



PROFILES
in Success

BY JANE WOLLMAN RUSOFF

Mind Over Money

IN ACT I OF HIS CAREER, JAMES Grubman, Ph.D., collaborated with physicians to help patients battling the psychological stresses of head injuries, strokes and chronic pain.

In Act II, the psychologist is collaborating with firms to help advisors help families grappling with the stresses of inheritances, trusts and succession planning.

Not such a big stretch, really. About a decade ago, “I saw how the whole movement of the collaborative, integrative approach to psychology and medicine could be transferable to the financial arena. I knew the pieces would be different but that the process would be the same,” says Grubman, 56, who became intrigued by

*James Grubman
gives advisors and clients
a psychological edge.*

the financial world as an investor in the bull market of the '80s and '90s.

Founder of FamilyWealth Consulting, in Turners Falls, Mass., the genial clinician has been ahead of the curve in the trend of psychologists consulting to FAs and their wealthiest clientele — a need created by the expanded role-shift from broker to advice-giver.

“In 10 years, Grubman says, “many major firms with affluent clients will be incorporating psychological services

as part of financial management at the highest level. That integration of services is going to become much more the norm.”

Grubman, whose clients include Wachovia Wealth Management's Calibre division (for clients with at least \$50 million of investable assets), Citi, State Street Global Advisors and many fee-based independent firms, early in this decade created a grad course about the psychology of money for Bentley College. Its aim is to arm future financial planners with top-notch client communication skills.

Not long after he began teaching the course, in about 2005, Calibre's soon-to-be Family Dynamics Practice asked

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Grubman to help design its advisor training, among other programs, and to counsel clients.

"We've helped each other's practices take off," says Keith Whitaker, managing director of Family Dynamics. "Jim brings the skills of a diagnostician, together with warmth and empathy. He has a real good bedside manner and sense of humor. You don't want 'Dr. Freud' coming in to meet with the client!"

Grubman offers affluent investors an array of counseling options, such as family therapy geared to financial issues, advice on holding productive multi-generational family meetings and guidance for wealthy parents on how to rear children with wealth.

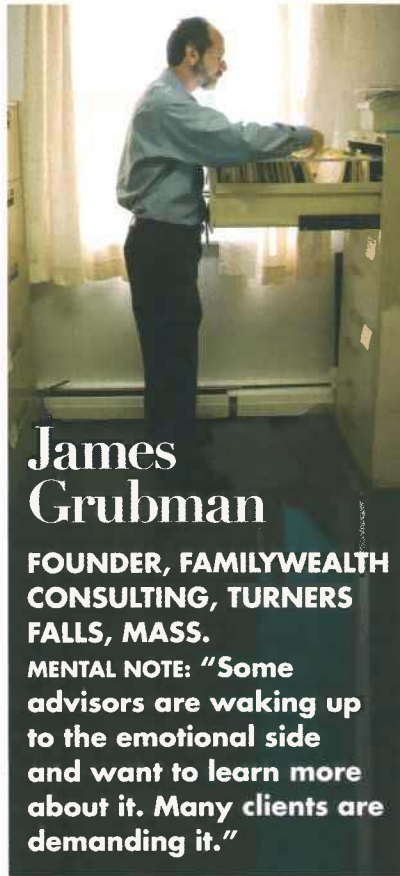
For advisors, Grubman provides training in client skills like how to listen accurately and communicate with empathy, and he also gives presentations about the psychology of wealth.

In Grubman's meetings with Calibre's Family Dynamics clients, the FA typically is present. "I like to strengthen the relationship between advisor and client, not take it over," Grubman says. And often clients don't want to be referred out to see a shrink. They like that it's more of a consulting model."

Clients look to advisors to help them — "not just to provide a service," Grubman emphasizes. But most producers don't fully grasp this.

Wirehouse FAs and other advisors who are "product-focused" are less attuned to the "helping" model, according to the psychologist. "Fee-based advisors 'get' it more that they're not just in a service profession. Clients come to their financial advisor because they're nervous and unhappy — they have a problem they're stuck with. And they're looking to the advisor for help."

Affluent folks need help handling sudden wealth, inheritances they think they don't deserve, financial conflicts within married couples, intergenerational



James Grubman

FOUNDER, FAMILYWEALTH CONSULTING, TURNERS FALLS, MASS.

MENTAL NOTE: "Some advisors are waking up to the emotional side and want to learn more about it. Many clients are demanding it."

disputes and many other psychological matters. Alas, most FAs feel awkward and anxious stepping into emotional territory, Grubman says.

"They're scared because they think they'll quickly get in over their heads and not know what to do or that they might mishandle something and lose the client," says Grubman. "But many of the better advisors know that dealing with clients' emotional issues is a very important part of financial advising and planning."

To be sure, certain situations can be more challenging to FAs than others. For example, Grubman counsels some families, several of whose members suffer from Attention Deficit Hyperactivity Disorder (ADHD) and learning disorders, both of which are genetic and developmental in nature. Recent research has shown — and Grubman plans to soon start his own study — that the incidence of ADHD and/or dyslexia among successful, wealthy entrepreneurs

is four to five times higher than that of the general population.

"When half the people in the room have ADHD, family meetings are incredibly chaotic and frustrating. You can imagine how successful they are in trying to communicate about stressful issues! They never get anywhere because they're all over the place," says Grubman, who helps such families and their advisors make progress.

Born and reared in Canton, Ohio, the son of Holocaust survivors ("It really gave me empathy for some of the struggles people go through."), Grubman graduated from the University of Rochester with a bachelor's degree in psychology with honors, then received a master of science in pharmacology from the University of Michigan.

After earning a doctorate in clinical psychology from the University of Vermont in 1984, he began working in behavioral medicine, integrating psychological services with medical problems, in both private practice and hospitals.

"I did many things that would be precursors to my current work with financial services, like talking with patients about physician-patient communication. You can see the parallels," he notes.

Later, when he received two family inheritances, Grubman began interacting with financial advisors and estate attorneys. Around 2000, he came up with the idea of melding professionally his long-time immersion in psychology with his new-found interest in finance.

The psychologist predicts that clients will soon routinely expect FAs to be equipped with people-to-people skills in the psychology of money.

"I can easily see the day when clients will look for a credential that says an advisor has very good communication skills and training in understanding people. That," Grubman says, "will indicate you can trust them with your personal financial issues." **B**