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D. Bruce Ross  
*University of Georgia*

Jerry Gale  
*University of Georgia*

Joseph Goetz  
*goetz@uga.edu*

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# Ethical Issues and Decision Making in Collaborative Financial Therapy<sup>1</sup>

**D. Bruce Ross, M.S.**  
**Jerry Gale, Ph.D.**  
**Joseph W. Goetz, Ph.D.**  
*University of Georgia*

*The purpose of this article is to introduce potential ethical challenges that may arise when a financial and mental health professional collaborate to provide financial therapy and recommendations on how to effectively address these concerns. The development of ethical and professional practices requires extensive dialogue from practitioners in the emerging field of financial therapy; however, it is important to first develop an awareness and sensitivity to the ethical and professional issues across disciplines. This article examines the differences and similarities between the codes of ethics of different financial and mental health disciplines, and addresses six core ethical and professional issues: dual relationships, confidentiality, collaborating with other professionals, fee management, use of technology, and attending to federal and state regulatory laws. In working through the complexity of different disciplines' regulatory environments, a discussion of how to address these ethical questions in order to progress the financial therapy field is presented.*

*Keywords: best practices; family therapy; financial planning; financial therapy; ethics; professional collaboration; professional standards*

## INTRODUCTION

Although the part that finances play in family conflict has been indicated as a leading reason for divorce for some time (Cleek & Pearson, 1985), the use of mental health therapy techniques within financial planning or the implementation of financial interventions in therapeutic work is a relatively recent concept in both practice and study (Gale, Goetz, & Bermudez, 2009; Kim, Gale, Goetz, & Bermudez, 2011; Klontz, Britt, & Archuleta, 2015). Based, in part, on the wide acceptance that economic factors impact individual and couple's well-being, and that relationship dynamics can impact financial behavior, the field of financial therapy has developed to more effectively address financial issues affecting clients within multiple disciplines (McGill, Grable, & Britt, 2010). The Financial Therapy Association (FTA) defines the practice of financial therapy as "the integration of cognitive,

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<sup>1</sup>This paper does not reflect the thoughts, opinions of the Financial Therapy Board of Directors.

emotional, behavioral, relational, and economic aspects that influence financial well-being, and ultimately, quality of life” (Financial Therapy Association, 2016). Although this definition provides a broad description of financial therapy, the practice of financial therapy for collaborating practitioners from different disciplinary backgrounds requires a more nuanced framework. In developing the integration and articulating the intersections of the different fields and disciplines involved in financial therapy, a necessary step is to consider, articulate, and discuss ethical and professional practices and principles to orient practitioners, researchers, and educators to achieve best practices in financial therapy, as well as to demonstrate to the public that clear ethical standards are in place to protect consumers (Gale, Goetz, & Britt, 2012). Establishing ethical and professional standards for the practice of financial therapy is a particularly complex process when two professionals from different fields are collaborating to provide services, as many professionals already follow their own specific ethical codes and professional standards. Although across disciplines these codes and standards have substantial overlap, there are a few important differences.

Licensed mental health practitioners of financial therapy are practicing under the umbrellas of state licensures and professional standards. Financial practitioners of financial therapy may also be working under state and federal financial regulations and professional standards. Due to the variety of practitioners practicing financial therapy, the professional practitioner likely positions his or her practice based upon: (a) how he or she conceptualizes financial therapy and (b) how his or her professional organization or state/federal regulatory boards view his/her work. As the field of financial therapy continues to grow on a national scale, it is important to have a clear and shared understanding of the ethical and professional standards involved across disciplines, particularly when different professional standards are incongruent.

The purpose of this paper is to initiate a dialogue of potential ethical challenges that may arise in the practice of financial therapy and offer suggestions on how to effectively address common ethical and professional issues, which may arise when professionals from different disciplines work together. The development of professional practices requires extensive dialogue across professional disciplines from those practicing financial therapy in order to be not only acknowledged, but addressed. To achieve this, an awareness and sensitivity to the ethical and professional issues is needed. Familiarity with the ethical and professional standards of both mental health and financial disciplines allows practitioners to provide ethically and legally appropriate action plans for their clients, while also protecting their clients’ rights. It is not unusual for clients seeking services of financial therapists to be struggling with some or all of these points of intersection: (a) financial issues, (b) making rational decisions when emotions are high, (c) modifying financial behaviors, and (d) working through couple or family relationship dynamics. When practitioners from different disciplines work closely together in financial therapy, the ethical and professional standards of each discipline must be considered to avoid potential conflicts at any of these points of convergence.

A necessary caveat for this paper is that it is primarily focused on a sample of disciplines that have government licensing or regulatory certifications, and therefore have

their own defined ethical codes from which the paper provides a comparative analysis. Although other disciplines are certainly active in the field, this paper focuses on presenting ethical issues in the context of the distinctions and similarities between existing national ethical codes as a way to start the discussion of professional standards for one form of financial therapy. Every established service discipline adheres to certain codes of ethical and professional conduct in order to maintain a standard of integrity not only for its members, but also for the benefit of those clients the members represent. The emerging field of financial therapy has a unique opportunity in considering the varying codes of ethics from which its members currently practice. Although each member recognizes common ethical standards, there are differences in how each affiliation and individual interprets and applies these ethical standards. Therefore, in order to maintain standards of best practices *for clients' well-being*, it is imperative that professional codes of ethics from the multiple disciplines utilizing financial therapy practices are analyzed and considered. It is the authors' intention to begin to work through a sample of established standards and initiate a dialogue around possible ethical and professional standards to progress the field of financial therapy.

### **ETHICAL AND PROFESSIONAL STANDARDS**

All licensed, registered, and certified professional practitioners have their own ethical and professional standards or guidelines. Ethical and professional standards are explicitly stated and nationally or state regulated. Financial counselors, financial coaches, financial planners, family therapists, life coaches, social workers, counselors all have written and published ethical and professional guidelines to adhere to throughout the course of their work. Although there may be considerable overlap among disciplines (e.g., between social workers and marriage and family therapists), there are also differences, as each discipline still retains its own distinct ethical and professional guidelines. In the case of financial therapy, which requires some level of integration from at least two or more disciplines (either for the individual practitioner or two practitioners working together), potential ethical and professional concerns may arise. The following sections examine the differences and similarities between the codes of ethics of different financial and mental health disciplines.

#### **Codes of Ethics between Financial Disciplines**

There are a number of financial service disciplines involved in financial therapy practices. Common financial disciplines include financial planning, financial counseling, financial advising, and financial coaching.<sup>2</sup> For the scope of the paper, only two financial certifications and associated professional standards are evaluated: Certified Financial Planner Board of Standards (Certified Financial Planner Board of Standards, Inc., 2013) and the Association of Financial Counseling and Planning Education (Association for Financial Counseling and Planning Education, 2013).

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<sup>2</sup>There certainly may be other financial disciplines, and we do not want to discredit their expertise or involvement; however, currently these are the most common.

**Commonalities.** The CFP® (7 Principles) and AFC® (12 Standards) codes of ethics share considerable overlap in what they each discuss and consider important standards. Both entities and associated codes indicate the need for competency, honesty, integrity, promptness, fairness, diligence, and professionalism within their practices, as well as a duty to care for their clients to the best of their abilities. Additionally, both disciplines state the need to maintain necessary knowledge and skills to *practice competently*, but also to recognize any limitations of their knowledge or skills and thus, to know when consultation with or referrals to other professionals is necessary.

**Differences.** Some differences exist between CFP® and AFC® codes of ethics as well. For instance, although both codes have *standards of fairness*, they are defined differently. The CFP Board discusses the concept of fairness under Principle 4, in regards to being reasonable in all professional relationships and in disclosing conflicts of interest. AFCPE discusses the concept of fairness in relation to accepting reasonable compensation and assisting clients in finding other services if fees are not affordable. The CFP Board's code of ethics does not have any statement that directly refers to a client's inability to pay fees. The AFCPE code does not provide any discussion regarding conflicts of interest.

### **Codes of Ethics between Mental Health Disciplines**

Just as there are multiple financial disciplines and sub-disciplines that may incorporate components of financial therapy, there are also many mental health disciplines that may do so as well. As discussed above, common mental health disciplines are counseling, psychology, life coaching, family therapy, and social work. Generally, there are more similarities within the codes of ethics across the different mental health disciplines than there are differences. Again, considering the scope of the paper, only a comparison of the codes of ethics for licensed mental health practitioners of marriage and family therapy (American Association of Marriage and Family Therapy, 2013), social work (NASW Delegate Assembly, 2013), and psychology (American Psychological Association, 2010) are provided.

**Commonalities.** Mental health disciplines have much overlap in how they list and explain their ethical guidelines. Mental health professions generally address professional standards about non-discrimination, informed consent, issues of privacy and confidentiality with clients, avoiding conflicts of interest, not furthering one's own interests, having a sense of responsibility toward one's clients, not exploiting services, and treating all clients with respect and integrity.

**Differences.** Although differences between mental health standards are small, they do exist in the way that concepts are discussed and in terms of their theoretical underpinnings. This is readily displayed in cross-discipline differences in individualistic versus systemic and contextual perspectives of treating client systems. For example, psychology historically has centered on an intra-psychological framework, while couple and family therapy has emphasized an interpersonal perspective, which leads to different considerations for confidentiality. These conceptual frameworks shape the ethical standards each mental health discipline maintains. Although all mental health professions

share general similarities in their ethical standards, they differ on certain aspects in how each standard is written (e.g., how they are specifically worded, how much they leave to interpretation and what statements are left out).

### **Codes of Ethics between Financial and Mental Health Disciplines**

Nash (2002) defined ethics under three parts. First, a meta-ethical dimension which analyzes concepts such as ought, should, duty, right, wrong, obligation, and responsibility, as well as dealing with the logic of moral justification. Second, it provides a set of operational reference points to resolve potential conflicts of interests. Third, a set of ideals to build a moral life. These three parts combined together generate a code of ethical principles and rules, becoming the theoretical framework from which a discipline can build upon.

It is important to note that ethical codes are not meant to be specific ethical action rules, as it is not feasible to cover every potentially ethical situation. Rather, codes of ethics are meant to be guidelines to understand points of tension or complexity in a discipline and its practices. Codes of ethics are a framework provided to assist practitioners in navigating ambiguous ethical dilemmas and situations. Understanding other discipline's theoretical frameworks and ethical principles will help collaborating professionals providing financial therapy in not only accepting multiple viewpoints concerning ethics, but also in being able to navigate best possible outcomes when differences or ambiguity arises in session.

As noted, differences in ethical and professional standards exist within both financial and mental health disciplines. However, when comparing the ethical codes between financial disciplines and mental health disciplines a few more distinctions are apparent. Although ethical codes across both financial and mental health fields offer general guidelines in how a practitioner should act and have similar standards referring to the concepts of respect, integrity, and professionalism in the practitioners' practices, the behavioral understandings of these concepts may vary greatly. For example, below is a list of common ethical and professional challenges that may arise in the collaborative model of financial therapy.

### **SIX COMMON ETHICAL AND PROFESSIONAL ISSUES**

As previously stated, the purpose of this paper is to facilitate the conversation on ethical and professional guidelines in the collaborative model of financial therapy. Six themes are presented: (1) dual relationships, (2) confidentiality, (3) working with other professionals, (4) fee management and insurance reimbursement, (5) use of technology, and (6) attending to federal and state regulatory laws. This is not an exhaustive list, but rather designed to stimulate discussion within the field of financial therapy. A table that outlines the mental health and financial distinctions and similarities of these six themes is provided in Appendix A.

## Dual Relationships

**Mental health relationships.** The concept of dual relationships generally refers to when a mental health service provider and client engage in a separate and distinct relationship, either simultaneously with the professional relationship, or during a 'reasonable' time either preceding or following the completion of professional services. A key aspect of dual relationships in mental health codes of practice is that mental health professionals need to be aware of their influential position with their client(s), and that they avoid dual relationships that are likely to impair professional judgment or lead to exploitation. Dual relationships can also arise between the professional and other members of the client system (e.g., having a personal relationship with a relative of the client). Implications of dual relationships for licensed mental health therapists mean that these mental health therapists should limit contact with the client outside of professional services, even to the degree of not acknowledging their client if they see them in public, but to only return a greeting if the client first acknowledges them.

**Financial planning relationships.** Although there are some dual roles that are seen as inappropriate and even potentially exploitative, such as a separate business relationship with a client wherein there exists a conflict of interest, the personal and professional boundaries between advisor and client are less distinct within the financial planning profession. For example, social activities, such as meals together, attending sporting and cultural events, and attending celebratory events together are generally seen as positive and increasing the professional connections between service provider and client. The planner-client working alliance is assumed to be enhanced by these multiple relationships. Although dual relationships for financial practitioners are allowed, there are still boundaries that must be maintained. For example, financial practitioners are still bound by limits of personal disclosure and/or contact so that it does not become a burden to the client.

The different assumptions and theoretical foundations between mental health relationships and financial advising relationships have a profound effect on how to conceptualize best practices for collaborating financial therapists from these two fields. If there are two practitioners working together providing financial therapy, it is suggested that each provider abides by their own standards about dual relationships. However, it is also important to attend to how the client(s) view the different relationships with the two service providers and make sure they understand the differences. If a person is a licensed mental health therapist, he or she is bound to their professional licensing standards and is required to avoid violating dual relationship standards (e.g., taking clients out to dinner, buying them concert tickets, or attending a sporting event together). What is very important here is both how the service providers and client understand and define financial therapy.

## Confidentiality

**Mental health confidentiality.** Confidentiality is when the mental health service provider respects and guards the confidences and privacy of each individual client. In

gathering private information about clients and their reasons for seeking mental health services, information which is not necessary for providing mental health therapy should not be asked by the practitioner. Also no information from the client, or even that the client is receiving services, should be disclosed to another person without client permission. A key component of confidentiality is that mental health practitioners are required to disclose the nature of confidentiality as soon as services begin through the process of informed consent. Informed consent outlines the expectations, risks and benefits, processes, and procedures of mental health services in clear and understandable language. Furthermore, licensed mental health therapists are required to cite any possible limitations to the client's right to confidentiality. For instance, rights to confidentiality may be rescinded in the instance of prior abuse towards vulnerable populations (e.g., children, the elderly, and the mentally or physically impaired) or the threat of future harm to self or others as required by the mental health practitioner's legal duty to report. However, in these cases where confidentiality is broken, only the information that is directly relevant to the instance of abuse or harm may be reported.

Additionally, mental health practitioners are required to further protect the client's right to confidentiality through ensuring privacy in the mental health setting for mental health services rendered, as well as for case records. Mental health services should not be performed in public or unsafe arenas where the confidentiality cannot be safeguarded and maintained. Any information referring to mental health services provided (e.g., case notes, demographic information, or assessments) should be protected and stored in accordance with legal and professional standards.

**Financial planning confidentiality.** Confidentiality is a critical component to financial planning services that is built upon trust and confidence with the client. Financial practitioners are required to ensure that personal client information remains inaccessible, except to those who are authorized. Financial practitioners may disclose private and confidential information only with the expressed informed consent of the client. Thus, with permission from clients, financial practitioners may share with others the identity of clients (e.g., when financial practitioners may have agreed to serve as a reference for other prospective clients). The practitioner-client relationship is built upon an implicit trust that private financial information is not shared without expressed consent.

In contrast to the mental health field, a mandated legal duty or responsibility to report prior abuse or threats if said statements are disclosed during services is not explicitly discussed. Thus, there are no legal requirements to break confidentiality between the service provider and client(s). Additionally, as discussed above in relation to dual relationships, financial practitioners are permitted to meet clients in public settings such as a restaurant, coffee shop, or the client's workplace as long as privacy requirements are maintained. In contrast, licensed mental health professionals cannot meet clients either in public settings or semipublic settings, such as hallways, waiting rooms, elevators, waiting rooms, etc. Furthermore, licensed mental health professionals cannot acknowledge knowing the client in such settings unless initiated by the client in order to not betray confidences. Although both financial and mental health service providers strive to maintain

the privacy and confidences of their clients, the distinctions between their professional standards may create operational challenges.

## **Working with Other Professionals**

**Mental health work with other professionals.** The mental health standards for working with other professionals fall under the umbrella of confidentiality and informed consent. Written authorization from the client or legal guardian (if the client is under age 18) is a requirement for disclosing personal or identifying information about the client to a third party. In situations where there are multiple people in the client system, practitioners are required to gain written acceptance from all participants before disclosing any private information to a third party. However, licensed mental health therapists are able to consult with other colleagues and referral sources about a client as long as no confidential information is disclosed as to allow identification of said client. Information disclosed about a client may only be discussed to the extent necessary for the consultation's purpose.

In cases where a client is referred to another practitioner for additional services, it is the practitioner's responsibility to ensure that transfer of any private records remains confidential and that the referral's services are in accordance with the client's interests. As such, mental health practitioners should be aware that vast majority of professionals working within financial services are not required to always recommend what is in the best interest of the clients. Most financial professional make recommendations that follow a legal *suitability standard of care*. This standard of client care means that under federal law, those professionals are not required to make optimal recommendations that are in the client's best interest; rather, their recommendations must only be suitable given the clients' investment objectives and financial situation (Goetz, Chatterjee, & Cude, 2014). Thus, when referring clients to financial professionals, mental health practitioners are encouraged to work with those financial professionals under the *fiduciary standard of care*. Fiduciaries make certain recommendations that are legally required to be in the client's best interest. Financial service professionals who are registered with their state or the Securities and Exchange Commission (SEC) as a registered investment adviser/investment adviser representatives (RIA/IAR) must make recommendations that are in the client's best interest and adhere to a fiduciary standard of care when providing investment advice. All members of the National Association of Personal Financial Advisors (NAPFA) must meet this higher standard of always recommending what is in the best interest of the client, and thus may hold a service and regulatory perspective most consistent with mental health practitioners.

**Financial work with other professionals.** Financial practitioners are responsible for protecting the privacy of their clients as well as providing professional services competently. Financial planners must protect the confidentiality of their clients by safeguarding that all private information is only accessible by authorized personnel. If a service provider deems that services are outside of his/her scope, then referrals to other professionals with the appropriate skills and knowledge is necessary. As with mental health practitioners, information about a client's case can only be shared with authorization from the client.

Work with other professionals and practitioners occurs within both mental health and financial disciplines and there is much overlap in ethical codes. However, working with other mental health professionals is more common for mental health practitioners as they often seek outside aid and services. Mental health practitioners are often encouraged to collaborate with other agencies and other mental health professionals in terms of supervision and referral. It is much less common for competing financial planning firms to work together. It is, however, common for financial practitioners to work with accountants, attorneys, or insurance brokers when those professionals offer complementary (but not duplicative) services. Thus, if financial and mental health practitioners are working together, boundaries need to be negotiated so that it is clear in how, or if, other resources are to be brought into the financial therapy practice.

### **Fee Management and Insurance Reimbursement**

**Financial arrangements for mental health services.** Payment for mental health services provided is collected under fair and responsible standards of practice. Service providers are tasked with charging for only those services that are stated and performed, and consideration should be given to the client's ability to pay. Furthermore, licensed mental health therapists should not engage in bartering for services rendered nor accept kickbacks, bonuses, remuneration for referrals, or gifts from clients. Receiving goods, services, or incentives as payment has the potential for creating a power imbalance or an unfair means of payment that may be detrimental to the mental health relationship.

Mental health services are also in a unique position surrounding fee management, as licensed mental health therapists are able to accept insurance for services provided. In this situation, a client's insurance covers the majority of the cost for services, and clients are only responsible for a significantly reduced portion, or co-pay, of the total payment at the time of fee collection. In these situations, licensed mental health therapists are responsible for demonstrating that appropriate services are being provided and are required to address some psychopathology. Implications of these mental health services are that clients who seek financial therapy may not be permitted to utilize insurance, as services may not directly address psychopathology in the client system.

**Financial arrangements for financial services.** Financial practitioners are also held to ethical standards of reasonable and appropriate fees for services rendered. If fees are not affordable for a client, then financial service providers have a responsibility to assist in finding other affordable services, as written in principle 7 of the AFC® code of ethics (but not in the CFP® code of ethics). Although fees should be reasonable and appropriate for services, financial practitioners may collect kickbacks, commissions, bonuses, remuneration for referrals, and gifts from clients. Instances where financial practitioners receive these additional forms of payment are considered acceptable practices in the financial services industry. However, as previously mentioned, there is a subset of financial service practitioners held to the higher fiduciary standard of care, as well as the requirements to never accept kickbacks, commissions, remuneration for referrals, etc. (e.g., financial planners who are members of the National Association of Personal Financial Advisors; NAPFA.org).

Theoretical foundation distinctions between mental health and financial services have a substantial effect on financial therapy services with fee management and insurance reimbursement. If two practitioners are working together in providing financial therapy, they may be required or allowed to follow different standards about payment services.

### **Use of technology**

**Technology use for mental health services.** The use of technology in mental health settings is already an ethical concern as there are limits and risks to what can be kept confidential and safe. Technological mediums such as phone, email, and now other more advanced web services, such as video conferencing, provides an increased risk to protecting the privacy of client's confidences. Although it is required that clients are to be informed of the risks that may arise in using such electronic media as part of mental health services, it is still the licensed mental health therapist's responsibility to ensure the security of whichever medium is used. This in and of itself presents a possible ethical dilemma as a mental health therapist may be able to provide security and privacy on their end of the electronic communication, but cannot guarantee the security of the client's end, yet the licensed mental health therapist is still the one responsible for the confidentiality rights of the client.

In addition to the protection of a client's confidences, licensed mental health therapists are responsible for determining the appropriateness of utilizing the electronic medium. Licensed mental health therapists are required to consider the emotional, physical, and intellectual needs of the client in deciding to pursue any electronic communication or services. Furthermore, before a mental health therapist can begin to use electronic services, appropriate education and training is required to ensure that the mental health therapist is practicing within the scope of their knowledge and skill set. Licensed mental health therapists are also responsible for ensuring that they are in accordance with all relevant laws in using electronic services. However, a caveat that must be made is that the standards and regulations surrounding technological use is a constantly changing landscape as new standards are developed in response to evolving technologies.<sup>3</sup>

**Technology use for financial services.** Although financial practitioners ensure the confidentiality of their client's private information, their ethical codes under the presented certifications do not *directly* discuss ethical considerations in the use of electronic mediums; they, however, have strict legal requirements, such as retaining copies of all electronic correspondence. Financial firms and practitioners utilize technology in almost every aspect of their services, from using websites to track spending or check credit reports to sending e-statements about current portfolios to providing tips and updates on a client's mobile device. Financial service practitioners are encouraged to use technological opportunities to enhance the efficacy of their work.

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<sup>3</sup>The state of Georgia is the first state to require continuing education training in telemental health for licensed mental health professionals which includes new limitations, standards, and continuing education hours (Georgia Composite Board, 2016).

Mental health and financial practitioners come from very different theoretical foundations considering the use of technology in their services. Mental health practitioners derive their guiding beliefs through ethical standards that embrace caution in providing new means of electronic services in order to best provide for the security of their clients. Financial service providers, however, are often encouraged to use all technological services as a means to advance the value of their services. For instance, financial practitioners may at times provide financial advice via email, whereas licensed mental health therapists typically do not provide specific therapeutic advice via email. If two practitioners are working together to provide financial therapy for a client, it could present a potential ethical dilemma in how each practitioner is guided by their ethical principles. As the accelerated growth of technology continues and becomes more pervasive, managing the ethical considerations surrounding technology usage becomes more essential.

### **Attending to Federal and State Regulatory Laws**

**Mental health federal and state laws.** Mental health service providers are mandated to not only abide by their codes of ethical conduct, but also federal and state laws. Although federal laws governing mental health services bind service providers, state laws vary depending upon which state a practitioner is working and licensed within. Practitioners are held to ethical codes, which are typically state regulated and connected to licensure codes, such as a duty to report abuse of vulnerable populations and a duty to warn in case of threats to harm self or others. In addition, practitioners' licenses are issued by the state, not nationally. Therefore, practitioners can only work in the states from which they have active licenses.

**Financial advising federal and state laws.** Although ethical codes are a major factor in providing best outcomes for financial services, financial practitioners are mandated to follow state and federal laws of conduct as well. Many financial disciplines include ethical standards to abide by all relevant criminal laws and furthermore, to report any felony that would bring disrepute to the profession. Financial disciplines involve licensing on both a state and a federal basis when practitioners are providing certain services, such as investment or insurance advice. Thus, financial practitioners are often restricted by state lines in terms of what types of advice can be provided. With other types of financial planning, advice can be provided across state lines.

Given the different assumptions and standards which regulate the behavior and services rendered by mental health and financial practitioners, it can be argued that possible ethical concerns may arise in the management of collaborative financial therapy depending upon which disciplines license is utilized.

## **INTEGRATING DISCIPLINES IN FINANCIAL THERAPY**

In creating professional guidelines, it is suggested that the following configurations of relationships may be useful for presenting best practices, and that the continuum of mental health and financial services is useful for examining professional boundaries and when crossing the line might occur. Due to the fact financial therapy combines aspects from

both a mental health and financial perspective, the approach financial therapy may take can vary in how it integrates the two fields. Services and actions provided to the client(s) may be split between financial and mental health perspectives evenly, or may be comprised of mostly financial planning practices with a few therapeutic techniques incorporated, or the services may consist mostly of therapeutic approaches with the incorporation of some financial education or financially-oriented interventions.

### **Configurations of Collaboration in Financial Therapy**

Considerations arise when financial therapy is conducted by two or more service providers, such as how the service providers work with each other, as well as with the client system. When there are two service providers in financial therapy, often one comes from a financial discipline while the other comes from a mental health discipline. These practitioners may work together or there may be times that either practitioner works alone with the client system. These services are orchestrated and transitioned between the mental health and financial concerns of the client system by the service providers. Consequently, there is need of clear communication between all parties involved, including both practitioners and clients. However, how these service providers work together may happen in different ways (Gale, Goetz, & Ross, 2012; Goetz & Gale, 2014).

There are four distinct models of collaborative work between mental health and financial professionals when conducting financial therapy with two practitioners: (a) professional referral, (b) parallel services, (c) consultation services, and (d) integrative collaboration (Gale, et al, 2012; Goetz & Gale, 2014). Professional referral services occur when one of the practitioners involved with the client system (either the financial planner or the therapist) will refer the client(s) out for the other practitioner's services when needed, often for a specific issue. For instance, if a couple is coming to see a therapist for premarital counseling, and the therapist recognizes the couple may benefit from some financial literacy training in buying their first home together, the therapist may refer the couple to a financial planner to help with that specific component. This approach is considered the least collaborative between the mental health and financial professional disciplines of the four models. However, it does require maintaining good professional boundaries between the two practitioners, as well as good communication so that it is clear for all parties involved what is being addressed.

In contrast, parallel services<sup>4</sup> occur when the financial planner and the mental health provider are both working with the client system, but at different times. For instance, a couple is seeking mental health services from one practitioner, while also seeking financial services from another practitioner. Clients may have similar concerns they are expressing to both providers, and when both the financial person and mental health provider are in communication, these services can be coordinated. The

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<sup>4</sup>Parallel services may also occur where there is no communication between practitioners as the client does not inform their service providers about other services they may be receiving. Consequently, clients should be asked about other services they may be currently receiving.

communication between the practitioners should be carefully and professionally established, with confidentiality standards maintained. There also should be a shared paradigm of when and how to intervene where both practitioners are working towards common goals.

Consultation services, also called conjoint services, occur when the one practitioner (either the financial planner or therapist) invites the other professional practitioner to join in on occasional meetings to help facilitate a concern or issue. This consultation arises as needed and can address important issues in multiple meetings or on only a one-time basis. Parallel services may arise out of this approach where the client system sees both practitioners separately to handle the issue. For instance, a therapist working with a client over obsessive spending habits may bring in a financial planner to discuss how to set up a budget based on the client's income and expenses. This approach requires a business arrangement for a negotiation of how fees are handled, as well as having a shared paradigm of when and how to intervene, maintaining good communication, and working towards common goals.

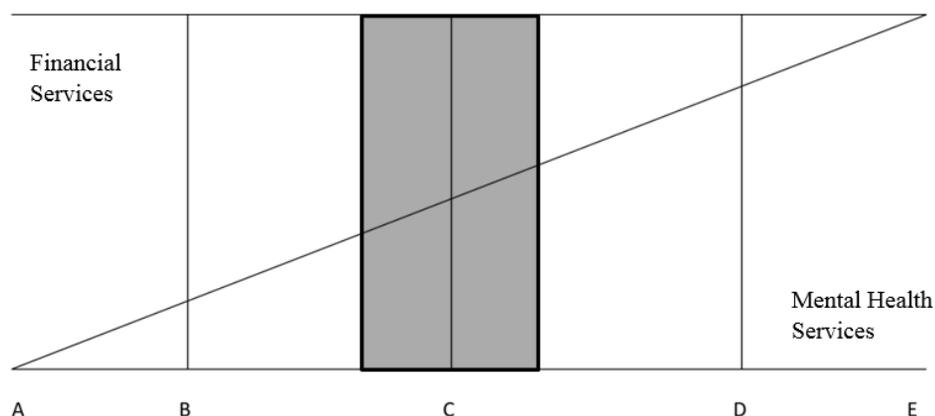
Lastly, the integrative collaboration model occurs when the financial planner and therapist work simultaneously with the client system. This approach includes aspects of parallel and consultation services as it provides an integrative and systemic collaboration between the service providers. Under this model, there are times the client(s) and two practitioners might be in the same session all together, while other times there may be only one or the other practitioner with the client(s). Similar to consultation services, this approach also requires a business arrangement for negotiating fees, discussing and implementing a shared paradigm of when and how to intervene, maintaining good communication, and working towards common goals for the client.

Depending on how practitioners and client systems negotiate the balance between services when conducting financial therapy, different outcomes can occur. The professional training, knowledge, values, and skill set of a practitioners' primary profession and secondary profession will influence the integration of cognitive, emotional, behavioral, relational, and economic well-being factors to achieve different unified wholes or outcomes. For instance, financial health may be defined differently across practitioners, it may be considered as a secondary outcome for others, or it may be a prerequisite in the process of attaining other goals. Thus, practitioners may approach the practice of financial therapy very differently based upon their own professional orientation and learned skill sets. Additionally, how clients present the request for services or what happens during the course of services may dictate what services are appropriate and therefore provided. Thus, the future of the field of financial therapy requires a focus on decision models to determine the optimal action plan to most effectively address the client's needs while adhering to ethical and professional standards.

### **Distinguishing Financial and Mental Health Approaches**

Another important consideration that multiple practitioners working in collaboration, as well as individual practitioners, face is where to distinguish the financial

side from the mental health side of the continuum. The figure below by Goetz and Gale (2014) displays five different points on a scale which illustrates the range of skill and knowledge sets that can be used by a practitioner in financial therapy. The polar ends of the continuum shown in Figure 1, those being primarily mental health (at point E) or primarily financial (at point A) are straightforward services. However, as either side approaches the middle of the continuum (at point C), where the financial therapists are providing an equal split between financial and therapeutic services, financial therapy services may become more vague as ethical and professional considerations may arise. Figure 1 below illustrates this by the shaded area between point B and point D, which encompasses point C, as the area in which a practitioner may have difficulty in clarifying the type of services he/she is providing. In this vague area, many questions for the practitioner arise. How is the practitioner supposed to distinguish where that middle line of financial therapy is when providing services? How do two practitioners working in collaboration provide services from their respective sides of the continuum?



*Figure 1.* A continuum of financial therapy services (highlighting a vague middle).

The financial therapy process is optimized for the client by having multiple professionals involved in treating the issues on either side of the continuum. For instance, a person practicing from A to B is providing only financial services and using skills of his/her profession in that regard and a person practicing from D to E is providing mental health services and using skills of his/her profession in that regard. However, a person practicing from B to C, or D to C is combining services from both financial and mental health disciplines. If the client enters from the left, they are under the 'service agreement' of financial. If the client enters from the right, they are entering under the 'service agreement' of mental health. Now, if a client is to enter services directly in the middle, C, and seeking 'financial therapy' then the collaborative service providers could be working from either B to C or D to C. In order to practice from an ethical and professional standpoint, practitioners need to be aware of and sensitive to how they engage the client from each of these three areas (e.g., the right, left, and direct middle).

Given the differences in training, knowledge, values, and skill sets of differing disciplines that may participate in financial therapy, how do we bring together a set of

values and ethics under a common roof of standards? It is not the intent of the authors to answer this question in the current paper; we are merely proposing these questions to the field as a whole, as well as financial therapists individually, as we believe it is always important to remember how the ethical and professional standards influence our service models. Since different disciplines have differing theories and perceptions about the nature of change which dictates how they approach and treat the clients, financial therapy practitioners must consider these differences such as who the client is, how change occurs, which aspects of context to include, issues of power and social disparities, relationship dynamics between practitioner(s) and client(s), how confidentiality is viewed and maintained, the length of service provided, the overall purpose of financial therapy, what to do if the clients are a couple that divorces, and different philosophies and paradigmatic views (Gale, Goetz, & Britt, 2012). Each of these differing issues are potential ethical and/or professional dilemmas that may arise during the course of financial therapy and should be taken into consideration by each financial therapist or practitioner employing some component of financial therapy as they address financial concerns in their own practice.

### CASE ILLUSTRATION

The following vignette helps to illustrate the importance of discussing and exploring how to handle bringing together differing standards and value sets under financial therapy. As the vignette is read, it is encouraged to think about how a practitioner from either a mental health or financial discipline, as well as a practitioner from multiple disciplines would deal with the ethical dilemma presented, if there is a right or wrong answer, and if there should be a common set of ethical and professional practices created to resolve such issues.

*For the past 15 years, a family therapist and a financial planner have been working together with a married couple under the integrative model of collaboration and thus far, have managed a good working balance. Both family therapist and financial planner maintained good communication with each other and were clear about the family's goals. The couple had been primarily seeing the financial planner in dealing with the financial concerns of their company that they co-own and operate together. However, the couple has also met with the family therapist through the years to deal with managing the relational issues that come up in operating a joint business, such as having clear communication skills to express expectations about each other's role in the business and managing the balance between work and the relationship.*

*At present, the couple has a coming-of-age and problematic son who is heir to the company. The goals of the family system are three-fold: first, to feel financially secure in their retirement; second, to increase positive communication between all family members; and third, to "fix" their problematic son.*

*The family therapist has seen the son during a few family sessions, as well as for individual mental health therapy, and believes that the son is not as problematic as he is perceived to be by the parents. Conversely, the financial*

*planner, who is thinking in terms of business succession plans and what is financially best for his clients, does not want the son involved in the family business due to the perceived problems.*

*The integrative model of collaboration between the family therapist and financial planner with the couple began with good intentions and worked very well for the past 15 years; however now there is a conflict of interest as they both have very different goals for their clients.*

The vignette illustrates how a potential ethical and professional conflict may arise through the course of financial therapy. There may be contextual, emotional, financial, and psychological factors that need to be explored further, but it is clear there is the possibility of conflictual advice being given to the client by each practitioner due to their different standards of values and training. For instance, the family therapist may look to explore and improve the family's interaction patterns. The family therapist may also attempt to increase the level of trust between the parents and their child, as well as promote self-efficacy in the child. Giving the "problematic" child more responsibility with the business may be an intervention to convey trust from the parents, promote self-efficacy for the child, and direct energy towards positive behaviors instead of problematic ones. In contrast, the financial planner may advise the couple to remain in complete charge of the business or bring in another party to help manage the business as they look toward retirement so that income can be maintained, but there is little risk to the health of the business. These are not the only options available, but are realistic ones that may occur and that create opposing differences in services for the client. Moving forward with financial therapy in the case will require a significant amount of clear communication between both practitioners where they each can discuss and lay out their service goals. For the best outcome of the clients, it is essential for the practitioners to come under a common roof from which to work under, so that contradictory or competing messages are not presented to the client system.

Ethical codes, and therefore ethical concerns, may not always be clear, where there is only one beneficial outcome. Often, cases present themselves with a multitude of acceptable outcomes that may benefit the client(s). Creating a common standard of ethical/professional principles for financial therapy would ensure that practitioners are able to reach the best outcome for clients. The current case example highlights how different backgrounds lend themselves to different premises, interpretations and ways to handle an ethical situation. All choices discussed benefit the clients, but how one distinguishes the best possible outcome is still undecided.

Questions adapted from Nash (2002) that may be utilized by a financial therapist to consider the best ethical outcome in the case are as follows: What is the ethical dilemma presented? Why is this an ethical dilemma? What are the choices or directions to choose from in making a decision? Are there any other alternative paths the client(s) or practitioner(s) can take? Who is affected in this dilemma? What codes are directly applicable to the current case? What rules or laws are applied in order to justify a choice? What personal and ethical principles guide a choice? What theory or assumptions does one's work fall under? What are the foreseeable consequences of each choice? Then what

conclusions are reached and what predictions can be made about such conclusions? And finally, evaluate after thoughts and the outcome of the decision. These questions are meant to be a guide for which practitioners can start to navigate potential ethical dilemmas.

As discussed above, the purpose of the paper is not for the authors to specify answers to the presented ethical dilemma, but to promote awareness of how these conflicts can occur and how they may influence the field of financial therapy, as well as start a conversation within the financial therapy community to address potential ethical and professional concerns. The authors are raising these issues and questions, so that as a field, and for each mental health therapist, financial planner, or financial therapist in their own practice, we can move forward in the profession because we think that it is always important to be informed about and adhere to ethical and professional standards. The vignette is used as an example of how there are still unknowns of how potential situations should be handled when there are competing standards at play in financial therapy. It also illustrates a demand for the consideration of a set of ethical practices that are capable of spanning the divergent disciplines of the financial therapy field.

## CONCLUSION

Based on the analysis of professional standards across the more common disciplines contributing to the field of financial therapy, further discussion and consideration is required to fully address potential ethical concerns that may arise in cross-disciplinary client work and the development of best practices in this regard. The topics raised are not exhaustive, but are meant to stimulate professional dialogue in the literature and between practitioners. The challenge of the field of financial therapy is to bring together varied standards and guidelines from separate disciplines. Many financial therapy practitioners are already bound by distinct standards from their respective accrediting or licensing bodies. However, a small subset of these standards may be incongruent within the context of collaborative work. Professionals integrating financial therapy into their service model should work through this complexity to achieve clarity in their responsibility to other practitioners involved and to the clients they serve.

Professional standards and ethical codes are critical to consider when practitioners are providing combined services of financial planning/counseling and mental health therapy, particularly when there are multiple practitioners involved from different disciplines. There is an importance in knowing one's colleagues' ethical and professional guidelines when conducting financial therapy with two practitioners, just as there is importance in knowing one's own standards of ethics and professionalism. Practitioners are bound by their own discipline's standards, as well as by state and federal rules. In order to maintain best practices when integrating financial therapy into their service model, they should become familiar with the regulatory rules of other disciplines. Looking toward the future, mental health and financial professionals who are integrating components of financial therapy into their practice should further address the professional standards and ethical guidelines for the practice of financial therapy to ensure the integrity of the professional standards of all primary professions is maintained.

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**APPENDIX A**

Table 1

*Outline of Mental Health and Financial Distinctions of Six Themes in Financial Therapy*

<b>Issue</b>	<b>Mental Health Perspective</b>	<b>Financial Perspective</b>
<i>Dual Relationship</i>	<ul style="list-style-type: none"> <li>-Limited to no contact outside of professional services</li> <li>-Based upon the avoidance of possible exploitation of the client or impaired judgment of the mental health therapist</li> </ul>	<ul style="list-style-type: none"> <li>-Social events (e.g., meals together, attending events, etc.) can enhance the professional relationship</li> <li>-Personal boundaries are still maintained to the point that the service provider does not burden the client</li> </ul>
<i>Confidentiality</i>	<ul style="list-style-type: none"> <li>-Respects and guards the privacy of each individual client</li> <li>-Does not collect information that is not necessary for providing services</li> <li>-Must disclose the nature of confidentiality through informed consent</li> <li>-May be rescinded in instances of prior abuse to vulnerable populations or threat of future harm</li> <li>-Responsible for safeguarding all records and confidences</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure that personal client information remains inaccessible except to those authorized</li> <li>-No mandated or legal duty to report abuse/threats</li> <li>-Must provide privacy statement</li> <li>-Must have reasonable safeguards in place to protect clients information</li> </ul>
<i>Working with Other Practitioners</i>	<ul style="list-style-type: none"> <li>-Written authorization from the client(s) is required for disclosing personal or identifying information</li> <li>-Mental health therapist can consult with other mental health therapists as long as no identifying information is shared</li> <li>-It is the responsibility of the mental health therapist that any referral made is in accordance with the client's interests</li> </ul>	<ul style="list-style-type: none"> <li>- Written authorization from the client(s) is required for disclosing personal or identifying information</li> <li>-Only authorized providers may share private information</li> <li>-Referrals must be made to other providers with appropriate skills and knowledge</li> </ul>
<i>Fee Management</i>	<ul style="list-style-type: none"> <li>-Fees are to be collected under fair and responsible standards of practice, only charging for services provided, and within the client's ability to pay</li> <li>-Mental health therapists cannot barter for services, nor accept kickbacks, bonuses, remuneration for referrals, or gifts</li> <li>-Insurance may be considered and used for addressing psychopathology in the client(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Reasonable and appropriate fees for services rendered</li> <li>-If fees are unaffordable, then there is a responsibility to assist in finding other affordable services</li> <li>-May accept and collect kickbacks, bonuses, commissions, remunerations for referrals, unless working under a fee-only compensation model.</li> <li>-Insurance is not available</li> </ul>

<p><i>Usage of Technology</i></p>	<ul style="list-style-type: none"> <li>-Mental health therapists are responsible for ensuring the security of whichever technology based medium that is used, as well as informing the client(s) of the risks that may arise to using electronic media</li> <li>-Mental health therapists are required to consider the emotional, physical, and intellectual needs of the client when using electronic mediums</li> <li>-Practice within the scope of knowledge and skillset</li> <li>-Be in accordance with all relevant laws in using electronic services</li> </ul>	<ul style="list-style-type: none"> <li>-Although required to ensure the confidentiality of the client’s private information, ethical codes do not discuss electronic mediums explicitly</li> <li>-A major component of financial services, as providers utilize technology in almost every aspect of financial services to enhance the efficacy and convenience of their work</li> </ul>
<p><i>Federal &amp; State Regulatory Laws</i></p>	<ul style="list-style-type: none"> <li>-Bound by federal laws for mandated reporting</li> <li>-States issue mental health licenses, however, and therefore mental health therapists are bound to practice only in the state in which their license is issued</li> </ul>	<ul style="list-style-type: none"> <li>-Must abide by all state and federal criminal and regulatory laws</li> <li>-Report any felony that would bring disrepute to the profession</li> <li>-Financial-related licenses are issued at the national and state level</li> </ul>