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Three Interventions for Financial Therapy: Fostering an Examination of Financial Behaviors and Beliefs

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Three interventions that address the emotional components of handling finances are proposed. Drawn from a stepwise model of financial therapy, the three interventions introduced here have the specific aim of incorporating the emotional attributes of traditional financial behaviors and beliefs. First, the Financial Genogram identifies family of origin issues that may affect financial behaviors; second, the Financial Landscape intervention is used when emotional stress occurs in collecting and examining financial documents; and third, the Financial Mirror broadens clients' perspectives of their financial behaviors. Issues in future research and implementation of the Five Step model are addressed in treating financially distressed clients.

Keywords: family; finance; financial therapy; five step model; genogram

There has been agreement in the growing field of financial therapy that some type of merging between financial counseling techniques and therapeutic interventions should be used in order to effectively work with financial therapy clients (Ford, Baptist & Archuleta, 2011). Emotions are a key component when considering financial problems (Papp, Cummings & Goeke-Morey, 2009; Anderson, 2005), and financial problems in couples and families tend to be the most intractable to resolve (Papp et al., 2009). From a therapeutic point of view, money and financial management behaviors are often symbolic of emotional needs, such as security, acceptance, and fulfillment (Shapiro, 2007). Financial decisions are

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frequently made based on emotions, as opposed to well-defined guidelines for financial management and planning (Loewenstein, 2000; Williams & Grisham, 2012). One study found that conflicts about finances was not the most argued about topic between couples (finding that arguments about children, chores, communication, and leisure were more frequent). However, they found that conflicts over finances were most likely to result in negative behaviors and misunderstandings, were more intense and lasted longer, and held more long-term significance to couples than arguments about other topics (Papp et al., 2009). From a financial counseling point of view, there continues to be difference between financial literacy (knowing and understanding matters of personal finance) and financial capability (putting personal finance knowledge into practice) (Johnson & Sherraden, 2007). Additionally, not being financially capable has been found to produce negative effects on the psychological health of individuals comparable to the negative psychological effects produced by experiences of unemployment and divorce (Taylor, Jenkins & Sacker, 2011).

This article identifies three theory-based financial therapy interventions introduced in *Financial Therapy: 5 Steps Toward Financial Freedom* (Smith, Nelson, Richards, & Shelton, 2012) and the updated edition *More Than Numbers: Everyday Financial Therapy* (Smith, Shelton, & Richards, 2014). It expands on the explanation of the interventions provided in the intervention manual by describing the theoretical base for each intervention, and then expounds on the types of questions that should be asked when conducting the intervention. This article makes these three key interventions useful for those who have not received extensive counseling and therapeutic training.

LITERATURE REVIEW

The Five Step Model developed by Smith and colleagues (2012) adapted therapeutic interventions with the goal of treating the emotional components of financial behaviors. It was developed with the belief that the management of personal finances is first and foremost an emotional rather than rational endeavor and sought to adapt therapeutic interventions focused on the emotional components of financial distress (Smith et al., 2012). Their Five Step Model of financial therapy (Want, Need, Have, Do, Plan) consists of psychosocial interventions that help clients work through the emotional issues associated with financial stressors. The three interventions expounded on in this paper (Financial Genogram, Financial Landscape, and Financial Mirror) were chosen because, first, they overtly address the emotional components of healthy financial management and, second, the theoretical base of these interventions was not addressed in the primary text introducing the Five Step Model (Smith et al., 2012). Figure 1 is a diagram of the purpose of each step in the Five Step Model, as well as how the three interventions addressed in this paper (and the theory on which they are each based) fit in the context of the Five Step Model for financial therapy.

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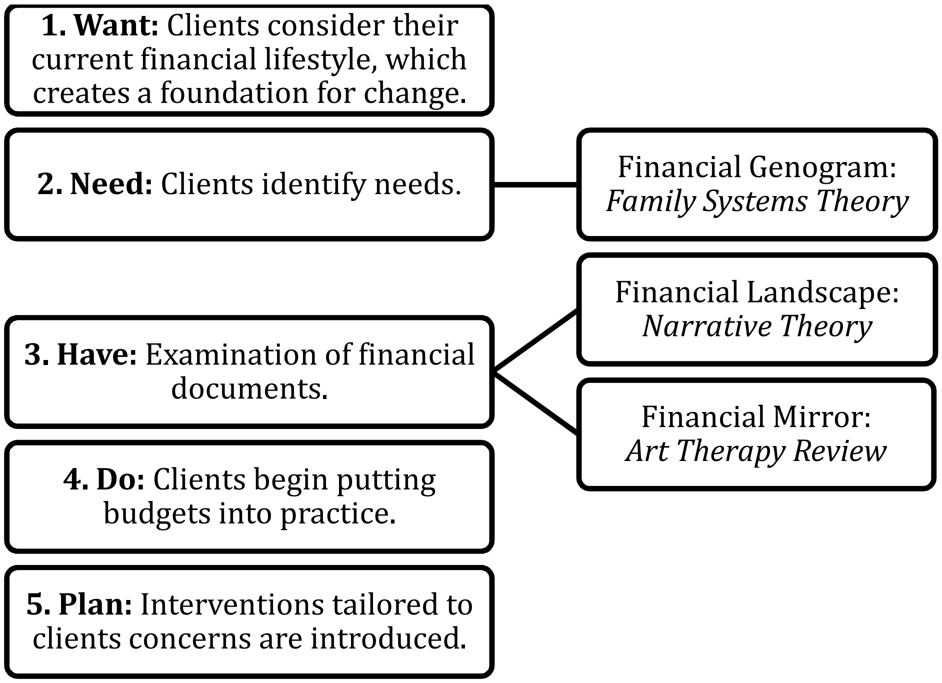
Figure 1. Three interventions in context of the five steps to financial therapy (Smith, Nelson, Richards & Shelton, 2012)



This article attempts to: (a) further explain the theoretical basis for each of these three interventions, which was not introduced in the primary text, and (b) make the interventions approachable enough that those without extensive therapeutic or counseling training can use them in their financial therapy sessions. This is done by explaining the interventions in detail and elaborating on possible modes of questioning that can be used to help the client explain issues they have experienced in the past or are currently experiencing.

INTERVENTIONS, THEORIES, AND CLINICAL APPLICATIONS

The Financial Genogram: Family Systems Theory

One factor that guides adults' responses to financial situations is how financial issues were handled by their parents (Jorgensen, 2010). Financial behaviors of parents, family members, siblings, and even friends affect how people respond to their own financial difficulties. Credit card misuse on the part of a sibling, economic hardships of parents, and overspending or spending money on expensive items on the part of a friend are all examples of financial behaviors that potentially affect clients' beliefs. One tool in examining the effect of early experiences is the introduction of a genogram in financial therapy (Weil, 2009).

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A genogram is a visual illustration of the family unit or of influential members of a person's life and is used to summarize complex relationships (Watts & Shrader, 1998). First proposed by Murray Bowen in 1978, it replaced the unwieldy term, "family diagram." Genograms help clients understand and visualize family interactions (Frame, 2000; Thomas, 1998; Kuehl, 1995). They also help clients understand how family dynamics influence their lives (Milewski-Hertlein, 2001). The use of genograms highlights significant factors in a client's early home environment. A genogram consists of interactions among at least three generations of family (Magnuson & Shaw, 2003). Behaviors and occurrences identified in the genogram provide the context of clients' problems.

In drawing a financial genogram, clients are asked to draw their own genogram, starting with the basic layout of family relationships, including parents, siblings, and preferably grandparents. The client then indicates the different financial behaviors of those in the genogram, including whether the person has had economic hardships, an addiction influencing financial behavior, or credit card misuse. Relationship factors are also included in the genogram. For example, parents' financial relationship may be described as healthy, cutoff, or hostile. Incidents of financial infidelity, or when one person hides financial problems from another, are also specified. Clients should also identify other key players in their financial education and lifestyle. This will help clients better understand a more complete picture of influences on their financial perceptions.

A caveat is to not overwhelm clients with the gamut of genogram symbols therapists use. Examples of genogram symbols that may be used when creating a financial genogram can be found in several books addressing the influence of intergenerational family members on future financial beliefs (Smith et al., 2012; Weil, 2009). Clients should also be encouraged to create their own symbols, or simply write out the information, for influential financial behaviors and beliefs not encompassed by the symbols available. While conducting a financial genogram with clients, therapists are encouraged to ask questions about the genogram their clients created. Table 1 lists suggested questions that can be asked of clients while guiding them through the construction and interpretation of their financial genogram. These questions will allow clients to derive patterns and insight.

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Table 1
Financial Genogram questions

Family Patterns	
	• How did your parents handle money? Was one person in charge of the finances more than another?
	• How did your grandparents handle money in their relationships?
	• Have any historical events (e.g., the recent recession, the Great Depression) affected how your parents/grandparents/etc., handled finances?
Financial Obstacles	
	• What kind of financial difficulties have occurred in your family? Are there some financial problems that have occurred more frequently in your family than others?
	• What difficulties do you feel have affected you the most?
	• How have you grown/been held back by the financial difficulties your family has faced?
	• What in your family financial history has affected your use of finances the most?
Family Rules	
	• What are the "messages" members of your family taught you about finances?
	• What were the family "rules" about money?
	• What financial topics were talked about? What financial topics were not talked about?

The Financial Landscape: Narrative Therapy

McCoy, Ross, and Goetz (2013) provide readers with a critical and useful integration of financial and narrative therapies. They provide an informed discussion of essential features of the use of narrative therapy in financial therapy. This paper provides clinicians with an operationalized method of helping clients review their financial documents. Such reviews provide a forum by which clinicians can ask questions that highlight client strengths. These questions provide therapists with the opportunity to show exceptions to past errors, and in fact builds the foundation on which clients can feel empowered.

A key component of financial planning is to collect financial documents, such as bills, bank account statements, and even receipts from stores. This is often viewed as a mechanical process: "Collect your financial documents; organize the expenditures that have to be included in the budget; set about writing a budget, and cut out financial expenditures not viewed as necessary." What this process lacks is an examination that gets to the heart of expenditures. If the reasoning behind why purchases are made is not examined, changes in the management of finances may not be implemented. Personal insight into why financial behaviors occur and why certain financial decisions are made is essential to the financial therapy process. This section addresses the development of personal insight into expenditures, and suggests ways to make the collection and examination of documents meaningful.

Narrative therapy provides a useful framework in dealing with the stress and anxiety that accompanies the collection and review of financial documents. In narrative therapy, clients' understanding of their story, or experiences they have had, is analyzed and retold to reduce the magnitude of stressors that stem from the experience. In financial therapy, the Financial Landscape is the story that clients are able to tell from their collection of receipts, bills, and records. This exercise helps clients see the small-picture decisions that make up the larger vision of the financial self. Clinicians help clients tell their

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story about individual financial decisions, and why those decisions were made. Understanding the heuristics behind financial decisions helps clients develop a sense of ownership over the money spent, and leads the way into making planful decisions in the future.

As an example of painting the Financial Landscape, a receipt from a pet store where the client took their dog to get groomed may elicit the feelings the client has for their pet. Perhaps the client has no children, and the dog is the only comfort he or she has at home. Grocery bills or clothing receipts may encourage the client to talk about how they prefer to buy brand-name products in place of the store brand, because when they were growing up their family could never afford to buy a brand-name cereal or nicer clothing label. Even something as simple as a gas receipt stimulates conversations with the client about the reasoning behind their financial behaviors or beliefs. Why buy gas for your car if it is cheaper to take the bus? Perhaps the time saved driving a car is more important to the client than the expense of putting gas in a car and paying for its upkeep.

Discovering the financial heuristics clients hold can be an empowering experience for them. Understanding the reasoning behind their own financial behaviors, such as purchasing only brand-name products, getting extensive lines of credit on credit cards, or even participating in “shopping therapy” when stressed, can be an enigma to clients. They may not understand why they are doing such things even in the moment they are spending money. Teaching clients to identify financial heuristics on their own allows them the freedom to examine their financial behaviors and take control of their financial management.

The Financial Landscape intervention consists of three steps needed to guide clients through this process. First, clients collect their financial documents, receipts, and bills. Next, documents are brought into therapy and each document is examined for where the money was spent and how much money was spent. At this point, clients are led to identify the heuristics embodied in purchases by analyzing their expenditures, identifying the story behind each one, and explaining why the amount of money that was spent was chosen.

The process of collecting documents can be not only onerous, but also stressful. Seeing how much money goes toward paying off credit card bills, how much money is spent on eating out each month, and even collecting receipts on grocery bills or gas can be intimidating. This is especially true when the client is in debt. The sight of unpaid bills can induce severe stress responses. For this reason, it is critical to support the client through the process of collecting and analyzing financial documents, even when the process seems simple.

Questions can be asked in order to help clients learn to tell their story. Table 2 contains a list of potential questions therapists can ask clients about the receipts, bills, and financial statements they bring in during the Financial Landscape process. As learning to tell the story about financial decisions may be difficult to put into words, asking questions about why the client has spent money on something is extremely important. Some questions may be evocative. These questions encourage clients to defend their financial

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decisions in a way that helps them learn to explain the unconscious heuristics behind their purchases.

Table 2
Sample questions for the Financial Landscape

Generic Questions:

- How does that bill/receipt/financial document describe who you are?
- Why are you spending what you are on ___? Tell me about the times when you did something that isn't showing up on the receipts?
- Can you live without ___? If you can't, or if you are hesitating to change how much you spend on ___, tell me why? Why is ___ important enough to include in your budget?
- If you were to spend significantly less on ___, what does that say about who you are?
- If you were to spend significantly more on ___, what does that say about who you are?
- How would changing the amount of money you spend on ___ change how you perceive yourself? Would it make you feel less/more worthwhile?
- How can you separate yourself from being called "spendthrift?" What adjectives would you use to characterize yourself?
- During the last 6 months, what events have happened that show you have been smart with the way you have spent money?

Specific examples of how questions can be applied to budget items:

- Why spend $50 a week on gas? Riding the bus is cheaper. Why do you choose to spend money on gas instead of riding the bus? Instead of walking? Instead of carpooling?
- Why spend $200 a week on food? There are much cheaper brands or types of food you could purchase instead. When was the last time that you bought cheaper brands? Does that give you evidence that you are in charge of your finances?

The Financial Mirror: The Art Therapy Review

While the Financial Landscape is focused on the "small picture," in which clients are given the opportunity to examine their beliefs about individual expenditures, the Financial Mirror offers clients the opportunity to review their entire financial self. This process allows clients to pinpoint financial gaps or problematic financial behaviors in their overall finances. It is essential in the course of financial therapy, as conducting a complete review of problematic financial behaviors and their accompanying emotional distress has been identified as a significant issue in learning better financial management skills (Williams & Grisham, 2012).

The Financial Mirror is based on a process in Art Therapy known as the Art Therapy Review (Art Therapy, n.d.; Rubin, 2001). At the termination phase of art therapy, clients are led to review all of the art they have created while in treatment. Art pieces are posted on a wall and clients are encouraged to review the art they crafted in chronological order. Viewing all of their artwork in a timeline and all at once, as a type of collage, has a therapeutic effect on clients (Rubin, 2010; Ulman & Dachinger, 1975). It allows clients to review the progress and discoveries they have made about themselves during their therapeutic experience. As Marshall (2007) explains, new meaning is derived from a subject when that subject is presented visually. The review process is not meant to teach clients something new. Rather, its purpose is to encourage and create insight. Creating art

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in the art therapy process has been called a creative way to communicate feelings and thoughts, as well as a way to foster confidence in decision-making abilities (Anderson & Barnfield, 1974).

Likewise, in the creation and manipulation of the Financial Mirror, financial therapy clients are led through an overview of all the financial decisions they have made in the past and are guided to review how they would feel about their financial selves if changes were made to their Financial Mirror. The information presented is processed in the brain in a different way when financial behaviors and beliefs are viewed in the context of a "mirror" on the wall, rather than simply numbers in a budget (Marshall, 2007). The experience of seeing your financial behavior in the context of a "mirror" creates a new understanding of the financial "self" and can have a powerful effect on clients' perceptions of themselves and how their financial behaviors are actually affecting them.

The Financial Mirror is constructed by clients. Therapists give the client a medium-sized cork board, poster board, or even just a section of wall, along with tape or pins. Clients are then asked to gather their financial documents and, in any fashion they prefer, post their financial documents in the allotted space. Some clients may organize their documents in a particular way. Others may post them with no organization. Encourage clients to post their receipts and bills any way they would like. Note that if clients attempt to hide documents they do not want to see, the therapist should keep those documents in mind. They will need to be brought forward and addressed. Once the documents have been posted, therapists ask clients questions about their Financial Mirror to help clients reflect on the financial decisions they have made, and how satisfied they are currently with their Financial Mirror. Clients are also asked questions about how making changes to their Financial Mirror would make them feel. Table 3 illustrates questions that can be asked in the process of conducting a Financial Mirror exercise with clients.

Table 3
Reflection questions for the Financial Mirror

- Reflect on what the mirror says about you financially.
- If these were the finances of someone else, what could you say about this person just by looking at their mirror?
- What is scary about what you see in the mirror?
- I noticed the ___ (receipt, bill, etc.) is hidden behind others. How would bringing it forward change your feelings about what you see in the mirror?
- What is the one thing that makes the mirror the most difficult to look at?
- What about the mirror makes you happy, or makes you feel secure?
- If you could take one (two, three, etc.) things off the mirror right now, what would they be?
- What is missing from what you see in your mirror? What do you want to be spending money on, but cannot because of other things (like debt, bills, etc.) taking up space in the mirror?
- What would your perfect financial mirror look like?

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DISCUSSION

There is a critical need for therapists and treatment providers who wish to assist clients in addressing their financial difficulties. These treatment providers first must recognize the emotional components of financial management. Without an understanding of the emotions that influence financial behaviors, implementing and maintaining changes to financial management may be more difficult. Those who continually experience financial distress may only sustain changes in their financial lifestyle when an understanding of how feelings and emotional needs influence their decision-making processes. The application of the three interventions from this article and the Five Step model as a whole may make the difference for many clients in maintaining financial changes over the long-term because they address the emotional components attached to financial decision-making processes.

The interventions introduced in this paper can be used in an academic setting with students in both the counseling and financial advisor fields. First, the three interventions could be integrated into counseling practice classes. This will help counseling students develop an understanding of basic interventions that can be used with financially distressed clients, and will also give them the confidence needed when discussing personal issues related to finance with their clients. Alternatively, the theoretical background, intervention purpose and process of the interventions have been described in detail here in order to allow the interventions to be used by those unfamiliar with counseling techniques, so that they can also be used by financial advisors when working with clients.

Case studies testing the effectiveness of the three interventions described in this article and the complete Five Step model are currently underway (Smith et al., 2012). Future research should test the effectiveness of the Five Step model and compare it to teaching financial literacy skills, as well as other financial therapy models that have been developed. Testing the Five Step model in couple's therapy and in a group therapy format would also help improve the application of the model in multiple settings. Studies should also test the distal impact of the Five Step model in order to understand its importance in maintaining positive financial behaviors.

CONCLUSION

The interventions introduced in this paper are examples of how therapy and treatment can be tailored to help clients with financial management issues. They also provide an example of how using an integrated theoretical perspective can be used to develop effective financial therapy models. Treating financial problems may be a matter of learning budgeting skills, increasing savings, and learning investment techniques. For many individuals, however, an examination of the emotional relationship between a person and their finances may be required for optimal behavioral change. Further research may suggest that effective financial therapy models will address both the financial and emotional components that contribute to problems with financial capability. This paper provides three simple interventions that are geared toward that end.

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