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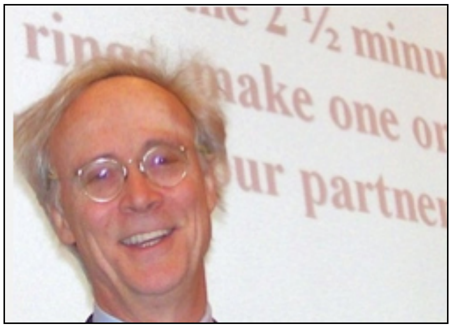
Marketplace:
How would you change your life?



by Julia Anderson
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George Kinder, author of "The Seven Stages of Money Maturity: Understanding the Spirit and Value of Money in Your Life," has an ongoing message for professional investment managers. Life planning, he says, must come ahead of financial planning.

In other words, it shouldn't be a numbers game of how much money a client wants to have at retirement, set to go "live" in a certain year. These days, with most 401(k) plans down 30 percent and markets showing little enthusiasm for recovery, Kinder's message may have greater resonance for baby boomers who once thought they had a secure retirement and now must re-evaluate their vision. Fundamentally, says Kinder, the financial planning process should be one of inquiry. He encourages professionals to ask their clients these questions:
— How would you change your life if you had all the money you needed, right now?

— If you had 10 years to live, how would you change your life?
— If you had 24 hours left to live, what did you miss?

Thoughtful answers to these questions can help a client get to the basics of a good life that is less dependent on a pile of money but could be more freeing and more satisfying.

"Life is not a bunch of numbers," Kinder told an audience of 180 at a two-day gathering of the Financial Planning Association of Oregon and Southwest Washington in Vancouver last week. "Life is about how you want to spend your time and your money."

Industry transition
Kinder sees the financial planning industry in transition from a sales-based business to one anchored in service. "A just-the-facts presentation is no longer enough," he said. "Fundamentally, it's a process of inquiry … of helping people decide what they really want to do with their lives." Few financial planners seem to appreciate that the process involves a lot of listening. Studies, he said, show that the average time it takes for a financial planner to "take charge" of a meeting with a client is just 82 seconds. But to establish a genuine relationship of trust may take a lot of listening, sincere empathy and inspiration.

Planners need to give the meeting over to the client, Kinder said. Ask them to explain why they are here, then follow up with, "Anything else?" Then maybe another "anything else?" or two, he said. Kinder insists the "life planning" formula is also a most profitable model for delivering financial planning services. "The only sale we should be interested in is the sale of freedom," he said. "Once people grasp what that means for them, then you can formulate a plan for retirement."

Kinder has been refining his message for 30 years and established the Kinder Institute of Life Planning in Hawaii to research and support his ideas. For more about Kinder, visit www.kinderinstitute.com.

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