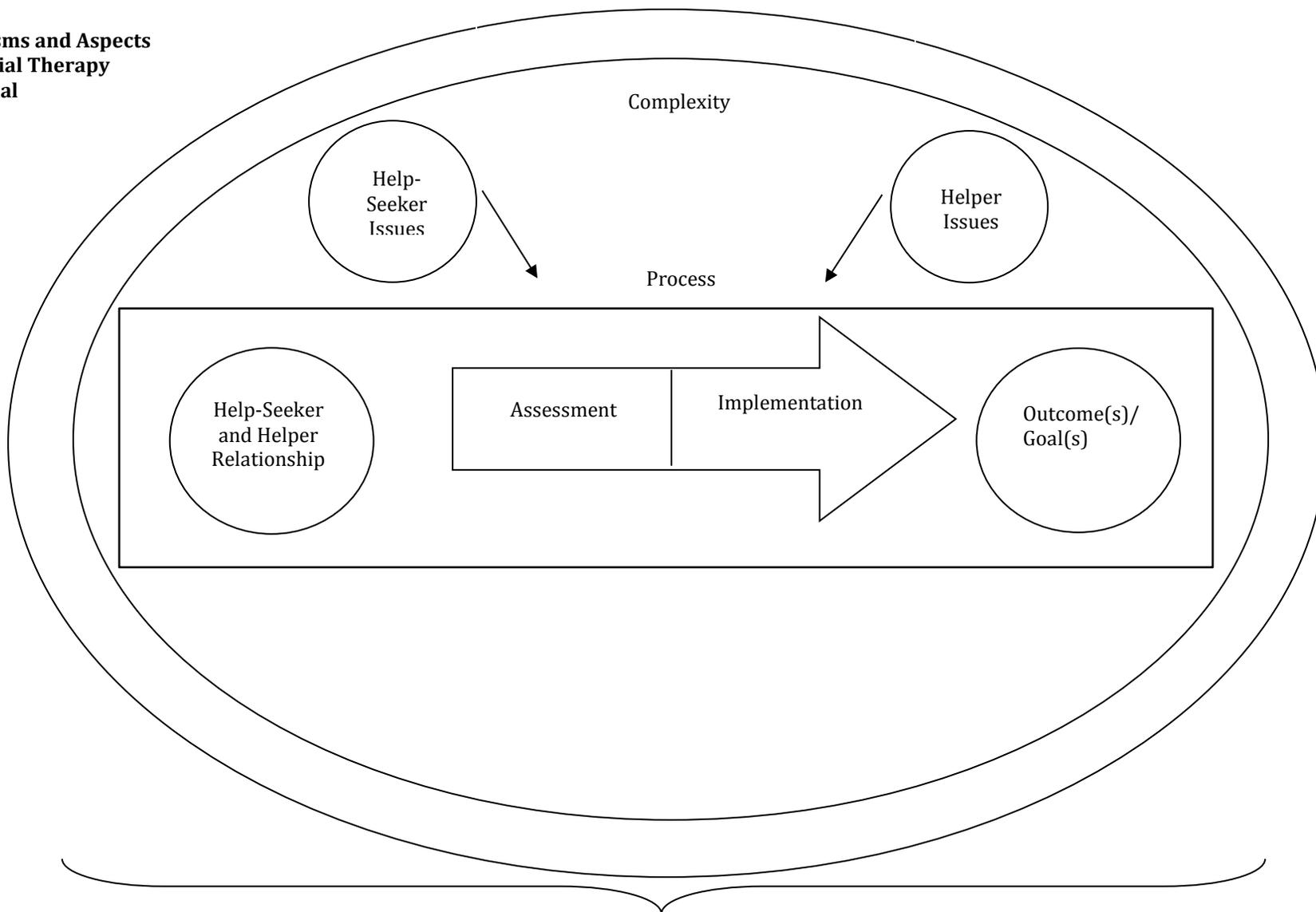
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Integration of Finances and Mental Health  
and Interpersonal Components

**Figure 1**  
**Mechanisms and Aspects**  
**of Financial Therapy**  
**Conceptual**  
**Model**



Research needed at all levels and stages